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OF

THE AUDITOR-GENERAL

ON

**NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT
FUND –KONOIN CONSTITUENCY**

**FOR THE YEAR ENDED
30 JUNE, 2025**

Revised 30th June 2025



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

KONOIN 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)**

National Government Constituencies Development Fund (NGCDF)
Konoin Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025

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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.

(This list is an indication of the common acronyms and abbreviations; the Entity should include all from the annual report and financial statements prepared)

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 pursuant 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 realisation 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 Konoin 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	Rhoda Ochieng
2.	National Sub-County Accountant	Nicholas Mutisya
3.	Chairman NGCDFC	David Maritim
4.	Member NGCDFC	Philiph Koibosut
5.	Member NG CDFC	Philemon Ngetich (deposit bank account)

(c) Fiduciary Oversight Arrangements

The Audit Committee of the NGCDF Board provides overall fiduciary oversight on the activities of the NGCDF Konoin 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) NGCDF Konoin Constituency Headquarters

Konoin NG-CDF Building
Off Litein-Tenwek road
P.O Box 64-20403 MOGOGOSIEK

(e) NGCDF Konoin Constituency Contacts

P.O Box **64-20403**,
Konoin NG-CDF Office
Litein-Tenwek Road
Telephone: (254) 0725803754
E-mail: cdfkonoin@ngcdf.go.ke
Website: [Websitehttp://www.konoin.go.ke](http://www.konoin.go.ke)

(f) NGCDF Konoin Constituency Bankers

1. Operations Account.
Equity Bank Litein Branch
P.O. Box 75104-00200.
Litein.
 2. Deposit account.
Equity Bank of Kenya
P.O. Box 75104-00200.
Litein.
 3. Project Management Committee Accounts
Equity Bank Litein Branch
P.O Box 75104-00200.
Litein.
- Kenya Commercial Bank Bank
Litein Branch
P.O Box 5
Litein.

(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

(provide details for all the NG CDFC members in the format below)

Name	Details
 <p>David Maritim Chairman</p>	<ul style="list-style-type: none"> ✓ He was born on 19th September 1957. ✓ He is a retired Primary school headteacher. ✓ He joined Konoin constituency in November 2024 as the chairperson of NG-CDFC Konoin.
 <p>Philip Koibosut Secretary</p>	<ul style="list-style-type: none"> ✓ He was born on 1st January 1963. ✓ He a retired high school Senior Principal. ✓ He has a degree in Bachelor of science in education. ✓ He joined Konoin constituency in November 2018 as the secretary of the NG-CDFC Konoin.
 <p>Seline Rono Member</p>	<ul style="list-style-type: none"> ✓ She was Born on 22nd July 1977. ✓ She is a reverent. ✓ She joined Konoin constituency in 2024 as the female adult representative of the NG-CDFC Konoin.
 <p>Philemon Ngetich Member</p>	<ul style="list-style-type: none"> ✓ He was born on 21st August 1959. ✓ He is a retired Public servant. ✓ He joined kONOIN constituency in November 2022 as the coop-ted member of the NG-CDFC Konoin.

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 <p>Raymond Sigei Male Youth Rep</p>	<ul style="list-style-type: none"> ✓ He was born on 12th August 1999. ✓ He has a Degree holder. ✓ He joined Konoin constituency in November 2024 as the male youth representative member of the NG-CDFC of Konoin.
 <p>Caroline Chebet Member</p>	<ul style="list-style-type: none"> ✓ She was born on 4th February 1992 and holds a diploma in Social work. ✓ She joined Konoin constituency in 2018 as the representative of persons living with disability of the NG-CDFC Konoin.
 <p>Beatrice Chepngetich Member</p>	<ul style="list-style-type: none"> ✓ She was Born on 1st February 1994 and holds a degree in Business management. ✓ She joined Konoin constituency in 2018 as the constituency nominee member of the NG-CDFC Konoin.
 <p>Teresia Mogoro Member</p>	<ul style="list-style-type: none"> ✓ She was born on 14th December 1978. ✓ She is the current Konoin deputy county commissioner. ✓ She joined Konoin constituency Ng-cdf in 2023.

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Ms. Rhoda Ochieng
Fund Account Manager

- ✓ She was born on 16th July 1987 and is Fund Account manager.
- ✓ She is a member of the NG-CDF committee as an ex-official.
- ✓ She holds bachelor's degree in economics, mathematics and political science, CPA K Master's degree in international relations and diplomacy.

(List the NG CDFC members who exited during the financial year and the period they served.)

- i. Catherine cheronon – was Female Adult
- ii. Anneth chepkorir – was youth female
- iii. Ezra Ngeno – was youth male rep

4. NG-CDFC Chairman's Report



Mr. David Maritim
Chairman Konoin NGCDF Committee

Being the chair of the body laying policies and overseeing the expenditure of the funds received by the constituency from the board, I am pleased to present to you the annual report and financial statement for the year ended 30th June 2025. The financial statements set out below were prepared on accrual basis of accounting regulated by the international public sector accounting standards.

Konoin NG-CDF aspires to be the best constituency in utilization of NGCDF funds in meeting the objectives of the fund that eventually leads to development in the lowest level of the nation. This is achieved by the constituency through satisfying the community needs and promoting good governance in management of the fund. The establishment of the fund was centered on channeling funds to grass root communities by enabling them to implement the projects identified through public participation.

We have had notable success in implementation of projects especially those that transform lives of our community in the constituency through areas such as Education, security, climate change mitigation and bursary awards to needy students within Konoin constituency.

In the current financial year, Konoin NG-CDF had a total budget allocation of ksh. 365,226,989 presented to the Board. In general, the NG-CDF received a total of ksh. 244,883,515 where ksh. 128,000,000 relates to the just ended financial 2024-2025 whereas the remaining ksh. 116,883,515 relates to the previous financial year. Compared to the

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previous financial year, Konoin NG-CDF Received 71.33% of funds from the board an increase of 10.2%.

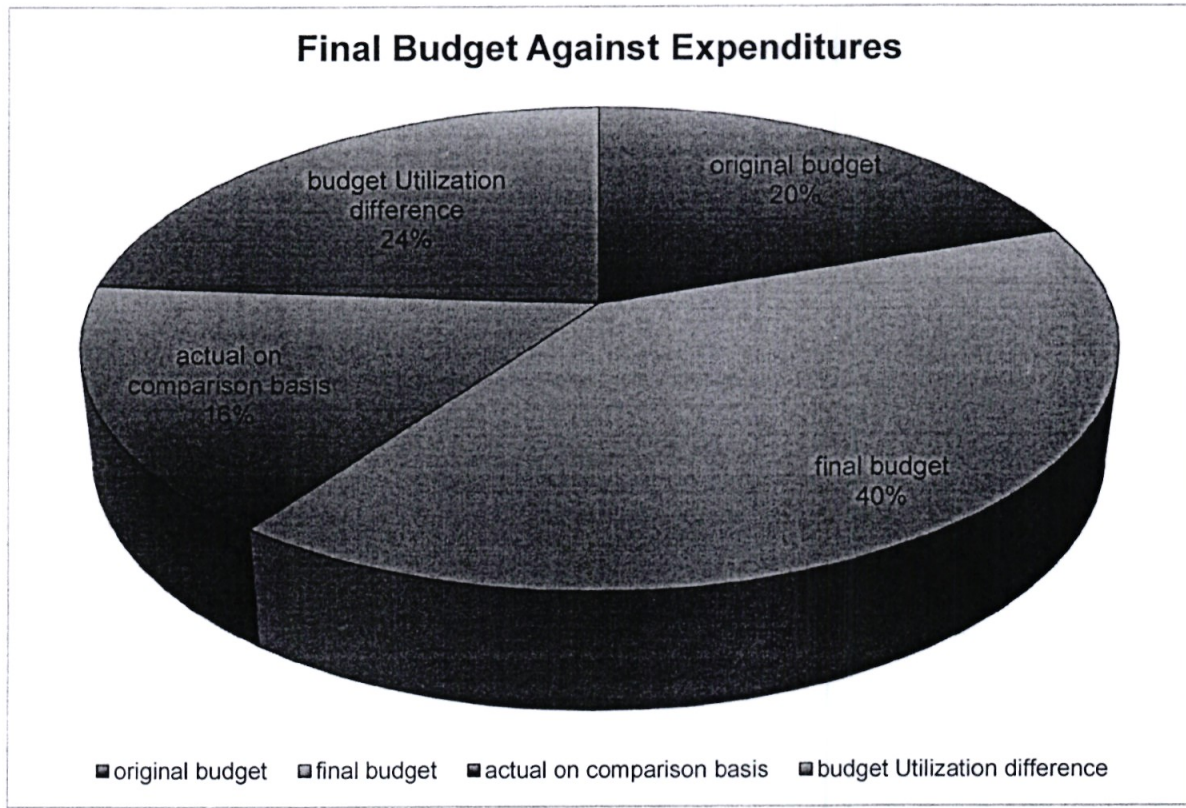
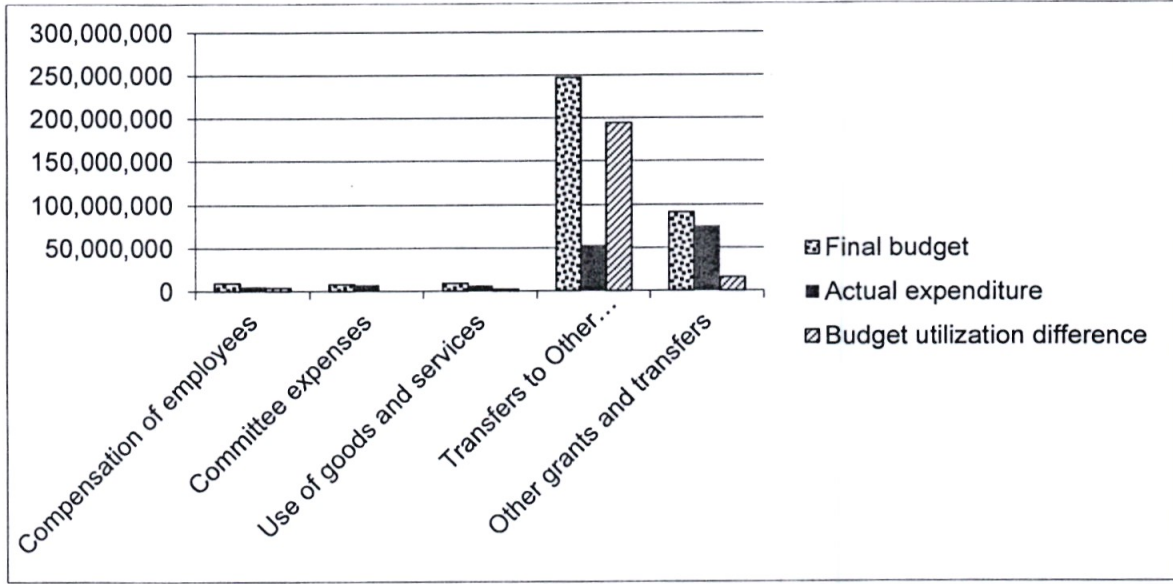
Despite the delay in disbursement of funds, we have been able to implement and complete more than 60% of projects. A number of new schools (both primary and secondary) were established by purchasing land and initiation of classroom construction. We were also able to expand infrastructure, mainly storey classrooms, in the existing schools. There has been improvement in the environmental activities that has enhanced climate change mitigation through afforestation.

Despite the successes achieved, there were challenges encountered along the way. This includes delays in disbursement of funds from the CDF Board, low capacity to implement projects by the PMCs hence there is need for training and inadequate allocation by the NG-CDF Board which makes it impossible to implement the number of projects proposed by the community. It also leads to little allocation to projects hence unable to complete all the budgeted projects in one financial year.

The table below shows a summary of the budget.

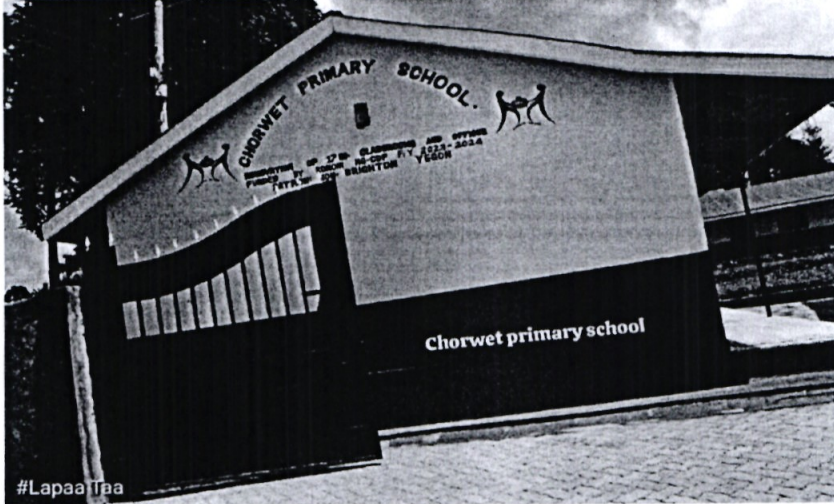
PAYMENT	Budget	Expenditure	Budget utilization difference
Compensation of employees	9,496,328	5,636,412	3,859,916
Committee expenses	7,791,500	7,791,500	-
Use of goods and services	9,093,046	6,830,277	2,262,769
Transfers to Other Government Units	247,257,392	53,135,856	194,121,536
Other grants and transfers	91,056,223	75,633,019	15,423,204
Funds Pending Approval	532,500		532,500
TOTAL	365,226,989	149,027,064	216,199,925

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KEY ACHIEVEMENTS

The following are some of the key projects that have been undertaken.



