REPUBLIC OF KENYA

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REPORT

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THE AUDITOR-GENERAL

ON

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – RONGAI CONSTITUENCY

FOR THE YEAR ENDED 30 JUNE, 2025

THE NATIONAL ASSEMBLY
PAPERS LAID
DATE: 03 DEC 2025
DAY. Wednesday
TABLED BY: Hon. Naomi Waqo MP
CLERK-AT THE-TABLE: Gertrude Chebet







NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

RONGAI CONSTITUENCY

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
30th JUNE 2025

Transitional IPSAS Financial Statements /Prepared in accordance with the Accrual Basis of Accounting Method Under International Public Sector Accounting Standards (IPSAS)



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1. Acronyms and Definition of Key Terms

A. Acronyms

AIE	Authority to Incur Expenditure
AC	Audit Committee
DCC	Deputy County Commissioner
IPSAS	International Public Sector Accounting Standards.
FAM	Fund Account Manager
NG-CDFB	National Government Constituencies Development Fund Board
NG-CDF	National Government Constituencies Development Fund
NG-CDFC	National Government Constituency Development Fund Committee
NSCA	National Sub-County Accountant
PFM	Public Finance Management
PMCs	Project Management Committees
PWD	Persons with Disability
FY	Financial Year

B. Definition of Key Terms

Fiduciary Management- Members of Management directly entrusted with the responsibility of financial resources of the entity.

Comparative Year- Means the prior period.

2. Key Constituency Information and Management

(a) Background information

The National Government Constituencies Development Fund (NG-CDF) formerly Constituencies Development Fund (CDF), is established under the NG-CDF Act 2015 (amended 2023). The Act is a successor to the Constituencies Development Fund (CDF) Act of 2003 which initiated the Fund and its subsequent amendments/reviews of 2007 and 2013. At the cabinet level, NG-CDF is represented by the Cabinet Secretary for the Treasury, who is responsible for the Fund's general policy and strategic direction.

Mandate

The mandate of the Fund as derived from sec (3) of the NG-CDF Act, 2015, is to:

a) Recognize the constituency as a platform for the identification, performance, and implementation of national government functions.
b) Facilitate the performance and implementation of national government functions in all parts of the Republic pursuant to Article 6 (3) of the Constitution.
c) Provide for the participation of the people in the determination and implementation of identified national government development projects at the constituency level pursuant to Article 10(2)(a) of the Constitution.
d) Promote the national values of human dignity, equity, social justice, inclusiveness, equality, human rights, non-discrimination, and protection of the marginalized pursuit to Article 10(2)(b) of the Constitution.
e) Provide for the sustainable development of all parts of the Republic pursuant to Article 10(2)(d) of the Constitution.
f) Provide a legislative and policy framework pursuant to Article 21(2) of the Constitution for the progressive realization of the economic and social rights guaranteed under Article 43 of the Constitution.
g) Provide mechanisms for the National Assembly to exercise oversight over the performance of exclusive national government functions at the constituency level as provided for under Article 95 of the Constitution.

h) Authorize withdrawal of money from the Consolidated Fund as provided under Article 206(2)(c) of the Constitution.

i) Provide mechanisms for supplementing infrastructure development at the constituency level in matters falling within the exclusive functions of the national government at that level in accordance with the Constitution.

j) Provide a framework for citizens-led development to assist the national government in planning and prioritizing the use of its resources.

k) Create a harmonious relationship between citizens and the national government and its officers in local development.

l) Provide a platform for citizens' participation in service delivery.

m) Build local accountability and transparency in the use of resources; and

n) Provide for a public finance system that promotes an equitable society and in particular expenditure that promotes equitable development of the country by making special provisions for marginalized groups and areas pursuant to Article 201(b)(iii) of the Constitution.

Vision

Equitable Socio-economic development countrywide.

Mission

To provide leadership and policy direction for effective and efficient management of the Fund.

Core Values

1. Transparency and Accountability
2. Professionalism and Integrity
3. Commitment and Teamwork
4. Neutrality and Objectivity
5. Timeliness and Excellence
6. Advocacy for Citizen Participation

Functions of NG-CDF Committee

The functions of the NG-CDF Committee are outlined in section 11 of The National Government Constituencies Development Fund Regulations, 2016.

(b) Key Management

The NGCDF Rongai Constituency's day-to-day management is under the following key organs:

i. National Government Constituencies Development Fund Board (NGCDFB)
ii. National Government Constituency Development Fund Committee (NGCDFC)

Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2025 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	AIE holder	Felix Munyaka Gad
2.	National Sub-County Accountant	Rufus N. Mburu
3.	Chairman NGCDFC	Josphat Kipngulat Koech
4.	Member NGCDFC	Joyce Wangui Ngatia

(c) Fiduciary Oversight Arrangements

The Audit Committee of the NGCDF Board provides overall fiduciary oversight on the activities of the NGCDF Rongai Constituency. The reports and recommendations of the Audit Committee, when adopted by the NGCDF Board, are forwarded to the Constituency Committee for action. The Board forwards any matters that require policy guidance to the Cabinet Secretary and National Assembly Select Committee.

(d) NGCDFB Constituency Headquarters

Harambee Sacco Building
Haile Selassie Avenue
Nairobi KENYA.

(e) NGCDFB Constituency Contacts

P.O. Box 46682-00100
Telephone: (254) 709894000
E-mail: ngcdf.go.ke
Website: www.ngcdf.go.ke

(f) NGCDF Rongai Constituency Bankers

1. KCB Bank. (Operations Account)
   1101849169
   Nakuru Branch
   P.O. Box 18-20100

2. Equity Bank. (Deposit account).
   01302849515595
   Gatehouse Branch
   P.O. Box 75104-00200

3. Access Bank. (PMC Accounts)
   Nakuru Branch
   P.O. Box

4. Sidian Bank. (PMC Accounts)
   Nakuru Branch
   P.O. Box 25363-00100
5. Access Bank. (PMC Accounts)
   P.O. Box 52
   Kabarak Branch

6. Equity Bank. (PMC Accounts)
   P.O. Box 75104-00200
   Gatehouse Branch

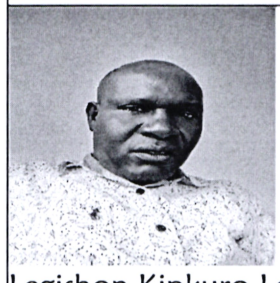
(g) Independent Auditor

Auditor General
Office of the Auditor General
Anniversary Towers, University Way
P.O. Box 30084
GPO 00100
Nairobi, Kenya

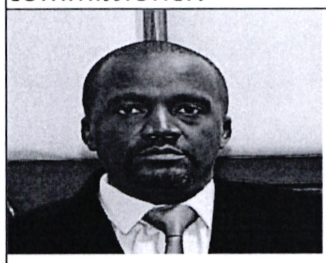
(h) Principal Legal Adviser

The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

3. NGCDF Committee

Name	Details
 Josphat Kipngulat Koech Charman -Male Adult	DOB:1/1/1970 Qualification: Bachelor's degree in education Experience: Retired teacher and businessman.
 Rose Chepkemboi Koech Secretary-Female Adult	DOB:4/4/1973 Qualification: Secondary Level -Farmer. Experience: Businesswoman and Farmer.
 Peter Lopeyok Lemis Member-Male Youth	DOB:05/12/1990 Qualification: Secondary Level-Farmer. Experience: Businessman and Farmer
 Legishon Kipkuro Letoo People Living with Disability	DOB:01/01/1968 Qualification: Secondary Level. Experience: Businessman and Farmer

 Jane Mogina Onyando Member-Female Youth	DOB:01/01/1990 Qualification: Secondary Level-Business Lady.
 John Wafula Muuyi Member- Male Adult	DOB:01/03/1962 Qualification: Secondary Level Experience: Farmer
 Joyce Wambui Ngatia Member-Female Adult	DOB:13/8/1978 Qualification: Secondary Level Experience: Businessman and Farmer
 Francis Zabaiwa Karin Member-co opted Nomine	DOB:5/6/1958 Qualification: Bsc in Entrepreneurship Experience: Businessman and Farmer

 William Murindatt- Deputy county commissioner.	DOB:1/1/1972 Qualification: Master's degree in social development- Experience: Deputy County Commissioner
 Felix Gad Munyaka FAM	DOB:12/10/1984 Qualification: BCOM, MBA -Field Operations officer. Experience: Field Operations Officer

4. NG-CDFC Chairman's Report



On behalf of the NG-CDF Rongai Constituency Committee and staff, I am honored to present the Annual Report and Financial Statements for the Financial Year 2024/2025.

Throughout the year, the Committee remained steadfast in fulfilling its core mandate of managing the Fund prudently, transparently, and accountably. Our responsibilities included reviewing project proposals submitted by residents of Rongai Constituency, ensuring all approved projects complied with Section 24 of the NGCDF Act, 2015, building the capacity of Project Management Committees (PMCs), and conducting comprehensive monitoring and evaluation of funded projects.

In accordance with the NGCDF Act, 2015 (as amended in 2022), these objectives were achieved primarily through:

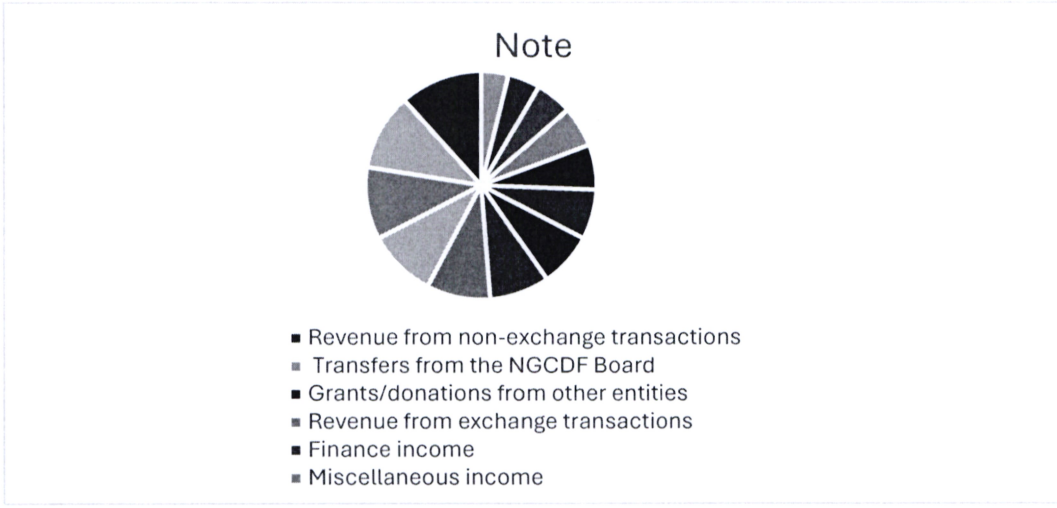
- Timely disbursement of funds received to PMCs.
- Continuous monitoring of projects; and
- Regular NG-CDF Committee meetings to provide oversight and direction.

Budget Performance

During the 2024/2025 financial year, the Constituency's budget performance—measured against actual expenditure by economic classification and programme—was adversely affected by delays in the disbursement of funds from the NG-CDF Board.

For the year ending 30th June 2025, NG-CDF Rongai Constituency had a final budget of Kshs. 313,717,656 which included an approved allocation of Kshs. 179,441,954.47; an opening balance of Kshs. 76,692,009 (including those in the PMC) and balances owing from the NGCDF Board of Kshs. 57,583,693. Of this approved allocation for the 2024/2025 Financial Year, Kshs. 128,000,000 was disbursed by the NGCDF Board, signifying Seventy-One Percent (71%) within the financial year.

Financial Performance for the period



Key Achievements

During the reporting period, the NG-CDF Rongai Constituency successfully implemented and completed a range of development projects aimed at improving infrastructure, enhancing security, and expanding access to education. Notable achievements include:

Education Infrastructure: Construction and renovation of classrooms, toilet blocks, laboratories, and administration blocks in various primary and secondary schools to provide conducive learning environments.

Security Enhancement: Construction of a police post to strengthen security within the constituency.

Transport Support for Schools: Purchase of school buses to facilitate safe and reliable student transportation.

Bursary Awards: Provision of bursaries to financially disadvantaged students to promote equitable access to education.

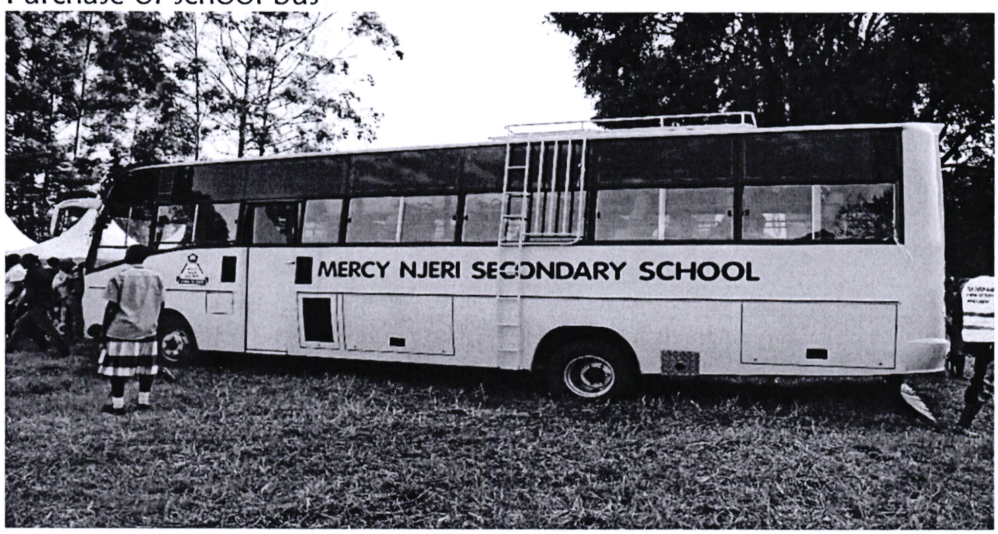
These projects have made a significant and direct contribution to improving the livelihoods of our constituents, while laying a strong foundation for sustainable progress in the years ahead.

A detailed list of projects implemented during the year is presented in the subsequent sections of this report.

Construction Of 2 No Classrooms in Kiamunyi Primary



Purchase of school bus



Emerging Issues

During the period under review, the following issues emerged and are expected to influence future planning:

- Increased number of requests from primary and secondary schools for funding to construct classrooms, administration blocks, and laboratories, driven largely by changes in the education sector, particularly the introduction of Junior Secondary School (JSS).

