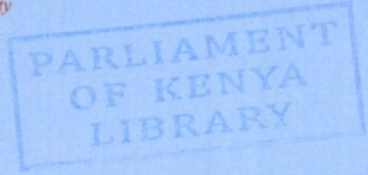


REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL
Enhancing Accountability



REPORT

THE NATIONAL ASSEMBLY
PAPERS LAID

OF

DATE: 12 FEB 2026

Tuesday

TABLED
BY:

Hon George Mwangi, MP
Chairman of LOM
Kamela Tiller

THE AUDITOR-GENERAL

ON

**NATIONAL GOVERNMENT CONSTITUENCIES
DEVELOPMENT FUND-BELGUT
CONSTITUENCY**

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

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14



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

BELGUT CONSTITUENCY

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
30th JUNE 2025

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

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1. Acronyms and Definition of Key Terms

A. Acronyms

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

B. Definition of Key Terms

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

Comparative Year- Means the prior period.

2. Key Constituency Information and Management

(a) Background information

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

Mandate

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

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

- h) Authorize withdrawal of money from the Consolidated Fund as provided under Article 206(2)(c) of the Constitution;
- i) Provide mechanisms for supplementing infrastructure development at the constituency level in matters falling within the exclusive functions of the national government at that level in accordance with the Constitution;
- j) Provide a framework for citizens-led development to assist the national government in planning and prioritizing the use of its resources;
- k) Create a harmonious relationship between citizens and the national government and its officers in local development;
- l) Provide a platform for citizens' participation in service delivery;
- m) Build local accountability and transparency in the use of resources; and
- n) Provide for a public finance system that promotes an equitable society and in particular expenditure that promotes equitable development of the country by making special provisions for marginalized groups and areas pursuant to Article 201(b)(iii) of the Constitution.

Vision

Equitable Socio-economic development countrywide.

Mission

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

Core Values

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

Functions of NG-CDF Committee

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

(b) Key Management

The NGCDF Belgut 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	Caroline Cheres
2.	National Sub-County Accountant	Jonas Kipngeno Rotich
3.	Chairman NGCDFC	Ngenoh Henry Kipsang
4.	Member NGCDFC	Tecler Chepkemoi

Deposit account

No	Designation	Name
1.	AIE holder	Caroline Cheres
2.	National Sub-County Accountant	Jonas Kipngeno Rotich
3.	Member NGCDFC	Dennis Bett
4.	Member NGCDFC	Lilian Maritim

(c) Fiduciary Oversight Arrangements

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

P.O. BOX 1 20205
BELGUT NG CDF BUILDING
Next to the DC's office
SOSIOT, KERICHO

(e) NGCDF Belgut Constituency Contacts

Telephone: (254) 720 094558
E-mail: cdfbelgut@ngcdf.go.ke
Website: www.ngcdf.go.ke

(f) NGCDF Belgut Constituency Bankers

1. (Operations Account).
Equity Bank K Ltd
Kericho Branch
P. Box 75104
Kericho
2. (Deposit account).
Co-operative Bank
Kericho Branch
P.O. Box 1742-20200
Kericho
3. Project Management Committees
(Operations Account).
Equity Bank K Ltd
Kericho Branch
P. Box 75104
Kericho
(Deposit account).
Co-operative Bank
Kericho Branch
P.O. Box 1742-20200
Kericho
(Deposit account).
KCB Bank
Kericho Branch
P.O. Box 43-20200

(g) Independent Auditor

Auditor General
Office of the Auditor General


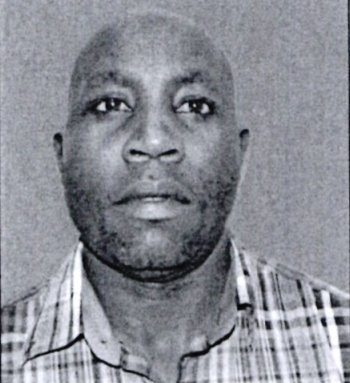

National Government Constituencies Development Fund (NGCDF)
Belgut Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025

Anniversary Towers, University Way
P.O. Box 30084
GPO 00100
Nairobi, Kenya





(h) Principal Legal Adviser

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




3. NGCDF Committee

Name	Details
 Henry Ngeno NGCDFC-Chairman	<ul style="list-style-type: none"> ➤ He was born on 10th March 1972 ➤ He is a general farmer ➤ Education; he has bachelor of education in Maths and business ➤ He has been the chairperson of NGCDFC Belgut since 2017 to date representing Male adult
 Kurgat Evans PLWD REP	<ul style="list-style-type: none"> ➤ He was born on 7th October 1988 ➤ He has diploma in Business Management ➤ He joined BELGUT NGCDF on 2017, as a PLWD representative to date
 Marryline Chepngeno Female Youth	<ul style="list-style-type: none"> ➤ She was born on 4th May 2000 ➤ She has a Diploma in General Agriculture ➤ She joined Belgut NGCDF in 2017 as a female youth representative

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 <p>Dennis Bett Male Youth</p>	<ul style="list-style-type: none"> ➤ He was born on 6th June 1993. ➤ He has a Diploma in Business Management ➤ He joined BELGUT NGCDF in 2017 as male youth representative
 <p>Tecler chepkemioi Coopted member</p>	<ul style="list-style-type: none"> ➤ She was born on 8th august 1968 ➤ Education Background: KCSE Certificate ➤ She's a farmer ➤ She joined BELGUT NGCDF in 2017 as co-opted member representative
 <p>Emmily Sawe Female Adult</p>	<ul style="list-style-type: none"> ➤ Date of birth: 12/11/1961 ➤ Education Background: CPE Certificate ➤ Chairperson of various community organization. ➤ Member of Board of Management in various schools
 <p>Lilian Maritim Secretary Female Adult</p>	<ul style="list-style-type: none"> ➤ She was born on 15/5/1986 ➤ She's a farmer ➤ She has a Diploma in Human Resource ➤ She joined BELGUT NGCDF in 2017 as female adult representative ➤ Chairperson of various community SHG.

National Government Constituencies Development Fund (NGCDF)
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 <p>Kennedy Bii Male Adult</p>	<ul style="list-style-type: none"> ➤ He was born in the year 1977 ➤ He is a general farmer ➤ Education Background: KCSE Certificate ➤ He joined BELGUT NGCDF on 2022, as a male representative He was born in the year 1977
 <p>Caroline Cheres -FAM</p>	<ul style="list-style-type: none"> ➤ Date of birth. 25/11/1987 ➤ Education; CPA K; ICPAK no. 15902, Bachelor of Commerce (Accounting option). Master's in strategic management ➤ Fund account manager since November 2013 to date ➤ Fund Account Manager for Belgut NGCDF and an ex officio member of the NGCDF Committee
 <p>Fransisca- DCC</p>	<ul style="list-style-type: none"> ➤ Date of birth: 4/10/1976 ➤ she is a holder of bachelor of Education Arts ➤ she is the current Deputy County Commissioner, Belgut Subcounty. ➤ she is a member of the NG-CDFC Belgut as a government official.

None of the NGCDFC *members exited during the financial year and the period they served.*

4. NG-CDFC Chairman's Report



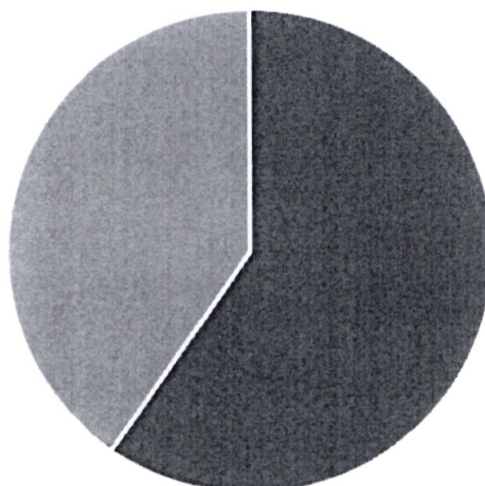
Henry Ngeno
NGCDFC-Chairman

Am honored to present the annual report and financial statement prepared in accordance with the accrual basis of accounting method under the International Public Sector Accounting Standard (IPSAS) for the financial year ended 30th June, 2025. Belgut NGCDF has in the last financial year disbursed and spent Kshs 183,899,293 out of a total allocation of Kshs 179,441,954 plus unspent balance from the FY 2023/2024 of Kshs 35,047,604 and un disbursed Kshs 57,799,293 from the Board making a total budget of Kshs. 272,288,851. The final budget stands at 319,909,800 after adding opening PMC bank balances of kshs 46,634,927. The total expenditure for NGCDFC and PMC stands at kshs 201, 214,593.

GRAPHICALLY

1. BUDGET VS ACTUAL EXPENDITURE FOR THE FY 2024/2025

Budget Vs Actual Expenditures

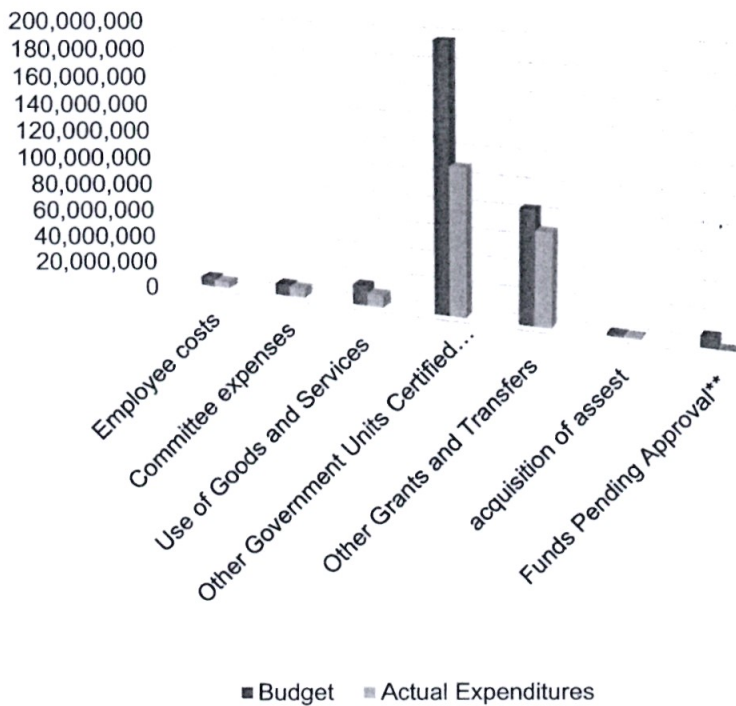


■ BUDGET ■ ACTUAL ■ ■

2. EXPENDITURE DURING THE YEAR

	Final Budget	Actual on comparable basis	% of Utilization
Expenses			
Employee costs	6,679,565	4,740,844	71%
Committee expenses	8,670,603	7,203,316	83%
Use of Goods and Services	15,058,076	9,557,573	63%
Other Government Units Certified Works	195,518,655	108,882,809	56%
Other Grants and Transfers	83,930,547	69,329,780	83%
acquisition of asset	1,927,354	1,500,271	78%
Funds Pending Approval**	8,125,000	-	0%
Total Expenditure	319,909,800	201,214,593	63%
Surplus for the period	6,679,565	4,740,844	71%
Employee costs	8,670,603	7,203,316	83%

