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THE AUDITOR-GENERAL

ON

**NATIONAL GOVERNMENT
CONTITUENCIES DEVELOPMENT FUND -
NYARIBARI CACHE CONSTITUENCY**

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



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

NYARIBARI CHACHE CONSTITUENCY

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
30th JUNE 2025

Transitional IPSAS Financial Statements Under International Public Sector Accounting Standards (IPSAS)

Table of Contents	Page
1. Acronyms and Definition of Key Terms	ii
2. Key Constituency Information and Management.....	iv
3. NGCDF Committee	viii
4. NG-CDFC Chairman’s Report.....	x
5. Statement of Performance Against Predetermined Objectives for FY2024/2025 FY	xiv
6. Governance Statement.....	xvi
7. Management Discussion and Analysis	xxiii
8. Environmental and Sustainability Reporting	xxviii
9. Statement Of Management Responsibilities	xxxii
10. Report Of the Independent Auditor on the NGCDF- Nyaribari Chache Constituency	xxxiv
11. Statement of Financial Performance for the Year Ended 30th June 2025	1
12. Statement Of Financial Position As At 30th June, 2025.....	2
13. Statement of Changes in Net Assets for the year ended 30 June 2025.....	4
14. Statement Of Cash Flows for The Year Ended 30th June 2025.....	5
15. Statement of Comparison of Budget and Actual Amounts for the Year ended 30 June 2025	7
16. Budget Execution by Sectors And Projects For The Year Ended 30 th June 2025	10
17. Notes to the Financial Statements.....	22
18. Annexes.....	61



1. Acronyms and Definition of Key Terms

A. Acronyms

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

B. Definition of Key Terms

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

Comparative Year- Means the prior period.

2. Key Constituency Information and Management

(a) Background information

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

Mandate

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

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

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

Vision

Equitable Socio-economic development countrywide.

Mission

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

Core Values

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

Functions of NG-CDF Committee

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

(b) Key Management

The NGCDF Nyaribari Chache 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	Galgallo Guyo Danso
2.	National Sub-County Accountant	John Obonsi
3.	Chairman NGCDFC	Zephaniah Otundo Monyenye
4.	Member NGCDFC	Rose Kerubo Nyagari (Operational Bank account)

(c) Fiduciary Oversight Arrangements

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

P.O. Box 78 - 40212

Keumbu

Kisii Kenya.

(e) NGCDF Nyaribari Chache Constituency Contacts

P.O. Box 78-40212

E-mail: cdfnyaribarichache@ngcdf.go.ke

Website:

(f) NGCDF Nyaribari Chache Constituency Bankers

1. Operations Account.

Equity Bank

Kisii Branch

P.O. Box 2775 – 40200

2. Deposit Account

KCB Bank

Kisii Branch.

P.O Box 476-40200

3. Project Management Committee

Cooperative bank

Kisii Branch

P.O. Box 469 – 40200

KCB bank

Kisii Branch

P.O. Box 476 – 40200

Family bank

Kisii Branch

P.O. Box 74145 – 40200

(g) Independent Auditor

Auditor General

Office of the Auditor General

Anniversary Towers, University Way

P.O. Box 30084

GPO 00100

Nairobi, Kenya

(h) Principal Legal Adviser

The Attorney General

State Law Office





Harambee Avenue





P.O. Box 40112

City Square 00200

Nairobi, Kenya

3. NGCDF Committee

Name	Details
 <p>Chairperson: Zephaniah Otundo Monyenye</p>	<p>Born on 10th November 1978. Holds a Certificate in counselling. Holds a Kenya certificate of secondary education. Works as a Chairman of the Nyaribari chache NGCDF committee the position held for the past 2 and a half years. Hails from Ibeno ward</p>
 <p>Secretary: Rose Kerubo Nyagari</p>	<p>Born on 22nd of November 1983. She holds a Kenya certificate of secondary education. Previously worked as a supervisor at Youth Bunge Sacco. Worked as a secretary at Nyansira Secondary for 1 year. Has been working as a Secretary at the Nyaribari Chache NGCDFC from the past 2 and a half years. Hails from Birongo ward.</p>
 <p>Member: Dennis Mochoronge Kiyaka</p>	<p>Born in 1st January 1993 Has a Diploma in Procurement and Supply Chain. Worked as a registration officer at NIIMS for 2 months. Works as a Youth representative at the Nyaribari Chache NGCDFC. Has been serving as a KeRRA chairperson for the past two and half years. Hails from Kisii central ward Masongo sub-location.</p>
 <p>Member: Peterson Ombati Nyambane</p>	<p>Born on 1st January 1975 Hold a Kenya Certificate of Secondary education. Works as a NGCDFC Nyaribari Chache Board member. Has been Serving as a Chairperson for Bursaries sub-committee for the past two and half years. Hails from Kiogoro ward Rianyamwamu sub location</p>

 <p>Member: Joseph Onchwati Bogonko</p>	<p>Born 1st January 1974. Has a Kenya Certificate of secondary education. Committee member at the NGCDFC Nyaribari Chache. Has been serving as a Chairperson for monitoring and evaluation for the past 2 and half years</p>
 <p>Member: Rebecca Nyanduko Nyabuto</p>	<p>Born 14th July 1978 Has a Kenya Certificate of secondary education. She was a chairperson for sports for 1 year at the NGCDFC. Committee member at the NGCDFC Nyaribari Chache. KeRRA sub-committee member Hails from Kiogoro ward Boronyi sub location</p>
 <p>Member: Dancun Ogwoka Mautia</p>	<p>Born 11th November 1980. Has a Kenya Certificate of secondary education. Committee member at the NGCDFC Nyaribari Chache. Has been Representing persons living with disabilities for the past 2 and a half years.</p>
 <p>Fund Account Manager: Galgallo Guyo Danso</p>	<p>Born on 12th December 1977. Serves as the Fund account manager at Nyaribari Chache NGCDF, Has a Bachelor of Arts in Economics Worked as a fund account manager at Moyale, Laisamis, Karachuonyo Aldai and currently Nyaribari Chache constituencies.</p>

Linnet Nyamisa Ayako exited during the 2024/2025 FY financial year having served for 2 years and a new member's name was forwarded to the board for gazettelement.