Implementation Challenges

The following challenges affected programme execution during the financial year:

- Insufficient Funding: Available resources were inadequate to meet the increasing development demands of the community. There is a pressing need to enhance NG-CDF allocations.
- Inadequate Facilitation: Current facilitation and sitting allowances for committee members remain low, affecting motivation and efficiency. A review and adjustment are necessary to boost morale and productivity.

Way Forward

To address the above challenges and enhance service delivery, the following actions are recommended:

- The NG-CDF Board should consider increasing project allocations to match the rising demands, especially in education and infrastructure.
- The allocation to the bursary fund should be expanded to cater for the growing number of needy students.
- Facilitation for committees, including sitting allowances, should be reviewed to improve motivation and performance.

.....

NAME: JOSPHAT KIPNGULAT KOECH
CHAIRMAN NGCDF COMMITTEE

5. Statement Of Performance Against Predetermined Objectives for FY2024-2025

Introduction

Section 81 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Accounting Officer, when preparing financial statements of each National Government entity in accordance with the standards and formats prescribed by the Public Sector Accounting Board includes a statement of the national government entity's performance against predetermined objectives.

The key development objectives of the ***NGCDF Rongai Constituency*** *2024-2025* plan are to:

1.Improving the quality of education and enrollment levels

2.Enhancing security in the region

3.Promotion of sustainable use of natural resources and conservation of the environment

4.Promoting youth development programs

5.Improve the quality-of-service delivery for Rongai NG-CDF

Progress on the attainment of Strategic development objectives

To implement and cascade the above development objectives to specific sectors, all the development objectives were made specific, measurable, achievable, realistic, and time-bound (SMART) and converted into development outcomes. Attendant indicators were identified for reasons of tracking progress and performance measurement. Below, we provide the progress on attaining the stated objectives:

Sector	Objective	Outcome	Indicator	Performance
Education	*To improve access to education for primary, secondary and college levels*	*To increase enrollment in education for primary, secondary in Rongai constituency*	*95 Institutions 165*	*In FY 2024/25 -we increased number of classrooms by 50 in the primary school i.e* Sigito Primary School Tuiyomoi Primary school

	in Rongai constituency			Moigowet Primary School *15 in secondary ie Belbur Secondary School* *Mamba Secondary School* *Testai Primary School. and pit latrine by 10 I.e Belbur Secondary School* *Naithuiti Primary School* *Bursary beneficiaries were approximately 11,150* *Tertiary beneficiaries 3,250 Secondary School 7858 Beneficiaries and 42 beneficiaries Pwd*
Security	*To improve and enhance security in the whole constituency*	*To enhance security in Rongai constituency*	*1Projects*	*In FY 2024/25 -we increased number of security projects from 2 to 3in the following Solai Police Post.*
Emergency	*To cater for unforeseen occurrences in the whole constituency*	*To improve development in the constituency*	*institutions*	Mogoiwet Primary School Belbur Secondary School Tumaini Primary School Losibil Primary School

6. Governance Statement

Section 43 of the NG-CDF Act provides:

1. Each constituency shall have a Constituency Development Fund Committee.
2. The Committee includes:

    - One national government official coordinating function
    - Two nominated men (one must be a youth)
    - Two nominated women (one must be a youth)
    - One person with a disability, nominated by a local disability group
    - Two nominated by the constituency office (under the Parliamentary Service Act)
    - One Board officer (ex officio, no voting rights)
    - One co-opted member nominated by the Board

3. The seven members in (b), (d), and (e) are selected based on qualifications set by the Board.

Appointment of NG-CDF Constituency Committee

1. NG-CDF Committee is established in every constituency.
2. Members include:

    - One national government official
    - Two nominated men (one must be a youth)
    - Two nominated women (one must be a youth)
    - One person with disability (nominated by a local group)
    - One Board officer (non-voting member)
    - One co-opted by the Board

3. Members listed in (b)–(e) are selected based on qualifications set by the Board.
4. Their names and relevant regulations are submitted to the National Assembly for approval.
5. The Committee must meet within 120 days of a new parliamentary term or byelection.
6. Quorum is half the number of members.
7. Term is 2 years, renewable, and ends when a new Committee is appointed.

NG-CDF Rongai Process Summary

In December 2024, the Fund Account Manager (FAM) informed previous NG-CDFC members that their two-year term had expired, as per Section 43(8) of the NG-CDF Act

and Regulation 5(2)(a), which require new committee formation after a parliamentary term begins. Following this, FAM Rongai Constituency advertised for new committee applicants and appointed a selection panel. The panel reviewed applications and listed qualified candidates. The constituency manager also nominated members. The FAM submitted nominees to the NG-CDF Board CEO, and the approved members were gazette on 29th November 2022 (VOL.CXXII-No.254).

Removal of NG-CDFC Members

Members may be removed under Section 43(13) of the NG-CDF Act, 2015 for reasons including:

- Violating the Constitution or law
- Lack of integrity or competence
- Unethical conduct or damaging committee reputation
- Causing internal conflict

At least 5 members must vote for removal after a fair hearing. The vacancy is filled per Section 10, and meeting minutes must record the change.

In Rongai:

- Public complaints trigger a special NG-CDFC meeting and If valid, the fund manager writes to the Board with minutes
- The nominee's name is submitted for gazettement, and the member receives a termination letter

Roles of the committee.

The functions of a Constituency Committee shall be to; -

1. Build the capacity of project management committees and Committee and sensitize the Community on the operations of the Fund.
2. Consider all project proposals from all wards in the Constituency and any other
3. Ensure that project proposals submitted to the Board include detailed budget proposals, procurement plans and work plans in approving a project and before submitting the project to the Board for consideration, satisfy itself and make a declaration to the effect that such project (works and services) fall within the functions of the National Government under the Constitution.

4. Consult with relevant government departments to ensure that cost estimates for projects are realistic in considering joint projects, ensure that the participating constituencies enter negotiations for effective implementation of such projects
5. Rank projects proposals in order of priority while ensuring that on-going projects take precedence

Number of meetings.

NG-CDF Act stipulates that NG-CDFC shall have a maximum of twenty-four meetings per year and not less than twelve including sub-committee meetings.

In Rongai Constituency, the NG-CDF Committee conducted twenty-four (24) meetings.

Names Of Committee Members	15.07.24	23.07.24	1.08.24	24-8-24	17.09.24	30.9-24	1-10-24	23-9-24	13-11-24	13-12-24	18-12-24	8-01-24	17-01-25	13-02-25	28-2-25	6-03-25	11-03-25	2-04-25	13/5/24	27/5/25	6-04-25	3-06-25	17-6-25	30/6/25
Josphart Kipngulat Koech-Chairperson	√		√	√	√	√	√	√	√	√	√		√	√	√	√	√	√	√	√	√	√	√	√
Rose Chepkemboi Koech - Secretary	√		√	√	√	√	√	√	√	√	√		√	√	√	√	√	√	√	√	√	√	√	√
Peter Lopeyok Lemis	√		√	√	√	√	√	√	√	√	√		√	√	√	√	√	√	√	√	√	√	√	√
Legishon Kipkuro Letoo	√		√	√	√	√	√	√	√	√	√		√	√	√	√	√	√	√	√	√	√	√	√
Joyce Wambui Ngatia	√		√	√	√	√	√	√	√	√	√		√	√	√	√	√	√	√	√	√	√	√	√
Jane Mongina Onyando	√		√	√	√	√	√	√	√	√	√		√	√	√	√	√	√	√		√	√	√	√
John Wafula Muuyi	√		√	√	√	√	√	√	√	√	√		√	√	√	√	√	√		√	√	√	√	√
Francis Zabaiwa Karin	X		X	X	X	X	X	X	X	X	X		X	X	X	X	X	X	X	X	X	√	√	√

Policy on conflict of interest.

The act specifies that any member with interest shall resign from the committee.

None of the NG-CDFC members declared conflict of interest within the course of the year.

Remuneration of members.

The NG-CDFC members are to meet at least 6 meetings and not more than 24 meetings in a financial year. Members are to be facilitated at a rate of Kshs. 5,000 and the chairperson Kshs. 7,000 per sitting.

Ethics and good conduct.

Regulation 6 requires one to serve as a member of the NG-CDF Committee. he or she must be:

a) A citizen of Kenya.

b) Ordinarily resident and a voter in the constituency:

c) Able to read and write, and to communicate in English and Kiswahili.

d) Meet the requirement of Chapter six of the Constitution of Kenya.

During the nomination of members, the FAM and selection panel made sure members met the requirements of chapter 6 of the constitution and were of good conduct.

Risk management.

It is the responsibility of each committee member to be versed with the constituency risks and put in place measures to prevent and control them.

7. Management Discussion and Analysis

The primary function of the NG-CDF funds is to facilitate grassroot development and reduce poverty by allocating funds to projects identified by the community from each ward. For the past 5 financial years NG-CDF Rongai has received a total of **Ksh. 774,069,125.47** from the board.

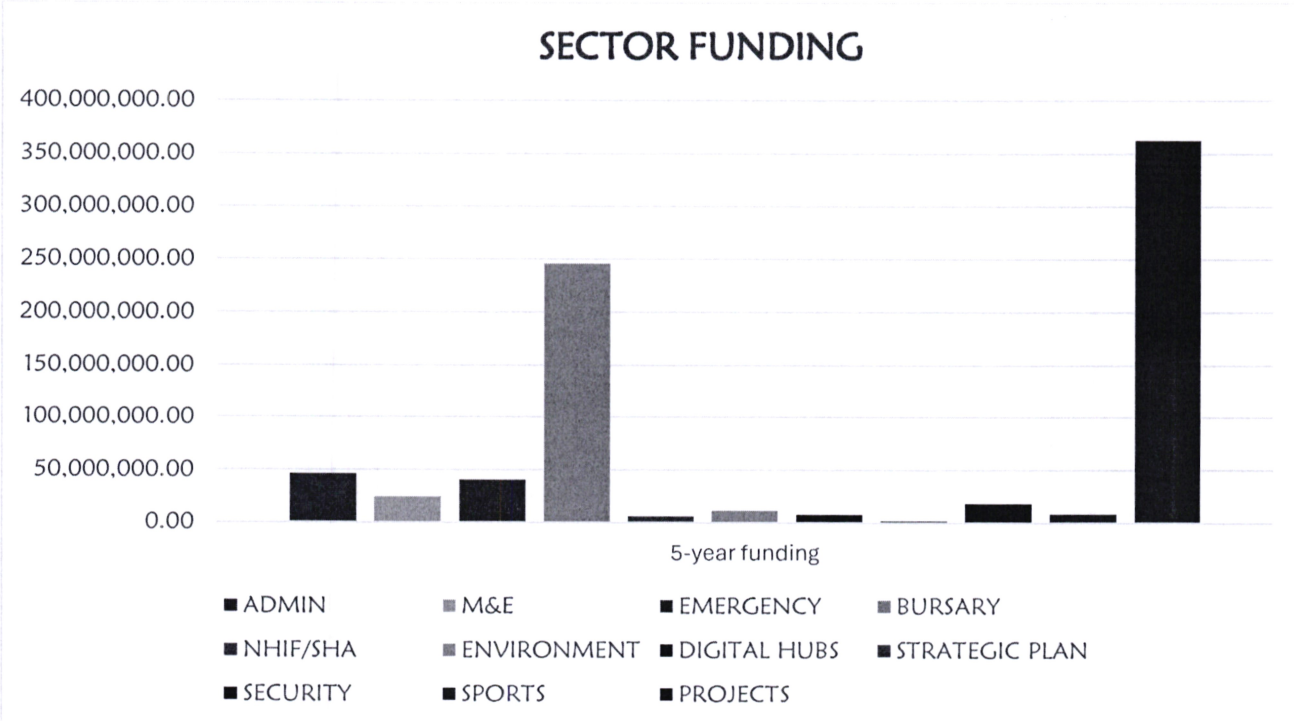
I. Operational Performance

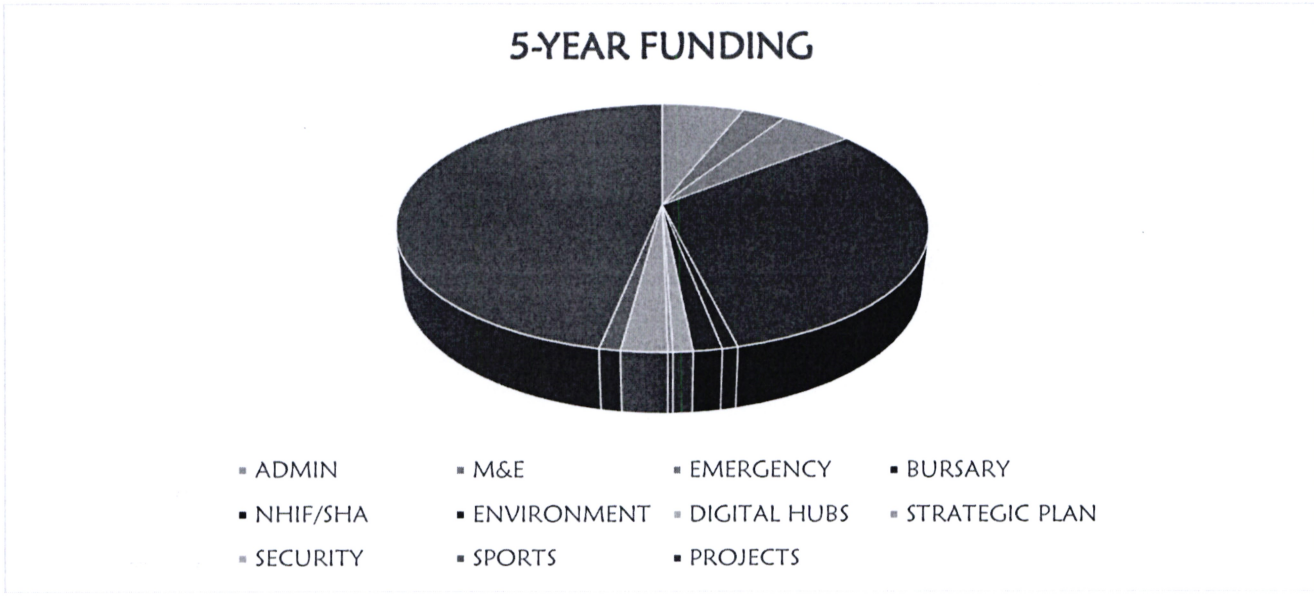
The major operations of the fund have been on bursaries for needy students both in secondary and tertiary institutions, primary and secondary schools' infrastructure, that is classes and washrooms, climate change and social security just to mention a few.