Budget Vs Actual expenditures



Key Achievements

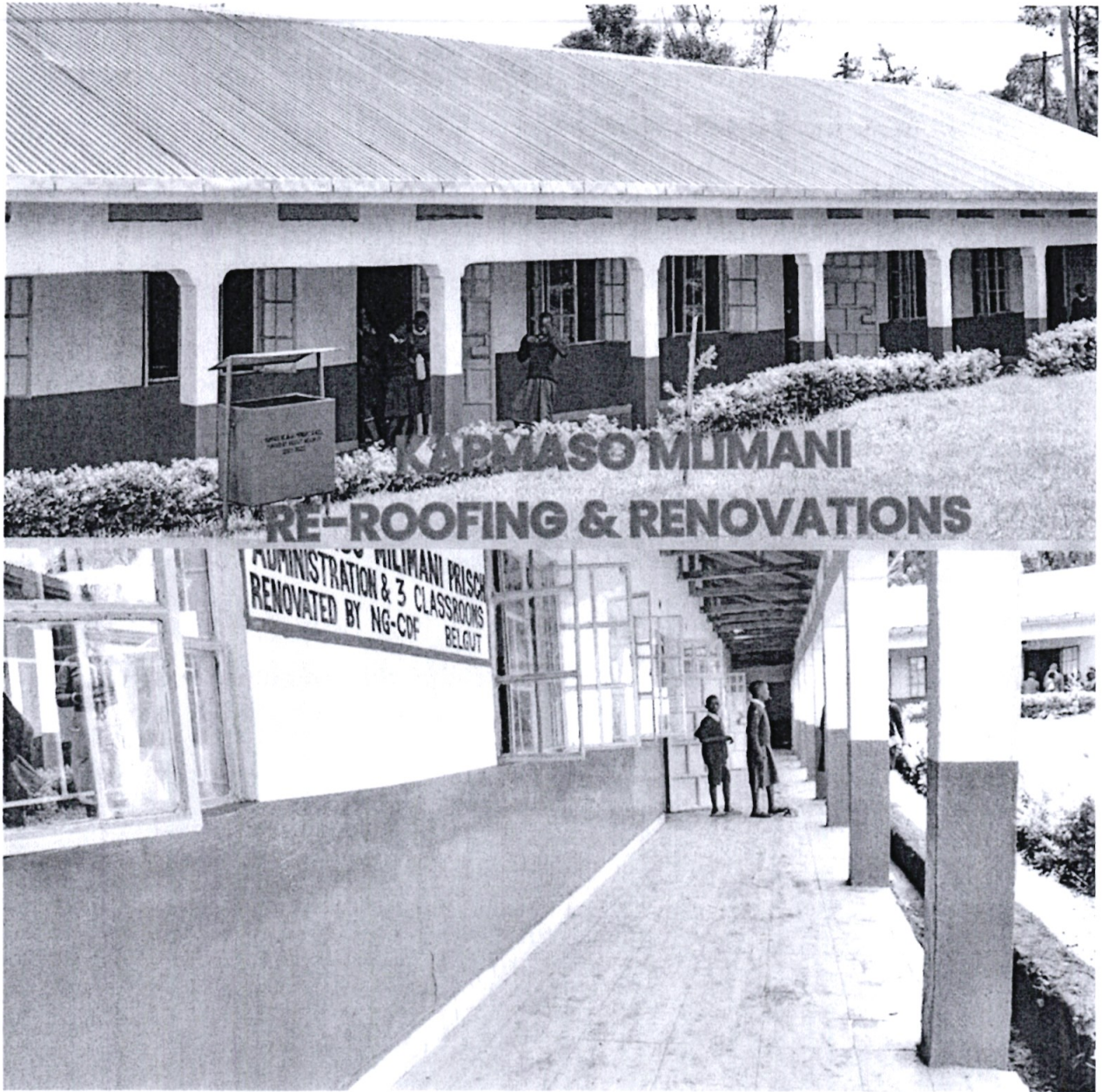
During the year we were able to renovate 92 classrooms and construct 31 classrooms, 4 administration blocks in primary schools and 2 administrations in secondary school, started 1 multipurpose hall in secondary schools and also purchase 4 acres of land in four s school. This will enhance learning infrastructure in schools within the constituency. Further NGCDFC gave bursaries to over 12,000 needy students in various institutions as those in tertiary were awarded kshs 6,000 each, secondary boarding ksh 5,000, secondary day kshs 2,500. There were also full and partial scholarship programs for students studying in secondary schools.



Kaptoboiti chief office construction to completion of office



Construction one classroom and purchase of lockers and chairs



Renovation of administration block and 3 classrooms

Emerging issues:

Emerging issues include:

1. High demand for bursary due to high poverty index.
2. High cost of building materials due making the cost of building per classroom higher and hence less numbers are allocated funds in the Financial Year.

3. Community demand for purchase of land and establishment of new schools.
4. Ever rising population of school going children that the 40% threshold is never sufficient to the many needy children.


Challenges:

1. The late release of funds to the constituency delayed the implementation of most of the activities in the constituency.
2. Lack of technical people like procurement officer.
3. Lack of know-how in terms of project prioritization among the public during public participation forums, coupled by listing of projects that are beyond the scope of NG-CDF Act.

Way forward

The NG-CDF Board to disburse projects on timely basis for the constituencies to implement projects within the stipulated financial year.

NG-CDF Board to liaise with relevant government department for deployment of technical officers


.....

Henry Kipsang Ngeno
CHAIRMAN NGCDF COMMITTEE

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

Introduction

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

The key development objectives of the *NGCDF Belgut Constituency 2023-2028* plan are to:

1. **Patriotism** – we uphold the national pride of all Kenyans through our work
2. **Participation of the people**- We involve citizens in making decisions about programmes we fund
3. **Timeliness** – we adhere to prompt delivery of service
4. **Good governance** – we uphold high standards of transparency, accountability, equity, inclusiveness and integrity in the service of the people
5. **Sustainable development** – we promote development activities that meet the needs of the present without compromising the ability of future generations to meet their own needs.

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 increase basic and secondary school completion cycles by liaising with schools administration to improving institutions physical infrastructure	Increased enrolment in primary and secondary schools and better performance in the schools	-Number of physical infrastructure constructed both in primary, secondary institutions	In FY 2024/25 we constructed 31 classrooms, -completed 6 administration block -Carried out renovation in 92 classes

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				Completed 2 laboratories -Purchase one bus Completed 1 multipurpose - Bursary beneficiaries at all levels were as per the attached schedules
Security	-To support security agencies for better service delivery through infrastructure development	-reduced number of crime rates in the constituency - improved physical security infrastructure i.e. National Police Service and National Government Administration offices (ACC, Chiefs)	-Number of security infrastructure constructed	In the FY 2024/2025 the NG-CDFC constructed 2 chiefs office, fenced police station residence, constructed pit latrine at chiefs office and furnished police station/ head quarters
Environment	-To enhance sustainable environmental management	-enhanced litter free institutions	-Number of schools with dustbins installed Number of schools with harvested water Number of schools with energy saving jikos Number of schools with incinerators	In FY 24/25 Constructed modern jiko at Kabianga pry school
Sports	-To support youths/schools on sport activities to promote talent, and to purchase sporting	Improved talents in sport activities	-Number of clubs with sporting equipment and kits	Carry out Belgut Road Race

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	equipment & kits for schools and clubs in the constituency		-Number of persons registered for the marathon	
Emergency	To cater for unseen circumstances in schools and security sectors	Minimize risk caused by uncertainties on the infrastructures of schools an security	Number of physical infrastructure constructed both in primary, secondary institutions Number of security infrastructure constructed	In FY 23/24 we Constructed pit latrines in 12 schools that had sunk

6. Governance Statement

Process of Appointment

Section 43(1), (2), (3) and (4) of the National Government Constituencies Development Fund (NG-CDF) Act state that:

- i. There is established a National Government Constituency Development Fund Committee for every constituency.
 - ii. 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);
 - 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 officio member without a vote..
 - g) one member co-opted by the Board in accordance with regulations made by the Board
- The seven persons referred to in sub-section (2) (b), (d) and (e) shall be selected in such manner and shall have such qualifications as the Board may, by Regulations, prescribe.

Seven best NG-CDF applicants were selected considering age, gender, special interest groups and regional balance in accordance with section 43(2)(b)(c) and (d) of the Act

S/N	Name	Category representation	Ward
1	Ngeno H Kipsang	Male (Adult)	Seretut Cheptoriet
2	Dennis Bett	Male (Youth)	Chaik
3	Marylyne Chepngeno	Female(youth)	Seretut Cheptoriet

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4	Lilian Maritim	Female (Adult)	Kapsuser
5	Kurgat Evans	PLWD	Kabianga
6	Emily Sawe	Female (Adult)	Kabianga
7	Kennedy Bii	Male (Adult)	Waldai
8	Tecler Chepkemoi	Coopted	Waldai

The list of the selected and recommended members was forwarded to the NG_CDF Board and were further gazetted through a gazette notice dated 7TH March, 2025.

The Belgut NG-CDFC Members were gazetted as follows: -

<i>S/N</i>	<i>Name</i>	<i>Category</i>	<i>Statutory Provision Under NG-CDF Act</i>
1.	Henry K Ngeno	Male Adult Representative	Appointment, pursuant to Sec. 43 (2) (b)
2.	Kennedy Bii	Male Adult Representative	Appointment, pursuant to Sec. 43 (2) (b)
3.	Marylyne Chepngeno	Female Youth Representative	Appointment, pursuant to Sec. 43 (2) (c)
4.	Emily Sawe	Female Adult Representative	Appointment, pursuant to Sec. 43 (2) (c)
5.	Kurgat Evans	Representative of Persons Living with Disability	Appointment, pursuant to Sec. 43 (2) (d)
6.	Dennis Bett	Male Youth Representative	Appointment Pursuant to Sect. 43 (2)(e)
7.	Lilian Maritim	Female Adult Representative	Appointment Pursuant to Sect. 43 (2)(e)

The First NG-CDFC inaugural meeting was held on 16th June, 2025. The members carried out an election for the position of a chairperson and the secretary of the committee. The following member were elected.

	NAME	POSITION	WARD
1	Henry K Ngeno	Chairperson	Seretut Cheptoriet
2	Lilian Maritim	Secretary	kapsuser

a. NG-CDFC Tenure

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.

The committee appointed vide Gazette Notice Vol. CXXII, No. 154 dated November 29, 2022 served until November 28, 2024 and a new committee appointed on 7th March 2025

The term of the new committee will expire on March 6, 2027.

b. The Role of the Constituency Committee

Develop project proposals in consultation with wanainchi through public participations, submit the proposals to the NG-CDF Board for approval

Facilitate the PMCs in the planning, implementation and sustenance of projects once completed at the constituency.

c. Removal of a member

A member of the Constituency Committee may be removed from office on any one or more of the following grounds;

- (a) Lack of integrity;
- (b) Gross misconduct;
- (c) Embezzlement of public funds;
- (d) Bringing the committee into disrepute through unbecoming personal public conduct;
- (e) Promoting unethical practises;
- (f) Causing disharmony within the committee;
- (g) Physical or mental infirmity.

A decision to remove a member shall be made through a resolution of at least five members of the Committee and the member sought to be removed shall be given a fair hearing before the resolution is made. A vacancy arising as a result of the removal of a member under subsection shall be filled in the manner set out in the Act and minutes of the meeting shall indicate the fact of the removal or appointment of a member.

d. NG-CDFC Induction and training

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Upon appointment, NGCDFC Members undergo a comprehensive induction program. This program equips Members with a thorough understanding of their roles, responsibilities, and ethical obligations. Training sessions are conducted regularly to keep Members updated on relevant laws, regulations, and best practices in governance, finance, and project management.

e. Number of Meetings held

The NG-CDFC holds regular meetings to deliberate on NG-CDF matters, project progress, and financial issues. The Committee is required to convene at least once every month and at most twenty-four meetings in a year. It also includes additional meetings scheduled in between to address emerging issues and project needs.

f. Schedule of meetings

S.No	NG-CDFC Committee	July 2024 15.7.2024	August 2024 19.8.2024	September 2024 3.9.2024	October 2024 31.10.2024	November 2024 26.11.2024 27.11/2024	January 2025 8.1.2025	February 2025 3.2.2025	March 2024 17.3.2025	April 2025 29.5.2024	May 2025 5.5.2025 19.5.2025	June 2025 3.6.2025 16.6.2025
1	Henry Ngeno - Chairman	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
2	Lilian Maritim - Secretary	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
3	Emily Sawe Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
4	Tecler Chepkemoi-Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
5	Dennis Bett-Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
6	Kennedy Bii - Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
7	Kurgat Evans-Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
8	Marrylyne chepngeno - Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
9	Francisca Khakay-DCC	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
10	Sharon kapto- Fam	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

National Government Constituencies Development Fund (NGCDF)
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11	Caroline cheres -Fam											✓	✓
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g. Remuneration Rates

NG-CDFC members are not entitled to payment of salary. However, the chairperson of NGCDFC is entitled to an allowance Kshs. 7,000 per meeting and all other members an allowance of Kshs.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.

h. Disclose the 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 Belgut contravened conflict of interest policy.

i. Succession plan

Vacancies arising as a result of the removal or end of tenure of the members of the Constituency Committee, the vacancy shall be filled in the manner set out in section 43 and minutes of the meeting shall indicate the fact of the removal or appointment of members.

j. Ethics and code of conduct

The NG-CDFC members shall be of good conduct and adhere to chapter six of the constitution and shall not have any trail of criminal record. Members shall not indulge in any act in contravention the act and other law, policy regulations that govern operations of NG-CDF.

k. Risk Management

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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. Embracing the Enterprise Risk Management system and attesting to monthly, quarterly bi-annually and annually compliance and key risk indicators questions, 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

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7. Management Discussion and Analysis

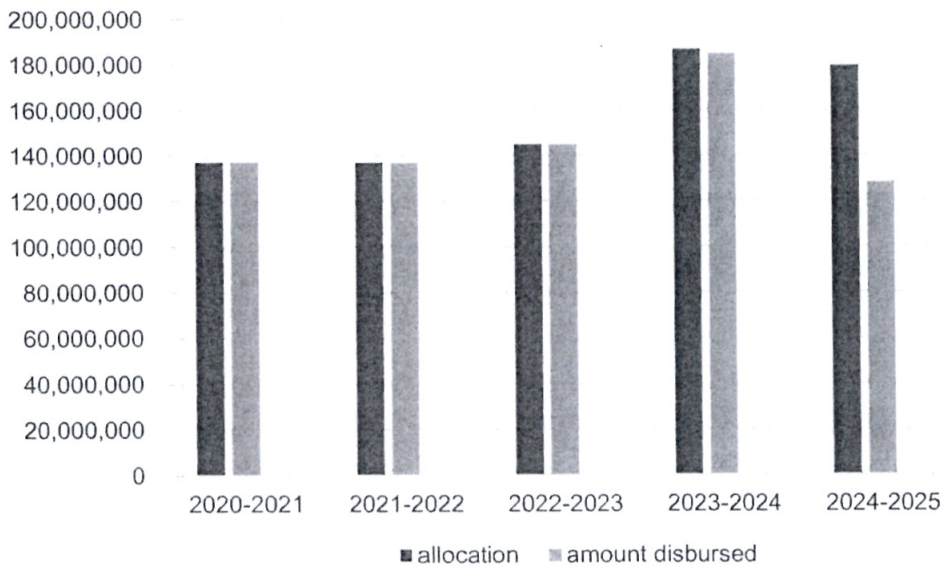
a. Sector Performance

Belgut NG-CDF has been operational since 2013 but would provide financial analysis for the past five years on how much the entity has received and spend in the various critical sectors being Education and Security.