Project 1: Chorwet Primary school: renovatio of 15 No classrooms



Project 2: Artamor Primary construction of 4NO storey classrooms.



Project 3: Aregeriot primary School construction of 4NO storey classrooms.

Emerging issues

The following are some of the emerging issues that are experienced as a result of the current economy.

1. Restructuring of the Education Funding

The move by the government to restructure the education funding for the tertiary institutions through changing of the HELB funding structure has brought a lot of pressure to the NGCDF Bursary Funds as many students are now seeking for scholarships from the constituency to enable them continue with their studies

2. Junior Secondary School

The introduction of the Junior Secondary School through the CBC Education system has brought a lot of pressure to the existing facilities in various primary schools. There is need for construction and equipping of new classrooms and laboratories to accommodate the students.

3. Inflation Rates

With the current economic position where the rate of exchange of Kenyan shillings to dollar continues to rise, there has been an increase in the cost of construction materials. Hence those projects that were submitted to the board before inflation may not be completed with the original budgeted cost necessitating need for variations and additional funding.

Challenges and solutions

- Many projects delayed due to late disbursement of public funds. We hope that this will improve to enable us do the projects in time. We have however been able to utilize the funds adequately as they are disbursed by the Board
- There is also a challenge in the education funds set for bursary. The number of needy students within Konoin constituency is too high compared to the available funds for the same. We wish to increase the amount allocated to bursary funds in the coming financial years.
- Getting Acknowledgement Receipts from the members of the Public when they are issued with bursary has been a challenge. We have been able to disburse combined cheque to those schools that are closer or where students are many in one school and this has enabled us get a few Bursary Acknowledgement Receipts and hence meet the requirements set for the same. We have also been doing civic education and awareness

of the need for the bursary beneficiaries to bring back bursary acknowledgement receipts from the institutions once they have collected their cheques and taken them to schools. Otherwise the impact of the NG-CDF kitty is felt in the constituency and we hope and pray that the fund lives longer and longer in order to impact positively more and more lives in Kenya.

Way forward

As we appreciate the continued support from the National Government in making slight additions to the kitty, we however regrettably wish to say that it's not enough to assist the constituency make the rapid anticipated challenge of providing proper infrastructure for the education sector and security organs. The National Government should seriously consider the re-introduction of the poverty index scheme for the distribution of the national cake.

- We remain committed as a committee to ensure that the fund makes the expected impact in the constituency in terms of enabling needy and bright students attend and complete their formal education in a convenient environment.
- We are also focused to ensure our constituency achieve the lowest regional and national crime indices



.....
David Maritim
Chairman NGCDF Committee

5. Statement Of Performance Against Predetermined Objectives for FY2024/202

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 Standards Board includes a statement of the national government entity's performance against predetermined objectives.

The key development objectives of the *NGCDF Konoin Constituency 2022-2027* plan are to:

1. To improve on security issues within the constituency.
2. To improve infrastructure in learning institutions and facilitate uninterrupted learning to needy students within the constituency through issuance of bursaries.
3. To provide aid in case of emergencies
4. To curb soil erosion and promote planting of environment friendly trees to improve forest cover within the constituency.

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 have all children of school going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	number of usable physical infrastructure build in primary, secondary, and tertiary institutions	Put in place one new primary school one new secondary school; Kaptebengwet Lapaataa Girls secondary school. We intend to renovate 7 schools 1. Besiobei Pry, Chongenwo

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			number of bursary's beneficiaries at all levels	pry,Kaptembwo pry,Kenyagoro pry,Sotit pry,Ngererit sec, and Ruseya Secondary school. -Also we intend o construct a number of storey classrooms for 8 schools. -approximately 10,000 students benefited in secondary schools.
Security	To have modern police station and post at the constituency	Access quality police services and reduce crime rate	Number of crime reported	Konoin NG-CDF built emergency pit latrine for Konoin police station.
Environment	Have clean and healthy environment	Access to good sanitation facilities	No of sanitary facilities constructed	Konoin NG-CDF office will do afforestation in the selected Public institutions under climate change mitigation activities
Emergency	To cater for unforeseen occurrences in the constituency	Preparedness and ready for any unforeseen events and occurrences	No of unbudgeted projects in the constituency	Konoin NG CDF catered for unforeseen events in the education and security sectors the office constructed 16 emergency projects in the following schools. 1. Sinendoik pry 2. Chepcheigo pry 3. Kiptemenio pry 4. Chemalal sec 5. Lebekyet pry 6. Chebwongo pry 7. Kipkelok pry

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				8. Morombo pry 9. Simotwet pry 10. Konoin police station 11. Chebaibai pry 12. Kipkoibet pry 13. Artamor pry 14. Kimari pry 15. Besiobei pry 16. Sitonik pry
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6. Governance Statement

Introduction

The National Government Constituencies Development Fund Act 2015 (Amended 2016) in section 43(1), (2), (3) and 57(1) and its regulations, provides for establishment of National Government Constituency Development Committee (NG-CDFC) for every constituency. The officer of the board facilitated the process of nomination of the NG CDFC for onward forwarding to the board for appointment through gazette notice.

In this regard section 5 and 6 of NG CDF regulations provides for procedure for nomination of the five members of the NG CDFC as outlined in section 43 (2) paragraph (b), (c), and (d) of the principal Act through a selection panel composed of:

- a. One person nominated by national Government official in charge of Sub County or designated representative who shall chair the panel
- b. Officer of the Board seconded to the constituency who is to be the secretary of the selection panel
- c. Two persons one of either gender nominated by the constituency office (established under regulations made pursuant to the parliamentary service act)

Further the NG-CDF regulations require that one to serve as member of the NGCDF committee he or she must be;

- a. citizen of Kenya
- b. ordinarily resident voter of the constituency
- c. able to read and write and communicate in English and Kiswahili
- d. meet the chapter six of the constitution
- e. Available to participate in the activities of the constituency
- f. For youth nominee he or she must have attained age of 18 years but below age of 35yrs and
- g. For persons with disability nominee must be nominated by a registered group representing persons with disability within the constituency.

Appointment of National Government Constituency Development Fund Committee

- 1) There is established a National Government Constituency Development Fund Committee for every constituency.
- 2) Each Constituency Committee shall comprise of—
 - a) the national government official responsible for co-ordination of national government functions;
 - b) two men each nominated in accordance with subsection (3), one of whom shall be a youth at the date of appointment;
 - c) Two women nominated in accordance with subsection (3). one of whom shall be a youth at the date of appointment;
 - d) one person with disability nominated by a registered group representing persons with disabilities in the constituency in accordance with subsection (3);

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- e) two persons nominated by the constituency office established under Regulations made pursuant to the Parliamentary Service Act;
 - f) The officer of the Board seconded to the Constituency Committee by the Board who shall be an ex official member without a vote.
 - g) One member co-opted by the Board in accordance with Regulations made by the Board.
- 3) The seven persons referred to in subsection (2)(b), (c), (d) and (e) shall be selected in such manner and shall have such qualifications as the Board may, by Regulations, prescribe.
 - 4) The names of the persons selected under subsection (3) shall be submitted by the Board to the National Assembly for approval before appointment and gazettelement by the Board.
 - 5) The Regulations made under subsection (3) shall be submitted to the National Assembly for approval before publication by the Board.
 - 6) The first meeting of the Constituency Committee shall be convened within one hundred and twenty days of the commencement of a new term of Parliament or the date of the holding of a by-election, by the national government official at the constituency or in his or her absence, by an officer of the Board seconded to the constituency.
 - 7) The quorum of the Constituency Committee shall be one half of the total membership.
 - 8) The term of office of the members of the Constituency Committee shall be two years and shall be renewable but shall expire upon the appointment of a new Constituency Committee in the manner provided for in the Act, or as may be approved by the Board.
 - 9) The Fund account manager seconded by the Board to the constituency shall be the custodian of all records and equipment of the constituency during the term of Parliament and during transitions occasioned by general elections or a by-election.
 - 10) Whenever a vacancy occurs in the Constituency Committee by reason of resignation, incapacitation or demise of a member the vacancy shall be filled from the same category of persons where the vacancy has occurred within a period of one hundred and twenty days.
 - 11) The Constituency Committee shall meet at least six times in a year but the committee shall not hold more than twenty-four meetings in the same financial year, including sub-committee meetings.

Process of Formation of the NGCDF Committee

To facilitate this, the selection panel invited interested and qualified members of the public for appointment to the NG-CDF committee. The panel invited the public through advertisement publicized in churches, public offices notice boards at the chiefs and assistant Chiefs offices and other public areas in the constituency.

The selection panel developed a short listing criterion which enabled identification of the nominees for interviews. Two additional nominees were proposed by Konoin Constituency Office as per section 43 of the NG-CDF Act, 2015.

NO	NAME	CATEGORY	WARD
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1.	Seline Rono	Female (Adult)	Mogogosiek Ward
2.	David Maritim	Male(Adult)	Boito ward

Nominee of the Body representing Persons with Disability

NO	NAME	NOMINATING ORGANIZATION	NATURE OF PHYSICAL IMPAIRMENT	WARD
1.	Caroline Chebet	Bomet NCPWD	Physically imaped	Boito

CO-opted member

NO	NAME	CATEGORY	OCCUPATION	WARD
1.	Philemon Ngetich	male	Retired puli servant	Kimulot

Nominee of the Constituency Office

NO	NAME	CATEGORY	OCCUPATION	WARD
1.	Beatrice Chepngetich	female	Business	Chepchabas

The list of the selected and recommended members was forwarded to the NG-CDF Board is as below.

Name	Category	Statutory Provision Under Ng-Cdf
David Maritim	Male Adult Representative	Appointment, Pursuant To Sect. 43(2)(B)
Philiph Koibosut	Male Adult Representative	Appointment, Pursuant To Sect. 43(2)(B)
	Female Youth Representative	Appointment, Pursuant To Sect. 43(2)(C)
Seline Rono	Female Adult Representative	Appointment, Pursuant To Sect. 43(2)(C)
Caroline Chebet	Representative Of Persons Living With Disabilities	Appointment, Pursuant To Sect. 43(2)(D)
Raymond Sigei	Male Youth Representative	Appointment, Pursuant To Sect. 43(2)(E)
Beatrice Chepngetich	Female Adult Representative	Appointment, Pursuant To Sect. 43(2)(E)

The above committee was gazetted on 21st May 2025 by the Chief Executive Officer of the Board via Gazette Notice Vol. CXXVII-No. 98

The members took over the office on the first meeting on 10th May 2025 and went through the process electing the chairperson and the secretary of the committee. The following members were elected.

1. **Chairperson** -Mr.David Maritim ID No. 0735028
2. **Secretary** -Mr.Philiph Koibosut ID No.5242688

The NG-CDF tenure

The term of office for the members of the Constituency Committee is two years and will be renewable but shall expire upon the appointment of a new Constituency Committee in the

manner provided for in the Act. The outgoing committee handed over the office on 10th May and the incoming committee became active immediately for a period of two years till 31st March 2027 as per the constituency guidelines.

Roles and functions of NG-CDFC

The functions of the National Government Constituency Development Fund Committees members as stipulated in NG-CDF Regulations 2016(11) are;

- Convene public meetings in every ward in the constituency to deliberate to on development matters.
- Deliberate on project proposals and any other projects considers beneficial to constituency.
- List of projects to be submitted in accordance with the Act to be submitted to the to the Board and ensure that all proposed projects that are approved for funding meet the requirements of section 24 of the Act.
- Ensure formation of project management committees, opening of project accounts, project implementation and closure of projects build the capacity of project management committees and sensitize the Community on the operations of the Fund
- Ensure that all projects receive adequate funding and are completed within three years.
- Monitor the implementation of projects in accordance with the monitoring and evaluation framework prescribed by the Board.
- Submit financial statements to the Board within sixty days of the end of the financial year to enable the Board comply with section 39(4) of the Act.
- Recommend to the Board the removal of a committee member in accordance with section 43(13) and (14) of the Act.
- Enter into performance contracting with the Board on an annual basis.

Removal of NG-CDFC Members

Section 43(13) of the Act provides that a member of the Constituency Committee may be removed from office on any one or more of the following grounds-

- i. lack of integrity;
- ii. gross misconduct;
- iii. embezzlement of public funds;
- iv. bringing the committee into disrepute through unbecoming personal public conduct;
- v. promoting unethical practices
- vi. causing disharmony within the committee;
- vii. Physical or mental infirmity.