FY	24/25	23/24	22/23	21/22	20/21
ADMIN	10,766,517.27	10,417,866.52	8,770,385.00	8,225,333.00	8,225,333.00
M&E	5,383,258.63	4,982,000.00	5,803,504.00	4,100,000.00	4,100,000.00
EMERGENCY	9,444,313.39	9,229,569.00	7,636,190.00	7,192,207.00	7,192,207.00
BURSARY	63,284,865.18	51,132,374.48	45,649,517.94	42,983,107.00	42,983,106.00
NHIF/SHA	2,100,000.00	2,100,000.00	1,998,000.00	-	-
ENVIRONMENT	3,000,000.00		2,901,750.00	2,741,778.00	2,741,778.00
DIGITAL HUBS	7,883,000.00	-	-		
STRATEGIC PLAN	-	-	2,000,000.00		
SECURITY	-	5,300,000.00	4,000,000.00	4,500,000.00	4,500,000.00
SPORTS	-	-	2,919,776.06	2,741,778.00	2,741,778.00
PROJECTS	77,580,000.00	92,200,000.00	63,408,480.00	64,604,677.00	64,604,677.00
TOTAL	**179,441,954.47**	**175,361,810.00**	**145,087,603.00**	**137,088,879.00**	**137,088,879.00**

The table below shows allocations per sector funding for the past 5 financial years. From these we can deduce that school projects and bursary have been the biggest beneficiaries of the funds. This has hence improved the learning conditions of students and increased the number of classes supporting the free primary education and the 100% transition from primary to secondary school.

Sector	5-year funding
ADMIN	46,405,434.79
M&E	24,368,762.63
EMERGENCY	40,694,486.39
BURSARY	246,032,970.60
NHIF/SHA	6,198,000.00
ENVIRONMENT	11,385,306.00
DIGITAL HUBS	7,883,000.00
STRATEGIC PLAN	2,000,000.00
SECURITY	18,300,000.00
SPORTS	8,403,332.06
PROJECTS	362,397,834.00

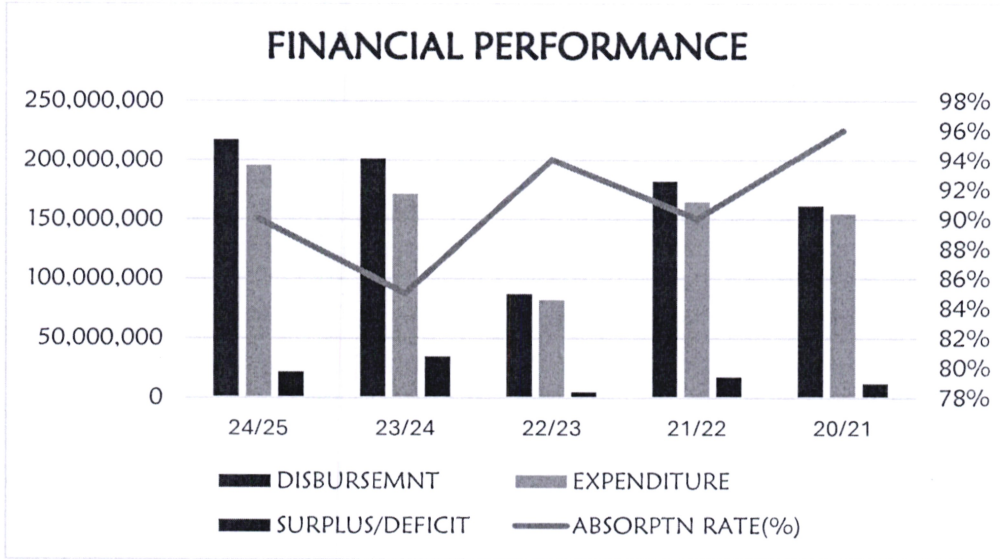




II. Financial Performance

The table below shows the financial performance of the fund for the past 5 financial years with their absorption rates. It is good to note that for each financial year the disbursements received from the board was used instead of the allocations per year.

FY	DISBURSEMNT	EXPENDITURE	SURPLUS/DEFICIT	ABSORPTN RATE(%)
24/25	**217,225,975**	202,424,566	14,801,409	93%
23/24	**201,077,682**	171,439,006	34,589,737	85%
22/23	**87,000,000**	82,121,450	4,878,550	94%
21/22	**182,134,548**	164,606,578	17,527,970	90%
20/21	**161,367,724.10**	154,754,616	12,028,869.05	96%



III. Key Projects

S.NO	PROJECT NAME	ACTIVITY	BUDGET	STATUS	COMPLETION (%)
1	Kware Kapkwen Primary School	Renovation of ten classrooms; JSS and administration block.	8,300,000	Complete	100%
2	Magare Primary School	Renovation to completion of three classrooms.	1,200,000	Complete	100%
3	Lelechwet Primary School	Construction to completion of Administration block with staffroom and three offices.	3,500,000	Complete	100%
4	Koisamo Primary School	Construction to completion of two classrooms.	3,000,000	Complete	100%

IV. Statutory Compliance

FY	KRA	NSSF	NHIF/SHA
24/25	√	√	√
23/24	√	√	√
22/23	√	√	√
21/22	√	√	√
20/21	√	√	√

V. Risks

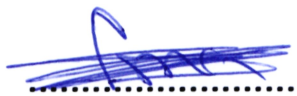
a) Late disbursement of funds from the board
b) Constitutional risk due to the legality of the NG-CDF funds.

VI. Material arrears

a) The constituency does not have any material arrears.

VII. Future developments

- The fund under NGCDF Rongai has a plan of Purchasing a school bus for Kampi Ya Moto Secondary School. This will ease movement of students during various functions.
- The fund also has a plan to either build and equip or equip digital hubs in all the five wards within Rongai Constituency.



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Felix Gad
Fund Account Manager

8. Environmental and Sustainability Reporting

The Constituency recognizes that its operations inevitably have an impact on the environment. Guided by the Sustainable Development Goals (SDGs), NG-CDF Rongai has dedicated part of its budget to environmental conservation initiatives. These include tree planting, water conservation programs, agroforestry sensitization forums, and the promotion of best practices to mitigate soil erosion. Strategic partnerships have been established with learning institutions to ensure the long-term sustainability of these programs.

1. Sustainability Strategy and Profile

To secure long-term sustainability, the NG-CDF Rongai Committee continues to prioritize funding in key sectors, guided by the following strategic priorities:

a. **Education and Training**

Human capital development remains central to the Constituency's strategy. Support is extended to bright and needy students from every ward, with the aim of enabling secondary school beneficiaries to transition to tertiary institutions, and tertiary-level students to join the workforce as skilled employees or entrepreneurs. This approach is designed to foster economic growth and reduce inequality, with special attention given to marginalized groups, including girls and people living with disabilities.

b. **Security Sector Support**

Security is a core pillar of the Constituency's development strategy. Investments are directed towards creating a safe working environment for security personnel and fostering community–law enforcement collaboration. This long-term approach aims to build public trust, reduce crime, and strengthen community policing initiatives.

c. **Environmental Stewardship**

Environmental conservation remains a priority, with budget allocations dedicated to tree planting, water conservation, soil erosion control, and public sensitization on agroforestry. The Constituency actively partners with schools and community groups to maintain these initiatives over time.

2. Environmental Performance

In the year under review, NG-CDF Rongai:

- Supported student-led environmental initiatives, such as organized tree planting activities held once every academic calendar year.
- Promoted youth and community sensitization on the effects of drug abuse, complemented by infrastructural support to Chiefs' Offices and police stations to aid enforcement and awareness programs.

3. Employee Welfare

The Constituency is committed to providing a safe, healthy, and empowering work environment in compliance with the Employment Act, the NGCDF Act, and other applicable regulations. Key commitments include:

- Equal opportunity employment, adherence to the one-third gender rule, and inclusivity for special groups.
- Recognition and reward systems based on performance appraisals.
- Continuous professional development through technical training and sensitization on cross-cutting issues.
- Occupational safety compliance under the Occupational Safety and Health Act, 2007 (OSHA), including accessible workspaces, fire safety measures, and emergency preparedness plans.

4. Marketplace Practices

NG-CDF Rongai upholds fairness, transparency, and integrity in all procurement and business engagements.

Key practices include:

- Transparent and competitive bidding processes provide equal opportunities for all participants.
- Prioritization of local vendors to promote economic empowerment within the constituency.
- Timely honoring of contracts and prompt payment to suppliers.
- Regular sensitization forums on procurement regulations, ethical standards, and anti-corruption practices.

The Constituency remains committed to:

- Encouraging fair competition and maintaining zero tolerance for corruption.
- Strengthening supplier relationships through open communication and reliability.
- Ensuring responsible marketing, advertising, and consumer protection.

5. Community Engagement

NG-CDF Rongai values active community involvement in development processes through both Corporate Social Responsibility (CSR) activities and formal public participation.

Public Participation in Project Identification, Implementation, and Monitoring

The Constituency consults all wards to collect and deliberate on project proposals. Priority is given to projects aligned with national development plans, policies, and the constituency's strategic development plan. Approved projects are submitted to the NG-CDF Board in accordance with the Act.

Public participation ensures stakeholders are actively engaged in decision-making, with their input fully considered in final project selections. For example, during bursary allocation, community leaders help identify deserving students to ensure transparency and fairness.

Public Awareness Initiatives

The Constituency maintains mechanisms for collaboration with local, regional, and national agencies. Public awareness is enhanced through community-based needs assessments, public meetings, and targeted campaigns. These efforts are integrated into all project identification and proposal collection processes across wards.



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Name: Felix Munyaka Gad
Fund Account Manager.

9. Statement Of Management Responsibilities

Section 81 (1) of the Public Finance Management Act, 2012, requires that, at the end of each financial year, the accounting officer for a National Government Entity shall prepare financial statements in respect of that entity. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed by the Public Sector Accounting Standards Board of Kenya from time to time.

The Accounting Officer in charge of the NGCDF-Rongai Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2025. This responsibility includes: Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; Designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; Safeguarding the assets of the entity; Selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the NGCDF-Rongai Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Accrual Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *constituency's* financial statements give a true and fair view of the state of *entity's* transactions during the financial year ended June 30, 2025, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF- Rongai Constituency further confirms the completeness of the accounting records maintained for the *constituency,* which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

The Accounting Officer in charge of the NGCDF Rongai Constituency confirms that the *constituency* has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further, the Accounting Officer confirms that the *constituency*'s financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

In preparing the financial statements, the Committee has assessed the Fund's ability to continue as a going concern and disclosed as applicable. Nothing has come to the attention of the Committee that the Fund will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The NGCDF- Rongai Constituency financial statements were approved and signed by the Accounting Officer on 26/8/ 2025.

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Name: Josphat Kipngulat Koech
Chairman – NGCDF Committee

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Name: Felix Munyaka Gad
Fund Account Manager

REPUBLIC OF KENYA

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REPUBLIC OF KENYA

OFFICE OF THE AUDITOR-GENERAL
Enhancing Accountability

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Anniversary Towers
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P.O Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - RONGAI CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2025

PREAMBLE

I draw your attention to the contents of my report which is in three parts:

A. Report on Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements;

B. Report on Lawfulness and Effectiveness in the Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure that the Government achieves value for money and that such funds are applied for the intended purpose; and,

C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

A Qualified Opinion is issued when the Auditor-General concludes that, except for material misstatements noted, the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Report on Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management and Governance.

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012, and the Public Audit Act, 2015. The three parts of the report when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Constituencies Development Fund - Rongai Constituency set out on pages 1 to 81, which comprise of

the statement of financial position as at 30 June, 2025 and the statement of financial performance, statement of changes in net assets, statement of cash flows and the statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of National Constituencies Development Fund - Rongai Constituency as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the National Government Constituencies Development Fund Act, 2015 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Inaccuracies in the Financial Statements

1.1. Misstatement of Comparative Cash and Cash Equivalent

The statement of financial position reflects cash and cash equivalents comparative balance of Kshs.76,639,485. However, the previous years audited financial statements reflects an amount of Kshs.35,563,724 resulting in an unexplained variance of Kshs.41,075,761.

1.2. Misstatement of Accumulated Surplus

In addition, the statement of financial position reflects a Nil amount in respect of accumulated surplus. However, the statement of changes in net assets reflects an amount of Kshs.110,701,896 resulting in an unexplained variance of Kshs.110,701,896.

1.3. Misstatement of Statement of Comparison of Budget and Actual Amount

The statement of comparison of budget and actual amounts reflects total actual expenditure amount of Kshs.202,135,800. However, the statement of cash flows reflects an amount of Kshs.200,687,760 resulting in an unexplained variance of Kshs.1,448,040.

1.4. Unsupported Additions of Fixed Assets

Annex 1 of the financial statements reflects the summary of asset register as at 30 June 2025. However, the additions during the year amount of Kshs.1,395,445 have not been supported with any verifiable documentation.

In the circumstances, the accuracy and completeness of the financial statements could not be confirmed.

2. Unconfirmed Opening Balances

Review of the Fund's financial statements and the corresponding Notes to the financial statements revealed that there were opening balances of Kshs.10,952, Kshs.540,155, Kshs.115,810 in respect of prepayment, property, plant and equipment and third-party deposits. However, the opening balances could not be confirmed since there were no supporting schedules or computations that were provided for audit verification.

In the circumstances, the accuracy of the opening balances brought forward from the financial year 2023/2024 could not be confirmed.

3. Unconfirmed Cash and Cash Equivalents Balance

The statement of financial position and Note 19 to the financial statements reflect cash and cash equivalents balance of Kshs.57,139,973 which was held in various bank accounts. The balance includes an amount of Kshs.21,712,921 in relation to the Fund's operations account. Review of the bank reconciliation statement for the operations account for the month of June, 2025 revealed that there were unpresented cheques amounting to Kshs.44,677,511. Management did not provide an explanation why the cheques, some of which are long outstanding, have not been cleared through the bank or written back into the cash book.

In addition, Note 19 to the financial statements reflects a Nil balance for the operations account pending closure. However, the cash books, bank statements, bank confirmation certificate and bank reconciliation statements were not provided for audit verification.

The balance of Kshs.57,139,973 includes project management committees (PMCs) total amount of Kshs.35,435,648. Further, Note 19 to the financial statements reflects a comparative balance of Kshs.41,024,204 in respect of the PMCs accounts. However, Annex 2 to the financial year reflects a prior year balance of Kshs.40,572,653 resulting to an unexplained variance of Kshs.451,551. The previous year's audited financial statements further reflects an amount of Kshs.6,081,000 resulting in an unexplained variance of Kshs.34,943,204.

Further, the PMC bank balances were not transferred to the Constituency account as required. This was contrary to Section 12 (8) of the National Government Constituencies Development Fund Act, 2015 states that all unutilized funds of the Project Management Committee shall be returned to the Constituency bank account.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.57,139,973 could not be confirmed.