Financial Year	Allocation	Amount Disbursed	Percentage
2020-2021	137,183,879	137,183,879	100%
2021-2022	137,088,819	137,088,819	100%
2022-2023	145,087,603	145,087,603	100%
2023-2024	186,649,293	184,749,293	90%
2024-2025	179,441,954	128,000,000	71%
Total	785,451,548	732,109,594	

GRAPHICALLY

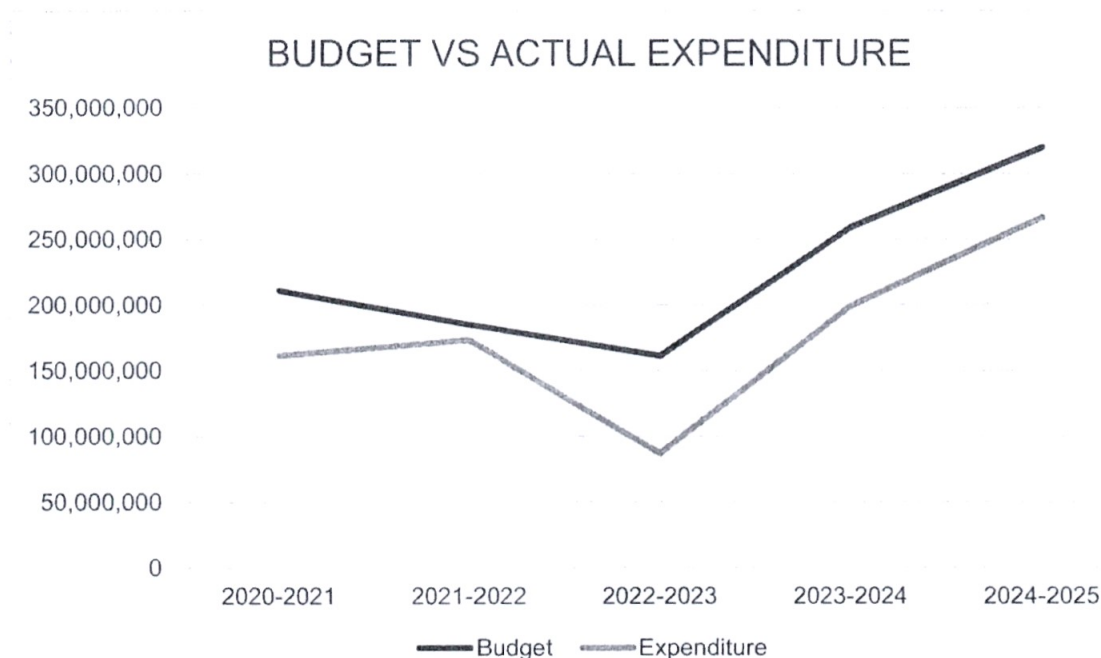
Allocation Vs Receipt from FY 2020/21 to 2024/25



b. Expenditure summary for the last five (5) years

Financial Year	Budget	Expenditure
2020-2021	211,219,483	161,367,724
2021-2022	185,103,595	173,014,776
2022-2023	161,152,207	87,000,000
2023-2024	259,059,554	199,026,482
2024-2025	319,909,800	266,567,845
Total	1,136,444,639	886,976,827

GRAPHICALLY:



c. Summary of Disbursement to Projects in the Last 5 Years

Sector	Allocation	Percentage (%)
Primary Schools	168,242,858	25
Secondary Schools	212,873,828	31
Bursary	220,097,803	33
Others Grants	72,704,305	11
	673,918,794	

d. NG-CDF Achievements

Belgut NG-CDF Committee has always endeavored to ensure timely implementation approved projects and equitable distribution of allocation within the five wards in the constituency. Some of the notable achievements are as shown in the table below: -

Category	No. Implemented
New Classrooms	360
Renovation of classroom	860
Bursary	Over 12,000 needy students per year
Administration Blocks	40
Dining Hall	18
TVET classrooms	10
Chiefs Offices	24

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Police post /camp	5
Buses	12

Through the NG-CDF, massive infrastructural facilities have been constructed in the following schools which has in turn led to an increase in the enrolment rates and performance of students in the schools: -

1. Bursary Disbursement

S/NO	Sector	Activity	Total Amount
1	Bursary	Payment of bursary to needy student	320,800,000
TOTAL			320,800,000

The constituency has two school Belgut Starehe Girls and Belgut Tuptugen Boys Centre were NGCDFC give full scholarship to needy students from form one to form four where each year around 100 students per school are admitted under full scholarship.

2. Project implementation

The constituency has implemented projects in the constituency that has high impact by improving access to education infrastructure:

The high impact project of close to Ksh.14.m at Chepkoton Girls Secondary School is 100% complete and equipped it. Another project is Belgut Sub County Head Quarters & Police Station of Ksh 10.3m complete and fully furnished



Chepkoton Girls Secondary School



Sosiot police station construction of police station to completion.

CLIMATE CHANGE MITIGATION

- The constituency has been allocating funds for climate change mitigation every financial year. We have allocated in the last five years 27 dust bin in 27 school, implemented modern jiko in one school, storm water in one school and water harvesting in more than 200 schools.

In the FY 2025/2026, the constituency intends to allocate kshs 1.0M for climate change mitigation activities.

Compliance with statutory requirements

Belgut NG-CDF is an entity that is fully guided by the constitution of Kenya 2010, NG-CDF Act 2015, NGCDF (R) 2016, PFM Act 2012, PFM(R) 2015 PPADA 2015, PPADA (R) 2020 and Presidential directives, Treasury circulars, NG-CDF Board Policy, and has been in full compliance of the same.

For instance, schedule four of the constitution 2010 has outlined the roles of National Government and County Government and in no instance has Belgut NGCDF been cited for non-compliance.

Belgut NG-CDF has been able to equally meet its legal obligations for instance payment of taxes like VAT withholding tax from contractors, Income tax, Housing Levy, NSSF, SHIF and Withholding Tax as required and further commits to operate within the law even to the future.

Risks facing the fund

NG-CDF Belgut is compliant with NG-CDF Board risk management policy by developing a constituency risk register and the fund manager does regular attestation.

NG-CDFC Belgut faces the following risks:

Major litigation and courts battle at the national level.

Political interference.

NGOs interference

Competition from county governments

The constituency has tried mitigating risks by doing public participation when doing project proposal, building with CCTV installation to mitigate physical risks,

Material arrears in Statutory and other financial obligations

The constituency does not have material arrears in statutory and other financial obligations.

The constituency has complied with statutory requirements by remitting statutory requirements to relevant authorities and in no instance has Belgut have been cited for non-compliance.

Review of the Economy, Sector and Future Developments

The Kenyan Economy has not been doing well in the past years due to the many factors such as the Covid 19 that reduce the business growth and hence revenue collection. NG-CDFC as a fund was equally affected by the same whereby the cost of implementing projects increased hence affecting completion timelines and even the budget process.

In the last three years there has been improvement in the revenue growth which has led to increased budgetary allocation of the Fund even at the constituency level. This has been elaborated in the above table.

With the intention to entrench the Fund in the Kenyan Constitution, there is a good chance that in the future the Fund will grow and be able to spur more economic growth at the constituency level. Belgut NG-CDFC has put in place mechanisms through its strategic plan to ensure more projects are implemented within the next three years.

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**Name: Caroline Cheres
Fund Account Manager**

8. Environmental and Sustainability Reporting

Belgut Environment Sustainability guidelines have been developed to;

1. Ensure that Belgut NGCDF establishes systems of environmental impact assessment, environmental audit, monitoring, and reporting of the environmental activities undertaken at the Constituency levels.
2. Ensure that the Constituencies continue to priorities and improve environmental sustainability projects.
3. Encourage Community participation in identification, protection, and conservation of environment.
4. Improve on planning and utilization of allocation for environmental sustainability funds in all constituencies.
5. Ensure proper mechanisms of monitoring and reporting of the environmental activities.

In this, Belgut NG-CDF has prioritized in supplying of water tanks and water harvesting in the constituency and concentrating mostly in Schools. The CDFC also intends to plant trees in various schools in different schools so as to promote environment conservation.

i. Sustainability strategy and profile -

To ensure sustainability of Belgut NG CDF, the committee funds the following key sectors with the following sustainable priorities.

- a. **Education and Training:** Belgut 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 intention to provide better working environment for the security providers within the constituency as well 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 the law enforcement agencies while collaborating with community in trust on matters of security.
- c. **Environment:** The Constituency acknowledges that all its operation has an impact on environment. Cognizant of the Sustainable development goals, the NG-CDF has allocated part of its budget on environment conservation through activities such as tree planting, water conservation, sensitization forums for agro-forestry as well as best practices to reduce soil erosion.

ii. **Environmental performance**

Belgut NGCDF acknowledges that its operation has direct impact on environment. Hence, the NG-CDF has allocated part of its budget on environment conservation through activities such as

- Construct proper toilets in schools
- Create awareness on Planting trees in public schools and security offices
- water harvesting in public schools
- Create awareness on use of energy saving Jikos to save on forests
- Train people on various ways of conserving the environment
- During the year we were not able to plant trees but we did water harvesting for several schools both secondary schools and primary schools
- During the handing over of projects the community is usually sensitized on various impacts of drug abuse on the person and the community at large.

iii. **Employee welfare**

We invest in providing the best working environment for our employees. Belgut 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 of 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 cover through a reliable insurance Scheme. Employees are encouraged and supported to continually build on their skills and knowledge. Belgut 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 policy on safety in compliance with Occupational Safety and Health Act of 2007, (OSHA) and has ensured the work environment is conducive for everybody in terms of movement and accessibility within the office. The Constituency has also put in place disaster mitigating measures including fire extinguishers and accessible escape routes in case of emergency.

iv. Market place practices-

Belgut 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 for purposes of uplifting them economically. Our ethical market practices ensure the fund get value for money on all goods and services procured.

We are also committed to healthy relations with our suppliers which is enhanced through organized sensitization forums that relate to 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 practice including cordial Supply chain and supplier relations by honoring contracts and respecting payment practices.

- c) Responsible marketing and advertisement
- d) Product stewardship by safeguarding consumer rights and interest

v. Community Engagements-

Belgut 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 sports and community projects.

Public Participation in Project Identification and Implementation and Monitoring

Belgut Constituency deliberated on project proposals from all the wards in the constituency and considered the most beneficial to the constituency, considering the national development plans and policies and the constituency strategic development plan. The identified list of priority projects, both immediate and long-term, was submitted to the NG CDF Board in accordance with the Act.

Public participation is the process that directly engages the concerned stakeholders in decision-making and gives full consideration to public input in making that decision. The NG CDFC during bursary programme, engaged the community through the community leaders to identify the needy students to be awarded with the bursary.

Public Awareness

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

Belgut 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: Caroline Cheres
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 Belgut NGCDF shall prepare financial statements in respect of that Belgut NGCDF. 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- Belgut Constituency is responsible for the preparation and presentation of the Belgut NGCDF's financial statements, which give a true and fair view of the state of affairs of the Belgut NGCDF 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 Belgut NGCDF; 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 Belgut NGCDF; Selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the NGCDF- Belgut Constituency accepts responsibility for the Belgut NGCDF'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 Belgut NGCDF financial statements give a true and fair view of the state of Belgut NGCDF transactions during the financial year ended June 30, 2025, and of the Belgut NGCDF's financial position as at that date. The Accounting Officer charge of the NGCDF- Belgut Constituency further confirms the completeness of the accounting records maintained for the Belgut NGCDF, which have been relied upon in the preparation of the Belgut NGCDF financial statements as well as the adequacy of the systems of internal financial control.