A decision to remove a member under subsection (13) is made through a resolution of at least five members of the Committee and the member ought to be removed shall be given a fair hearing before the resolution is made.

Handing over

The handing over of office by the outgoing NG-CDF Committee to the incoming committee was carried out smoothly on 10th May 2025.

Training of NG-CDFC Members

In the financial year 2024/2025 the NGCDF Board organized training of NGCDFC members. During the training, critical areas were handled. This enabled the committee to acquire knowledge and skills to ensure effective and efficient management of NG-CDF Konoin. Trained issues were as stated below:

1. Strategic Planning & Performance Contracting
2. Rationale for Strategic Planning & PC at NG-CDF
3. Complaints handling mechanism
4. Conduct of meetings and minute writing
5. Minutes filing
6. Effective Communication and ICT Solutions
7. Brand Management
8. Project Cycle Management in NG-CDF operations
9. Technical aspects of Project Planning and Management
10. Architectural plan
11. Bill of Quantities description, interpretation and utilization in Project
12. Technical aspects of Project Planning and Management
13. Monitoring and Evaluation of NG-CDF Projects
14. Taxation in NG-CDF operations
15. Public Finance Management in NG-CDF Operations
16. Role of the committee in financial management.

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Number of Meetings Held

According to the NG-CDF Act 2015, Section 43(1), the NGCDF Committee is required to hold a maximum of 24 meetings in a year including any subcommittee meetings. Konoin Constituency Held a total of 12 meetings in the financial year 2024-2025 and the attendance was as follows.

N O	NG-CDFC COMMITTEE MEMBERS	4th July 2024	29th July 2024	19th August 2024	14th Oct 2024	12th Nov 2024	28th Nov 2024	16th Dec 2024	28th Jan 2025	3rd Feb 2025	27th Feb 2025	4th March 2025	19th March 2025	9th May 2025	30th June 2025
1	David Maritim-Chair	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
2	Philemon Ngetich-Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
3	Caroline Chebet-Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
4	Beatrice Chepngetich-Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
5	Teresia Mugoro-DCC	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
6	Ezra Ngeno-member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
7	Catherine Cheron-Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
8	Philiph Koibosut - Secretary	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
9	Rhoda Ocieng - FAM	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

Ethics & Conduct

Members of NGCDFC are required to observe the following ethical issues

- i. Confidentiality-the NGCDFC members have a responsibility to ensure confidentiality unless in situations required by law.
- ii. Honesty and integrity-NGCDFC members have a duty to declare any private interest relating to their public duties and to take steps to resolve any conflict arising in a way that protects the public interest.
- iii. Leadership- NGCDFC members should promote leadership in the constituency.

During the financial year 2024/2025, most members of NGCDFC Konoin adhered to the above ethical issues

Members Remuneration

NG-CDFC members are not entitled to payment of salary. However, the chairperson of NG-CDFC is entitled to an allowance Ksh. 7,000 per meeting and all other members an allowance of Ksh. 5,000 per sitting. All NGCDFC members should adhere to general ethics and code of conduct as stipulated in the NGCDF Act.

In this financial year the NGCDFC members adhered to the cabinet secretary's circular on members sitting and field allowances.

Disclose policy on conflict of interest

A member who has an interest in any contract, or other matter present at a meeting shall at the meeting and as soon as reasonably practicable after the commencement, disclose the fact thereof and shall not take part in the consideration or discussion of, or vote on, any questions with respect to the contract or other matter, or be counted in the quorum of the meeting during consideration of the matter. A disclosure of interest made shall be recorded in the minutes of the meeting at which it is made. In the financial year 2024/2025 no member of NGCDFC Konoin contravened conflict of interest policy.

Risk management

Risk management has been integrated in the constituency operations through the following; training of the NGCDF staff in their respective technical areas of service to ensure they carry out their roles efficiently, training of the NGCDFCs and the PMCs to equip them with additional knowledge to carry out their duties efficiently within their mandates and regulations, the Fund account manager avails himself with all the support and required resources to ensure that the identified risk does not hamper with the delivery of service.

Some of the risk mitigation strategies that NGCDFC Konoin has implemented include the following: Implementing audit findings and recommendations, adherence and compliance with NGCDF act 2015 and other laws and regulations to ensure an effective and efficient control system, ensuring that NGCDFC members are actively engaged in the projects implementations and overall fund utilization in the constituency, ensuring that the staff responsible for statutory deductions are well aware of the due dates of remittance, allocating insurance fund in the constituency budget, preparation of procurement plan, budget and Monitoring & evaluation plan for the financial year. Conducting public participation within the prescribed time lines to ensure the constituents are involved in project identification.

7. Management Discussion and Analysis

The National Government Constituency Development Fund has been instrumental in Kenya’s development. As it has allocated billions of shillings to various constituencies since its inception. Here’s an overview of Konoin NG-CDF operational and financial performance over the past five years.

Financial Year	Amount allocated	AMOUNT DISBURSED	EXPENDITURE
2020/2021	137,088,879	137,088,879	137,088,879
2021/2022	137,088,879	137,088,879	137,088,879
2022/2023	145,087,603	87,000,000	76,764,213
2023/2024	175,361,810	141,125,260	152,887,232
2024/2025	179,441,954	244,883,515	149,027,064

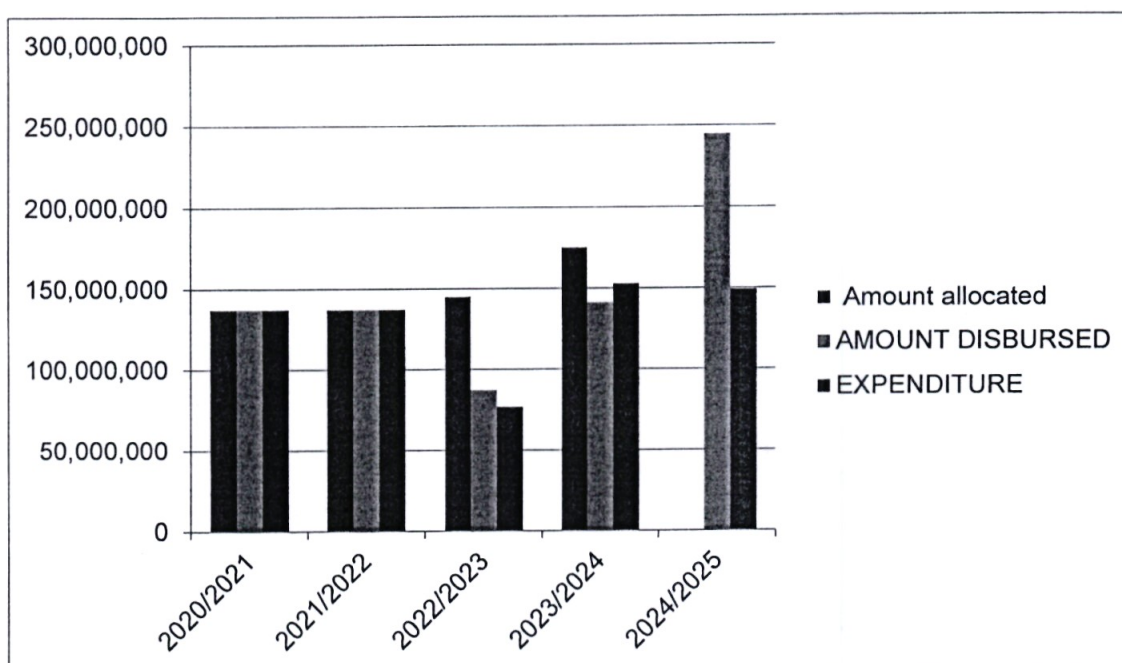


Figure 1. Konoin NG-CDF Financial Performance

Operational Performance:

Konoin NG-CDF has implemented various projects across the constituency, focusing on education, security, and infrastructure development.

The fund has been instrumental in

- a) Education: Funding schools, classrooms and bursaries
- b) Security: Constructing National Government Administration offices, chief’s/assistant chief’s offices and police offices.
- c) Infrastructure Development: Supporting various infrastructural projects.

d) Climate Change Mitigation: Enhancing conservation and restoration of forests in the constituency.

Key projects implemented or On-going.

1. Chepkochun Primary School

Background information of Chepkochun primary

Chepkocun primary has been in existence since 1980 to date. It was totally renovated by Konoin ng-cdf fy 2023/2024. The renovation comprised of tiling, fitting of ceilings of 17 classrooms, installation of cabros and landscaping.

Location

This project is situated at Mogogosiek ward, in Chepkochun Sub-location.

Activities done

i. Total renovation of Chepkochun primary

Summary of funding for the Administration Block Project:

Financial Year	Amount Disbursed	Contract (Kshs)	Sum	Project Start Date	Project Status
2023/2024	10,000,000	10,750,000		November 2023	Complete and in use

Anticipated Project Impact

1. Increased School enrollment.
2. Improved academic Performance due to conducive learning environment.



2. Aregeriot primary school

Background information of Aregeriot primary school

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Aregeriot primary school is an old school situated in Embomos ward.it a school with a rapid growing population. Konoin NG-CDF built storey classrooms.

Activities done

- i. Construction to completion of one storey building consisting of four classrooms.

Summary of funding for the Storey building Project:

Financial Year	Amount Disbursed	Contract (Kshs)	Sum	Project Start Date	Project Status
2021/2022	3,000,000	7,400,000		November 2023	Complete and ready for use
2022/2023	4,400,000				

Anticipated Project Impact

- 1. the project has led to improved learning environment to learners.



Compliance with statutory requirements

Konoin NG-CDF is an entity that is fully guided by the constitution of Kenya 2010, NGOCDF Act 2015, PFM Act 2012, PPADA2015 and many other relevant laws and has been in full compliance of the same.

Konoin NG-CDF has been able to meet its obligations for instance payment of taxes like VAT withholding tax, Pay as you Earn tax among others and the constituency is committed to operate within the law even in the future.

Major Risks facing the Fund

Despite its successes, NG-CDF faces challenges such as:

1. Delayed Disbursement of funds- NG-CDF has faced challenges with delayed disbursement of funds from National Treasury, which affects project implementation and service delivery
2. Inadequate Budget Allocation- The funds allocation is based on the percentage of the national revenue, which may not be sufficient to meet the development needs of constituencies.
3. Fiscal pressure- The country's fiscal pressure such as debt repayment can impact availability of funds for NG-CDF
4. Institutional Challenges- NG-CDF faces institutional challenges that hinder effective utilization of funds.

Fund's Review on Economy

NG-CDF has been a crucial factor in Kenya's economic development, particularly at the grassroots level. Here's a review of its economic impact:

- Funding Allocation- NG-CDF allocates funds directly to constituencies, supporting local development projects in education, infrastructure, and other essential services.
- Development projects: The fund has implemented various projects including construction of schools improving living standards and access to basic services.
- Economic Growth: By investing in local projects, NG-CDF contributes to economic growth, job creation, and poverty reduction in constituencies.

Future Development of the Fund

NG-CDF in Kenya is expected to continue focusing on key areas like education, infrastructure, and economic empowerment with a growing emphasis on digital literacy and sustainable development.

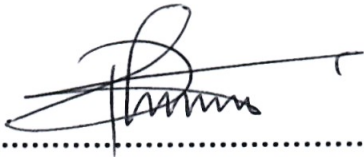
The fund will expand its reach through initiatives like constituency innovation hubs and digital hubs at the ward level to enhance access to online opportunities and improve efficiency through automation.

NG-CDF is involved in tree planting projects highlighting a growing focus on environmental sustainability.

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Projects like police offices, provision of bursaries, construction of educational infrastructure, demonstrate a commitment to community development, improve security, support students' education, and improve public service.

It also partners with National Health Insurance Fund to provide health insurance to vulnerable households contributing to government's universal health coverage goals.



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Name *Rhoda Ochieng*
Fund Account Manager

8. Environmental and Sustainability Reporting

1. Sustainability strategy and profile -

To ensure the sustainability of Konoin Constituency, the committee funds the following key sectors with the following sustainable priorities.

- a. **Education and Training:** Konoin Constituency's focus on human capital for constituency development is entrenched in its strategy to support needy and bright students from each ward of the constituency. The intention is to empower the constituents such that in years to come, the beneficiaries at secondary school levels would have transitioned to Tertiary institutions while those at tertiary level would have transitioned to the job market as employees or employers, thereby contributing positively to the economic growth of the constituency. This strategy takes care of both marginalized groups, including girls and people living with disabilities.
- b. **Security Sector Support:** Among its key pillars, NGCDF has security as a priority area with the intention to provide a better working environment for the security providers within the constituency as well as a secure constituency. The strategy is to have a long-term collaborative working approach that enhances community engagement in security activities. This is aimed at eliminating crime and vices in the long run by providing a better working environment for law enforcement agencies while collaborating with the community in trust on matters of security.
- c. **Climate change mitigation:** The Constituency acknowledges that all its operation has an impact on the environment. Cognizant of the Sustainable development goals, the NG-CDF has allocated part of its budget to climate change mitigation activities such as afforestation, reforestation, grassroots sensitization, and tree seedling production.