4. Unconfirmed Property, Plant and Equipment Balance

The statement of financial position and Note 23 to the financial statements reflect property, plant and equipment balance of Kshs.1,487,809. However, Annex 1 to the

financial statements on the summary of asset register reflects assets closing balance of Kshs.10,300,817 resulting in an unexplained variance of Kshs.8,813,008.

In the circumstances the accuracy and completeness of the property, plant and equipment balance of Kshs.1,487,809 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituencies Development Fund - Rongai Constituency Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis amounts of Kshs.313,717,657 and Kshs.259,275,703 respectively, resulting to under-funding of Kshs.54,441,954 or 17% of the budget. Further, the statement reflects that the Fund spent an amount of Kshs.202,135,730 against actual receipts of Kshs.259,275,703 resulting to under-absorption of Kshs.57,139,973 or 22% of actual receipts.

The under-funding and under absorption affected the planned activities of the Fund and may have impacted negatively on service delivery to the residents of Rongai Constituency.

My opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the effect of the matters described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

Other Matter

Unresolved Prior Year Audit Matters

In the audit report of the previous year, several issues were raised under the Report on the Financial Statements and Report on Lawfulness and Effectiveness in Use of Public Resources as reflected in Annex 3 to the financial statements. However, Management has not explained how the issues were addressed or resolved.

Other Information

Management is responsible for the Other Information set out on page iii to xxxiv which comprise of Key Constituency Information and Management, NGCDF Committee, Management Team, NGCDF Chairman's Report, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting and Statement of Management. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the Fund's financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

My opinion on the financial statements does not cover the Other Information and accordingly, I do not express an audit opinion or any form of assurance conclusion thereon.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in the Use of Public Resources section of my report, I confirm that nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Irregular Recruitment of Staff at the Constituency Office

The statement of financial performance reflects employee costs amounting to Kshs.4,680,331 as disclosed in Note 10 to the financial statements. Review of employment records revealed that the Constituency office has ten (10) employees. This was contrary to National Government Constituencies Development Fund Board Circular dated 24 June, 2013 which recommends that employment positions in the Constituency Fund offices should not exceed five (5).

In the circumstances, Management was in breach of the policy and regulations.

2. Unsatisfactory Implementation of Projects

The statement of financial performance and Note 13 to the financial statements reflect an amount of Kshs.107,259,155 in respect of other Government units actual expenditure. The balance relates to expenditure incurred on various projects in primary and secondary schools. However, physical inspection of some projects worth Kshs.21,466,000 carried out on 21 October, 2025, revealed poor workmanship in some of the projects implemented, incomplete works and projects completed but not in use. The details are as shown in **Appendix I** attached.

In the circumstances, the value for money on the expenditure of Kshs.21,466,000 already spent on the projects could not be confirmed.

3. Failure to File Report on Utilization of Emergency Reserve

The statement of financial performance reflects an expenditure of Kshs.75,056,938 in respect of other grants and transfers actual expenditure. Included in the amount is Kshs.8,684,375 in respect of funds utilized on eleven (11) emergency projects from the emergency reserves. However, no evidence was provided for audit review to confirm if the utilization of emergency reserves was reported to the National Government Constituencies Development Fund (NGCDF) Board within thirty (30) days of the occurrence of the emergency. This was contrary to Regulation 20 (2) of National Government Constituencies Development Fund Regulations, 2016, which provides that the utilization of emergency reserve shall be reported to the Board within thirty days of the occurrence of the emergency, in the format prescribed by the Board.

In the circumstances, Management was in breach of the regulations.

4. Project Implementation Status

Review of the project implementation status reports for the financial year 2024/2025 indicated that sixty (60) projects received a total funding of Kshs.121,706,883 and were at different implementation status as detailed out below:

Status	Number of Projects	Amount (Kshs.)
Completed	44	77,523,883
On-going	3	5,900,000
Not Started	13	38,283,000
Total	**60**	**121,706,883**

The funds for the ongoing and not started projects had been remitted to the respective Project Management Committee (PMC) bank accounts. However, no satisfactory explanation was provided for not implementing the projects on time or as scheduled.

In the circumstances, Projects which have delayed completion time or are not implemented, impact negatively on the service delivery to the residents of Rongai Constituency.

5. Unsupported Acquisition of School Busses

The statement of financial performance reflects an amount of Kshs.107,259,155 in respect of other Government units actual expenditure which as disclosed in Note 13 to the financial statements includes secondary schools actual expenditure amounting to Kshs.39,750,195.

During the year under review, the Fund procured one (1) 46-seater semi luxury disability friendly Isuzu bus for Kipseynan Secondary school from a local Company at a contract sum of Kshs.10,500,000. The procurement process commenced through a tender advertisement dated 18 February, 2025 and the tender opening minutes done on 25 February, 2025. However, the procurement file provided for audit lacked the respective bid documents. It was therefore not possible to authenticate the tender evaluation minutes provided. Further, there was no acknowledgement letter for receiving the bus from the beneficiary school. In addition, the payment voucher was not supported with a copy of log book for the vehicle

Further, the Fund procured another 46-seater semi luxury disability friendly Isuzu Bus for Mercy Njeri Secondary School from a local Company at a contract sum of Kshs.10,500,000. Similarly, the procurement process started through tender advertisement dated 18 February, 2025 and the tender opening minutes done on 25 February, 2025. However, the procurement file provided for audit lacked the respective bid documents and it was not possible to authenticate the tender evaluation minutes provided. Further, there was no acknowledgement letter for receiving the bus from the beneficiary school and the payment voucher was not supported with a copy of the log book for the bus.

In the circumstances, the propriety of the expenditure of Kshs.21,000,000 in respect of the purchase of the two (2) buses could not be confirmed.

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal controls, risk Management and overall governance were operating effectively in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue to as a going concern, disclosing, as applicable, matters related to going concern and using the concern basis of accounting unless Management is aware of the intention to terminate the Fund or to cease operations.

Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015.

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements comply with the authorities which govern them and that public resources are applied in an effective way.

Those charged with governance are responsible for overseeing the Fund's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error

and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7 (1) (a) of the Public Audit Act, 2015.

Further, I am required to submit the audit report in accordance with Article 229(7) of the Constitution.

Detailed description of my responsibilities for the audit is located at the Office of the Auditor-General's website at: https://www.oagkenya.go.ke/auditor-generals-responsibilities-for-audit/. This description forms part of my auditor's report.

FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

21 November, 2025

Appendix I – Unsatisfactory Implementation of Projects - Schools

Institution	Details	Amounts(Kshs.)	Observation
Morop Primary School	Construction to completion of two classrooms completed with terrazzo and purchase of 36 lockers and chairs	2,716,000	Poor roofing work, poor paint work, cracks in the doors
Naithuliti Primary School	Construction to completion of two classrooms completed	2,500,000	Poor workmanship on the paintings, cracks on the walls, broken electricity switch, uncovered electricity meter box
Mogoiwet Primary School	Renovation to completion of seven classrooms :roofing , plastering , floor screeding ,fixing windows and doors , glazing and painting	3,700,000	Poor workmanship on the floor, plastering and painting
Kware Kapkwen Primary School	Renovation to completion of 10 classrooms and administration block :roofing ,plastering ,floor screeding ,glazing and painting	8,300,000	Poor workmanship in painting and plastering of walls
Koisamo Primary School	Construction to completion of two classrooms to completion	3,000,000	Completed but not in use
Losibil Primary School	Construction to completion of classroom	1,250,000	Completed but not in use
	Total	**21,466,000**	

11. Financial Performance for the year ended June 30, 2025

	Note	2024/2025
		Kshs
Revenue from non-exchange transactions		
Transfers from the NGCDF Board	6	179,441,954
Grants/donations from other entities	7	-
Revenue from exchange transactions		
Finance income	8	-
Miscellaneous income	9	-
Total revenue		**179,441,954**
Expenses		
Employee costs	10	4,680,331
Committee expenses	11	6,787,116
Use of Goods and Services	12	8,193,165
Other Government Units Actual expenditure	13	107,259,225
Other Grants and Transfers Actual expenditure	14	75,056,938
Depreciation and amortization expense	15	447,791
Digital Hubs Actual expenditure	16	-
Total expenses		**202,424,566**
Other gains/(losses)		
Gain/Loss on Sale of Assets	17	-
Impairment loss	18	-
Surplus/(Deficit) for the year		**(22,982,612)**

The Constituency financial statements were approved by the NGCDFC on _____ 2025 and signed by:

Chairman NG-CDF Committee	**National Sub-County Accountant**	**Fund Account Manager**
Name: Josphart Kipngulat Koech	**Name: Rufus Mburu**	**Name: Felix Munyaka Gad**
	ICPAK - 20454	

12. Statement Of Financial Position As At 30th June, 2025

	Note	2024/ 2025	2023/2024
		Kshs	Kshs
Assets			
Current Assets			
Cash And Cash Equivalents	19	57,139,904	76,639,485
Receivables from Exchange Transactions	20	-	-
Receivables from Non-Exchange Transactions	21	54,441,954	57,583,693
Prepayments	22	10,952	10,952
Total Current Assets		111,592,810	134,234,130
Non-Current Assets			
Property, Plant and Equipment	23	1,487,809	540,155
Intangible Assets	24	-	-
Right-of-use assets	25	-	-
Total Non- Current Assets		1,487,809	540,155
Total Assets (A)		113,080,619	134,774,285
Liabilities			
Current Liabilities			
Trade and Other Payables	26	-	-
Third-Party Deposits	27	1,438,943	115,810
Lease Liabilities	28	-	-
Gratuity provision	29	939,780	973,967
Total Current Liabilities		2,378,723	1,089,777
Non-Current Liabilities			
Lease Liabilities	28	-	-
Total Liabilities (B)		2,378,723	1,089,777
Net Assets (A-B)		**110,701,896**	133,684,508
Represented by:			
Revaluation Reserves		**110,701,896**	133,684,508
Accumulated Surplus			
Total Net Assets		**110,701,896**	133,684,508

The Constituency financial statements set out on pages 1 to 5 approved by NG CDFC on 20/8/ 2025 and signed by:

Chairman NG-CDF Committee Name: Josphart Kipngulat Koech	National Sub-County Accountant Name: Rufus Mburu ICPAK - 20454	Fund Account Manager Name: Felix Munyaka Gad

13. Statement of Changes in Net Assets for the year ended June 30, 2025

Description	Reserves	Accumulated surplus/Deficit	Total
	Kshs	Kshs	Kshs
As at 30th June 2024 (cash basis)		34,589,757	34,589,757
Adjustments: (to recognize assets and liabilities			
Add Assets		99,210,561	99,210,561
Less Liabilities		115,810	115,810
As at July 1, 2024		133,684,508	**133,684,508**
Surplus/(Deficit) For the Period		(22,982,612)	(22,982,612)
Revaluation Gain/Loss		-	-
As at 30th June (current year)		**110,701,896**	**110,701,896**

Note:
1. For items that are not common in the financial statements, the Entity should include a note on what they relate to – either on the face of the statement of changes in equity/net assets or among the notes to the financial statements.
2. Prior year adjustments should have an elaborate note describing what the amounts relate to. In such instances, a restatement of the opening balances needs to be done.

14. Statement Of Cash Flows for the year ended 30th June 2025

	Notes	2024/2025
		Kshs
Cash flows from operating activities		
Receipts		
Transfers from the NGCDF Board		182,583,693
Grants/donations from other entities		-
Finance income		-
Miscellaneous income		-
Total Receipts		**182,583,693**
Payments		
Employee costs		4,714,519
Committee expenses		6,787,116
Use of Goods and Services		8,193,165
Other Government Units Certified Works		106,230,556
Other Grants and Transfers		74,762,474
Digital Hubs Expenses		-
Total Payments		**200,687,830**
Net Cash Flows from/ (used in) Operating Activities	28	**(18,104,137)**
Cash flows From Investing Activities		
Purchase of PPE		1,395,445
Purchase of Intangible assets		-
Proceeds From Sale of PPE		-
Net Cash Flows from Investing Activities		**1,395,445**
Net increase/(decrease) in cash & Cash equivalents		(19,499,582)
Cash Flows from Financing Activities		
Lease payment		-
Net Cash Flows from Financing Activities		**(19,499,582)**
Cash and cash equivalents at Period Start	17	**76,639,485**
Cash and cash equivalents at Period End	17	**57,139,903**

15. Statement of Comparison of Budget and Actual Amounts for the Year ended 30 June 2025

	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilization
	Kshs	Kshs		Kshs	Kshs	Kshs	
	a	b		C=(a+b)	d	e=(c-d)	f=d/c*100
	2024/2025	Opening Balance (operational, deposit and PMCs C/Bk) and AIA	Previous Years' Outstanding disbursements	*2024/2025*	*2024/2025*		
Revenue							
Transfers From the NGCDF Board	179,441,954	76,639,485	57,583,693	**313,665,132**	**259,223,178**	**54,441,954**	**83%**
Grants/donations from other entities	-	-	-	-	-	-	
Finance income	-	-	-	-		-	
Miscellaneous income	-	52,525	-	**52,525**	52,525	-	
Totals	**179,441,954**	**76,692,010**	**57,583,693**	**313,717,657**	**259,275,703**	**54,441,954**	**83%**
Expenses							
Employee costs	5,464,594	70,154	1,290,225	**6,824,973**	**4,714,519**	**2,110,454**	**69%**
Committee expenses	4,156,000	3,361,648	2,549,230	**10,066,878**	**6,787,116**	**3,279,762**	**67%**
Use of Goods and Services	6,529,182	5,900,340	1,179,211	**13,608,733**	**8,193,165**	**5,415,568**	**60%**
Other Government Units Certified Works	73,880,000	61,508,381	41,521,883	**176,910,264**	**106,230,556**	**70,679,708**	**60%**
Other Grants and Transfers	81,912,179	3,910,762	8,043,144	**93,866,084**	**74,762,474**	**19,103,610**	**80%**

Other Payment	700,000	-	-	**700,000**	-	**700,000**	**0%**
Acquisition Of Asset	-	1,888,200	-	**1,888,200**	**1,395,445**	**492,755**	**74%**
Funds Pending Approval**	6,800,000	52,525	3,000,000	**9,852,525**	**52,525**	**9,800,000**	**1%**
Total Expenditure	**179,441,954**	**76,692,009**	**57,583,693**	**313,717,656**	**202,135,800**	**111,581,857**	**64%**
Surplus for the period	-	1	-	1	57,139,903	**111,581,857**	

Explanatory Notes.

**Funds pending approval are sums not yet approved by the board for utilization and include approved allocations and/or AIA not yet allocated for specific projects.