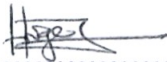
*National Government Constituencies Development Fund (NGCDF)
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The Accounting Officer in charge of the NGCDF Belgut Constituency confirms that the Belgut NGCDF has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the Belgut NGCDF'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 Belgut NGCDF 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- Belgut Constituency financial statements were approved and signed by the Accounting Officer on 21/8/ 2025



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Name: Henry Kipsang Ngeno
Chairman – NGCDF Committee



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Name: Caroline Cheres
Fund Account Manager

REPUBLIC OF KENYA

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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND-BELGUT 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 transitional IPSAS financial statements of National Government Constituencies Development Fund-Belgut Constituency set out on pages 1 to 76, which comprise of the statement of financial position as at 30 June, 2025, and the

statement of financial performance, statement of changes in net assets, statement of cash flows and 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 transitional IPSAS financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund-Belgut 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 (including the transitional provisions permitted under IPSAS 33) and comply with the National Government Constituencies Development Fund Act, 2015 and the Public Finance Management Act, 2012 and The National Treasury and Economic Planning Circular No.3 of 14 April, 2025.

Basis for Qualified Opinion

1. Unsupported Opening Balances

The statement of financial position reflects opening total assets and liabilities totalling Kshs.140,467,845 and Kshs.986,022, respectively. However, these balances were not supported by transition Project Co-ordination Committee report.

Further, the opening statement reflects Nil property, plant and equipment balance. However, the amount differs with the opening property, plant and equipment balance of Kshs.31,386,851 disclosed in Annex 1 to the financial statements resulting in unexplained variance of Kshs.31,386,851.

In the circumstances, the accuracy and completeness of opening total assets and liabilities of Kshs.140,467,845 and Kshs.986,022, respectively could not be confirmed.

2. Inaccuracy of Transfers from National Constituencies Development Fund (NGCDF) Board

The statement of financial performance and as disclosed in Note 6 to the financial statements reflects transfers from National Constituencies Development Fund (NGCDF) Board amounting to Kshs.179,441,954. However, the amount differs with the supporting schedules balance of Kshs.183,899,293 resulting in unreconciled variance of Kshs.4,457,339.

Further, review of the approved code lists from NGCDF Board revealed approved budget amounting to Kshs.177,141,954 for the 2024/2025 financial year. However, eight (8) AIE's as shown below were disbursed from NGCDF Board and received without list of projects or activities to be undertaken as shown below:

Date Received	AIE No.	Amount (Kshs)
13/01/2025	B 229761	23,000,000
17/03/2025	B 230700	23,000,000
29/04/2025	B 329212	20,000,000
13/05/2025	B 278562	20,000,000
28/05/2025	B 228925	6,000,000
29/06/2025	B 278774	21,000,000
27/06/2025	B 327543	21,000,000
30/06/2025	B 327982	39,791,954
Total		173,791,954

In the circumstances, the accuracy and completeness of transfers from NG-CDF Board amounting to Kshs.179,441,954.

3. Unsupported Project Management Committee Bank Balances

The statement of financial position and as disclosed in Note 18 to the financial statements reflects cash and cash equivalents totalling Kshs.65,113,701. The amount includes Project Management Committee (PMC) bank account balances totalling Kshs.44,982,826 as further reflected Annex 2 to the financial statements reflects. However, cashbooks, certificate of balances and bank reconciliation statements in support of the balances were not provided.

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 circumstance, the accuracy and completeness of t Project Management Committee (PMC) bank account balances totalling Kshs.44,982,826 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-Belgut 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 total receipts budget of Kshs.319,909,800 against actual on comparable basis amount of Kshs.266,567,845 resulting to a revenue shortfall of Kshs.53,341,955 or seventeen percent (17%) of the budgeted revenue. Similarly, the statement reflects actual expenditure on comparable

basis of Kshs.201,454,144 against actual receipts of Kshs.266,567,845 resulting to under absorption of Kshs.65,113,701 of the actual receipts.

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

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

In the audit of the previous year, six (6) issues were raised under the Report on the Financial Statements, Emphasis of Matter, Other Matter and Report on Lawfulness and Effectiveness in the Use of Public Resources as shown in the table below:

Number	Financial Year	Issue
1	2023/2024	Undisbursed Funds from the Board
2	2023/2024	Unsupported Project Management Committee Bank Balances
3	2023/2024	Budgetary Control and Performance
4	2023/2024	Project Implementation Status
5	2023/2024	Prior year Matters
6	2023/2024	Unutilized Funds of the Project Management Committees

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 xxxvi which comprise of Key Constituency Information and Management, National Government Constituencies Development Fund (NGCDF) Committee, NGCDFC Chairman's Report, Statement of Performance Against the County Fund's Predetermined Objectives, Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, and Statement of Management's 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.

Basis of conclusion

1. Lack of a Procurement Plan

Review of records revealed that the Fund did not have a procurement plan. This was contrary to Section 53(2) and (5) of the Public Procurement and Asset Disposal Act, 2015 and Regulation 40(1) of the Public Procurement and Asset Disposal Regulations, 2020.

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

2. Irregular Emergency Projects Expenditure

The statement of financial performance reflects other grants and transfers actual expenditure amounting to Kshs.67,877,145. The amount includes emergency projects totalling Kshs.8,482,520 as disclosed in Note 13 to the financial statements. However, the emergency reserve expenditure was not reported to the National Government Constituencies Development Fund Board within thirty (30) days of occurrence contrary to Regulation 20(2) of the National Government Constituencies Development Fund 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.

Further, the expenditure was incurred on construction of pit latrines and renovation of classroom. However, documentary evidence in support of the emergency nature of the expenditure was not provided.

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

3. Delayed Implementation of Budgeted Projects

The statement of budget execution by sectors and projects and the projects implementation status report as at 30 June, 2025 revealed fifty three projects with approved final budget of Kshs.137,894,298. However, fifty (50) projects with a final

budget of Kshs.109,979,205 had not been started funds and three (3) projects with a final budget of Kshs.27,915,093 were partially complete as shown below.

Sector/ Project Details	Unimplemented Projects		Ongoing Projects		Total Incomplete Projects	
	No. of Projects	Amount (Kshs.)	No. of Projects	Amount (Kshs.)	No. of Projects	Amount (Kshs.)
Transfer to Primary Schools	29	70,325,485	0	0	29	70,325,485
Transfer to Secondary Schools	14	25,703,243	2	24,694,231	16	50,397,474
Tertiary Institutions	1	6,650,477	0	0	1	6,650,477
Security Projects	5	6,800,000	0	0	5	6,800,000
Acquisition of Assets – Construction of NGCDF Offices	1	500,000	1	3,220,862	2	3,720,862
Total	50	109,979,205	3	27,915,093	53	137,894,298

Further, ten (10) projects with an approved budget of Kshs.22,825,000 had received funding from the Board.

Delay in projects implementation may have impacted negatively on the delivery of services to the residents of Belgut Constituency.

4. Project Verification Status

Physical inspection of project implementation status undertaken in the month of November, 2025 on seventeen (17) projects implemented at a cost of Kshs.74,214,500 revealed the following anomalies:

No.	Beneficiary	Project Details	Cost (Kshs.)	Observation
1	Chemamul Girls Secondary School	Completion to use of one storey building comprising of 4 classrooms and 5 office administration blocks.	11,000,000	The project is ongoing. The land was donated by the adjacent Chemamul primary school. However, the school does not possess title deed of the land where it is located
2	Belgut TTI	Construction of 8 workshops on the	6,500,000	As at 30 th June,2025, the amount of Kshs.6,500,000

No.	Beneficiary	Project Details	Cost (Kshs.)	Observation
		top of an existing workshop constructed by Ministry of Education.		had not been disbursed by Belgut NG-CDF. The previous phase is yet to be completed for the NG-CDF phase to begin resulting in delay in implementation. The project was co-funded by the institution and CDF, however the formal agreement by the Project Management Committees with providers of counterpart funding showing the phase to be financed was not provided for audit.
3	Kapcheluch Secondary School	Purchase of 0.3 acres of land and title processing.	1,850,000	The land was procured and title secured. However, the land is yet to be secured through fencing.
4	Cheptembe Day Secondary School	Purchase of 1 acre of land and title processing.	3,250,000	The land was procured but the title is yet to be obtained and it is yet to be fenced
5	Nyabangi Secondary School	Completion of 600 capacity Multi-Purpose Hall.	4,000,000	The funds are yet to be disbursed by the NG-CDF resulting in delay in implementation of the project. The project was co-funded by the institution and NG-CDF, however the formal agreement by the Project Management Committees with providers of counterpart funding showing the phase to be financed was not provided for audit.
6	Kabianga Girls Secondary School	Construction of one phase of 900 capacity Dormitory.	9,272,500	As per the project implementation status, the project has been completed and is in use. However, washrooms are yet to be completed. The project was co-funded by the institution

No.	Beneficiary	Project Details	Cost (Kshs.)	Observation
				and CDF, however the formal agreement by the Project Management Committees with providers of counterpart funding showing the phase to be financed was not provided for audit.
7	Mereonik Primary School	Construction of 3 office Administration Block	1,500,000	Complete but not in use.
8	Chepkutung Secondary School	Purchase of a school bus	10,892,000	School bus procured and log book secured. The bus has no secure parking space within the institution and is parked in a neighbouring school. Invoice and delivery note were not provided for audit verification.
9	Mobego Primary School	Completion of a storey building comprising of 6 classrooms and 4 offices administration block.	12,000,000	The storey is complete and in use. The classrooms are in use. The administration block is not in use. Materials have not been cleared from site for occupation.
		Total (Kshs)	60,264,500	

In the circumstances, value for money was not achieved.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

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

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 the International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal control 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 control, 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.

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 overall 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

16 December, 2025

National Government Constituencies Development Fund (NGCDF)
Belgut 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	Period ended june
		Kshs
Revenue from non-exchange transactions		
Transfers from the NGCDF Board	5	179,441,954
Grants/donations from other entities	6	-
Revenue from exchange transactions		
Finance income	7	-
Miscellaneous income	8	-
Total revenue		179,441,954
Expenses		
Employee costs	9	4,083,500
Committee expenses	10	7,203,316
Use of Goods and Services	11	9,769,216
Other Government Units Actual expenditure	12	110,875,735
Other Grants and Transfers Actual expenditure	13	67,877,145
Depreciation and amortization expense	14	236,263
Digital Hubs Actual expenditure	15	-
Total expenses		200,045,174
Other gains/(losses)		
Gain/Loss on Sale of Assets	16	-
Impairment loss	17	-
Surplus/(Deficit) for the year		(20,603,220)

The Constituency financial statements were approved by the NGCDFC on 5/12/ 2025 and signed by:

		
Chairman NG-CDF Committee Name: Henry Ngeno	National Sub-County Accountant Name: Jonas Rotich ICPAK M/No:	Fund Account Manager Name: Caroline Cheres

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

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

	Note	Period as at June 2025	Opening Statement 1st July 2024
		Kshs	Kshs
Assets			
Current Assets			
Cash And Cash Equivalents	18	65,113,701	82,668,552
Receivables from Exchange Transactions	19	-	-
Receivables from Non-Exchange Transactions	20	53,341,954	57,799,293
Prepayments	21	-	-
Total Current Assets		118,455,655	140,467,845
Non-Current Assets			
Property, Plant and Equipment	22	1,283,838	-
Intangible Assets	23	-	-
Right-of-use assets	24	-	-
Total Non- Current Assets		1,283,838	-
Total Assets (A)		119,739,493	140,467,845
Liabilities			
Current Liabilities			
Trade and Other Payables	25	-	-
Third-Party Deposits	26	617,127	-
Lease Liabilities	27	-	-
Gratuity provision	28	243,763	986,022
Total Current Liabilities		860,890	986,022
Non-Current Liabilities			
Lease Liabilities	27	-	-
Total Liabilities (B)		860,890	986,022
Net Assets (A-B)		118,878,603	139,481,823
Represented by:			
Revaluation Reserves		118,878,603	139,481,823
Accumulated Surplus			
Total Net Assets		118,878,603	139,481,823

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

The Constituency financial statements set out on pages 2 to 5 approved by NG CDFC on 5/12/ 2025 and signed by:



Chairman NG-CDF
Committee
Name: Henry Kipsang
Ngeno



National Sub-County
Accountant
Name: Jonas Rotich

ICPAK M/No:



Fund Account Manager
Name: Caroline Cheres

National Government Constituencies Development Fund (NGCDF)
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13. Statement of Changes in Net Assets for the year ended 30 June 2025

Description	Reserves	Accumulated surplus/Deficit	Total
	Kshs	Kshs	Kshs
As at 30 th June 2024 (cash basis)		36,033,626	36,033,626
Adjustments: (to recognize assets and liabilities)			
Add Assets		104,434,219	104,434,219
Less Liabilities		986,022	986,022
As at July 1, 2024		139,481,823	139,481,823
Surplus/(Deficit) For the Period		(20,603,220)	(20,603,220)
Revaluation Gain/Loss		-	-
As at 30 th June 2025		118,878,603	118,878,603

Note:

1. For items that are not common in the financial statements, the Belgut NGCDF should include a note on what they relate to – either on the face of the statement of changes in equity/net assets or among the notes to the financial statements.