2. Environmental performance

Environmental matters relate to mitigation of the climate change effects that has been put forward as a government agenda. The recent amendment of NGCDF Act 2015 to increase the allocation to climate change mitigation activities from 2% to 5% has ensured this objective is achieved through the NGCDF Fund. Konoin NG-CDF in its 2024-2025 budgeted for 5300 seedlings in selected areas within the constituency.

3. Employee welfare

We invest in providing the best working environment for our employees. Konoin constituency recruitment is guided by Employment Act, NGCDF Act, and other regulations as issued from time to time. In line with the law and regulations, the Constituency offers equal opportunity to all while adhering to the one-third gender rule and special groups. We also Recognize and appreciate our employees for exemplary performance. The reward and sanctions system is based on performance appraisal.

The constituency promotes a healthy lifestyle and provides all employees with health insurance coverage through a reliable insurance Scheme. Employees are encouraged and supported to build on their skills and knowledge continually. Konoin constituency invests in capacity-building programs for employees. These include courses on technical competencies relevant to each employee and continuous sensitization on cross-cutting issues. The committee has a safety policy in compliance with the Occupational Safety and Health Act of 2007 (OSHA) and has ensured the work environment is conducive to everybody's movement and accessibility within the office, including PWDs. The Constituency has also put in place disaster-mitigating measures, including fire extinguishers and accessible escape routes in case of emergency.

4. Marketplace practices-

Konoin Constituency is committed to fair and ethical market practices.

The Procurement of goods and services is done through a transparent and competitive bidding process that allows equal opportunities to all participants. We support local vendors drawn from the constituency to lift them economically. Our ethical market practices ensure the fund gets value for money on all goods and services procured.

We are also committed to healthy relations with our suppliers, which are enhanced through organized sensitization forums on the procurement legal framework and ethical subject matters. We are dedicated to honoring all contracts and settling payments promptly.

NGCDF has put in efforts to ensure:

- a) Responsible competition practice by encouraging fair competition and zero tolerance to corruption.
- b) Good business practices, including cordial Supply chain and supplier relations, by honouring contracts and respecting payment practices.
- c) Responsible marketing and advertisement
- d) Product stewardship by safeguarding consumer rights and interests.

5. Community Engagements-

Konoin Constituency has endeavored to sustain community engagement through CSR as well as appreciating our existence through engaging local contractors and suppliers when necessary. We have also engaged the community through community projects.

Public Participation in Project Identification, Implementation, and Monitoring

Konoin Constituency deliberated on project proposals from all the wards in the constituency and considered the most beneficial to the constituents, considering the national development plans and policies and the constituency strategic development plan. The

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identified list of priority projects, both immediate and long-term, was submitted to the NGCDF Board in accordance with the Act.

Public participation is a process that directly engages the concerned stakeholders in decision-making and fully considers public input.

The NG-CDFC engaged the community through community leaders during the bursary program to identify the needy students to be awarded the bursary.

Public Awareness

This includes mechanisms for participation and cooperation with local, regional, and national agencies, as well as for conducting community-based needs assessments, public awareness campaigns, and community meetings.

Konoin Constituency has continually practiced public participation and public awareness during project identification and proposal collections in all the wards in the constituency.

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Name *Rhoda Ochung*
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-Konoin 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-Konoin 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- Konoin 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.

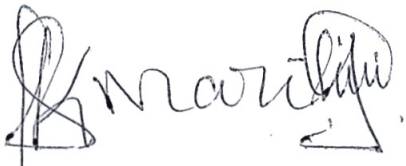
***National Government Constituencies Development Fund (NGCDF)
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The Accounting Officer in charge of the NGCDF Konoin Constituency confirms that the *constituency* has complied fully with applicable Government Regulations and the terms of external financing 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- Konoin Constituency financial statements were approved and signed by the Accounting Officer on 20/05/ 2025.



.....
Name: DAVID K. MUTITU
Chairman – NGCDF Committee



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Name: Rhoda Ochieng
Fund Account Manager

REPUBLIC OF KENYA

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REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - KONOIN 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 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 Government Constituencies Development Fund - Konoin Constituency set out on pages 1 to 78, which

Report of the Auditor-General on National Government Constituencies Development Fund - Konoin Constituency for the Year ended 30 June, 2025

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 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 Government Constituencies Development Fund - Konoin 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. Unsupported Opening Balances

The statement of financial position reflects total assets and total liabilities opening balances of Kshs.185,785,034 and Kshs.1,227,790, respectively, resulting in net assets opening balance of Kshs.184,557,244. However, these balances were not supported by transition project co-ordination committee report. The listing of the assets and liabilities was also not provided for audit review.

Further, the opening statements reflects Nil for property, plant and equipment. However, the amount differs with the balance of Kshs.19,751,780 reflected in Annex 1 to the financial statements resulting in unexplained variance of Kshs.19,751,780.

In the circumstances, the accuracy and completeness of the net assets opening balance of Kshs.184,557,244 could not be confirmed.

2. Inaccuracy of Employee Costs

The statement of financial performance reflects employee costs amounting to Kshs.4,787,012. However, the amount differs with employee costs totalling Kshs.5,636,412 reflected in Note 10 to the financial statements resulting in unexplained variance of Kshs.849,400.

In the circumstance, the accuracy and completeness of employee costs amounting to Kshs.4,787,012 could not be confirmed.

3. Inaccuracy of Revaluation Reserves

The statement of financial position reflects revaluation reserves totalling Kshs.215,821,535. The amount includes adjustment to recognize assets totalling

Kshs.163,876,152. However, the adjustment differs with the total assets amounting to Kshs.185,785,034 reflected in the opening statement of financial position resulting in unexplained variance of Kshs.21,908,882.

Further, the amount ought to have been disclosed as accumulated surplus. This was contrary to the recommended format by the Public Sector Accounting Standards Board.

In the circumstances, the accuracy and completeness of revaluation reserves totalling Kshs.215,821,535 could not be confirmed.

4. Unsupported Project Management Committee Bank Balances

Annex 2 to the financial statements reflects Project Management Committee (PMC) bank account balances totalling Kshs.99,731,949. The amount includes bank balances totalling Kshs.46,460,137 relating to the previous financial year. However, cashbooks, certificate of balances and bank reconciliation statements in support of the balances were not provided for audit review.

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

In the circumstances, the accuracy and completeness of Project Management Committee (PMC) bank account balances totalling Kshs.99,731,949 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 - Konoin 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 a comparable basis of Kshs.365,226,989 and Kshs.313,252,534 respectively resulting to an under-funding of Kshs.51,974,455 or fourteen percent (14%) of the budget. Similarly, the Fund spent Kshs.149,027,064 against total receipts amounting to Kshs.313,252,534 resulting to an under-expenditure of Kshs.164,225,470 or fifty-two (52 %) of the receipts.

The underfunding and underperformance affected the planned activities and may have impacted negatively on service delivery to the public.

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, eleven (11) issues were raised under the Report on Financial Statements, Emphasis of Matter, Other Matter, and Report on Lawfulness and Effectiveness in Use of Public Resources as shown **Annexure I**. However, Management had not resolved the issues or given any explanations for failure to implement the recommendations.

Other Information

Management is responsible for the Other Information set out on page iii to xxxvii which comprise of Key Constituency Information and Management, National Government Constituencies Development Fund (NGCDF) Committee, National Government Constituencies Development Fund (NGCDF) Chairman's Report, Statement of Performance Against Predetermined Objectives, Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, and Statement of Management Responsibilities. 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.

Report of the Auditor-General on National Government Constituencies Development Fund - Koinin Constituency for the Year ended 30 June, 2025

Basis for Conclusion

1. Irregular Purchase of Land

The statement of financial performance and as disclosed in Note 13 to the financial statements reflects other Government Units Actual Expenditure amounting to Kshs.53,135,856. The amount includes an expenditure amounting to Kshs.2,500,000 incurred on the purchase a one-acre piece of land for the proposed Kamogomon Secondary school. However, the ownership of the land was not verified and ownership documents authenticated with relevant Government Agencies. This was contrary to Regulation 11 (1) (k) of the National Government Constituencies Development Fund Regulation, 2016 which states that where a Project involves purchase of land or building, the ownership thereof should be dully verified and ownership documents authenticated with relevant Government Agencies.

Further, the acquisition of the land was not acquired by the National Land Commission on behalf of the school. This was contrary to Section 107 (1) of the Land Act, 2012 which states that whenever the National or County Government is satisfied that it may be necessary to acquire some particular land the respective Cabinet Secretary or County Executive Committee Member shall submit a request for acquisition of public land to the Commission to acquire the land on its behalf.

In addition, the valuation report and a copy of the title deed for the land was not provided. The land has also not been demarcated and fenced.

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

2. Irregular Emergency Projects Actual Expenditure

The statement of financial performance reflects other grants and transfers amounting to Kshs.75,633,019. The amount includes emergency projects actual expenditure amounting to Kshs.16,146,750 as disclosed in Note 14 to the financial statements. However, review of records provided for audit review revealed that emergency expenditure includes an expenditure amounting to Kshs.4,984,727 incurred on strategic plan, Kshs.3,420,737 incurred on stationery, retention moneys amounting to Kshs.1,539,000, all totalling Kshs.9,944,464. However, this expenditure was emergency in nature. This was contrary to Section 8 (3) of the National Government Constituencies Development Fund Act, 2015 states that an emergency shall be construed to mean an urgent, unforeseen need for expenditure that cannot be delayed until the next financial year without harming the public interest of the constituents.

In addition, the emergency expenditure was not reported to the Constituencies Development Fund Board. This was contrary to Regulation 20(2) of the National Government Constituencies Development Regulations, 2016 which states that the utilization of the 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 law.

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 Article 229(6) of the Constitution and based on the audit procedures performed, I confirm that nothing 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

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 as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention 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

24 November, 2025

Report of the Auditor-General on National Government Constituencies Development Fund - Konoin Constituency for the Year ended 30 June, 2025

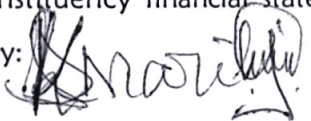
	Financial Year	Audit Issue
		Qualified Opinion
	2023/2024	Inaccuracy of Comparative Figures
	2023/2024	Inaccuracy of Other Grants and Transfers
	2023/2024	Unsupported Unutilized Funds
	2023/2024	Unsupported Project Management Committee Bank Balances
		Emphasis of Matter
	2023/2024	Budgetary Control and Performance
		Report on Lawfulness and Effectiveness in the Use of Public Resources
	2023/2024	Acquisition of Land
	2023/2024	Delayed Completion of Project
	2023/2024	Irregular Emergency Projects Expenditure
	2023/2024	Project Implementation Status Report
	2023/2024	Project Verification

National Government Constituencies Development Fund (NGCDF)
Konoin Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025

11. Statement of Financial Performance for the Year Ended 30th June 2025

	Note	2024/2025
		Kshs
Revenue from non-exchange transactions		
Transfers from the NGCDF Board	6	179,441,954
Transfers from domestic and foreign partners	7	-
Revenue from exchange transactions		
Finance income	8	-
Miscellaneous income	9	-
Total revenue		179,441,954
Expenses		
Employee costs	10	4,787,012
Committee expenses	11	7,791,500
Use of Goods and Services	12	6,830,277
Other Government Units Actual expenditure	13	53,135,856
Other Grants and Transfers Actual expenditure	14	75,633,019
Depreciation and amortization expense	15	-
Digital Hubs Expenses Actual expenditure	16	-
Total expenses		148,177,664
Other gains/(losses)		
Gain/Loss on Sale of Assets	17	-
Impairment loss	18	-
Surplus/(Deficit) for the year		31,264,290

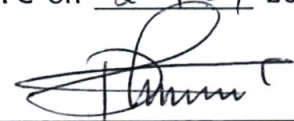
The Constituency financial statements were approved by the NGCDFC on 20/08/2025 and signed by:



Chairman NG-CDF
 Committee
 Name: DAVID K. MARITIM



National Sub-County
 Accountant
 Name: Nicholas Mutisya
 ICPAK M/No: 16276



Fund Account Manager
 Name: Rhoda Ochreng

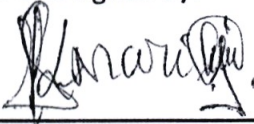


National Government Constituencies Development Fund (NGCDF)
Konoin Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025

Statement Of Financial Position As At 30th June, 2025

	Note	2024/2025	Opening Statement 1st July 2024
		Kshs	Kshs
Assets			
Current Assets			
Cash And Cash Equivalents	19	164,225,470	68,369,019
Receivables from Exchange Transactions	20	-	-
Receivables from Non-Exchange Transactions	21	51,974,455	117,416,015
Prepayments	22	-	-
Total Current Assets		216,199,925	185,785,034
Non-Current Assets			
Property, Plant and Equipment	23	-	-
Intangible Assets	24	-	-
Right-of-use assets	25	-	-
Total Non- Current Assets		-	-
Total Assets (A)		216,199,925	185,785,034
Liabilities			
Current Liabilities			
Trade and Other Payables	26	-	-
Third Party Deposits	27	24,990	24,990
Lease Liabilities	28	-	-
Gratuity Provision	29	353,400	1,202,800
Total Current Liabilities		378,390	1,227,790
Non-Current Liabilities			
Lease Liabilities	28	-	-
Total Liabilities (B)		378,390	1,227,790
Net Assets (A-B)		215,821,535	184,557,244
Represented by:			
Revaluation Reserves		215,821,535	184,557,244
Accumulated Surplus			
Total Net Assets		215,821,535	184,557,244