The overall budget utilization performance shows that most expenditure items achieved satisfactory absorption, particularly those exceeding 60% utilization. Categories such as Transfers from the NGCDF Board, Employee Costs, Committee Expenses, Other Grants and Transfers, and Acquisition of Assets were well utilized. This indicates effective implementation of planned activities and timely use of funds within the approved expenditures. The slight variances in these items mainly arose from minor delays in disbursements.

Overall, these areas demonstrate strong financial performance and efficient fund management during the period under review.

Conversely, items recording less than 60% utilization — including Use of Goods and Services, Other Government Units Certified Works, Other Payments, was largely due to not being prioritized during the allocation of approved disbursed funds this resulted in low prioritization of administrative expenses, and pending project approvals from the board. The affected areas will require improved planning and timely AIE allocation in subsequent periods to ensure full absorption and alignment with intended program objectives.

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	**Amount**
Budget utilization difference totals	111,581,857
Less undisbursed funds receivable from the Board as at period 30,2025	54,441,954
Cash and Cash Equivalents at the end of the 30th June 2025	57,139,903

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.

The Constituency financial statements were approved by NG CDFC on 20/8 2025 and signed by:

Fund Account Manager	**National Sub-County Accountant**	**Chairman NG-CDF Committee**
Name: Félix Munyaka Gad	**Name: Rufus Mburu** **ICPAK : 20454**	**Name: Josphat Kipngulat Koech**

16. Budget Execution by Sectors And Projects For The Year Ended 30th June 2025

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (operational, deposit and PMCs C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent						
1.1 Compensation of employees	5,464,594	70,154	1,290,225	**6,824,973**	4,714,519	**2,110,454**
1.2 Committee allowances	1,780,000	**2,015,712**	2,049,230	**5,844,942**	3,522,017	**2,322,925**
1.3 Use of goods and services	3,521,923	2,555,090	242,064	**6,319,077**	4,081,811	**2,237,266**
Sub-total	**10,766,517**	**4,640,956**	**3,581,519**	**18,988,992**	**12,318,347**	**6,670,645**
2.0 Monitoring and evaluation				-		
2.1 Capacity building	746,000	1,748,316	937,147	**3,431,463**	**1,395,445**	2,036,018
2.2 Committee allowances	2,376,000	1,345,936	500,000	**4,221,936**	**3,265,099**	956,837
2.3 Use of goods and services	2,261,259	1,596,934		**3,858,193**	**2,715,909**	1,142,284
Sub-total	**5,383,259**	**4,691,186**	**1,437,147**	**11,511,592**	**7,376,453**	**4,135,139**
4.0 Emergency				-		

unutilized	1,294,313	998,546	587,181	**2,880,041**		2,880,041
Athinai Secondary School	-		**500,000**	**500,000**	**500,000**	-
Belbur Secondary School	**700,000**		-	**700,000**	**691,889**	**8,111**
Chemarmar Primary School	-		725,646	**725,646**	**648,527**	**77,119**
Losibil Primary School	**1,300,000**		-	**1,300,000**	**661,725**	**638,275**
Mimwaita Primary school	-		**742,402**	**742,402**	**696,920**	**45,482**
Mogoiwet Primary School	**700,000**		**219**	**700,219**	**684,644**	**15,575**
Naithuiti Primary School			**400,000**	**400,000**	**389,220**	**10,780**
Seventy one Primary School	-		**472,357**	**472,357**	**405,296**	**67,061**
Kampi ya moto Primary School	**900,000**		**35,487**	**935,487**	**115**	**935,372**
Set Kobor Primary School	**600,000**		**40,613**	**640,613**	**3,320**	**637,293**
Ogilgei Primary School	**900,000**		**46,200**	**946,200**	**345**	**945,855**
Gicheha Primary School	**900,000**		-	**900,000**	-	**900,000**
Vanessa Grant special School	**600,000**		-	**600,000**	-	**600,000**
Tumaini Primary School	**1,550,000**		**33,039**	**1,583,039**	1,446,364	**136,675**
Kipseynan Secondary School			**1,180,000**	**1,180,000**	1,145,198	**34,802**

Mercy Njeri Secondary School			**1,180,000**	**1,180,000**	1,140,313	**39,687**
						-
Sub-total	**9,444,313**	**998,546**	**5,943,144**	**16,386,004**	**8,413,876**	**7,972,128**
5.0 Bursary and Social Security				-		-
5.1 Primary Schools				-		-
5.2 Secondary Schools	43,250,181	1,388		**43,251,569**	**43,247,317**	4,252
5.3 Tertiary Institutions	17,034,684	1,083,156		**18,117,840**	**18,109,258**	8,582
5.4 special needs	1,000,000	2,620		**1,002,620**	**1,001,650**	970
5.5 Education Support Programmes	2,000,000			**2,000,000**	**1,931,600**	68,400
5.6 Social Security	2,100,000	37,190	2,100,000	**4,237,190**	**387,290**	3,849,900
Sub-total	**65,384,865**	**1,124,354**	**2,100,000**	**68,609,219**	**64,677,115**	**3,932,104**
7.0 Environment				-		-
Ogilgei Primary School	300,000			**300,000**		300,000
Rvist Primary School	300,000			**300,000**		300,000
Barina Primary School	200,000			**200,000**		200,000
Barina Secondary School	300,000			**300,000**		300,000
Chelitit Primary School	200,000			**200,000**		200,000

Kaptera Primary School	200,000			**200,000**		200,000
Leaky Primary School	200,000			**200,000**		200,000
Lords Rajuera Primary School	200,000			**200,000**		200,000
Mamba Sececondary School	200,000			**200,000**		200,000
Mema Seconday School	300,000			**300,000**		300,000
Ngecha Primary School	300,000			**300,000**		300,000
Ol Rongai Primary School	300,000			**300,000**		300,000
Sub-total	**3,000,000**	-	-	**3,000,000**	-	**3,000,000**
8.0 Primary Schools Projects				-		-
Aic Kabarnet Farm Primary School	155,480			**155,480**		155,480
Aic Tulwobmoi Primary School		1,458,965		**1,458,965**	**1,344,635**	114,330
Arus Primary School	900,000	33,423		**933,423**		933,423
Arutani Primary School	700,000	**11,544**		**711,544**	**695,325**	16,219
Arutani Primary School	179,400			**179,400**		179,400
Banita Primary School	352,820			**352,820**		352,820
Belbur Primary School	580,060			**580,060**		580,060
Burgei Primary School	316,940			**316,940**		316,940

Burgei Primary School				-		-
Chelitit Primary School		404,243		**404,243**	**400,835**	3,408
Chepseon Primary School		815,413		**815,413**	**697,890**	117,523
Gogar Primary School		4,800,000		**4,800,000**	**4,787,964**	12,036
Kandutura Primary School		949,028		**949,028**	**894,995**	54,033
Kapkechui Primary School		3,243,558		**3,243,558**	**3,195,244**	48,314
Kayanet Primary School	3,000,000			**3,000,000**		3,000,000
Keriko Subukia Primary School	1,500,000	1,890,747	2,221,883	**5,612,630**	**4,109,165**	1,503,465
Kerma Primary School	269,100			**269,100**		269,100
Kerma Primary School				-		-
Kiamunyi Primary School		3,755,970		**3,755,970**	**3,744,205**	11,765
Kinoyo primary school		2,721,764		**2,721,764**	**2,703,750**	18,014
Kipsaos Primary School		3,839,698		**3,839,698**	**3,835,380**	4,318
Kipseynan Primary School				-	-	-
Kipsyenan Primary School	304,980			**304,980**		304,980
Kirobon Primary School	200,000	1,703,430		**1,903,430**	**1,700,000**	203,430

Koimugul Primary School	119,600			**119,600**	-	119,600
Koisamo Primary School				-		-
Koisamo Primary School	3,000,000			**3,000,000**	**2,493,658**	506,342
Kokwomoi Primary School			2,500,000	**2,500,000**		2,500,000
Kokwomoi Primary School				-		-
Koyumtich Primary School	3,000,000	1,355		**3,001,355**	**115**	3,001,240
Koyumtich Primary School				-		-
Kware Kapkwen Primary School				-	-	-
Kware Kapkwen Primary School	8,300,000			**8,300,000**	**2,448,854**	5,851,146
Kware Kapkwen Primary School	299,000			**299,000**		299,000
Leaky Primary School	3,000,000	2,547,816		**5,547,816**		5,547,816
Leaky Primary School				-		-
Legetio Primary School		1,228,866		**1,228,866**	**1,082,205**	146,661
Lelechwet Primary School	3,500,000			**3,500,000**	-	3,500,000
Lelechwet Primary School				-		-
LENGINET PRIMARY SCHOOL		400,000		**400,000**	**396,395**	3,605

Lenginet Primary School				-		-
Losibil Primary School		59,934	2,500,000	**2,559,934**	**2,378,824**	181,110
Losibil Primary School				-		-
Lower Solai Primary School	352,820			**352,820**	-	352,820
Magare Primary School	1,200,000			**1,200,000**		1,200,000
Magare Primary School				-		-
Majani Mingi Primary School		**4,600,000**		**4,600,000**	**4,595,000**	5,000
Makongeni Primary School	107,640	**700,000**		**807,640**	**692,925**	114,715
Mangu Primary School	200,000	**4,234,876**		**4,434,876**	**4,111,540**	323,336
Mangu Primary School	322,920			**322,920**		322,920
Matuiku Primary School	257,140			**257,140**	-	257,140
Menengai Primary School		**48,448**		**48,448**	**48,448**	-
Mercy Njeri Primary School	287,040			**287,040**		287,040
Mimwaita Primary School	239,200			**239,200**		239,200
Mimwaita Primary School				-		-
Mogoiwet Primary School	1,500,000	**2,200,000**		**3,700,000**	**2,168,344**	1,531,656
Mogoiwet Primary School				-		-

Morop Primary School		**2,737,402**		**2,737,402**	**2,711,220**	26,182
Morop Primary School				-		-
Muricho Primary School	4,200,000			**4,200,000**	**2,435,760**	1,764,240
Naithuiti Primary School		**52,612**	**2,500,000**	**2,552,612**		2,552,612
Naithuiti Primary School				-		-
Ngata Primary School	430,560			**430,560**	-	430,560
Ngata Primary School				-		-
Ngecha Primary School	1,800,000	**1,800,000**		**3,600,000**	**1,731,546**	1,868,454
Ngendaptich Primary School	2,000,000			**2,000,000**	-	2,000,000
Ol Rongai Primary School	352,820			**352,820**		352,820
Olrongai Primary School				-		-
Rafiki Primary School	281,060			**281,060**	-	281,060
Rafiki Primary School				-		-
Ruiyobei Banita Primary School	700,000			**700,000**		700,000
Ruiyobei Banita Primary School		2,518,834		**2,518,834**	**2,496,300**	22,534
Sasumwa Primary School	233,220			**233,220**		233,220
Sasumwa Primary School				-	-	-

Sigito Primary School	113,620			**113,620**		113,620
Sigito Primary School		**35,141**	**2,500,000**	**2,535,141**	**2,410,192**	124,949
Sigito Primary School				-		-
Sinendet Primary School	185,380			**185,380**		185,380
Sinendet Primary School				-	-	-
Tegunot Primary School		**9,795**	**1,500,000**	**1,509,795**		1,509,795
Tegunot Primary School				-		-
Testai Primary School	3,000,000			**3,000,000**	**1,440,575**	1,559,425
Testai Primary School	600,000			**600,000**	**1,200**	598,800
Testai Primary School				-		-
Thirandu Primary School		**2,822,691**		**2,822,691**	**2,811,465**	11,226
Tuiyomo Primary School		**53,007**	**2,500,000**	**2,553,007**	**2,390,491**	162,516
Tuiyomo Primary School				-		-
Tumaini Primary School	3,000,000			**3,000,000**		3,000,000
Sub-total	**51,040,800**	**51,678,560**	**16,221,883**	**118,941,243**	**66,954,445**	**51,986,798**
9.0 Secondary Schools Projects (List all the Projects)				-		-

Testai Secondary School	239,200			**239,200**		239,200
Testai Secondary School	1,500,000			**1,500,000**		1,500,000
Testai Secondary School	700,000			**700,000**		700,000
Ogilgei Secondary School	4,500,000			**4,500,000**		4,500,000
Matuiku Secondary School	3,500,000			**3,500,000**		3,500,000
Mamba Secondary School	5,400,000	**2,000,000**	**2,500,000**	**9,900,000**	**8,578,137**	1,321,863
Mamba Secondary School	600,000			**600,000**		600,000
Belbur Secondary School	400,000	**2,716,000**		**3,116,000**	**3,079,474**	36,526
Boror Secondary School	2,000,000			**2,000,000**		2,000,000
AIC Tulwobmoi Secondary School	4,000,000			**4,000,000**		4,000,000
Kipsyenan Secondary School		700,000		**700,000**	**700,000**	-
Kipseynan Secondary School			9,400,000	**9,400,000**	**9,400,000**	-
Mercy Njeri Secondary School			9,400,000	**9,400,000**	**9,400,000**	-
Kampi ya moto secondary			4,000,000	**4,000,000**	**3,780,327**	219,673
Kamosop Secondary School		**2,502,500**		**2,502,500**	2,492,870	9,630
Sarambei Secondary School		**1,907,678**		**1,907,678**	1,894,185	13,493

KIAMUNYI SECONDARY SCHOOL		**3,643**		**3,643**	3,643	-
Sub-total	**22,839,200**	**9,829,821**	**25,300,000**	**57,969,021**	**39,328,636**	**18,640,385**
10.0 Tertiary institutions Projects (List all the Projects)				-		-
				-		-
Sub-total	-			-		-
11.0 Security Projects				-		-
SALGAA CHIEFS OFFICE	4,083,000			**4,083,000**		4,083,000
Solai Police post		1,787,861		**1,787,861**	**1,671,483**	116,378
Sub-total	**4,083,000**	**1,787,861**	-	**5,870,861**	**1,671,483**	**4,199,378**
12.0 Acquisition of assets				-		-
12.1 Motor Vehicles (including motorbikes)				-		-
12.2 Purchase of furniture and fitiings		1,888,200		**1,888,200**	**1,395,445**	492,755
12.2 Construction of CDF office				-		-
Sub-total	-	**1,888,200**	-	**1,888,200**	**1,395,445**	**492,755**
13.0 Others				-		-
Rongai NG-CDF office	700,000			**700,000**		700,000
Sports		431,760				

Sub-total	**700,000**	-	-	**700,000**	-	**700,000**
Funds pending approval**				-		-
unapproved projects	6,800,000		3,000,000	**9,800,000**		9,800,000
AiA	-			-		-
PMC savings		52,525		**52,525**		52,525
Sub-total	**6,800,000**	**52,525**	**3,000,000**	**9,852,525**	-	**9,852,525**
Total	**179,441,954**	**76,692,009**	**57,583,693**	**313,717,656**	**202,135,800**	**111,581,857**

(NB: This statement is a disclosure statement indicating the utilization in the same format as the entity's budgets which are program-based. This statement totals should tie to the totals of the Statement of Comparison of Budget and Actual Amounts*)*

17. Notes to the Financial Statements

1. General information

The National Government Constituencies Development Fund (NG-CDF) formerly Constituencies Development Fund (CDF), is established by and derives its authority and accountability from the NG-CDF Act 2015 (amended 2023). The NG-CDF is wholly owned by the Government of Kenya and is domiciled in Kenya. The NG-CDF Rongai Constituency principal activity is to manage the utilization of the NG CDF funds at the constituency.