Opening balance cash basis ksh operation ksh 35,047,604 and deposit account kshs 986,022

Add asset: kshs 104,434,219 is the PMC opening balance of kshs 46,634,926 and disbursement owing from NGCDF Board at the start of the year kshs 57,799,293.

2. Prior year adjustment should have an elaborate note describing what the amounts relate to. In such instances, a restatement of the opening balances needs to be done.

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14. Statement Of Cash Flows for The Year Ended 30th June 2025

	Notes	<i>Period ended</i>
		<i>June 2025</i>
		Kshs
Cash flows from operating activities		
Receipts		
Transfers from the NGCDF Board		183,899,293
Grants/donations from other entities		-
Finance income		-
Miscellaneous income		-
Total Receipts		183,899,293
Payments		
Employee costs		4,740,844
Committee expenses		7,203,316
Use of Goods and Services		9,619,301
Other Government Units Certified Works		110,493,438
Other Grants and Transfers		67,877,145
Digital Hubs Expenses		-
Total Payments		199,934,044
Net Cash Flows from/ (used in) Operating Activities	30	(16,034,751)
Cash flows From Investing Activities		
Purchase of PPE		1,520,100
Purchase of Intangible assets		-
Proceeds From Sale of PPE		-
Net Cash Flows from Investing Activities		1,520,100
Net increase/(decrease) in cash & Cash equivalents		(17,554,851)
Cash Flows from Financing Activities		
Lease payment		-
Net Cash Flows from Financing Activities		(17,554,851)
Cash and cash equivalents at Period Start	19	82,668,552
Cash and cash equivalents at Period End	19	65,113,701

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

	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilization
	Kshs	Kshs		Kshs	Kshs	Kshs	
	a	b		C=(a+b)	d	e=(c-d)	f=d/c*100
	2024/25	Opening Balance (operational, deposit and PMCs C/Bk) and AIA	Previous Years' Outstanding disbursements	Final Budget	Actual Expenditure		
Revenue							
Transfers From the NGCDF Board	179,441,954	82,668,553	57,799,293	319,909,800	266,567,845	53,341,955	83%
Grants/donations from other entities	-	-	-	-	-	-	0%
Finance income	-	-	-	-	-	-	0%
Miscellaneous income	-	-	-	-	-	-	0%
Totals	179,441,954	82,668,553	57,799,293	319,909,800	266,567,845	53,341,955	83%

*National Government Constituencies Development Fund (NGCDF)
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Expenses				-			
Employee costs	3,300,805	3,378,760	-	6,679,565	4,740,844	1,938,721	71%
Committee expenses	6,430,120	2,240,483	-	8,670,603	7,203,316	1,467,287	83%
Use of Goods and Services	6,791,716	5,045,498	3,220,862	15,058,076	9,619,301	5,438,775	64%
Other Government Units Certified Works	80,825,000	65,969,842	50,179,483	196,974,325	110,493,438	86,480,887	56%
Other Grants and Transfers	76,244,313	5,238,970	991,594	82,474,877	67,877,145	14,597,732	82%
acquisition of asset	-	370,000	1,557,354	1,927,354	1,520,100	407,254	79%
Funds Pending Approval**	5,850,000	425,000	1,850,000	8,125,000	-	8,125,000	0%
Total Expenditure	179,441,954	82,668,553	57,799,293	319,909,800	201,454,144	118,455,656	63%
Surplus for the period	0	-	-	-	65,113,701	(65,113,701)	

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

Explanatory Notes.

- a) The Overall utilization of funds was 63% due to Delay in receipt of funds, delayed procurement and school calendars that delayed commencement of projects
- b) The utilization in Other Government Units Certified Works (56%) was a result of delay in receipts of funds from the NGCDF board which in turn affected the commencement of projects, additionally the school calendar and national exams delayed implementation.
- c) utilization of Other Grants and Transfers (82%) was as result of was a result of delay in receipts of funds from the NGCDF board which in turn affected the commencement of projects.
- d) The utilization of funds under committee expenses (83%) and Use of Goods (65%) was as a result of delay in receipt of funds which deferred planned activities like training of staff and NGCDF committee. For employee cost utilization was 71% because of gratuity and salaries.
- e) Utilization of funds meant for acquisition of assets (66%) was due to procurement process

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilization difference totals	118,455,656
Less undisbursed funds receivable from the Board as at period June, 2025	53,341,955
Cash and Cash Equivalents at the end of the 30 th June 2025	65,113,701

*National Government Constituencies Development Fund (NGCDF)
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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 5/12/ 2025 and signed by:



Fund Account Manager

Name: Caroline Cheres



National Sub-County Accountant

Name: Jonas Rotich
ICPAK M/No:22139



Chairman NG-CDF Committee

Name: Henry Ngeno

National Government Constituencies Development Fund (NGCDF)
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16. Budget Execution by Sectors And Projects For The Year Ended 30th June 2025

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (operational, deposit and PMCs C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent				-		
1.1 Compensation of employees	3,300,805	3,378,760		6,679,565	4,740,844	1,938,721
1.2 Committee allowances	3,091,395	469,737		3,561,132	2,401,684	1,159,448
1.3 Use of goods and services	4,374,317	1,000,617		5,374,934	1,840,692	3,534,242
Sub-total	10,766,517	4,849,114	-	15,615,631	8,983,220	6,632,411
2.0 Monitoring and evaluation						
2.1 Capacity building	1,020,000	210,084		1,230,084	1,100,000	130,084
2.2 Committee allowances	3,338,725	1,770,746		5,109,471	4,801,632	307,839
2.3 Use of goods and services	897,399	333,797		1,231,196	980,300	250,896

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (operational, deposit and PMCs C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Sub-total	5,256,124	2,314,627	-	7,570,751	6,881,932	688,819
4.0 Emergency						
PMC ACCOUNT				-		
KAPTOBOITI PRIMARY SCH		750,000		750,000	683,586	66,414
SERETUT PRIMARY SCH		1,252,692		1,252,692	751,931	500,761
KIBOITO PRIMARY SCH	293,641	106,579		400,220	376,049	24,171
KAPCHEBET B PRIMARY SCHOOL	900,000			900,000	900,000	-
KIPTOME PRIMARY SCH	750,000	12,535		762,535	701,689	60,846
KAMAAS PRIMARY SCH	750,000	7,663		757,663	673,257	84,406
KAPTEBESWET PRIMARY SCH	750,000	11,319		761,319	728,446	32,873

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (operational, deposit and PMCs C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
NYABANGI PRIMARY SCHOOL	1,300,000	6,115		1,306,115	799,033	507,082
CHEMAMUL A PRIMARY SCH	750,000	76,350		826,350	731,018	95,332
ITANDA PRIMARY SCH	750,000			750,000	641,894	108,106
KAPLUTIET PRIMARY SCH	900,000	2,790		902,790	837,202	65,588
KIBINGEI GIRLS SEC SCH	900,000			900,000	658,415	241,585
unutilized fund	1,400,672			1,400,672	-	1,400,672
Sub-total	9,444,313	2,226,042	-	11,670,355	8,482,520	3,187,835
5.0 Bursary and Social Security						
5.2 Secondary Schools	34,300,000	1,396,612	191,594	35,888,206	31,506,500	4,381,706
5.3 Tertiary Institutions	26,000,000	861,657		26,861,657	26,828,500	33,157

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (operational, deposit and PMCs C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Sub-total	60,300,000	2,258,269	191,594	62,749,863	58,335,000	4,414,863
8.0 Primary Schools Projects						
ENVIRONMENT						-
KABOROK PRIMARY SCH		4,829	400,000	404,829	400,000	4,829
KABIANGA PRIMARY SCH			400,000	400,000	313,625	86,375
Sub-total		4,829	800,000	804,829	713,625	91,204
KESAGETIET PRIMARY SCH		440,656	1,750,000	2,190,656	1,820,148	370,508
KIBOET PRIMARY SCH		12,670	1,000,000	1,012,670	1,002,410	10,260
ST MARK CHEPNGETUNY PRIMARY SCH		2,142	1,000,000	1,002,142	1,000,586	1,556

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (operational, deposit and PMCs C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
CHERONGET PRIMARY SCH		99,747	1,000,000	1,099,747	969,072	130,675
KEBEN PRIMARY SCH		108,632	1,850,000	1,958,632	1,664,002	294,630
SUSUMWET PRIMARY SCH		18,498	1,200,000	1,218,498	1,116,253	102,245
KIPSOLU PRIMARY SCH		358	2,300,000	2,300,358	2,288,275	12,083
CHEPKOSILEN PRIMARY SCH		48,554	1,800,000	1,848,554	1,841,755	6,799
KAPNANDET PRIMARY SCH		1,351,463		1,351,463	1,269,424	82,039
KLB		950		950		950
KAPLEMEIYWET PRIMARY SCH		407,933		407,933	375,060	32,873

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (operational, deposit and PMCs C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Masarian Primary School	1,350,000	367,670		1,717,670	366,250	1,351,420
Kapsoiyo Primary School	800,000	1,671,474		2,471,474	1,643,713	827,761
Mereonik Primary School	1,500,000	1,200,563		2,700,563	2,453,100	247,463
Mereonik Primary School	1,350,000			1,350,000		1,350,000
Kapsisiywo Primary School	1,500,000	1,012,185		2,512,185	916,329	1,595,856
Mobego Primary School	12,000,000	2,529,320	10,000,000	24,529,320	12,468,181	12,061,139
Koiwalelach Primary School	1,350,000	210,226	1,000,000	2,560,226	1,067,115	1,493,111
Kapsiya Kiletien Primary School	1,350,000			1,350,000		1,350,000

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (operational, deposit and PMCs C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Kapchebet A Primary School	1,000,000			1,000,000		1,000,000
Chebiriabei Primary school	2,000,000	57,546		2,057,546	-	2,057,546
Itembe Primary School	175,000			175,000		175,000
Kapkitony Primary School	1,900,000			1,900,000		1,900,000
Barmeii Primary School	1,900,000	205,164		2,105,164	203,397	1,901,767
Kapsuser Primary School	1,000,000	1,134		1,001,134	-	1,001,134
Ainapkoi Primary School	1,200,000	5,370		1,205,370	-	1,205,370
Chemoset Primary School	1,350,000	409,274		1,759,274	407,700	1,351,574

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (operational, deposit and PMCs C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Koitalel Primary School	150,000	2,004,030		2,154,030	1,905,238	248,792
Chepkoin Primary School	2,800,000	863		2,800,863	-	2,800,863
Sinonin Primary School	2,000,000	772,932		2,772,932	696,980	2,075,953
Kaboson Primary School	1,800,000	2,343,426		4,143,426	2,037,402	2,106,024
Chemumbe Primary School	1,350,000			1,350,000		1,350,000
AHP Workshop primary School	150,000	480		150,480	-	150,480
Tilwet Primary School	150,000	1		150,001	-	150,001
Saramek B Primary School	150,000	1,012		151,012	-	151,012

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (operational, deposit and PMCs C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Saosa Primary School	150,000	1,455		151,455	-	151,455
Kapsongoi Primary School	150,000	4,425		154,425	-	154,425
Tagabi Primary School	150,000	973		150,973	-	150,973
Kipketer Primary School	150,000	2,355		152,355	-	152,355
Jamji Primary School	150,000	1,925		151,925	-	151,925
Kerenga Primary School	150,000	48,568		198,568	26,640	171,928
Kiptetan Primary School	150,000	759		150,759	-	150,759
Chyemen Primary School	5,950,000	1,351,385		7,301,385	1,253,884	6,047,501

*National Government Constituencies Development Fund (NGCDF)
Belgut Constituency
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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (operational, deposit and PMCs C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Chebaraa pry school		206,732		206,732	204,658	2,074
chebungugon pry school		2,004,125		2,004,125	2,003,070	1,055
chemoson pry school		1,545,168		1,545,168	1,413,820	131,348
chepkutbei pry school		1,353,508		1,353,508	1,329,649	23,859
chepnagai pry school		126,908		126,908	124,622	2,286
cheptororiet pry school		2,000,315		2,000,315	1,990,997	9,318
itondo pry school		981,091		981,091	904,830	76,261
kapbungugwo pry school		1,729,012		1,729,012	1,719,959	9,053