**National Government Constituencies Development Fund (NGCDF)
Konoin Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025**

The Constituency financial statements set out on pages 1 to 79 approved by NG CDFC on 20/08/
2025 and signed by:

		
Chairman NG-CDF Committee Name: <u>DAVID K. MARTIN</u>	National Sub-County Accountant Name: <u>Nicholas Mutiga</u> ICPAK M/No: <u>16278</u>	Fund Account Manager Name: <u>Rhoda Ochieng</u>

National Government Constituencies Development Fund (NGCDF)
Konoin Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025

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

Description	Revaluation Reserves	Accumulated surplus/Deficit	Total
		Kshs	Kshs
Fund Balance as at 30 th June 2024	21,908,883	-	21,908,883
Adjustments			
Recognition of Assets	163,876,152		163,876,152
Recognition of Liabilities	1,227,790		1,227,790
As at July 1, 2025	184,557,244		184,557,244
Surplus/(Deficit) For the Period	31,264,290		31,264,290
Revaluation Gain/Loss	-	-	-
As at June 30, 2025 (current year)	215,821,535	-	215,821,535

*National Government Constituencies Development Fund (NGCDF)
Konoin Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025*

13. 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		244,883,515
Transfers from domestic and foreign partners		-
Finance income		-
Miscellaneous income		-
Total Receipts		244,883,515
Payments		
Employee costs		5,636,412
Committee expenses		7,791,500
Use of Goods and Services		6,830,277
Other Government Units Certified Works		53,135,856
Other Grants and Transfers		75,633,019
Digital Hubs Expenses		-
Total Payments		149,027,064
Net Cash Flows from/ (used in) Operating Activities	30	95,856,451
Cash flows From Investing Activities		
Purchase of PPE		-
Purchase of Intangible assets		-
Proceeds From Sale of PPE		-
Net Cash Flows from Investing Activities		-
Net increase/(decrease) in cash & Cash equivalents		95,856,451
Cash Flows from Financing Activities		
Lease Payment		-
Net Cash Flows from Financing Activities		95,856,451
Cash and cash equivalents at 1 July	19	68,369,019
Cash and cash equivalents at 30 June	19	164,225,470

*National Government Constituencies Development Fund (NGCDF)
Konoin Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025*

14. 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 (C/Bk) and AIA	Previous Years' Outstanding disbursements	2024/2025	2024/2025		
Revenue							
Transfers From the NGCDF Board	179,441,954	68,369,019	117,416,015	365,226,989	313,252,534	51,974,454	86%
Transfers from domestic and foreign partners	-	-	-	-	-	-	
Finance income	-	-	-	-	-	-	
Miscellaneous income	-	-	-	-	-	-	
Totals	179,441,954	68,369,019	117,416,015	365,226,989	313,252,534	51,974,454	86%
Expenses							
Employee costs	5,052,677	4,443,651	-	9,496,328	5,636,412	3,859,916	59%
Committee expenses	2,860,000	1,616,732	3,314,768	7,791,500	7,791,500	-	100%
Use of Goods and Services	7,361,064	-	1,731,982	9,093,046	6,830,277	2,262,769	75%
Other Government Units Certified Works	100,893,900	46,459,831	99,903,661	247,257,392	53,135,856	194,121,536	21%
Other Grants and Transfers	63,274,313	15,848,806	11,933,104	91,056,223	75,633,019	15,423,204	83%
Digital Hubs Expenses	-	-	-	-	-	-	
Funds Pending Approval**	-	-	532,500	532,500	-	532,500	0%

National Government Constituencies Development Fund (NGCDF)
Konoin Constituency
Annual Report and Financial Statements for The Year Ended June 30, 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 (C/Bk) and AIA	Previous Years' Outstanding disbursements	2024/2025	2024/2025		
Total Expenditure	179,441,954	68,369,019	117,416,015	365,226,989	149,027,064	216,199,925	41%
Surplus for the period	-	-	-	-	164,225,470	(164,225,470)	

Employee costs, Use of Goods and Services, Other Government Units Certified Works and Other Grants and Transfers had underutilization due to late disbursement.

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	216,199,925
Less undisbursed funds receivable from the Board as at 30 th June 2025	51,974,454
Cash and Cash Equivalents at the end of the 30 th June 2025	164,225,470

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 20/08/2025 and signed by:



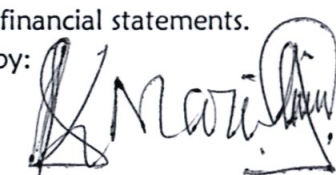
Fund Account Manager

Name: Rhoda Ochieng



National Sub-County Accountant

Name: Nicholas Mutisya



Chairman NG-CDF Committee

Name: DAVID K. MARITIM

National Government Constituencies Development Fund (NGCDF)
Konoin Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025

ICPAK M/No:

15. 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 (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent						
Contractual employees	3,624,800	3,237,651	-	6,862,451	3,201,135	3,661,316
NSSF	115,000	-	-	115,000	115,000	-
Housing Levy	106,877	-	-	106,877	106,877	-
Gratuity - contractual employees	1,206,000	1,206,000	-	2,412,000	2,213,400	198,600
Electricity	40,000	-	-	40,000	40,000	-
Water and sewerage charges	30,000	-	-	30,000	30,000	-
Telephone, telex, facsimile and mobile	67,709	-	-	67,709	67,709	-
Internet connection	50,000	-	-	50,000	50,000	-
Courier and postal services	600,000	-	-	600,000	600,000	-
Daily subsistence allowance	950,000	-	-	950,000	950,000	-
Publishing and printing services	30,000	-	-	30,000	30,000	-
Catering services , food and drinks	300,000	-	-	300,000	300,000	-

National Government Constituencies Development Fund (NGCDF)

Konoin Constituency

Annual Report and Financial Statements for The Year Ended June 30, 2025

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Other committee expenses	260,000	-	-	260,000	260,000	-
NG-CDFC Allowance	1,200,000	1,616,732	-	2,816,732	2,816,000	-
Motor vehicle insurance	120,000	-	-	120,000	120,000	-
General office supplies	600,000	-	-	600,000	600,000	-
Supplies and accessories	100,000	-	-	100,000	100,000	-
Refined fuels and lubricants	500,000	-	-	500,000	500,000	-
Bank charges	50,000	-	-	50,000	50,000	-
Maintenance expenses - motor vehicle	340,200	-	-	340,200	340,200	-
Sub-total	10,290,586	6,060,383	-	16,350,969	12,491,053	3,859,916
2.0 Monitoring and evaluation						
Travel costs	150	-	-	150,000	150,000	-
Travel costs on training	600,000	-	261,982	861,982	861,982	-
Accommodation - domestic travel	150,000	-	-	150,000	150,000	-
Accommodation allowance	400,000	-	400,000	800,000	800,000	-
Daily Subsistence Allowance	220,000	-	200,000	420,000	420,000	-
Publishing and Printing services	100,000	-	-	100,000	100,000	-
Remuneration of Instructors and contract based training services	300,000	-	-	300,000	300,000	-

National Government Constituencies Development Fund (NGCDF)

Konoin Constituency

Annual Report and Financial Statements for The Year Ended June 30, 2025

Programme/sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Production and printing of training materials	100,000	-	-	100,000	100,000	-
Hire of transport	100,000	-	-	100,000	100,000	-
Hire of training facilities and equipment	300,000	-	-	300,000	300,000	-
Catering services, food and drinks	100,000	-	-	100,000	100,000	-
NG-CDFC Allowance	1,400,000	-	3,314,768	4,714,768	3,321,999	1,392,769
General office supplies	100,000	-	-	100,000	100,000	-
Maintenance expenses - motor vehicle	243,005	-	-	243,005	243,005	-
Refined fuels and lubricants for transports	870,000	-	870,000	1,740,000	870,000	870,000
Sub-total	4,983,155	-	5,046,750	10,029,905	7,767,136	2,262,769
3.0 Emergency						
3.1 Primary Schools	6,000,000	-	600,000	6,600,000	6,600,000	-
3.2 Secondary schools	3,444,313	2,800,882	-	6,245,195	6,146,750	98,445
3.3 Tertiary institutions						
3.4 Security projects						
Sub-total	9,444,313	2,800,882	600,000	12,845,195	12,746,750	98,445
4.0 Bursary and Social Security						
4.1 Primary Schools						

National Government Constituencies Development Fund (NGCDF)

Konoin Constituency

Annual Report and Financial Statements for The Year Ended June 30, 2025

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
4.2 Secondary Schools	32,000,000	5,451,587	6,296,604	43,748,191	38,571,730	5,176,461
4.3 Tertiary Institutions	18,000,000	7,596,030	3,486,500	29,082,530	20,314,539	8,767,991
4.4 special needs	2,000,000	-	-	2,000,000	2,000,000	-
4.5 Social Security						
Sub-total	52,000,000	13,047,617	9,783,104	74,830,721	60,886,269	13,944,452
5.0 Climate Change Mitigation						
Boito primary school	150,000	-	-	150,000	-	150,000
Bosto secondary school	150,000	-	-	150,000	-	150,000
Busoreto primary school	150,000	-	-	150,000	-	150,000
Chebugen primary school	90,000	-	-	90,000	-	90,000
Cheptabach primary school	150,000	-	-	150,000	-	150,000
Kapsebet primary school	90,000	-	-	90,000	-	90,000
Kapset primary school	150,000	-	-	150,000	-	150,000
Kebumbur primary school	150,000	-	-	150,000	-	150,000
Ketik somok primary school	150,000	-	-	150,000	-	150,000
Kirimose primary school	150,000	-	-	150,000	-	150,000
Kugerwet primary school	150,000	-	-	150,000	-	150,000
Mogogosiek Township primary school	150,000	-	-	150,000	-	150,000
Terek primary school	150,000	-	-	150,000	-	150,000

*National Government Constituencies Development Fund (NGCDF)
Konoin Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025*

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
		Kshs	Kshs			
Konoin NG-CDF Environment	-	-	1,550,000	1,550,000	2,000,000	-450,000
Sub-total						
6.0 Primary Schools Projects (List all the Projects)						
CHORWET PRIMARY SCHOOL				-	9,846,721	(9,846,721)
KOBEL PRIMARY SCHOOL	3,600,000	676	9,850,000	13,450,676	240	13,450,436
BESIOBEI PRIMARY SCHOOL	3,300,000	1,165	4,334,327	7,635,492	-	7,635,492
TABAITA PRIMARY SCHOOL	3,600,000	19,446	4,731,241	8,350,687	2,090,438	6,260,249
KONOITAB TEGAT PRIMARY	-	540	4,334,328	4,334,868	4,151,971	182,897
CHEPNYOIBEK PRIMARY	-	13,186	4,350,000	4,363,186	-	4,363,186
MUGENYI PRIMARY	3,600,000	-	-	3,600,000	1,393,729	2,206,271
SAPTET PRIMARY	-	116,324	4,334,327	4,450,651	2,680,011	1,770,640
KAPCHEPTUENIK PRIMARY	-	3,200,159	-	3,200,159	-	3,200,159
AREGERIOT PRIMARY	-	5,889,156	-	5,889,156	430,948	5,458,208
KOBOR PRIMARY	-	1,164,661	-	1,164,661	240	1,164,421
CHEPKOCHUN PRIMARY	-	2,247	2,100,000	2,102,247	-	2,102,247
EMBOMOS PRIMARY	-	173,675	-	173,675	3,681,238	(3,507,564)
KIMAECH PRIMARY	3,600,000	3,802,990	-	7,402,990	2,095,993	5,306,997
RAIMOI PRIMARY	3,600,000	809	4,334,328	7,935,137	-	7,935,137
SUGUTEKB PRIMARY	-	192,964	4,334,328	4,527,292	-	4,527,292

National Government Constituencies Development Fund (NGCDF)