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgment in the process of applying NG-CDF's accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 5 of these financial statements.

The financial statements have been prepared in accordance with the Public Finance Management (PFM) Act and the International Public Sector Accounting Standards (IPSAS). The NG-CDF Rongai has taken advantage of the transitional provisions under IPSAS 33 and adopted a phased approach. Accordingly, this is the first transitional financial statement.

The NG-CDF Rongai has recognized all financial assets, including cash and cash equivalents held in the operational account, deposit account, and PMC bank accounts; receivables (amounts due from the Board and other parties); prepayments; property, plant, and equipment (PPE); and intangible assets acquired during the financial year 2023/2024 up to the reporting date.

Liabilities recognized include trade and other payables, third-party deposits, and gratuity provisions.

The recognition of all other non-financial assets acquired prior to the 2023/2024 financial year will be undertaken in the third year of the transition period, after the necessary identification and valuation processes have been completed.

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the NG-CDF. The financial statements have been prepared in accordance with the PFM Act, the NGCDF Act and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

3. Adoption of New and Revised Standards

i. New and amended standards and interpretations in issue effective in the year ended 30 June 2025.

There were no new and amended standards issued in the financial year.

ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2024.

Standard	Effective date and Impact:
IPSAS 43: Leases	*Applicable 1st January 2025* The standard sets out the principles for recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities. *Not adopted*
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	*Applicable 1st January 2025* The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value, less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance. *Not adopted*

IPSAS 45: Property Plant and Equipment	*Applicable 1st January 2025* The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under-maintenance of assets and distinguishing significant parts of infrastructure assets. *Not adopted*
IPSAS 46: Measurement	*Applicable 1st January 2025* The objective of this standard was to improve measurement guidance across IPSAS by: i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS. iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. The standard also introduces a public sector specific measurement bases called the current operational value. *Not adopted*
IPSAS 47: Revenue	*Applicable 1st January 2026* This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue

	under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions. *Not adopted*
IPSAS 48: Transfer Expenses	*Applicable 1st January 2026* The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers. *Not adopted*
IPSAS 49: Retirement Benefit Plans	*Applicable 1st January 2026* The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan. *Not adopted*
IPSAS 50: Exploration For & Evaluation of Mineral Resources	*Applicable 1st January 2027* The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires: i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized. *Not adopted*

iii. Early adoption of standards

The Entity did not early – adopt any new or amended standards in the financial year

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the *Fund* and can be measured reliably. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, the amount is recorded in the statement of financial position and realized in the statement of financial performance upon fulfilling the conditions set. Revenue shall be recognized after allocations have been approved by the NG-CDF Board.

ii) Revenue from exchange transactions

Sale of goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of the goods and when the amount of revenue can be measured reliably, and it is probable that the economic benefits or service potential associated with the transaction will flow to the *Entity.*

Interest income

Interest income is accrued using the effective yield method. The effective yield discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this yield to the principal outstanding to determine interest income each period.

Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and included in revenue.

b) Budget information

The original budget was approved by Parliament on 30 June 2024 for the period 1st July 2024 to 30th June 2025 as required by law. Included in the adjustments are Cash book opening balance, AIA generated during the year and constituency allocations not yet disbursed at the beginning of the financial year.

A comparison of the actual performance against the final budget for the financial year under review has been included in the financial statements.

The financial statements are prepared on an accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section 15 of these financial statements.

c) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the Entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

d) Leases

Finance leases are leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item to the *Entity.* Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The *Entity* also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition. Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit. An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the *Entity* will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the *Entity.* Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

e) Intangible assets

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred. The useful life of the intangible assets is assessed as either finite or indefinite. Intangible assets with an indefinite useful life are assessed for impairment at each reporting date.

f) Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. *The entity does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements. (amend as appropriate).* A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

a) Financial assets

Classification of financial assets

The entity classifies its financial assets as subsequently measured at amortised cost, fair value through net assets/ equity or fair value through surplus and deficit on the basis of both the entity's management model for financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost when the financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. A financial asset is measured at fair value through net assets/ equity if it is held within the management model whose objective is achieved by both collecting contractual cashflows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless an entity has made irrevocable election at initial recognition for particular investments in equity instruments.

Subsequent measurement

Based on the business model and the cash flow characteristics, the entity classifies its financial assets into amortized cost or fair value categories for financial instruments. Movements in fair value are presented in either surplus or deficit or through net assets/ equity subject to certain criteria being met.

Amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, and that are not designated at fair value through surplus or deficit, are measured at amortized cost. A gain or loss on an instrument that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is de-recognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through net assets/ equity

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through net assets/ equity. Movements in the carrying amount are taken through net assets, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in surplus/deficit. Interest income from these financial assets is included in finance income using the effective interest rate method.

Trade and other receivables

Trade and other receivables are recognized at fair values less allowances for any uncollectible amounts. Trade and other receivables are assessed for impairment on a continuing basis. An estimate is made of doubtful receivables based on a review of all outstanding amounts at the year end.

Fair value through surplus or deficit

Financial assets that do not meet the criteria for amortized cost or fair value through net assets/ equity are measured at fair value through surplus or deficit. A business model where the entity manages financial assets with the objective of realizing cash flows through solely the sale of the assets would result in a fair value through surplus or deficit model.

Impairment

The entity assesses, on a forward-looking basis, the expected credit loss (ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The entity recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL) are set out in *Note 18*

b) Financial liabilities

Classification

The entity classifies its liabilities as subsequently measured at amortized cost except for financial liabilities measured through profit or loss.

g) Inventories

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition. Costs incurred in bringing each product to its present location and conditions are accounted for, as follows:

i) Raw materials: purchase cost using the weighted average cost method.
ii) Finished goods and work in progress: cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs.

After initial recognition, inventory is measured at the lower cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current

replacement cost. Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the *Entity.*

h) Provisions

Provisions are recognized when the *Entity* has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the *Entity* expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement

i) Social Benefits

Social benefits are cash transfers provided to i) specific individuals and / or households that meet the eligibility criteria, ii) mitigate the effects of social risks and iii) Address the need of society. The entity recognises a social benefit as an expense for the social benefit scheme while it recognises a liability. The liability for the social benefit scheme is measured at the best estimate of the cost (the social benefit payments) that the entity will incur in fulfilling the present obligations represented by the liability.

j) Contingent liabilities

The Entity does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

k) Contingent assets

The Entity does not recognize a contingent asset but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future

events not wholly within the control of the Entity in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

l) Employee benefits

Retirement benefit plans

The *Entity* provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an Entity pays fixed contributions into a separate Entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable. Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

m) Foreign currency transactions

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Trade creditors or debtors denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date. Exchange differences arising from the settlement of creditors, or from the reporting of creditors at rates different from those at which they were initially recorded during the period, are recognized as income or expenses in the period in which they arise.

n) Related parties

The *Entity* regards a related party as a person or an Entity with the ability to exert control individually or jointly or to exercise significant influence over the *Entity*, or vice versa.

o) Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call, and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Bank account balances include amounts held at various commercial banks at the end of the financial year.

p) Comparative figures

Where necessary comparative figures for the previous financial year have been amended or reconfigured to conform to the required changes in presentation.

q) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2025

5. Significant Judgments and Sources of Estimation Uncertainty

The preparation of the *Entity's* financial statements in conformity with IPSAS requires management to make judgments, estimates, and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require material adjustment to the carrying amount of the asset or liability affected in future periods. State all judgments, estimates, and assumptions made:

Estimates and assumptions.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Entity based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Entity. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

Useful lives and residual value

The useful lives and residual values of assets are assessed using the following indicators to inform potential future use and value from disposal:

a) The condition of the asset is based on the assessment of experts employed by the Entity.
b) The nature of the asset, its susceptibility and adaptability to changes in technology and processes.
c) The nature of the processes in which the asset is deployed.
d) Availability of funding to replace the asset.
e) Changes in the market in relation to the asset

Provisions

Provisions were raised and management determined an estimate based on the information available. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

6. Transfers from the NGCDF Board

Description	2024/2025
NGCDFB Transfers (Allocation for the FY)	179,441,954
TOTAL	**179,441,954**

7. Transfers from domestic and foreign partners

Description	2024/2025
	Kshs
Grants	-
Total	**-**

8. Finance income

Description	2024/2025
	Kshs
Interest Income on Bank Deposits	-
Total	**-**

(Provide a brief explanation for this revenue)

9. Miscellaneous income

	2024/2025
	Kshs
Rental Income	-
Income from sale of tenders	-
Hire of plant/equipment/facilities	-
Other Income Not Classified Elsewhere *(specify)*	-
Total	**-**

10. Employees cost

Description	2024/2025
	Kshs
NG-CDFC Basic staff salaries	2,620,778
Personal allowances paid as part of salary	-
House Allowance	757,165
Transport Allowance	168,000
Leave allowance	50,000
Gratuity to contractual employees	812,437
Employer Contributions Compulsory national social security schemes	212,363
Employer Contributions Compulsory Housing levy	53,738
Employer contributions to National Industrial Training Authority	5,850
Other Specify	-
Total	**4,680,331**

11. Committee Expenses

Description	2024/2025
	Kshs
Sitting allowance	1,284,000
Other Committee expenses	5,503,116
Total	**6,787,116**

12. Use of Goods and services

	2024/2025
	Kshs
Utilities, supplies and services	-
Communication, supplies and services	454,000
Domestic travel and subsistence	1,043,000
Printing, advertising and information supplies & services	1,354,877
Office Rent	-
Training expenses	1,041,000
Hospitality supplies and services	82,000
Insurance costs	159,213
Specialized materials and services	230,005
Office and general supplies and services	281,968
Fuel, oil & lubricants	1,226,400
Bank Charges	33,052
Routine maintenance – vehicles and other transport equipment	903,690
Routine maintenance – other assets	-
Strategic plan expenses	393,000
Other operating expenses	990,960
Total	**8,193,165**

13. Other Government Units Actual expenditure

Description	2024/2025
	Kshs
Primary Schools Actual expenditure	67,508,960
Secondary Schools Actual Expenditure	39,750,195
Tertiary Institutions Actual Expenditure	-
Total	**107,259,155**

14. Other Grants and transfers Actual expenditure

Description	2024/2025
	Kshs
Bursary – secondary schools	43,247,317
Bursary – tertiary institutions	18,109,258
Bursary – special schools	1,001,650
Bursary - Education Support programmes	1,931,600
Social Security programmes (SHIF)	387,290
Security projects Actual Expenditure	1,733,730
Climate change mitigation projects	-
Emergency projects Actual Expenditure	8,646,093
Roads projects	-
Others specify	-
Total	**75,056,938**

15. Depreciation and Amortization Expenses

Description	2024/2025
	Kshs
Property Plant and Equipment	447,791
Intangible Assets	-
Total	**447,791**

16. Digital Hubs Expenses

Description	2024/2025
	Kshs
Construction/ renovation/ Actual expenditure	-
Digital Hub utility costs Water, Electricity,	-
Maintenance of ICT equipment	-
Maintenance of building	-
Others *(specify)*	-
Total	**-**

17. Gain/loss on Sale of Assets

Description	2024/2025
	Kshs
Property, Plant and Equipment	-
Intangible Assets	-
Total Gain/loss on Sale of Assets	-

(Provide brief explanation on gains on sale of fixed assets)

18. Impairment Loss

Description	2024/2025
	Kshs
Property, Plant and Equipment	-
Intangible Assets	-
(Include financial instruments that are impaired)	-
Total Impairment Loss	-

(Provide brief explanation on assets impairment loss)

19. Cash and Cash Equivalents

Name Of Bank and Account No.	2024/2025	2023/2024
	Kshs	Kshs
Bank Accounts (Cash Book Bank Balance)		
KCB BANK, Rongai Constituency Dev Fund, Account No. 1101849169 (Operations account)	21,712,921	35,615,280.00
Operations account pending closure (Indicate name & account no.)	-	-
EQUITY BANK, Rongai National Government Constituency Fund- Deposit Account No. 0130284951595(Deposit account)	991,335	
Various Banks. (PMC's account)	34,435,648	41,024,204.50
Total	**57,139,903**	**76,639,485**
Cash Balances		
Location 1	-	-
Location 2	-	-
Other Locations (*Specify)*	-	-
Total	**-**	**-**
[Provide Cash Count Certificates for Each]		

(Provide a schedule of all reconciled PMC bank balances as at the end of the period)

20. Receivables from Exchange Transactions

Description	2024/2025	2023/2024
	Kshs	Kshs
Total receivables		
Other exchange debtors (*Specify*)	-	-
Less: impairment allowance	-	-
Total receivables	**-**	**-**
a. Current receivables	-	-
b. Non-current receivables	-	-
Total Receivables (a+b)	**-**	**-**

(Entity to state the expected credit loss rates for various categories of its receivables. The entity should also disclose how ECL was arrived at in line with provisions of IPSAS 41.)

i. Ageing Analysis for Receivables

Description	2024/2025		2023/2024	
	Kshs		Kshs	
	Current FY	% of the total	Opening Balance	% of the total
Less than 1 year	-	%	-	%
Between 1- 2 years	-	%	-	%
Between 2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total (a+b)	-	**%**	-	**%**

21. Receivables from Non-Exchange Transactions

Description	2024/2025		2023/2024	
	Kshs			
Transfers from NGCDFB	Kshs		Kshs	
Transfers from NGCDFB	54,441,954		57,583,693.00	
Outstanding imprest	-		-	
Ageing Analysis- Receivables from non-exchange transactions	2024-2025	**% of the total**	**Opening Balance**	**% of the total**
Less than 1 year	54,441,954	100%	57,583,693	100%
Between 1-2 years				
Over 3 years				
Total	**54,441,954**	**100%**	**57,583,693**	**100%**

22. Prepayments

Description	2024/2025	2023/2024
	Kshs	Kshs
Prepaid Rent	-	-
Prepaid Insurance	10,952	10,952
Prepaid Electricity Costs	-	-
Other Prepayments *(Specify)*	-	-
Total	**10,952**	**10,952**

23. Property, Plant and Equipment

	Land	Buildings	Motor vehicles	Infrastructure assets	Furniture and fittings	Computers & ICT Equipment	Work in progress	Service concession assets	Total
Depreciation Rate		**10%**	25.00%	**20%**	12.50%	**30.00%**			
Cost	**Kshs**	**Kshs**	**Kshs**	**Kshs**	**Kshs**	**Kshs**	**Kshs**	**Kshs**	**Kshs**
Opening Bal as 1st July 2024	-	-	-	-		**771,650**	-		**771,650**
Additions	-	-	-	-	**759,365**	**636,080**	-	-	**1,395,445**
Disposals	-	-	-	-	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-	-	-	-	-
As At 30th June 2025	-	-	-	-	**759,365**	**1,407,730**	-	-	**2,167,095**
Depreciation And Impairment									
Opening bal accumulated depreciation 1st July 2024	-	-	-	-	-	231,495	-	-	**231,495**
Depreciation	-	-	-	-	94,921	352,871	-	-	**447,791**
Disposals	-	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-	-	-	-
As At 30th June 2025	-	-	-	-	94,921	584,366	-	-	679,286
Net Book Values									
Opening Bal as at 1st July 2024	-	-	-	-	-	**540,155**	-	-	**540,155**
As At 30th June 2025	-	-	-	-	**664,444**	**823,365**	-	-	**1,487,809**

Valuation

Land and buildings/ Equipment (be specific) were valued by in line with the National Assets and Liabilities Management Policy and Guidelines (Issued 30th June 2020).