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (operational, deposit and PMCs C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
kapkiptui pry school		564,375		564,375	498,500	65,875
kapmaso milimani		1,306,192		1,306,192	1,283,154	23,038
kapmaso pry school		48,357		48,357	45,162	3,195
kapriro pry school		1,002,026		1,002,026	983,871	18,155
kiplalmat pry school		101,829		101,829	101,620	210
kiptenden pry school		1,471,007		1,471,007	1,325,678	145,329
machorwa pry school		260,036		260,036	257,919	2,117
samiytuk pry school		30,173		30,173	26,284	3,889

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (operational, deposit and PMCs C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
simotwo pry school		1,880,056		1,880,056	1,691,555	188,501
turkwito pry school		2,702,010		2,702,010	2,635,574	66,436
kaptoboiti pry school		526	1,637,483	1,638,009	1,578,821	59,188
KAPCHEBET B PRIMARY SCHOOL		203,229	1,500,000	1,703,229	1,701,759	1,470
itanda pry school		867,866		867,866	848,390	19,476
KABIANGA PRIMARY SCH		1,455,670		1,455,670	1,455,670	-
						-
Sub-total	47,275,000	38,536,326	26,037,483	111,848,809	62,918,474	48,930,335

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (operational, deposit and PMCs C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
9.0 Secondary Schools Projects						
Chemamul Girls Secondary School	11,000,000		8,000,000	19,000,000	9,635,725	9,364,275
Kipsolu Secondary School	2,000,000			2,000,000		2,000,000
Chemumbe Mixed Day Secondary School	500,000	473,158		973,158	471,811	501,347
Seretut Secondary School	250,000	2,200,643		2,450,643	2,089,813	360,830
Kibingei Girls Secondary School	600,000	5,879		605,879	480	605,399
Cheronget Secondary school	3,000,000	1,702,480		4,702,480	1,537,984	3,164,496
Ainapkoi Secondary School	1,500,000	910		1,500,910	-	1,500,910
Chemamul Mixed Day Secondary	3,000,000	1,604,231		4,604,231	1,560,704	3,043,527
Belgut Starehe Girls Centre	2,000,000			2,000,000		2,000,000
Kamaas Mixed Day Secondary	200,000	302,808		502,808	299,620	203,188
Kiptome Secondary School	3,000,000	1,602,980		4,602,980	1,591,184	3,011,796
CHEPTEMBE DAY SEC SCH		444,231	5,250,000	5,694,231	2,425,575	3,268,656

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (operational, deposit and PMCs C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
KABIANGA GIRLS SEC SCH		9,313,620		9,313,620	9,272,500	41,120
CHEPKUTUNG SEC SCH		2,210,976	10,892,000	13,102,976	13,102,668	308
GETUMBE SEC SCH		350,000		350,000		350,000
BORBORWET SEC SCH		350,000		350,000		350,000
BELGUT TAPTUGEN STAREHE BOYS		857,469		857,469	-	857,469
chepkoton girls sec school		202,685		202,685	-	202,685
cheptenye boys sec		3,765,369		3,765,369	3,764,603	766
cheptororiet sec school		541,696		541,696	541,100	596
kaborok girls sec school		68,907		68,907	-	68,907
kapkitony sec school		1,230		1,230	-	1,230
teldet sec school		1,283,767		1,283,767	1,281,197	2,570
				-		-
Sub-total	27,050,000	27,283,039	24,142,000	78,475,039	47,574,964	30,900,075
10.0 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 (operational, deposit and PMCs C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Belgut Technical and Vocational Institute	6,500,000	150,477		6,650,477		6,650,477
				-		-
Sub-total	6,500,000	150,477	-	6,650,477	-	6,650,477
11.0 Security Projects						
BELGUT SUB-COUNTY POLICE HQ AND STATION		346,000		346,000	346,000	-
SERETUT CHIEF'S OFFICE		300,000		300,000		300,000
Kabianga Divisional HQ and police station	2,000,000			2,000,000		2,000,000
Borborwet Chief Office	700,000			700,000		700,000
Waldai Chiefs office	1,900,000			1,900,000		1,900,000
Chebiribei Location chief's Office	1,900,000			1,900,000		1,900,000
Sub-total	6,500,000	646,000	-	7,146,000	346,000	6,800,000
ROADS AND BRIDGES		103,830		103,830	-	103,830
Sub-total	-	103,830	-	103,830	-	103,830

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (operational, deposit and PMCs C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
12.0 Acquisition of assets						
12.1 Motor Vehicles (including motorbikes)		370,000		370,000	370,000	-
12.2 Purchase of furniture and fittings			407,254	407,254		407,254
PURCHASE OF COMPUTERS			1,150,100	1,150,100	1,150,100	-
Sub-total	-	370,000	1,557,354	1,927,354.00	1,520,100.00	407,254.00
RENOVATION OF CDF OFFICE			3,220,862	3,220,862	2,198,309	1,022,553
CONSTRUCTION OF NOTICE BOARD		1,000		1,000		1,000
NGCDF OFFICE FENCE	500,000			500,000		500,000
Sub-total	500,000	1,000	3,220,862	3,721,862	2,198,309	1,523,553
13.0 Others						
BELGUT NG-CDF Strategic Plan		3,500,000		3,500,000	3,500,000	-

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (operational, deposit and PMCs C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Sub-total	-	3,500,000	-	3,500,000	3,500,000	-
Funds pending approval**				-		-
AIA		425,000		425,000		425,000
PROPOSED KAPCHELUCH DAY SEC SCH			1,850,000	1,850,000		1,850,000
Proposed Kapcheluch Day Secondary School	1,850,000			1,850,000		1,850,000
Nyabangi Secondary School	4,000,000			4,000,000		4,000,000
Sub-total	5,850,000	425,000	1,850,000	8,125,000	-	8,125,000
TOTAL	179,441,954	82,668,553	57,799,293	319,909,800	201,454,144	118,455,656

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

17. Notes to the Financial Statements

1. General information

The National Government Constituencies Development Fund (NG-CDF) formerly Constituencies Development Fund (CDF), is established by and derives its authority and accountability from the NG-CDF Act 2015 (amended 2023). The NG-CDF is wholly owned by the Government of Kenya and is domiciled in Kenya. The NG-CDF Belgut Constituency principal activity is Executing national government functions at the constituency

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared in accordance with the Public Finance Management (PFM) Act and the International Public Sector Accounting Standards (IPSAS). The NG-CDFC Belgut 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-CDFC Belgut has recognized all financial assets, including cash and cash equivalents held in the operational account, deposit account, and PMC bank accounts; receivables (amounts due from the Board and other parties); prepayments; property, plant, and equipment (PPE); and intangible assets acquired during the financial year 2023/2024 up to the reporting date.

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

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

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	<i>Applicable 1st January 2025</i> 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 cash-flows of an Entity. The new standard requires entities to recognize, measure and present information on right of use assets and lease liabilities. Not Applicable
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<i>Applicable 1st January 2025</i> The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance. Not Applicable

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Standard	Effective date and impact:
IPSAS 45: Property Plant and Equipment	<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>
IPSAS 46: Measurement	<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>
IPSAS 47: Revenue	<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</p>

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Standard	Effective date and impact:
	<p>transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</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

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Standard	Effective date and impact:
	<p style="text-align: center;">understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.</p> <p>Not Applicable</p>

iii. Early adoption of standards

The Belgut NGCDF did not early – adopt any new or amended standards in the financial year.

3. 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 *Belgut NGCDF*.

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 Belgut NGCDF 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 *Belgut NGCDF*. 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 *Belgut NGCDF* 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 *Belgut NGCDF* 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 *Belgut NGCDF*. 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 Belgut NGCDF 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 Belgut NGCDF and a financial liability or equity instrument of another Belgut NGCDF. At initial recognition, the Belgut NGCDF 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 Belgut NGCDF 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 Belgut NGCDF'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 Belgut NGCDF 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 Belgut NGCDF 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 Belgut NGCDF 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 Belgut NGCDF 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 Belgut NGCDF 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 Belgut NGCDF 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 *Belgut NGCDF*.

h) Provisions

Provisions are recognized when the *Belgut NGCDF* 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 *Belgut NGCDF* 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 *Belgut NGCDF* 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 *Belgut NGCDF* will incur in fulfilling the present obligations represented by the liability.

j) Contingent liabilities

The *Belgut NGCDF* 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 *Belgut NGCDF* 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 Belgut NGCDF 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 *Belgut NGCDF* provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an Belgut NGCDF pays fixed contributions into a separate Belgut NGCDF (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 *Belgut NGCDF* regards a related party as a person or an *Belgut NGCDF* with the ability to exert control individually or jointly or to exercise significant influence over the *Belgut NGCDF*, 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

4. Significant Judgments and Sources of Estimation Uncertainty

The preparation of the *Belgut NGCDF'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 Belgut NGCDF 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 Belgut NGCDF. 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 Belgut NGCDF.
- 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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5. Transfers from the NGCDF Board

Description	Period ended June 2025
NGCDFB Transfers (Allocation for the FY)	179,441,954
TOTAL	179,441,954

6. Transfers from domestic and foreign partners

Description	Period ended June 2025
	Kshs
Grants	-
Total	-

7. Finance income

Description	Period ended June 2025
	Kshs
Interest Income on Bank Deposits	-
Total	-

(Provide a brief explanation for this revenue)

8. Miscellaneous income

Description	Period ended June 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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9. Employees cost

Description	<i>Period ended June 2025</i>
	Kshs
NG-CDFC Basic staff salaries	3,107,288
Personal allowances paid as part of salary	-
House Allowance	-
Transport Allowance	-
Leave allowance	-
Gratuity to contractual employees	749,496
Employer Contributions Compulsory national social security schemes	177,013
Employer Contributions Compulsory Housing levy	44,904
Employer contributions to National Industrial Training Authority	4,800
Other Specify	-
Total	4,083,500

10. Committee Expenses

Description	<i>Period ended June 2025</i>
	Kshs
Sitting allowance	542,000
Other Committee expenses	6,661,316
Total	7,203,316

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11. Use of Goods and services

Description	<i>Period ended June 2025</i>
	Kshs
Utilities, supplies and services	70,952
Communication, supplies and services	164,078
Domestic travel and subsistence	1,287,500
Printing, advertising and information supplies & services	-
Office Rent	-
Training expenses	280,500
Hospitality supplies and services	346,309
Insurance costs	-
Specialized materials and services	-
Office and general supplies and services	625,180
Fuel, oil & lubricants	797,414
Bank Charges	41,486
Routine maintenance – vehicles and other transport equipment	307,573
Routine maintenance – other assets	-
Strategic plan expenses	3,500,000
Other operating expenses	2,348,224
Total	9,769,216

12. Other Government Units Actual expenditure

Description	<i>Period ended June 2025</i>
	Kshs
Primary Schools Actual expenditure	63,136,973
Secondary Schools Actual Expenditure	47,738,762
Tertiary Institutions Actual Expenditure	-
Total	110,875,735

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13. Other Grants and transfers Actual expenditure

Description	<i>Period ended June 2025</i>
	Kshs
Bursary – secondary schools	31,506,500
Bursary – tertiary institutions	26,828,500
Bursary – special schools	-
Bursary - Education Support programmes	-
Social Security programmes (SHIF)	-
Security projects Actual Expenditure	346,000
Climate change mitigation projects	713,625
Emergency projects Actual Expenditure	8,482,520
Roads projects	-
Others specify	-
Total	67,877,145

14. Depreciation and Amortization Expenses

Description	<i>Period ended June 2025</i>
	Kshs
Property Plant and Equipment	236,263
Intangible Assets	-
Total	236,263

15. Digital Hubs Expenses

	<i>Period ended June 2025</i>
Description	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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16. Gain/loss on Sale of Assets

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

17. Impairment Loss

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

(Provide brief explanation on assets impairment loss)

18. Cash and Cash Equivalents

Name Of Bank and Account No.	Period ended June 2025	Opening Statement
	Kshs	1st July 2024 Kshs
Bank Accounts (Cash Book Bank Balance)		
<i>Equity bank, 0280284542743. (Operations account)</i>	19,647,282	35,047,604
<i>Operations account pending closure</i>	-	-
<i>Coop Bank, 01101112574001. (Deposit account)</i>	483,593	986,022
<i>Equity, Coop Bank. (PMC's account)</i>	44,982,826	46,634,926
Total	65,113,701	82,668,552
Cash Balances		
Location 1		
Location 2		
Total		
<i>[Provide Cash Count Certificates for Each]</i>		

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19. Receivables from Exchange Transactions

Description	Period ended June 2025		Opening Statement 1st 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)		-		-

i. Ageing Analysis for Receivables

Description	Period ended June 2025		Opening Statement 1st July 2024	
	Kshs		Kshs	
	Current FY	% of the total	Opening Balance	% of the total
Less than 1 year		%		%
Between 1- 2 years		%		%
Between 2-3 years		%		%
Over 3 years		%		%
Total (a+b)		%		%

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20. Receivables from Non-Exchange Transactions

Description	Period ended June 2025		Opening Statement 1 st July 2024	
	Kshs		Kshs	
Transfers from NGCDFB	53,341,954		57,799,293	
Outstanding imprest	-		-	
Total	53,341,954		57,799,293	
Ageing Analysis- Receivables from non-exchange transactions	Insert Current FY	% of the total	Opening Balance	% of the total
Less than 1 year	53,341,954	100%	55,899,293	97%
Between 1-2 years		0%	1,900,000	3%
Over 3 years		0%	0%	0%
TOTAL	53,341,954	100%	57,799,293	100%

21. Prepayments

Description	Period ended June 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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22. Property, Plant and Equipment

	Land	Buildings	Motor vehicles	Infrastructure assets	Furniture and fittings	Computers & ICT Equipment	Other Assets (specify)	Capital Work in progress	Total
Depreciation Rate(specify)		2%	30%	20%	12.5%	30%	10%		
Cost	Kshs	Kshs	Kshs		Kshs	Kshs	Kshs	Kshs	Kshs
Opening Bal as 1 st July 2025					-	-	-	-	-
Additions	-	-	370,000	-	1,150,100	-	-	-	1,520,100
Disposals	-	-	-	-	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-	-	-	-	-
As At 30 th June 2025	-	-	370,000	-	1,150,100	-	-	-	1,520,100
Depreciation And Impairment									
Opening Depreciation	-	-	-	-	-	-	-	-	-
Depreciation	-	-	92,500	-	143,763	-	-	-	236,263
Disposals	-	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-	-	-	-
As At 30 th June 2025	-	-	92,500	-	143,763	-	-	-	236,263
Net Book Values									
Opening Bal as at 1 st July 2024	900,000	17,934,101	10,200,000		1,657,050	695,700			31,386,851
As At 30 th June 2025	900,000	17,934,101	10,477,500	-	2,663,338	695,700	-	-	32,670,688

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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). These amounts were adopted on Belgut.