Konoin Constituency

Annual Report and Financial Statements for The Year Ended June 30, 2025

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
		Kshs	Kshs			
KIMUTA PRIMARY	-	30,772	4,334,328	4,365,100	-	4,365,100
KAPCHEPTINET PRIMARY	-	541	1,647,000	1,647,541	-	1,647,541
AIC EMANUEL PRIMARY SCHOOL	-	4,008,618	3,600,000	7,608,618	465,238	7,143,380
AINAPKOI PRIMARY SCHOOL	-	581,426	-	581,426	-	581,426
BEEK AB ARWET PRIMARY SCHOOL	-	43,015	-	43,015	-	43,015
CHEPNYOIBEK PRIMARY SCHOOL	-	28,425	-	28,425	1,315,032	(1,286,607)
CHEBAIBAI PRIMARY SCHOOL	5,000,000	57,265	1,272,554	6,329,819	-	6,329,819
CHEBANGANG PRIMARY SCHOOL	-	805,415	-	805,415	-	805,415
CHEBWONGO PRIMARY SCHOOL	-	445	-	445	-	445
CHEIBEI PRIMARY SCHOOL	-	335,543	-	335,543	-	335,543
CHELOIN PRIMARY SCHOOL	-	1,017	-	1,017	-	1,017
CHEMAAN PRIMARY SCHOOL	-	9,988	-	9,988	-	9,988
CHEMELET PRIMARY SCHOOL	-	19,234	-	19,234	561,920	(542,686)
CHENACHO PRIMARY SCHOOL	-	600,294	-	600,294	-	600,294
CHEPCHABAS PRIMARY SCHOOL	-	-	-	-	-	-
CHEPCHIRIK PRIMARY SCHOOL	-	834	-	834	-	834
CHEPKOIN PRIMARY SCHOOL	-	-	-	-	-	-
CHEPTABAACH PRIMARY SCHOOL	-	4,026	-	4,026	-	4,026
CHEPTALAL PRIMARY SCHOOL	2,529,900	143	-	2,530,043	-	2,530,043

National Government Constituencies Developments Fund (NGCDF)

Konoin Constituency

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Programme/Sub-programme	Original Budget Kshs	Adjustments		Final Budget Kshs	Actual on comparable basis Kshs	Budget utilization difference Kshs
		Opening Balance (C/Bk) and AIA Kshs	Previous Years' Outstanding Disbursements Kshs			
CHEPKOCHUN PRIMARY SCHOOL	-	1,118	-	1,118	-	1,118
CHEPKOK PRIMARY SCHOOL	-	-	10,750,000	10,750,000	2,713,041	8,036,959
EMBOMOS PRIMARY SCHOOL	-	149,313	4,400,000	4,549,313	-	4,549,313
ITARE DESPENSARY	-	-	3,200,000	3,200,000	-	3,200,000
KAPSEBETET PRIMARY SCHOOL	-	126,981	-	126,981	-	126,981
KAPSENGERE PRIMARY SCHOOL	-	-	-	-	-	-
KAPSET PRIMARY SCHOOL	-	29,952	-	29,952	-	29,952
KAPSIR PRIMARY SCHOOL	-	-	-	-	-	-
KIPKELOK PRIMARY SCHOOL	-	20,205	-	20,205	-	20,205
KITALA PRIMARY SCHOOL	-	622	-	622	-	622
KOITALEL PRIMARY SCHOOL	-	3,922	-	3,922	-	3,922
SUGUTEK PRIMARY SCHOOL	3,600,000	-	-	3,600,000	-	3,600,000
MUTERERIET PRIMARY SCHOOL	-	-	-	-	240	(240)
KIMUGUL PRIMARY SCHOOL	-	6,620	-	6,620	-	6,620
MURAMET PRIMARY SCHOOL	-	62,243	-	62,243	889,718	(827,475)
SOTTI PRIMARY SCHOOL	9,900,000	893,744	-	10,793,744	-	10,793,744
KIPKOIBET PRIMARY SCHOOL	-	54,974	-	54,974	-	54,974
KAPTEBENGWET PRIMARY SCHOOL	-	435	-	435	-	435
CHONGENWO PRIMARY SCHOOL	9,900,000	-	-	9,900,000	-	9,900,000

National Government Constituencies Development Fund (NGCDF)

Konoin Constituency

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
		Kshs	Kshs			
KAPTEMBWO PRIMARY SCHOOL	10,090,000	-	-	10,090,000	-	10,090,000
KENYAGORO PRIMARY SCHOOL	9,900,000	-	-	9,900,000	-	9,900,000
KIBOMUT PRIMARY SCHOOL	4,000,000	-	-	4,000,000	-	4,000,000
SATIET PRIMARY SCHOOL	2,989,500	-	-	2,989,500	-	2,989,500
Sub-total	79,209,400	22,455,122	71,906,761	173,571,283	32,316,717	141,254,566
7.0 Secondary Schools Projects (List all the Projects)						
SASETA DAY SEC		5660714		5,660,714	3,069,110	2,591,604
KAPTEBENGWET LAPATAA GIRLS SEC	1,000,000	8551736	5,000,000	14,551,736	8,435,095	6,116,641
CHEPKOCHUN SEC SCHOOL	2,000,000	2058168		4,058,168	-	4,058,168
MESWONDO SEC SCHOOL	-	1693653	3,000,000	4,693,653	1,007,832	3,685,821
CHEMELET SEC SCHOOL	-	117484		117,484	-	117,484
SOTIT BOYS SECONDARY SCHOOL	-	3001229	4,200,000	7,201,229	5,014,189	2,187,040
ST. MONICA CHEBANGANG GIRLS	5,000,000	2029999		7,029,999	792,378	6,237,621
KABIANGEK SEC SCHOOL	-	212113	4,200,000	4,412,113	-	4,412,113
BOITO DAY SEC SCHOOL	-	5019	3,296,900	3,301,919	240	3,301,679
KAMOGOMON SECONDARY	-	0	2,500,000	2,500,000	2,499,575	425
BOSTO DAY SECONDARY SCHOOL	-	15338	-	15,338	-	15,338
CHEBANGANG DAY SECONDARY SCHOOL	-	21089	-	21,089	-	21,089

*National Government Constituencies Development Fund (NGCDF)
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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
		Kshs	Kshs			
CHEPTABAACH SECONDARY SCHOOL	-	11025	-	11,025	-	11,025
CHEPTALAL GIRLS SECONDARY SCHOOL	-	555	-	555	240	315
CHONGENWO DAY SECONDARY SCHOOL	-	30100	-	30,100	-	30,100
CHORWET SECONDARY SCHOOL	-	497660	-	497,660	240	497,420
KAPSET SECONDARY SCHOOL	-	1099	-	1,099	-	1,099
KAPSIR SECONDARY SCHOOL	-	493	-	493	-	493
KITALA DAY SECONDARY SCHOOL	-	95490	-	95,490	-	95,490
CHEPTALAL SECONDARY SCHOOL	-	555	-	555	240	315
NGERERIT SECONDARY SCHOOL	2,000,000	-	-	2,000,000	-	2,000,000
RUSENYA SECONDARY SCHOOL	1,000,000	-	-	1,000,000	-	1,000,000
SANGWA DAY SECONDARY SCHOOL	4,684,500	-	-	4,684,500	-	4,684,500
SIOMO SECONDARY SCHOOL	3,000,000	-	-	3,000,000	-	3,000,000
TOBOINON SECONDARY SCHOOL	3,000,000	-	-	3,000,000	-	3,000,000
MOGOGOSIEK TOWNSHIP SEC SCHOOL	-	1,190	4000000	4,001,190	-	4,001,190
KAPRORET SEC SCHOOL	-	-	1,800,000	1,800,000	-	1,800,000
Sub-total	21,684,500	24,004,710	27,996,900	73,686,110	20,819,139	52,866,971
8.0 Tertiary institutions Projects (List all the Projects)						

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
8.1						
9.0 Security Projects						
BOITO CHIEFS OFFICE	-	307	-	307	-	307
Sub-total	-	307	-	307	-	307
10.0 Acquisition of assets						
10.1 Motor Vehicles (including motorbikes)						
10.2 Construction of CDF office						
10.3 Purchase of furniture and equipment						
10.4 Purchase of computers						
10.5 Purchase of land						
Sub-total						
11.0 Digital Hubs						
<i>(Itemize as per the code list)</i>						
Sub total						
12.0 Others						
12.1 Strategic Plan						

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Sub total						
13.0 Funds pending approval**						
13.1 Unapproved projects	-	-	532,500	532,500	-	532,500
13.2 AIA						
Sub-total	-	-	532,500	532,500	-	532,500
Total	179,441,954	68,369,019	117,416,015	365,226,989	149,027,064	216,199,924

(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)

16. 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 Konoin Constituency principal activity is service delivery through improvement of infrastructure and provision of bursaries to needy students within 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 the 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 PFM Act, and International Public Sector Accounting Standards (IPSAS). The NG-CDF Konoin 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 Konoin 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.

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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 (*include any other applicable legislation*), 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	<p><i>Applicable 1st January 2025</i></p> <p>The standard sets out the principles for the 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.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p> <p>Not Applicable</p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1st January 2025</i></p> <p>The Standard requires,</p> <p>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:</p> <p>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.</p> <p>Not Applicable</p>

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<p>IPSAS 45: Property Plant and Equipment</p>	<p><i>Applicable 1st January 2025</i></p> <p>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 an 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.</p> <p>Not Applicable</p>
<p>IPSAS 46: Measurement</p>	<p><i>Applicable 1st January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> 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. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p>Not Applicable</p>
<p>IPSAS 47: Revenue</p>	<p><i>Applicable 1st January 2026</i></p> <p>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</p>

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	<p>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.</p> <p>Not Applicable</p>
<p>IPSAS 48: Transfer Expenses</p>	<p><i>Applicable 1st January 2026</i></p> <p>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.</p> <p>Not Applicable</p>
<p>IPSAS 49: Retirement Benefit Plans</p>	<p><i>Applicable 1st January 2026</i></p> <p>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.</p> <p>Not Applicable</p>
<p>IPSAS 50: Exploration For & Evaluation of Mineral Resources</p>	<p><i>Applicable 1st January 2027</i></p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ul style="list-style-type: none"> 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. <p>Not Applicable</p>

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 30th 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 of 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 as a whole. The entity recognises a social benefit as an expense for the social benefit scheme at the same time that 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 a 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.

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6. Transfers from the NGCDF Board

Description	2024/2025
	Kshs
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	-

9. Miscellaneous income

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

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10. Employees cost

	2024/2025
	Kshs
NG-CDFC Basic staff salaries	3,431,442
Personal allowances paid as part of salary	-
House Allowance	-
Transport Allowance	-
Leave allowance	-
Gratuity to contractual employees	1,860,000
Employer Contributions Compulsory national social security schemes	285,120
Employer Contributions Compulsory Housing levy	59,850
Employer contributions to National Industrial Training Authority	-
Other Specify	-
Total	5,636,412

11. Committee Expenses

	2024/2025
	Kshs
Sitting allowance	4,002,000
Other Committee expenses	3,789,500
Total	7,791,500

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12. Use of Goods and services

	2024/2025
	Kshs
Utilities, supplies and services	288,507
Communication, supplies and services	471,944
Domestic travel and subsistence	436,000
Printing, advertising and information supplies & services	-
Office Rent	-
Training expenses	850,000
Hospitality supplies and services	1,478,455
Insurance costs	-
Specialized materials and services	-
Office and general supplies and services	-
Fuel, oil & lubricants	2,843,811
Bank charges	53,560
Routine maintenance – vehicles and other transport equipment	408,000
Routine maintenance – other assets	-
Strategic plan expenses	-
Other operating expenses	-
Total	6,830,277

13. Other Government Units Actual expenditure

Description	2024/2025
	Kshs
Primary Schools Actual expenditure	32,316,717
Secondary Schools Actual expenditure	20,819,139
Tertiary Institutions Actual expenditure	-
Total	53,135,856

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14. Other Grants and transfers Actual expenditure

	2024/2025
	Kshs
Bursary – secondary schools	38,571,730
Bursary – tertiary institutions	16,314,539
Bursary – special schools	2,000,000
Bursary - Education Support programmes	-
Social Security programmes (SHIF)	-
Security projects Actual expenditure	600,000
Climate change mitigation projects	2,000,000
Emergency projects Actual expenditure	16,146,750
Roads projects Actual expenditure	-
Others specify	-
Total	75,633,019

15. Depreciation and Amortization Expenses

Description	2024/2025
	Kshs
Property Plant and Equipment	-
Intangible Assets	-
Total	-

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 (<i>specify</i>)	-
Total	-

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17. Gain/loss on Sale of Assets

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

18. Impairment Loss

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

19. Cash and Cash Equivalents

Name Of Bank and Account No.	2024/2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Bank Accounts (Cash Book Bank Balance)		
Equity Bank - 0530281027947- Litein Branch (Operation A/c)	64,115,139	21,908,883
<i>Operations account pending closure (Indicate name & account no.)</i>	-	-
Equity Bank - 0530286200470 -Litein Branch (Deposit A/c)	378,390	-
<i>PMC accounts (see annex 2)</i>	99,731,942	46,460,137
Total	164,225,470	68,369,020
Cash Balances		
Location 1	-	-
Location 2	-	-
Other Locations <i>(Specify)</i>	-	-
Total	-	-

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20. Receivables from Exchange Transactions

Description	2024/2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Total receivables		
Other exchange debtors (<i>Specify</i>)	-	-
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		Opening Statement 1 st July 2024	
	Kshs		Kshs	
	2024/2025	% 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)	-	%	-	%

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21. Receivables from Non-Exchange Transactions