22 b) Property, Plant and Equipment at Cost

If the freehold land, buildings and other assets were stated on the historical cost basis the amounts would be as follows:

	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land	-	-	-
Buildings	-	-	-
Plant And Machinery	-	-	-
Motor Vehicles, Including Motorcycles	-	-	-
Computers And Related Equipment	-	-	-
Office Equipment, Furniture, And Fittings	-	-	-
Total	**-**	**-**	**-**

Property plant and Equipment includes the following assets that are fully depreciated:

	Cost or valuation	Normal annual depreciation charge
Plant and Machinery	-	-
Motor Vehicles including Motorcycles	-	-
Computers and Related Equipment	-	-
Office Equipment, Furniture and Fittings	-	-
Total	**-**	**-**

24. Intangible Assets

Description	2024/2025
	Kshs
Cost	
Opening balance at 1st July 2024	-
Additions	-
Disposal	-
At end of June 2025	-
Amortization and impairment	-
At beginning of the year	-
Amortization	-
At end of the year	
Impairment loss	-
At end of the year	-
NBV at July 1st 2024	-
NBV at June 30th 2025	-

25. Right-of use assets

Description	Buildings	Plant	Equipment	Total
	Kshs	Kshs	Kshs	Kshs
Cost				
As At 1 July 2024	-	-	-	-
Additions	-	-	-	-
As At 30 June 2024	-	-	-	-
Additions				

As At 30 June 2025				
	-	-	-	-
Accumulated Depreciation	-	-	-	-
As At 1 July 2024	-	-	-	-
Charge for the period				
As At 30 June 2024				
Charge for the period	-	-	-	-
As At 30 June 2025	-	-	-	-
Carrying Amount				
As At 30 June 2025	-	-	-	-
As At 30 June 2024.	-	-	-	-

26. Trade and Other Payables

Description	2024/2025		2023/2024	
	Kshs		Kshs	
Trade payables	-		-	
Employee payables	-		-	
Other payables	-		-	
Total trade and other payables	-		-	
Aging analysis: (Trade and other payables)	**2024-2025**	**% of the Total**	**1st July 2024**	**% of the Total**
Under one year	-			
1-2 years	-			
2-3 years	-			
Over 3 years	-			
Total (tie to above total)	-			

27. Third-Party deposits

	2024/2025	2023/2024
	Kshs	Kshs
Retention as at start of the period (A)	115,810	-
Retention held during the period (B)	5,416,951	115,810.00
Retention paid during the period (C)	4,093,818	-
Closing Retention as at year ended June 2025, D= A+B-C	**1,438,943**	**115,810**

Retentions aging analysis.

	2024-2025	% of the total	2023-2024	% of the total
Less than 1 year				
1-2 years				
2-3 years				
Over 3 years				
Total				

(*The total above should be equal to the closing retention*

28. Lease Liabilities

Description	2024/2025	2023/2024
	Kshs	Kshs
Balance at the beginning of the period	-	-
Discount interest on lease liability	-	-
Paid during the period	-	-
At end of the period	-	-

Maturity Analysis

Period	Amount
Year 1	-
Year 2	-
Year 3	-
Year 4	-
Year 5 and onwards	-
Less: unearned Interest	-
	-

Analysed as:

Description	Amount
Current	-
Non- Current	-
Total	-

i) Credit risk

The Entity has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments. Management assesses the quality of each customer, considering its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the Entity's management based on prior experience and their assessment of the current economic environment.

Financial Risk Management

The carrying amount of financial assets recorded in the financial statements representing the Entity's maximum exposure to credit risk without taking account the value of any collateral obtained is made up as follows:

Description	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
As at 30th June 2025				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	54,441,954		-	-
Bank balances	57,139,974		-	-
Total	**111,581,928**		-	-
As at 30 June 2024				
Receivables from exchange transactions			-	-
Receivables from non-exchange transactions	57,583,693		-	-
Bank balances	76,639,485		-	-

and seeks to minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The Entity does not hedge any risks and has in place policies to ensure that credit is only extended to customers with an established credit history. The Entity's financial risk management objectives and policies are detailed below:

30. Cash Generated from Operations

	2024/2025
	Kshs
Surplus for the period before tax	**(22,982,612)**
Adjusted for:	
Depreciation	447,791
Non-cash grants received	-
Contributed assets	-
Impairment	-
Gains and losses on disposal of assets	-
Contribution to provisions	-
Contribution to impairment allowance	-
Working capital adjustments	
Changes in inventory	-
Changes in receivables	(3,141,739)
Changes in deferred income	-
Changes in Third party deposits	(1,323,133)
Changes in gratuity provision	34,188
Changes in payments received in advance	-
Net cash flow from operating activities	**(18,104,136)**

31. Financial Risk Management

The Entity's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The Entity's overall risk management programme focuses on unpredictability of changes in the business environment

29. Gratuity Provision

Description	2024/2025	2023/2024
	Kshs	Kshs
Gratuity at the beginning of the period (A)	973,967	
Gratuity held during the period (B)	812,437	973,967
Gratuity paid during the period (C)	846,625	-
Total Gratuity provision D=(A+B-C)	**939,780**	**973,967**

Total	**134,223,178**		**-**	**-**

(NB: The totals column should tie to the individual elements of credit risk disclosed in the Entity's statement of financial position).

Financial Risk Management

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the Entity has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The board of directors sets the Entity's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

ii) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Entity's directors, who have built an appropriate liquidity risk management framework for the management of the Entity's short, medium and long-term funding and liquidity management requirements. The Entity manages liquidity risk through continuous monitoring of forecasts and actual cash flows. The table below represents cash flows payable by the Entity under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
As at 30th June 2025				
Trade payables				
Current proportion of borrowings				
Provisions				
Deferred income				

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
Gratuity Provision			**939,779.50**	
Total			**939,779.50**	
As at 30th June 2024				
Trade payables				
Current portion of borrowings				
Provisions	-	-	-	-
Deferred income	-	-	-	-
Employee benefit obligation	-	-	973,967	-
Total	-	-	973,967 -	-

iii) Market risk

The *Entity* has put in place an internal audit function to assist it in assessing the risk faced by the Entity on an ongoing basis, evaluating and testing the design and effectiveness of its internal accounting and operational controls. Market risk is the risk arising from changes in market prices, such as interest rates, equity prices and foreign exchange rates which will affect the Entity's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee. The Entity's Finance Department is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee) and for the day-

to-day implementation of those policies. There has been no change in the Entity's exposure to market risks or the way it manages and measures the risk.

a) Foreign currency risk

The *Entity* has transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid 30 days after the date of the invoice and conversion at the time of payment is made using the prevailing exchange rate. The *Entity* manages foreign exchange risk from future commercial transactions and recognised assets and liabilities by projecting for expected sales proceeds and matching the same with expected payments.

Financial Risk Management

The following table demonstrates the effect on the Entity's statement of comprehensive income on applying the sensitivity for a reasonable possible change in the exchange rate of the three main transaction currencies, with all other variables held constant. The reverse would also occur if the Kenya Shilling appreciated with all other variables held constant.

b) Interest rate risk

Interest rate risk is the risk that the Entity's financial condition may be adversely affected because of changes in interest rate levels. The Entity's interest rate risk arises from bank deposits. This exposes the Entity to cash flow interest rate risk. The interest rate risk exposure arises mainly from interest rate movements on the Entity's deposits.

Management of interest rate risk

To manage the interest rate risk, management has endeavored to bank with institutions that offer favorable interest rates.

Sensitivity analysis

The Entity analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year.

Fair value of financial assets and liabilities

a) Financial instruments measured at fair value.

Determination of fair value and fair values hierarchy

IPSAS 30 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the *Entity's* market assumptions. These two types of inputs have created the following fair value hierarchy:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components. This hierarchy requires the use of observable market data when available. The *Entity* considers relevant and observable market prices in its valuations where possible.

There were no transfers between levels 1, 2 and 3 during the year. Disclosures of fair values of financial instruments not measured at fair value have not been made because the carrying amounts are a reasonable approximation of their fair values.

iv) Capital Risk Management

The objective of the Entity's capital risk management is to safeguard the Entity's ability to continue as a going concern. The Entity capital structure comprises of the following funds:

Description	2024/2025	2023/2024
	Kshs	Kshs
Revaluation Reserve		
Retained Earnings	**133,684,508**	**110,701,966**
Capital Reserve		
Total Funds		
Total Borrowings		
Less: Cash and Bank Balances	57,139,974	76,639,485
Net Debt/(Excess Cash And Cash Equivalents)	**76,544,534**	**34,062,481**
Gearing	-	-

32. Related Party Disclosures

	2024/2025	2023/2024
	Kshs	Kshs
Committee Members Remuneration		
Sitting allowance of committee Members during the year	1,284,000	
Transaction with the NGCDF Board		
Transfers from the NGCDF Board during the year	182,583,693	
Total	**182,583,693**	

33. Segment Information

(Where an organisation operates in different geographical regions or in departments, IPSAS 18 on segmental reporting requires an Entity to present segmental information of each geographic region or department to enable users understand the Entity's performance and allocation of resources to different segments)

34. Contingent Assets and Contingent Liabilities

Contingent Assets

Description	2024/2025	2023/2024
	Kshs	Kshs
Contingent Assets		
Insurance Reimbursements	-	-
Assets Arising from Determination Of Court Cases	-	-
Reimbursable Indemnities and Guarantees	-	-
Receivables From Other Government Entities	-	-
Others (Specify)	-	-
Total	-	-

(Give details)

Contingent Liabilities

Description	2024/2025	2023/2024
	Kshs	Kshs
Contingent Liabilities	-	-
Court Case xx against the Entity	-	-
Bank Guarantees in Favour of Subsidiary	-	-
Contingent Liabilities arising from Contracts Including PPPs	-	-
Others (Specify)	-	-
Total	-	-

35. Capital Commitments

Capital Commitments	2024/2025	2023/2024
	Kshs	Kshs
Authorised for	-	-
Authorised and Contracted for	-	-
Total	-	-

(NB: Capital commitments are commitments to be carried out in the next financial year and are disclosed in accordance with IPSAS 17. Capital commitments maybe those that have been authorised by the board but at the end of the year had not been contracted or those already contracted for and ongoing).

36. Events after the Reporting Period

There were no material adjusting and non-adjusting events after the reporting period.

37. Ultimate And Holding Entity

The NG-CDF Rongai Constituency is a Fund under The National Treasury and Planning & managed by NG-CDFB at the National level, and the NG-CDFC at the constituency level. Its ultimate parent is the Government of Kenya.

38. Currency

The financial statements are presented in Kenya Shillings (Kshs) rounded to the nearest Kshs.

18.Annexes

Annex 1: Summary of Asset Register

Asset class	Historical Cost balance brought forward (Kshs)	Additions during the period (Kshs)	Disposals during the period (Kshs)	Historical Cost (Kshs) 2024/2025
Asset class	**Historical Cost b/f (Kshs) 2023-2024**	**Additions during the year (Kshs)**	**Disposals during the year (Kshs)**	**Historical Cost (Kshs) 2024-2025**
Land	-	-	-	-
Buildings and structures	-	-	-	-
Transport equipment	7,841,000	-	-	**7,841,000**
Office equipment, furniture and fittings	432,820	**759,365**		**1,192,185**
ICT Equipment, Software and Other ICT Assets	631,552	**636,080**		**1,267,632**
Other Machinery and Equipment	-		-	-
Intangible assets	-	-	-	-
Total	**8,905,372**	**1,395,445**	-	**10,300,817**

Annex 2 –PMC Bank Balances As At 30th June 2025

-PMC	Bank	Account number	Bank Balance June 30th 2025	Bank Balance Comparative2023/2024
Aic Kabarnet Farm Primary School	Access Bank	0040130000124	155,480.00	-
Aic Tulwobmoi Primary School	Access Bank	0080130000084	114,570.00	**101,862.00**
Arus Primary School	Access Bank	0080130000118	33,183.00	**33,423.00**
Arutani Primary School	Access Bank	004013000012	195,619.00	**11,544.00**
Banita Primary School	Kcb Bank	1344172709	352,820.00	-
Belbur Primary School	Kcb Bank	1345879128	580,060.00	-
Burgei Primary School	Sidian Bank	01004710008817	316,940.00	-
Chelitit Primary School	Access Bank	0080100000069	3,408.00	**404,243**
Chepseon Primary School	Access Bank	0080130000075	117,523.00	**815,413.00**
Gogar Primary School	Access Bank	0080130000148	12,036.00	**4,800,000.00**
Kandutura Primary School	Access Bank	0080130000132	54,033.00	**49,028.00**
Kapkechui Primary School	Access Bank	0080130000051	48,314.00	**43,558.00**
Keriko Subukia Primary schol	Access Bank	0080130000079	3,465.00	**112,630.00**
Kerma Primary School	KCB Nakuru	136574814	269,100.00	-
Kiamunyi Primary School	Access Bank	008013000143	11,765.00	**3,755,970.00**