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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23. Intangible Assets

Description	<i>Insert Current FY</i>
	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	-

24. Right-of use assets

Description	Buildings	Plant	Equipment	Total
	Kshs	Kshs	Kshs	Kshs
Cost				
As At 1 July (Comparative period)	-	-	-	-
Additions	-	-	-	-
As At 30 June 2025 (Comparative Period)	-	-	-	-
Additions	-	-	-	-
As At 30 June 2025	-	-	-	-
Accumulated Depreciation				
As At 1 July 2024 (Comparative period)	-	-	-	-
Charge for the period	-	-	-	-
As At 30 June 2025 (Comparative period))	-	-	-	-
Charge for the period	-	-	-	-
As At 30 June 2025	-	-	-	-

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Carrying Amount	-	-	-	-
As At 30 June 2025	-	-	-	-
As At 30 June 2024	-	-	-	-

25. Trade and Other Payables

Description	Insert Current FY		Opening Statement 1 st July 20XX	
	Kshs		Kshs	
Trade payables	-		-	
Employee payables	-		-	
Other payables	-		-	
Total trade and other payables	-		-	
Aging analysis: (Trade and other payables)	Current FY	% of the Total	1 st July	% of the Total
Under one year	-	%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total (tie to above total)	-		-	

26. Third-Party deposits

	Period ended June 2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Retention as at start of the period (A)	-	-
Retention held during the period (B)	2,951,943	-
Retention paid during the period (C)	2,334,815	-
Closing Retention as at period 30 th June, D= A+B-C	617,129	-

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Retentions aging analysis.

	<i>Period ended June 2025</i>	<i>% of the total</i>	<i>Opening Statement 1st July 2024</i>	<i>% of the total</i>
Less than 1 year	617,129	100	0	0%
1-2 years	-	%	0	
2-3 years	-	%	0	
Over 3 years	-	%	0	
Total	617,129	100%	0	

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

27. Lease Liabilities

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

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	-

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28. Gratuity Provision

Description	Period ended June 2025	Opening Statement
		1st July 2024
	Kshs	Kshs
Gratuity at the beginning of the period (A)	986,022	-
Gratuity held during the period (B)	749,494	986,022
Gratuity paid during the period (C)	1,491,755	-
Total Gratuity provision as at period 30th June D=(A+B-C)	243,761	986,022

29. Cash Generated from Operations

	Period ended June 2025
	Kshs
Surplus for the period before tax	(20,603,220)
Adjusted for:	
Depreciation	236,263
Non-cash grants received	-
Contributed assets	-
Impairment	-
Gains and losses on disposal of assets	-
Contribution to provisions	-
Contribution to impairment allowance	-
Working capital adjustments	
Changes in inventory	-
Changes in receivables	(4,457,339)
Changes in deferred income	-
Changes in Third party deposits	(617,127)
Changes in gratuity provision	742,259
Changes in payments received in advance	-
Net cash flow from operating activities	(16,034,751)

30. Financial Risk Management

The Belgut NGCDF's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The Belgut NGCDF'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 Belgut NGCDF 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 Belgut NGCDF's financial risk management objectives and policies are detailed below:

1) Credit risk

The Belgut NGCDF 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 Belgut NGCDF'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 Belgut NGCDF'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	53,341,954	53,341,954	-	-
Bank balances	65,113,701	65,113,701	-	-

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Total	118,455,655	118,455,655	-	-
As at 30 June 2024				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	57,799,293	57,799,293	-	-
Bank balances	82,668,552	82,668,552	-	-
Total	140,467,845	140,467,845	-	-

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 Belgut NGCDF has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The Belgut NGCDF has significant concentration of credit risk on amounts due from Belgut. The board of directors sets the Belgut NGCDF's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

iii) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Belgut NGCDF's directors, who have built an appropriate liquidity risk management framework for the management of the Belgut NGCDF's short, medium and long-term funding and liquidity management requirements. The Belgut NGCDF manages liquidity risk through continuous monitoring of forecasts and actual cash flows. The table below represents cash flows payable by the Belgut NGCDF 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 30 th June 2025				
Trade payables				

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Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
Current poportion of borrowings				
Provisions			617,129	617,129
Deferred income				
Gratuity Provision			243,761	243,761
Total			860,890	860,890
As at 30th June 2024				
Trade payables				
Current portion of borrowings				
Provisions				
Deferred income				
Gratuity Provision			986,022	986,022
Total			986,022	986,022

o **Market risk**

The *Belgut NGCDF* has put in place an internal audit function to assist it in assessing the risk faced by the *Belgut NGCDF* 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 *Belgut NGCDF*'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 *Belgut NGCDF*'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 *Belgut NGCDF*'s exposure to market risks or the way it manages and measures the risk.

a) **Foreign currency risk**

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The *Belgut NGCDF* 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 *Belgut NGCDF* 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.

FY 2024/2025

Description	In Kshs	Other currencies	Total
	Kshs	Kshs	Kshs
As at 30 th June (FY 2024/2025)			
Financial Assets			
Investments	N/A	-	-
Cash	-	-	-
Debtors	-	-	-
Total Financial Assets	-	-	-
Financial Liabilities	-	-	-
Trade And Other Payables	-	-	-
Borrowings	-	-	-
Total Financial Liabilities	-	-	-
Net Foreign Currency Asset/(Liability)	-	-	-

Foreign currency sensitivity analysis

FY 2024/2025

Description	In Kshs	Other currencies	Total
	Kshs	Kshs	Kshs
As at 30 th June (FY 2024/2025)			
Financial Assets	N/A	-	-
Investments	-	-	-
Cash	-	-	-
Debtors	-	-	-
Total Financial Assets	-	-	-

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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 Belgut NGCDF 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 KCB/Net assets
	Kshs	Kshs	Kshs
FY 2024/2025	N/A		
Euro	10%	-	-
USD	10%	-	-
Previous FY		-	-
Euro	10%	-	-
USD	10%	-	-

b) Interest rate risk

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

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The Belgut NGCDF 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 *Belgut NGCDF'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 KCB 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 (FY 2024/2025)				

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Financial Assets				
Quoted KCB Investments	N/A	-	-	-
Non- Financial Assets				
Investment Property	-	-	-	-
Land And Buildings	-	-	-	-
Total	-	-	-	-
As at 30th June (FY 2023/2024)				
Financial Assets				
Quoted KCB Investments	-	-	-	-
Non- Financial Assets				
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 Belgut NGCDF's capital risk management is to safeguard the Belgut NGCDF's ability to continue as a going concern. The Belgut NGCDF capital structure comprises of the following funds:

Description	<i>Period ended June 2025</i>	Opening Statement 1st July 2024
	Kshs	Kshs
Revaluation Reserve	-	-
Retained Earnings	118,455,655	139,481,823
Capital Reserve		-
Total Funds	118,455,655	139,481,823
Total Borrowings		-
Less: Cash and Bank Balances	65,113,701	36033626
Net Debt/(Excess Cash And Cash Equivalents)	53,341,954	103,448,197
Gearing	55%	25%

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31. Related Party Disclosures

	<i>Period ended June 2025</i>	<i>Opening Statement 1st July 2024</i>
	Kshs	Kshs
Committee Members Remuneration		
Sitting allowance of committee Members during the year	542,000	3,760,700
Transaction with the NGCDF Board		
Transfers from the NGCDF Board during the year	179,441,954	186,649,293
Total	179,983,954	190,409,993

32. Segment Information

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

33. Contingent Assets and Contingent Liabilities

Contingent Assets

Description	<i>Period ended June 2025</i>	<i>Opening Statement 1st July 2024</i>
	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	-	-

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Contingent Liabilities

Description	<i>Period ended June 2025</i>	<i>Opening Statement 1st July 2024</i>
	Kshs	Kshs
Contingent Liabilities		
Court Case against the Belgut NGCDF	-	-
Bank Guarantees in Favour of Subsidiary	-	-
Contingent Liabilities arising from Contracts Including PPPs	-	-
Others (Specify)	-	-
Total	-	-

34. Capital Commitments

Capital Commitments	<i>Period ended June 2025</i>	<i>Opening Statement 1st July 2024</i>
	Kshs	Kshs
Authorised for	-	-
Authorised and Contracted for	-	-
Total	-	-

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

35. Events after the Reporting Period

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

36. Ultimate And Holding Belgut NGCDF

The Belgut 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.

37. Currency

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

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18. 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	900,000			900,000
Buildings and structures	17,934,101			17,934,101
Transport equipment	10,200,000	370,000		10,570,000
Office equipment, furniture and fittings	1,657,050	1,150,100		2,807,150
ICT Equipment, Software and Other ICT Assets	695,700			695,700
Other Machinery and Equipment				
Intangible assets				
Total	31,386,851	1,520,100		32,906,951

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

PMC	Bank	Account number	Bank Balance 2024/2025	Bank Balance 2023/2024
Barme Primary School	1198686790	KCB Bank	1,767	205,164
Chebaraa Pry School	1183543395	KCB Bank	2,074	206,732
Chebiriirbei Pry School	01139053890001	Co-operative Bank	57,546	57,546
Chebungunon Primary School	01139054187901	Co-operative Bank	1,055	2,004,125
Chemoson Primary School	01139604169400	Co-operative Bank	131,348	1,545,168
Chepkutbei Primary School	01139752136700	Co-operative Bank	23,859	1,353,508
Chepnagai Primary School	01139604153600	Co-operative Bank	2,286	126,908
Cheptorriet Primary School	01141335689700	Co-operative Bank	9,318	2,000,315
CHERONGET PRIMARY SCH	01139054301702	Co-operative Bank	130,675	99,747
Itanda Primary School	01139752190000	Co-operative Bank	127,582	867,866
Itondo Primary School	01139603206900	Co-operative Bank	76,261	981,091
KABIANGA Primary SCH	01139054409701	Co-operative Bank	86,375	1,455,670
KABOROK PRIMARY SCH	01139752302000	Co-operative Bank	4,829	4,829

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PMC	Bank	Account number	Bank Balance 2024/2025	Bank Balance 2023/2024
Kaboson Primary School	0280285263797	Equity Bank	306,024	243,426
Kabungungwo Pry School	1171480369	KCB Bank	9,053	1,729,012
Kakiptui Primary School	01141752353000	Co-operative Bank	65,875	564,375
KAPCHEBET B PRIMARY SCH	01139752069000	Co-operative Bank	1,470	3,229
Kaplemeiywet Primary School	01139604997700	Co-operative Bank	32,873	107,933
Kapmaso Milimani Primary Sch	01139603201200	Co-operative Bank	23,038	1,306,192
Kapmaso Primary School	1233858327	KCB Bank	3,195	48,357
Kapriro Primary School	01139078065200	Co-operative Bank	18,155	1,002,026
Kapsisiywo Primary School	01139752135800	Co-operative Bank	1,595,856	1,012,185
Kapsoiyo Primary School	01139752598800	Co-operative Bank	27,761	1,671,474
Keben Primary School	01139752217300	Co-operative Bank	294,630	108,632
Kesagetiet Primary School	01139474868700	Co-operative Bank	370,508	440,656
Kiplalmat Primary School	01139604244200	Co-operative Bank	210	101,829
KIPTENDEN PRY SCH	1286169917	KCB Bank	145,329	1,471,007