Description	2024/2025		Opening Statement 1 st July 2024	
	Kshs		Kshs	
Transfers from NGCDFB	51,974,454		117,416,015	
Outstanding imprest	-		-	
Total	51,974,454		117,416,015	
Ageing Analysis- Receivables from non-exchange transactions	2024/2025	% of the total	Opening Balance	% of the total
Less than 1 year	51,974,454	100%	117,416,015	100%
Between 1- 2 years		0%	-	0%
Between 2-3 years	-	0%	-	0%
Over 3 years	-	0%	-	0%
Total (a+b)	51,974,454	100%	117,416,015	100%

22. Prepayments

Description	2024/2025		Opening Statement 1 st July 2024	
	Kshs		Kshs	
Prepaid Rent	-		-	
Prepaid Insurance	-		-	
Prepaid Electricity Costs	-		-	
Other Prepayments (<i>Specify</i>)	-		-	
Total	-		-	

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23. Property, Plant and Equipment

	Land	Buildings	Motor vehicles	Furniture and fittings	Computers & ICT Equipment	Other Assets (specify)	Capital Work in progress	Total
Depreciation Rate(specify)		2%	25%	12.5%	30%	x%		
Cost	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Opening Bal as 1 st July 2024	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-	-	-	-
As At 30th June 2025	-	-	-	-	-	-	-	-
Depreciation And Impairment								
Opening Depreciation								
Depreciation	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-	-	-
As At 30th June 2025	-	-	-	-	-	-	-	-
Net Book Values	-	-	-	-	-	-	-	-
Opening Bal as at 1 st July 2024								
As At 30th June 2025	-	-	-	-	-	-	-	-

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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	-	-

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24. Intangible Assets

Description	2024/2025
	Kshs
Cost	
Opening balance at 1 st July 2024	-
Additions	-
Disposal	-
At end of the 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 1 st 2024	
NBV at June 30 th 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				

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26. Trade and Other Payables

Description	2024/2025		Opening Statement 1 st July 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	% of the Total
Under one year	-	%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total (tie to above total)	-		-	

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27. Third-Party deposits

	2024/2025	Opening Statement 1 st July 2024
	KShs	
Retention as at 1 st July (A)	24,990	-
Retention held during the year (B)	-	24,990
Retention paid during the Year (C)	-	-
Closing Retention as at 30th June D= A+B-C	24,990	24,990

Retentions aging analysis.

	2024/2025	% of the total	Opening Statement 1 st July 2024	% of the total
Less than 1 year	24,990	100%	24,990	100%
1-2 years	-	0%	-	0%
2-3 years	-	0%	-	0%
Over 3 years	-	0%	-	0%
Total	24,990	100%	24,990	100%

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

28. Lease Liabilities

Description	2024/2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Balance at the beginning of the year	-	-
Discount interest on lease liability	-	-
Paid during the year	-	-
At end of the year	-	-

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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	-

29. Gratuity Provision

Description	2024/2025	Opening Statement 1 st July 2024
	Kshs	Kshs.
Gratuity at the beginning of the year 1 st of July	1,202,800	-
Gratuity held during the year	1,010,600	1,202,800
Gratuity paid during the year	1,860,000	-
Total Gratuity Provision 30th June (A+B-C)	353,400	1,202,800

30. Cash Generated from Operations

	2024/2025
	Kshs
Surplus/Deficit for the year	31,264,290
Adjusted for:	
Depreciation	-
Impairment	-
Gains and losses on disposal of assets	-
Working capital adjustments	
Increase/decrease in receivables	(65,441,561)
	-
Increase/decrease in payables	849,400
	-
Net cash flow from operating activities	95,856,451

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 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:

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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 credit quality of each customer, taking into account 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	51,974,454	51,974,454	-	-
Bank balances	64,115,139	64,115,139		
Total	116,089,593	116,089,593	-	-
As at 30 June 2024				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	117,416,015	117,416,015	-	-
Bank balances	21,908,883	21,908,883	-	-
Total	139,324,898	139,324,898	-	-

(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 Entity has significant concentration of credit risk on amounts due from 2024. 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 poportion of borrowings	-	-	-	-
Provisions	-	-	24,990	24,990
Deferred income	-	-	-	-
Gratuity Provision	-	-	353,400	353,400
Total	-	-	378,390	378,390
As at 30th June 2024				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	24,990	24,990
Deferred income	-	-	-	-
Employee benefit obligation	-	-	1,202,800	1,202,800
Total	-	-	1,227,790	1,227,790

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, evaluate and test 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 rate, 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 optimising 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 to 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 after 30 days from the date of the invoice and conversion at the time of payment is done 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. The carrying amount of the *Entity's* foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

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2024/2025

Description	In Kshs	Other currencies	Total
	Kshs	Kshs	Kshs
As at 30 th June 2025			
Financial Assets	-	-	-
Investments	-	-	-
Cash	-	-	-
Debtors	-	-	-
Total Financial Assets	-	-	-
Financial Liabilities			
Trade And Other Payables	-	-	-
Borrowings	-	-	-
Total Financial Liabilities	-	-	-
Net Foreign Currency Asset/(Liability)	-	-	-

Foreign currency sensitivity analysis

2024

Description	In Kshs	Other currencies	Total
	Kshs	Kshs	Kshs
As at 30 th June 2024			
Financial Assets	-	-	-
Investments	-	-	-
Cash	-	-	-
Debtors	-	-	-
Total Financial Assets	-	-	-
Financial Liabilities			
Trade And Other Payables	-	-	-
Borrowings	-	-	-
Total Financial Liabilities	-	-	-
Net Foreign Currency Asset/(Liability)	-	-	-

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.

Description	Change in currency rate	Effect on Profit before tax	Effect on Equity/Net assets
	Kshs	Kshs	Kshs
Current FY			
Euro	10%	-	-
USD	10%	-	-
Previous FY			
Euro	10%	-	-
USD	10%	-	-

b) Interest rate risk

Interest rate risk is the risk that the Entity's financial condition may be adversely affected as a result 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 endeavoured to bank with institutions that offer favourable 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.

The following table shows an analysis of financial and non- financial instruments recorded at fair value by level of the fair value hierarchy:

Description	Level 1	Level 2	Level 3	Total
	Kshs	Kshs	Kshs	Kshs
As at 30 June 2025				
Financial Assets				
Quoted Equity Investments	-	-	-	-
Non- Financial Assets				
Investment Property	-	-	-	-
Land And Buildings	-	-	-	-
Total	-	-	-	-
As at 30th June 2024				
Financial Assets				
Quoted Equity Investments	-	-	-	-
Non- Financial Assets				

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Investment Property	-	-	-	-
Land And Buildings	-	-	-	-
Total	-	-	-	-

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	<i>Opening Statement 1st July 2024</i>
	Kshs	Kshs
Revaluation Reserve	-	-
Retained Earnings	-	-
Capital Reserve	-	-
Total Funds	-	-
Total Borrowings	-	-
Less: Cash and Bank Balances	-	-
Net Debt/(Excess Cash And Cash Equivalent)	-	-
Gearing	%	%

32. Related Party Disclosures

	2024/2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Committee Members Remuneration		
Sitting allowance of committee Members during the year	4,002,000	3,463,600
Transaction with the NGCDF Board		
Transfers from the NGCDF Board during the year	244,883,515	141,125,260
Total	248,885,515	144,588,860

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	Opening Statement 1 st July 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)

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Contingent Liabilities

Description	2024/2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Contingent Liabilities	-	-
Court Case 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	Opening Statement 1 st July 2024
	Kshs	Kshs
Authorised	-	-
Authorised and Contracted for	-	-
Total	-	-

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 Konoin 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.

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17. Annexes

Annex 1: Summary of Asset Register

Asset class	Historical Cost/valuation cost balance brought forward (Kshs)	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) At Year End
Land	8,449,980	-	-	8,449,980
Buildings and structures	7,900,000	-	-	7,900,000
Transport equipment	-	-	-	-
Office equipment, furniture, and fittings	1,176,000	-	-	1,760,000
ICT Equipment and Other ICT Assets	2,225,800	-	-	2,225,580
Other Machinery and Equipment	-	-	-	-
Intangible assets	-	-	-	-
Total	19,751,780	-	-	19,751,780

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

PMC	Bank	Account number	Bank Balance 2024/2025	Opening Statement 1 st July 2024
CHORWET PRIMARY SCHOOL	KCB LITEIN	1203484054	3,955	676
KOBEL PRIMARY SCHOOL	KCB LITEIN	1205824944	4,335,252	1,165
BESIOBEI PRIMARY SCHOOL	EQUITY LITEIN	O5300286087917	4,750,687	19,446
TABAITA PRIMARY SCHOOL	KCB LITEIN	1270670388	2,244,430	540
KONOITAB TEGAT PRIMARY			211,215	13,186
MUGENYI PRIMARY			3,056,922	116,324
SAPTET PRIMARY	KCB LITEIN	1202568335	520,148	3,200,159
KAPCHEPTUENIK PRIMARY	KCB	1206774894	5,889,156	5,889,156
AREGERIOT PRIMARY	KCB	1173899812	733,713	1,164,661
KOBOR PRIMARY			2,102,007	2,247
CHEPKOCHUN PRIMARY			173,675	173,675
EMBOMOS PRIMARY	0530284403036	Equity	121,752	3,802,990
KIMAECH PRIMARY			2,239,144	809
RAIMOI PRIMARY	KCB LITEIN	1133714188	4,527,292	192,964

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PMC	Bank	Account number	Bank Balance 2024/2025	Opening Statement 1 st July 2024
SUGUTEKB PRIMARY	KCB LITEIN	1183572557	4,365,100	30,772
KIMUTA PRIMARY			1,647,541	541
KAPCHEPTINET PRIMARY			7,608,618	4,008,618
AIC EMANUEL PRIMARY SCHOOL	Equity	0530274778938	116,188	581,426
AINAPKOI PRIMARY SCHOOL	KCB	1199242691	43,015	43,015
BEEK AB ARWET PRIMARY SCHOOL	Equity	0530270203753	28,425	28,425
CHEPNYOIBEK PRIMARY SCHOOL	KCB	1207359653	14,787	57,265
CHEBAIBAI PRIMARY SCHOOL	KCB	1178898970	1,805,415	805,414
CHEBANGANG PRIMARY SCHOOL			445	445
CHEBWONGO PRIMARY SCHOOL	KCB	1178467171	335,543	335,543
CHEIBEI PRIMARY SCHOOL	KCB	1178898970	1,017	1,017
CHELOIN PRIMARY SCHOOL	KCB	1175378488	9,988.	9,988
CHEMAAN PRIMARY SCHOOL	Equity	0530269029153	19,234	19,234
CHEMELET PRIMARY SCHOOL	Equity	0530193407509	38,375	600,294
CHEPCHABAS PRIMARY SCHOOL	Equity	0530294398537	834	834

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PMC	Bank	Account number	Bank Balance 2024/2025	Opening Statement 1 st July 2024
CHEPKOIN PRIMARY SCHOOL	KCB	1202714919	4,026	4,026
CHEPTABAACH PRIMARY SCHOOL	Equity	0530199818600	143	143
CHEPTALAL PRIMARY SCHOOL	KCB	1110868847	1,118	1,118
CHEPKOCHUN PRIMARY SCHOOL			10,750,000	0
CHEPKOK PRIMARY SCHOOL	KCB	1182118887	1,836,272	149,313
EMBOMOS PRIMARY SCHOOL	Equity	0530284403036	3,200,000	0
KAPRORET PRIMARY SCHOOL	Equity	0530278749870	126,981	126,981
KAPSENGERE PRIMARY SCHOOL	Equity	0530293563668	29,952	29,952
KAPSIR PRIMARY SCHOOL	KCB	1208323423	20,205	20,205
KIPKELOK PRIMARY SCHOOL	Equity	0530193265744	622	622
KITALA PRIMARY SCHOOL	Equity	0530294398099	3,922	3,922
MUTERERIET PRIMARY SCHOOL	KCB	1206784695	6,380	6,620
KIMUGUL PRIMARY SCHOOL	KCB	1199594792	62,243	62,243
MURAMET PRIMARY SCHOOL	KCB	1205343911	4,026	893,744

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PMC	Bank	Account number	Bank Balance 2024/2025	Opening Statement 1 st July 2024
SOTIT PRIMARY SCHOOL	KCB	1204870837	54,974	54,974
KIPKOIBET PRIMARY SCHOOL	Equity	0530282294653	435	435
KIBOMUT PRIMARY SCHOOL			1,300,000	0
CHEBAIBAI PRIMARY SCHOOL	KCB	1178898970	4,204,000	0
SASETA DAY SEC	Equity	0530280581356	2,591,604	5,660,714
KAPTEBENGWET LAPATAA GIRLS SEC			5,116,641	8,551,736
CHEPKOCHUN SEC SCHOOL	KCB	1111476705	2,058,168	2,058,168
MESWONDO SEC SCHOOL	Equity	0530193559004	3,685,821	1,693,653
CHEMELET SEC SCHOOL	KCB	1177690578	117,484	117,484
SOTIT BOYS SECONDARY SCHOOL			2,187,040	3,001,229
ST. MONICA CHEBANGANG GIRLS			1,237,621	2,029,999
KABIANGEK SEC SCHOOL	KCB	1110956622	4,412,113	212,113
BOITO DAY SEC SCHOOL			3,301,679	5,019
KAMOGOMON SECONDARY			425	-
BOSTO DAY SECONDARY SCHOOL	KCB	1177669706	15,339	15,339