-PMC	Bank	Account number	Bank Balance June 30th 2025	Bank Balance Comparative2023/2024
Kinoyo primary school	Access Bank	008010000070	18,014.00	**2,721,764.00**
Kipsaos Primary School	Access Bank	008013000027	4,318.00	**3,839,698.00**
Kipseynan Primary School	Kcb Bank	1344163459	304,980.00	-
Kirobon Primary School	Equity Bank	0130280564973	3,430.00	**3,430.00**
Koimugul Primary School	Sidian Bank	01004710007909	119,600.00	-
Koisamo Primary School	Sidian Bank	01004710007679	3,000,000.00	
Kokwomoi Primary School	Access Bank	0080130000055	6,342.00	-
Koyumtich Primary School	Access Bank	0080130000094	1,240.00	**1,355.00**
Kware Kapkwen Primary School	Sidian Bank	01004710007559	8,599,000.00	-
Leaky Primary School	Access Bank	0080130000046	98,962.00	**2,547,816.00**
Legetio Primary School	Eguity Bank	0130280302447	146,660.50	**28,865.50**
Lelechwet Primary School	Sidian Bank	01004710007869	3,500,000.00	
Lenginet Primary School	Access Bank	0080130000151	3,605.00	-
Losibil Primary School	Access Bank	0080130000112	819,385	**59,934.00**
Lower Solai Primary School	Sidian Bank	01004710007799	352,820.00	-
Magare Primary School	Kcb Bank	1343495865	1,200,000.00	**0**

-PMC	Bank	Account number	Bank Balance June 30th 2025	Bank Balance Comparative2023/2024
Majani Mingi Primary School	Access Bank	0080130000095	5,000.00	**4,600,000**
Makongeni Primary School	Access Bank	0080130000149	114,715	-
Mangu Primary School	Access Bank	0080130000081	646,256.00	**3,634,876.00**
Matuiku Primary School	Sidian Bank	0100471008397	257,140.00	-
Mercy Njeri Primary School	Kcb Bank	1344787185	287,040.00	-
Mimwaita Primary School	Sidian Bank	01004710008387	239,200.00	-
Mogoiwet Primary School	Access Bank	00401000000160	1,547,231	**219**
Morop Primary School	Access Bank	0080100000060	26,182.00	**21,402**
Naithuiti Primary School	Access Bank	0080100000133	127,632	**52,612.00**
Ngata Primary School	Sidian Bank	01004710007919	430,560.00	-
Ngecha Primary School	Sidian Bank	01004710001751	68,454.00	-
Olrongai Primary School	Access Bank	00801000005147	352,820.00	-
Rafiki Primary School	Sidian Bank	01004710008237	281,060.00	
Ruiyobei Banita Primary School	Access Bank	0080130000055	22,534.00	**2,518,834.00**
Sasumwa Primary School	KCB Nakuru	1157465137	233,220.00	**0**
Sigito Primary School	Access Bank	00800000034	238,569.00	**35,141.00**

-PMC	Bank	Account number	Bank Balance June 30th 2025	Bank Balance Comparative2023/2024
Sinendet Primary School	KCB Nakuru	1346199043	185,380.00	-
Tegunot Primary School	Access Bank	0080130000144	69,220.00	**9,795.00**
Testai Primary School	Access Bank	0080100000894	598,800.00	-
Thirandu Primary School	Access Bank	0080100000897	11,226.00	**2,822,691.00**
Tuiyomo Primary School	Access Bank	0080100000134	162,516.00	**53,007.00**
Belbur Secondary School	Acess Bank	0080130000150	44,637	-
Kamosop Secondary School	Acess Bank	0080130000133	9,630.00	**2,502,500.00**
Kampi ya moto Secondary School	Access Bank	0080130000152	219,673.00	-
Kipseynan Secondary School	KCB Bank	111332534805	0	-
Kipseynan Secondary School	Sidian Bank	01004710006080	34,802.00	
Mamba Secondary school	Acess Bank	0080130000153	821,863.00	-
Mercy Njeri Secondary School	Sidian Bank	01004710006090	39,687.00	-
Sarambei Secondary School	Acess Bank	0080130000090	13,493.00	**1,907,678.00**
Testai Secondary school	KCB Bank	1343496268	2,439,200.00	-
Solai Police Post	Sidian Bank	01004710000971	116,378.00	**487,861**

-PMC	Bank	Account number	Bank Balance June 30th 2025	Bank Balance Comparative2023/2024
Athinai Secondary School	Acess Bank	0080130000147	-	**500,000.00**
Chemarmar Primary School	Acess Bank	0080130000072	77,119.00	**725,646.00**
Mimwaita Primary school	Acess Bank	0080130000132	45,482.00	**742,402.00**
Seventy-one Primary School	Acess Bank	0080130000134	67,061.00	**472,357.00**
Kampi ya moto Primary School	Acess Bank	0080100000099	935,372.00	**35,487.00**
Set Kobor Primary School	Acess Bank	0040100000211	637,293.00	**40,613.00**
Ogilgei Primary School	Acess Bank	0080130000102	945,855.00	**46,200.00**
Gicheha Primary School	Sidian Bank	01004710008127	900,000.00	-
Vanessa Grant special School	Sidian Bank	01004710008228	600,000.00	-
Tumaini Primary School	Acess Bank	008013000074	136,675.00	**33,039**
Total			34,435,647.50	**40,572,653.50**

Annex 3: Progress On Follow Up of Auditor Recommendations

The following is a summary of issues raised by the external auditor, management comments provided to the auditor, and subsequent progress made on resolving the issues.

Reference No. on the external audit Report	**Issue / Observations from Auditor**	**Management comments**	**Status:** *(Resolved / Not Resolved)*	**Timeframe:** *(Put a date when you expect the issue to be resolved)*
1. Inaccuracy Financial Statements Review of the Fund's annual report and financial statements revealed the following inaccuracies: Note 8	(i). Note 8 of the financial statements reflects other grants and other transfers amounts. Kshs.75,853,354 which vary from the recomputed amount of Kshs75,852,994 resulting in a variance of Kshs 360 which has not been explained or reconciled.	• The variance of Kshs. 360 relates to unrecorded monthly bank service charges that were debited by the bank but captured in the bank statements after the cut-off date for monthly reporting. • These charges were subsequently reconciled in the cashbook and supporting schedules. Measures have been	Resolved	

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: *(Resolved / Not Resolved)*	Timeframe: *(Put a date when you expect the issue to be resolved)*
		instituted to ensure that all bank charges are promptly recorded and reconciled before preparing the annual financial statements.		
Annex 3	(ii). Annex 3 of the financial statements reflects Unutilized fund amount of Kshs.91,199,719. However, the recomputed amount was Kshs.91,881,856 resulting in a variance of Kshs.682,137 which has not been explained or reconciled.	A difference of Kshs. 682,137 between the financial statements (Kshs. 91,199,719) and the recomputed figure (Kshs. 91,881,856). The difference was due to a timing variance in recording receipts from the National Treasury that were banked after year-end cut-off but captured in the recomputed balance. A reconciliation has since been prepared, and future year-end closing procedures will be tightened to ensure all	Resolved	

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: *(Resolved / Not Resolved)*	Timeframe: *(Put a date when you expect the issue to be resolved)*
		transactions are properly cut off and reported.		
	An amount of Kshs. 72,531 recorded as a prior year adjustment lacked adequate support.	The prior year adjustment of Kshs. 72,531 relates to the correction of a double posting of utility expenses in the previous year's ledger. Supporting documentation, including the journal voucher and management approval, is now attached for audit verification.	Resolved	
Note 4		A difference of Kshs. 84,400 between the amount disclosed in the financial statements (Kshs. 5,132,412) and the ledger amount (Kshs. 5,048,012).	Resolved	

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: *(Resolved / Not Resolved)*	Timeframe: *(Put a date when you expect the issue to be resolved)*
		The variance arose from accrued gratuity benefits for staff that were computed and disclosed in the financial statements but not reflected in the cash-based ledger. The figure in the financial statements is therefore accurate and compliant with reporting requirements, and a reconciliation schedule has been prepared.		
2. Unsupported Social Security Program .	The statement of receipts and payments and as disclosed in Note 8 to the financial statements reflect other grants and other transfers amounting to Kshs.75,853,354. This amount includes social security programs totalling Kshs.1,998,000. Review of records	we acknowledge that the committee minutes explicitly detailing the beneficiary selection criteria were not attached to the payment documentation at the time of audit. These minutes have since	Resolved	

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: *(Resolved / Not Resolved)*	Timeframe: *(Put a date when you expect the issue to be resolved)*
	revealed that the social security programs is in respects of medical insurance cover for the needy paid to the National Health Insurance Fund (NHIF) which was not supported by committee's minutes identifying the criteria used on beneficiaries. The accuracy and	been retrieved from committee records and now form part of the supporting documentation.		

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: *(Resolved / Not Resolved)*	Timeframe: *(Put a date when you expect the issue to be resolved)*
	propriety of social security programs amounting to Kshs.1,998,000 could not be confirmed			
3. Unsupported Project Management Committees Account Balances	Note 19.4 to the financial statements reflects Project Management Committees (PMC) account balances totalling Kshs.6,081,000 as further disclosed in Annex 5 to the financial statements. However, cash books and bank reconciliations statements in support of Project Management Committees (PMC) account balances were not provided for audit. Further, the PMC bank balances were not transferred to the	• We acknowledge that, at the time of audit, some PMC cash books and bank reconciliation statements were not submitted due to delays in receiving the records from the respective committees. These documents have since been collected, verified, and are now available for audit review. • Regarding the transfer of unutilized funds to the Constituency account,	Resolved	

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: *(Resolved / Not Resolved)*	Timeframe: *(Put a date when you expect the issue to be resolved)*
	Constituency account. This was contrary to Section 12 (8) of the National Government Constituencies Development Fund Act, 2015 states that all unutilized funds of the Project Management Committee shall be returned to the Constituency bank account. In the circumstances, the accuracy and completeness of PMC account balances of Kshs.6,081,000 could not be confirmed and Management was in breach of law.	the delay arose from the fact that several projects were in their final stages and contractors had pending claims supported by work already executed. To avoid disrupting project continuity and incurring unnecessary bank charges, funds were temporarily retained in PMC accounts until final payments were processed.		
4. Unsupported Bursaries	The statement of receipts and payments reflects other grants and transfers amounting to Kshs.75,783,354. The	• At the time of audit, some acknowledgement receipts from institutions had	Resolved	

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: *(Resolved / Not Resolved)*	Timeframe: *(Put a date when you expect the issue to be resolved)*
	amount includes bursary-secondary schools and tertiary institutions amounting to Kshs.65,463,594 as disclosed in Note 8 to the financial statements. However, the bursaries were not supported by acknowledgement receipts as required by the Guidelines of National Government Constituencies Development Fund Board circular referenced N-CDFB/CEO/BOARD CIRCULARS VOL I| (021) of 18 June 2020. be confirmed. In the circumstance, the accuracy of the bursary amount of Kshs.65,463,594 could not be confirmed.	not been filed together with the payment vouchers due to delays in receiving them from schools, especially those located outside the constituency and those closed during the COVID-19 calendar adjustments. These receipts have since been collected from the respective institutions and are now on file		

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: *(Resolved / Not Resolved)*	Timeframe: *(Put a date when you expect the issue to be resolved)*
		for audit verification.		
5. Unsupported Expenditure	The statement of receipts and payments reflects an amount of Kshs.78,579,480 as transfers to other Government units and as disclosed in Note 8 to the financial statements. The Fund awarded a contract to a local contractor for the construction of two (2) classrooms at Kamosop secondary school for a contract sum of Kshs.2,491,200. Audit review of records relating to this contract revealed that the contract was signed on 21 March 2024 for a contract period of seventy-five (75) days from 21	The amount of Kshs. 180,000 in question arose from a variation of works under the contract for the construction of two (2) classrooms at Kamosop Secondary School. Upon request from the Board of Management on 20 April 2024, and with the concurrence of the contractor, funds initially allocated for ceiling works were reallocated to the purchase of 300 lockers at Kshs. 600 each to meet an urgent need for learner furniture. At the time of audit, the supporting documents—namely receipt vouchers, store issue vouchers, and	Resolved	

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: *(Resolved / Not Resolved)*	Timeframe: *(Put a date when you expect the issue to be resolved)*
	March 2024 to 15 June 2024. On 20 April 2024, the Board of Management of the school requested to utilize a sum of Kshs.180,000 initially meant for ceiling works in the proposed 2 (NO.) classrooms and instead purchased three hundred (30O) lockers at 600 each. The contractor accepted the variation of works and agreed to supply the lockers. However, supporting documents such receipt vouchers, store issue vouchers and inspection reports in respect to the lockers supplied and delivered to the school were not provided for audit review. In the	inspection/acceptance reports—were not attached to the payment file because they were retained at the school for internal filing and verification. These documents have since been retrieved from the school and are now filed with the project records for audit review.		

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: *(Resolved / Not Resolved)*	Timeframe: *(Put a date when you expect the issue to be resolved)*
	circumstances, the accuracy, regularity and the value for money of the expenditure amount of 180,000 could not be confirmed.			
6. Unsupported Bursaries	The statement of receipts and payments and as disclosed in Note 8 to the financial statements reflects other grants and transfers amounting to Kshs.75,783,354 The amount includes bursary-secondary schools and tertiary institutions amounting to Kshs.65,463,594. However, the bursaries were not supported by acknowledgement receipts as required by Guideline of National Government	The amount of Kshs. 65,463,594 under bursary allocations to secondary schools and tertiary institutions, as disclosed in Note 8, was disbursed to eligible beneficiaries in accordance with NG-CDF bursary guidelines and approved beneficiary lists. At the time of audit, some acknowledgement receipts from beneficiary institutions had not been filed with the payment vouchers due to delays in receiving them, particularly from institutions located	Resolved	

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: *(Resolved / Not Resolved)*	Timeframe: *(Put a date when you expect the issue to be resolved)*
	Constituencies Development Fund Board circular referenced N-CDFB/CEOBOARD CIRCULARS VOL I| (021) of 18 June 2020. In the circumstance, the accuracy of the bursary amount of Kshs.65,463,594 could not be confirmed. The audit was conducted in accordance with International Standards for Supreme Audit Institutions (1SSAIs). I am independent of the Fund's Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements	outside the constituency and those closed during the disbursement period. These receipts have since been obtained from the respective schools and colleges and are now attached to the bursary payment records for audit verification.		

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: *(Resolved / Not Resolved)*	Timeframe: *(Put a date when you expect the issue to be resolved)*
	applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.			

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Name: Felix Munyaka Gad
Fund Account Manager.