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PMC	Bank	Account number	Bank Balance 2024/2025	Bank Balance 2023/2024
Koitalel Primary School	01141752349500	Co-operative Bank	248,792	2,004,030
KOIWALELACH PRIMARY SCH	01139752218600	Co-operative Bank	143,111	210,226
Machorwa Primary School	01139752275300	Co-operative Bank	2,117	260,036
Masarian Primary School	1167628926	KCB Bank	1,420	367,670
Mereonik Primary School	01139752145500	Co-operative Bank	247,463	1,200,563
Mobego Primary School	01139603988900	Co-operative Bank	6,061,139	2,529,320
Samiytuk Primary School	01139752311700	Co-operative Bank	3,889	30,173
Simotwo Primary School	01139603110100	Co-operative Bank	188,501	1,880,056
SINONIN PRIMARY SCH	01139752474100	Co-operative Bank	2,075,953	472,932
Turkuito Primary School	01141753081800	Co-operative Bank	66,436	2,702,010
CHEMOSET PRIMARY SCH	1139604215300	Co-operative Bank	1,574	1,273
CHEPKOSILEN PRIMARY SCH	1141753173400	Co-operative Bank	6,799	48,554
CHYEMEN PRIMARY SCH	113975243200	Co-operative Bank	97,501	1,385
KAPTOBOITI PRIMARY SCH	1139752279900	Co-operative Bank	59,188	526

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PMC	Bank	Account number	Bank Balance 2024/2025	Bank Balance 2023/2024
KAPNANDET PRIMARY SCH	1178155927	KCB Bank	82,039	1,463
KIBOET PRIMARY SCH	11397521132300	Co-operative Bank	10,260	12,670
KIPSOLU PRIMARY SCH	1169391273	KCB Bank	12,083	358
ST MARK CHEPNGETUNY PRIMARY SCH	11397474871300	Co-operative Bank	1,556	2,142
SUSUMWET PRIMARY SCH	1139752110500	Co-operative Bank	102,245	18,498
AINAPKOI PRIMAY SCHOOL	1139752120600	Co-operative Bank	5,370	5,370
AHP WORKSHOP PRY SCHOOL	120131082	KCB Bank	480	480
JAMJI PRIMARY SCH	11397752304900	Co-operative Bank	1,925	1,925
KIPTETAN PRIMARY SCH	1167806581	KCB Bank	759	759
KIPKETER PRIMARY SCH	1206136324	KCB Bank	2,355	2,355
KERENGA PRIMARY SCH	1102547212	KCB Bank	171,928	48,567
TILWET PRIMARY SCH	1139077504201	KCB Bank	150,001	1
TAGABI PRIMARY SCH	1149700939	KCB Bank	150,973	973
SAOSA PRIMARY SCH	1139752202000	Co-operative Bank	151,455	1,455

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PMC	Bank	Account number	Bank Balance 2024/2025	Bank Balance 2023/2024
KAPSONGOI PRIMARY SCH	1139760352400		154,425	4,425
SARAMEK B PRIMARY SCH	1139752300600	Co-operative Bank	151,012	1,012
CHEPKOIN PRY SCHOOL	1139603580400	Co-operative Bank	863	863
KAPSUSER PRY SCHOOL	11397522205100	Co-operative Bank	1,001,134	1,134
Belgut Taptugen Starehe Boys	0113960324500	Co-operative Bank	857,469	857,469
Chemamul Mixed Day Sec School	01139604323400	Co-operative Bank	43,527	1,604,231
Chepkoton Girls Sec School	1136189696	KCB Bank	202,685	202,685
CHEPKUTUNG SEC SCH	1284329976	KCB Bank	307	10,975
Cheptembe Mixed Day Sec	280285053856	Equity Bank	18,656	444,231
Cheptenye Boys Secondary Sch	01139753619300	Co-operative Bank	766	3,765,369
Cheptorriet Secondary School	01139335036901	Co-operative Bank	596	541,696
KABIANGA GIRLS SEC SCH	11397752124000	Co-operative Bank	41,120	113,620
Kaborok Girls Sec School	01139335219800	Co-operative Bank	68,907	68,907
Kamaas Secondary School	01139603394300	Co-operative Bank	3,188	302,808

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PMC	Bank	Account number	Bank Balance 2024/2025	Bank Balance 2023/2024
Kapkitony Secondary School	01139752029500	Co-operative Bank	1,230	1,230
Kibingei Girls Secondary School	01139753218500	Co-operative Bank	605,399	5,879
Kiptome Secondary School	01139753245200	Co-operative Bank	3,011,796	1,602,980
Seretut Secondary School	1121502512	KCB Bank	110,830	2,200,643
Teldet Secondary School	01139603255900	Co-operative Bank	2,570	1,283,767
CHEMAMUL GIRLS SEC SCH	280285867292	Equity Bank	5,364,275	
CHERONGET SEC SCH	1139753202701	Co-operative Bank	164,496	2,480
AINAPKOI SECONDARY SCH	1139752277800	Co-operative Bank	910	910
CHEMUMBE MIXED DAY SEC	1100010902001	Co-operative Bank	501,347	473,158
KAPTOBOITI PRIMARY SCH	1139752279900	Co-operative Bank	66,414	
SERETUT PRIMARY SCH	01139752234600	Co-operative Bank	500,761	502,692
KIBOITO PRIMARY SCH	1139752131500		24,171	220
KIPTOME PRIMARY SCH	11397752074300	Co-operative Bank	60,846	12,535
KAMAAS PRIMARY SCH	1139603787100	Co-operative Bank	84,406	7,663

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PMC	Bank	Account number	Bank Balance 2024/2025	Bank Balance 2023/2024
KAPTEBESWET PRIMARY SCH	1139752316000	Co-operative Bank	32,873	11,319
NYABANGI PRIMARY SCHOOL	1139752139100	Co-operative Bank	507,082	6,115
CHEMAMUL A PRIMARY SCH	1139604189500	Co-operative Bank	95,332	76,350
KAPLUTIET PRIMARY SCH	1139753539100	Co-operative Bank	65,588	2,790
KIBINGEI GIRLS SEC SCH	1139753218500	Co-operative Bank	241,585	
reconciliations cheque paid but not clear as as30th june 2025				
	pvno and cheque no	date pay		
Masarian Primary School	pv 223, ch 2985	19/6/25	1,350,000	
CHEMOSET PRIMARY SCH	pv217,ch2978	19/6/25	1,350,000	
CHEYMEN PRIMARY SCHOOL	pv214,ch2972	17/6/25	3,000,000	
AINAPKOI PRIMAY SCHOOL	pv218,ch2909	17/6/25	1,200,000	
AHP WORKSHOP PRY SCHOOL	pv204,ch2961	17/6/25	150,000	
JAMJI PRIMARY SCH	pv205,ch2962	17/6/25	150,000	

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PMC	Bank	Account number	Bank Balance 2024/2025	Bank Balance 2023/2024
KIPTETAN PRIMARY SCH	pv206,ch2963	17/6/25	150,000	
KIPKETER PRIMARY SCH	pv2017,ch2964	17/6/25	150,000	
CHEPKOIN PRY SCHOOL	pv219,ch2981	19/6/25	2,800,000	
Chemamul Mixed Day Sec School	pv215,ch2974	17/6/25	3,000,000	
AINAPKOI SECONDARY SCH	pv216,ch2908	17/6/25	1,500,000	
BORBORWET CHIEF'S OFFICE	pv226,ch2988	19/6/25	700,000	
Chebiribei Location Cheif Office	pv227,ch2989	19/6/25	1,900,000	
GRANT TOTAL			44,982,826	46,634,924

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Annex 3: Progress On Follow Up of Auditor Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1. Undisbursed Funds from The Board	<p>Note 19.3 to the financial statements reflects Kshs. 92,846,897 in respect of unutilized funds as detailed in Annex 3 to the financial statements which includes comparative amount of kshs. 71,010,262 in respect to funds unutilized during the year 2022/2023.</p> <p>A reconciliation of summary statement of appropriation of statements of assets and liabilities at page 5 of financial statements; indicates undisbursed funds receivable from the board as at 30 June, 2024 amounting to 57,799,293. Analysis of the details of unutilized fund in annex 3 however revealed undisbursed funds from the board totalled Kshs. 66,573,202 resulting in variance of Kshs. 8,773,909. The table below shows the status of the unutilized as per annex 3.</p>	Fund received in subsequent financial year and projects implemented to completion.	Not yet Resolved	Awaiting DFAC dates

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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)														
	<table border="1"> <thead> <tr> <th>Status / Comments on the Un utilized funds</th> <th>Amounts (Kshs.)</th> </tr> </thead> <tbody> <tr> <td>Awaiting Funds</td> <td>16,366,216.00</td> </tr> <tr> <td>Disbursed</td> <td>5,532,359.00</td> </tr> <tr> <td>Undisbursed</td> <td>66,573,202.00</td> </tr> <tr> <td>Procurement Stage</td> <td>600,000.00</td> </tr> <tr> <td>Reallocated</td> <td>3,775,120.00</td> </tr> <tr> <td>Totals</td> <td>92,846,897.00</td> </tr> </tbody> </table>	Status / Comments on the Un utilized funds	Amounts (Kshs.)	Awaiting Funds	16,366,216.00	Disbursed	5,532,359.00	Undisbursed	66,573,202.00	Procurement Stage	600,000.00	Reallocated	3,775,120.00	Totals	92,846,897.00			
Status / Comments on the Un utilized funds	Amounts (Kshs.)																	
Awaiting Funds	16,366,216.00																	
Disbursed	5,532,359.00																	
Undisbursed	66,573,202.00																	
Procurement Stage	600,000.00																	
Reallocated	3,775,120.00																	
Totals	92,846,897.00																	
2. Unsupported Project Management Committee Bank Balances	Note 19.4 to the financial statements reflects project management committee (PMC) bank bank balances of kshs. 42,918,344 in respect of fifty-two (52) project bank accounts. However, the cash books, bank reconciliation statements and certificates of bank balances for the various PMC bank accounts were not provided for audit.	Cashbooks, bank reconciliation statements and certificate of bank balance has been availed to auditor for review	Not yet Resolved	Awaiting DFAC dates														
3. Budgetary Control and Performance	The statement of appropriation for the year ended 30 June, 2024 reflects final budget receipt and actual on comparable basis of Kshs. 259,059,554 and Kshs. 199,026,482 respectively, resulting to underfunding of Kshs. 60,033,072 or 23% of the budget. Similarly, statement of appropriation for	Underfunding and under absorption was due to delay funding by exchequer. The fund was received in the	Not yet Resolved	Awaiting DFAC dates														

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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>the year ended 30 June,2024 reflects final budget expenditure and actual on comparable basis of Kshs. 259,059,554 and Kshs. 166,212,658 resulting to under absorption of Kshs. 92,846,898 or 36% of the budget.</p> <p>The under absorption of funds affected the planned activities and may have impacted negatively on service delivery to the public.</p>	<p>subsequent financial year and project implemented to completion. AIE, Completion certificate and photos availed to auditor for review.</p>		
Project Implementation Status	<p>Review of the project implementation status report and physical verification of selected projects revealed that for the financial year ended 2023/2024 out of sixty (60) projects with a contract value of Kshs. 14,400,000 were ongoing, three (3) projects allocated Kshs. 1,200,000 had not started and one (1) project allocated Kshs. 3,000,000 was not approved. However, the start dates for the projects were not indicated in the projects implementation status report which made it difficult to determine whether or not the project timelines were adhered to.</p>	<p>The three projects were later complete and contractor paid. The projects are complete and in use. The project for kshs 3,000,000 was later approved by NGCDF Board and projected implemented</p>	<p>Not yet Resolved</p>	<p>Awaiting DFAC dates</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)
Other Matter Unresolved Prior Year Matters	Prior audit issues remained unresolved as at 30 June 2024. Management did not provide reasons for the delay in resolving the prior year audit issues as required by the Public Sector Accounting Standards Board and by the National Treasury's Circulars.	Prior audit issues has been resolved from 2013/14 to 2022/23 financial year through DFAC on 31 st July 2025. For 2023/24 FY we are waiting DFAC	Not yet Resolved	Awaiting DFAC dates
Basis for Conclusion Unutilized Funds of the Project Management Committees	Note 19.4 to the financial statements reflects Projects Management Committee bank balances of Kshs. 42,918,344.28 in respect of fifty – two (52) project bank accounts. Review of projects expenditure returns revealed that the projects were completed but the unutilized balances were not transferred to the CDF main account.	During audit most of the projects was ongoing thus we could not close the accounts since contractors had not been paid.	Not yet Resolved	Awaiting DFAC dates



Name: Caroline Cheres
Fund Account Manager.