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PMC	Bank	Account number	Bank Balance 2024/2025	Opening Statement 1 st July 2024
CHEBANGANG DAY SECONDARY SCHOOL	KCB	1152730142	21,088	21,088
CHEPTABAACH SECONDARY SCHOOL	KCB	1112792503	11,025	11,025
CHEPTALAL GIRLS SECONDARY SCHOOL	KCB	1202846653	315	555
CHONGENWO DAY SECONDARY SCHOOL	Equity	0530162491535	30,100	30,100
CHORWET SECONDARY SCHOOL	KCB	1208628208	497,420	497,660
KAPSET SECONDARY SCHOOL	KCB	1113093935	1,099	1,099
KAPSIR SECONDARY SCHOOL	KCB	1169852149	493	493
KITALA DAY SECONDARY SCHOOL	Equity	0530266397466	95,490	95,490
CHEPTALAL SECONDARY SCHOOL			315	555
MOGOGOSIEK TOWNSHIP SEC SCHOOL	KCB	1198810823	4,001,190	1,190
KAPRORET SEC SCHOOL	KCB	1164781014	1,800,000	-
BOITO CHIEFS OFFICE	KCB	1202285678	307	307
Total			99,731,942	46,460,137

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)								
	<p>1. Inaccuracy of Comparative Figures A comparison of the financial statements' comparative figures and the prior year audited financial statements revealed unexplained variances as shown below:</p> <table border="1" data-bbox="349 1070 1176 1337"> <thead> <tr> <th>No</th> <th>Description</th> <th>Note</th> <th>Amount in the Financial Statement (Kshs)</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>Transfers to Primary Schools</td> <td>7</td> <td>8,730,000</td> </tr> </tbody> </table>	No	Description	Note	Amount in the Financial Statement (Kshs)	1.	Transfers to Primary Schools	7	8,730,000	<p>We acknowledge the auditors' observation. We corrected the errors</p>	<p>Not resolved</p>	
No	Description	Note	Amount in the Financial Statement (Kshs)									
1.	Transfers to Primary Schools	7	8,730,000									

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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)	
2.	Transfers to Secondary Schools	7	6,320,000	5,000,000	1,320,000
3.	Emergency Projects	8	800,000	4,350,000	(3,550,000)
4.	Funos pending approval	19.3	1,793,500	9,293,500	(7,500,000)
5.	PMC account balance	19.4	6,784,620	6,791,241	6,621
	In the circumstances, the accuracy and completeness of comparative figures listed above could not be confirmed. existence of Project Management Committee bank balances totalling Kshs 15,908,870.coud not be confirmed				
	<p>2. Inaccuracy of Other Grants and Transfers The statement of receipts and payments reflects other grants and other transfers amounting to Kshs.61,978,842 as further disclosed in Note 8 to the financial statements. However, the amount differs with the respective ledger balance amounting to Kshs 54,271,472 resulting to unexplained variance of Kshs.7,707,370</p>		We take note of the auditors' observation. The errors have been corrected	Not resolved	

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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)
	In the circumstance, the accuracy and completeness of other grants and transfers amounting to Kshs.61,978,842 could not be confirmed.			
	<p>3. Unsupported Unutilized Funds Note 19 3 of the financial statements reflects unutilized fund totaling to Kshs. 139,324,898as further disclosed in Annex 3 to the financial statements. The amount includes funds pending approval amounting to Kshs, 8,254,000 which was not supported by the type of expenditure or proposed project. In the circumstance, the accuracy and completeness of unutilized funds totaling to Kshs. 139,324,898 could not be confirmed.</p>	<p><i>We note the auditors' observation and would like to acknowledge that the funds were received although late in the July and November 2024</i></p>	Not Solved	December 2025
	<p>4.Unsupported Project Management Committee Bank Balances Note 19.4 to the financial statements reflects Project Management Committees (PMC)account balances totalling Kshs.15,968,870 held in eighty-eight (88) bank accounts as</p>	<p><i>We note the auditors' observation and would like to acknowledge that the PMC bank statements were received</i></p>	Not resolved	December 2025

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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)
	<p>disclosed in Annex 5 to the financial statements, However, cash books, certificate of bank balances and bank reconciliations in support of Project Management Committees (PMC) account balances were not provided. Further, the PMC bank balances have not been transferred to the Constituency account. This was contrary to Section 12 (B) of the National Government Constituencies Development Fund Act, 2015 states that all utilized funds of the Project Management Committee shall be returned to the Constituency account.</p> <p>In addition, a review of the certificates of bank balances revealed eight Project Management Committees (PMC) bank accounts with Kshs. 12,332,351 which were not disclosed in the financial statements</p> <p>In the circumstance, the accuracy, completeness and existence of Project Management Committee bank balances totaling kshs. 15,908,870. could not be confirmed</p>			

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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)
	<p>Budgetary Control and Performance</p> <p>The summary statement of appropriation reflects total final receipts budget and actual on comparable basis amounting to Kshs. 292,212,129 and Kshs.174,796,114, respectively, resulting to an under-funding totaling Kshs.117,416,015 or approximately forty percent (40%) of the budget. Similarly, the statement reflects total actual payments on comparable basis amounting to Kshs. 15,287,232 resulting to under-expenditure of Kshs.139,324,897 or approximately forty eight percent (48%) of the budget.</p> <p>Further, the summary statement of appropriation reflects transfers from NGCDF actual on comparable basis amounting to Kshs. 74,796,115 which differs with the reported amount of Kshs. 174,796,114 resulting in an unexplained variance of Kshs.99,999,999.</p> <p>The under-funding and under-expenditure affected implementation of the planned projects and programs and</p>	<p>We note the auditors' observation and would like to acknowledge that there was late disbursement from the Board</p>	Not Resolved	December 2025

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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)
	may have impacted negatively on service delivery to the public.			
	<p>Other Matter</p> <p>Unresolved Prior Year Matters</p> <p>In the audit reports of previous year, fourteen (14) issues were raised under the Report on Financial Statements, Emphasis of Matter, Other Matter, and Report on Lawfulness and Effectiveness in use of Public Resources. However, Management has not resolved the issues or given any explanation for failure to resolve the issues.</p>	<p>We note the auditors' observation and would like to acknowledge that the prior year matters have not been resolved because we have not been invited by the DFAC</p>		December 2025
	<p>Basis for Conclusion</p> <p>1.Acquisition of Land</p> <p>The statement of receipts and payments reflects transfers to other government units amounting to Kshs.74,150,00</p>	<p>We take note of the auditor's observation and we have started the process of transferring the land ownership documents to the relevant schools. We have also taken note of the Land Act,2012</p>	Not Solved	December 2025

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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)
	<p>0. The amount includes transfers to primary schools totalling Kshs.45,250,000 as disclosed in Note 7 to the financial statements. The transfers to primary schools includes transfers totalling Kshs.6,000,000 for purchase of 0.3 acres of land each for four primary schools. However, physical verification done on 13 November, 2024 revealed that, ownership documents and title deeds were not processed and transferred in the name of the schools.</p> <p>Further, the official search and requisition documents from the lands office and user, respectively, were not provided for verification. This was contrary to Regulation 11(1)(k) of the National Government Constituencies Development Fund Regulations, 2016 which states that where a project involves purchase of a parcel of land or building, ensure that the ownership thereof is duly verified and ownership documents authenticated with relevant government agencies.</p> <p>In addition, the valuation of the parcels of land was carried out by a private valuer appointed by the County Government.</p>			

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	nment. This was contrary to section 107 (1) of the Land Act, 2012, which provides that, whenever the National or County government is satisfied			
	<p>2.Delayed completion of project</p> <p>The statement of receipts and payments reflects transfers to other government units amounting to Kshs.74,150,000. The amount includes transfers to secondary schools totaling Kshs.28,900,000 as disclosed in Note 7 to the financial statements. The transfers to secondary schools include Kshs.2,00,000 transferred to St Monica Girls Chebangang Secondary School for the construction of 400 students' capacity dining hall to ring beam. However, physical verification of the site on 14 November, 2024 revealed that the project had stalled and the contractor had abandoned the site for period of more than one (1) year, despite having been paid of the full contract price. Review of records revealed that the contractor was given a default</p>	<p>We take acknowledge of the auditor's observation that there was delay in completion of St Monica girls Chebangang secondary school. The contractor was very slow and the committee cancelled his contract and retendered the works and very soon the project will be complete</p> <p>The contractor had only been paid Kshs. 700,000 for the works done and the balance of Kshs. 1,237,621 are still in the PMC balance as shown in the bank statement.</p>	Not Solved	December 2025

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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)
	<p>At notice of 9 January, 2024 due to failure to enhance the progress of works followed by termination of contract on 29 October, 2024. However, no evidence was provided to show that the Management had made efforts to re-tender so as to complete the project for use by the school as intended.</p> <p>In the circumstance, the Fund may not have obtained value for money on the expenditure of Kshs. 2,000,000 for the construction of a dining hall.</p>			
	<p>3. Irregular Emergency Projects Expenditure</p> <p>The statement of receipts and payments reflects other grants and other transfers amounting to Kshs. 61,978,842. The amount includes emergency projects expenditure totalling Kshs. 10,550,000 as disclosed in Note 8 to the financial statements. However, the amount transferred to the Project Management Committees has not been spent. This was contrary to</p>	<p>We like to acknowledge the auditors observation for compliance. We notified the Board of all the emergencies carried out. There was delay in response proving us to carry out the works since the projects are emergencies and affecting activities in schools</p>	<p>Not Solved</p>	<p>December 2025</p>

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	<p>Section 8 (3) of the National Government Constituencies Development Fund Act, 2015 which states that emergency shall be construed to mean an urgent, unforeseen need for which it is in the opinion of the committee that it cannot be delayed until the next financial year without harming the public interests of the constituents.</p> <p>Further, the utilization of the emergency reserves was as not reported to the National Government Constituencies Development Fund Board within thirty (30) days of the occurrence as required by Regulation 20(2) of the National Government Constituencies Development Fund Regulations, 2016.</p> <p>In addition, bank balance certificates to confirm the existence of the unspent emergency funds was not provided for audit review.</p> <p>In the circumstance, Management was in breach of law.</p>			

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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)
	<p>4. Project Implementation Status Report</p> <p>During the year under review, the Constituency Committee planned to implement one hundred and four (104) projects at a cost of Kshs,183,3,661, Review of the Project Implementation Status Report for the year under review revealed that sixty-one (61) projects with an allocation of Kshs,44,097,000 had been completed, while seventeen (17) projects with allocation of Kshs,75,806,661 had not been started and twenty six (26) projects allocated Kshs.63,650,000 were ongoing.</p> <p>In the circumstances, value for money on projects allocated Kshs,139,46,661 may not have been achieved.</p>	<p>We like to acknowledge the auditors observation for the delay in completion of projects. We like to state the delays are as result in delay in disbursement of funds by national treasury as evidenced by undisbursed funds. The Monitoring committee does monitoring periodically as required</p>	Not Solved	December 2025
	<p>5. Project Verification</p> <p>During the year under review, eight (8) projects with disbursements totalling Kshs. 12,247,000 were inspected on 13 and 14 November, 2024 and the following was observed;</p>	<p>We like to acknowledge the auditors observation for the delay in completion of projects. We like to state the delays are as result in delay in disbursement of funds by</p>	Not Solved	December 2025

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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)
	Name of the Project	Activity	Amount allocated (Kshs)	Status	Observations			
						<i>national treasury as evidenced by undisbursed funds.</i>		
	Embomos Primary School	Field leveling to completion	3,000,000	Not complete	Drainage which was part of the BQ's was not complete			
	Embomos Primary School	Addition of fund for leveling of 4 acres school field	3,200,000	Not complete	Drainage which was part of the BO's was not done			
	Kimuta primary school	Purchase of 0.424 acres of land inclusive of tea bushes	1,647,000	Complete	No title deed and other ownership documents have been obtained			
	St. Monica girls chebangan & secondary	construction of 400 students' capacity	2,000,000	ongoing	The project stalled and contract terminated			

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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)
	school	dining hall						
	Seanin primary school	Construction of 4do or pit latrines	600,000	ongoing	Materials on site but construction works started			
	Tarei primary school	Construction of 4do or pit latrines	600,000	ongoing	Roofing, tiling and paint works which were part of the BQ's is remaining			
	Kaptien primary school	Construction of 4do or pit latrines	600,000	ongoing	Stalled after digging the whole and contractor is not on site			

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	Chemelet primary school	Construction of 4door pit latrines	0 000,00	ongoing	Fixing of doors and paint works which were part of the BQ's not done.		
	Total		12,247,000				
	<p>No reason was provided for non-completion of the projects within the expected time periods.</p> <p>In the circumstance, the public may not obtain the expected value for money from the projects.</p> <p>The audit was conducted in accordance with ISSAI 3000 and 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 t</p>						

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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 audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.			



.....
 Name *Rhoda Ochieng*
 Fund Account Manager.