4. NG-CDFC Chairman’s Report

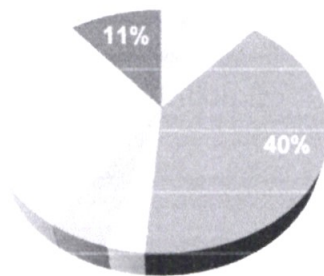


Zephaniah Otundo Monyenye
Chairman Nyaribari Chache NGCDFC

A total of Kshs. 188,414,052 was allocated to Nyaribari Chache throughout the year, of which it was split across various sectors which include bursaries and building and improvement of secondary school facilities. Throughout the year, the constituency worked on a number of projects to raise the standard of the learning environment there.

In the 2024/2025 FY financial Year the budget allocation for busaries was 75,365,820.88 while the constituency majored in 5 major projects which were Ibeno KMTTC, Kiamabundu Primary, Gekomu Primary, Kari Comprehensive school and Kisii Campus Primary School.

AMOUNT ALLOCATED



- Emergency
- Administration
- Bursary
- M&E
- Climate Change
- Primary school projects
- tertiary Projects

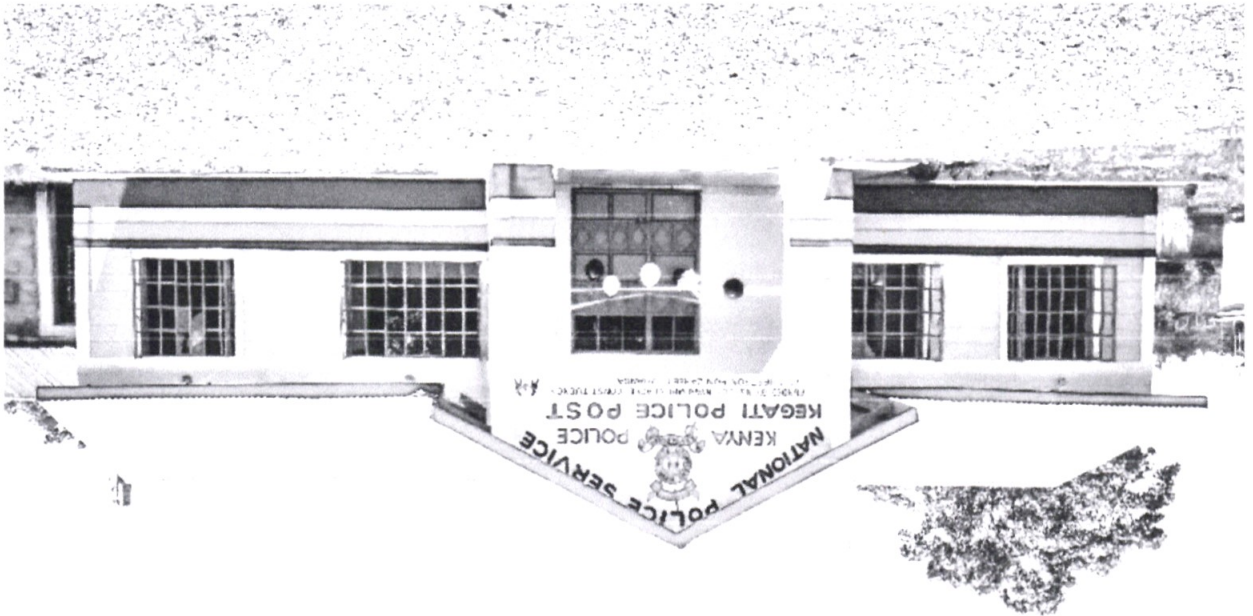
The following table shows Nyaribari Chache's Budget implementation during the year

IMPLEMENTATION

COMPENSATION OF ...
COMMITTEE EXPENSES
USE OF GOODS AND ...
TRANSFERS TO OTHER ...
OTHER GRANTS AND ...
OTHER PAYMENTS

Some of the projects undertaken to show excellency in the constituency include;

Kegati Police post



Kari comprehensive school:



Emerging Issues

Nyaribari Chache Constituency has seen the emergence of new issues that have an impact on the NG-CDF Project's implementation, including political, economic, social, legal, and global issues. The timely execution of the projects is impacted by disputes across the several PMCs, each of which has a preference for a particular political faction.

The introduction of E-procurement process that necessitate training of members of the committee and staff.

Challenges

Delay in disbursement of funds from the board that has affected timely implementation of projects.

The delay in providing essential support, like project documentation, by other technical departments, including public works and procurement, is another problem that affects the project implementation process.

Way forward

Public engagement, or ongoing education of stakeholders about NGCDF's operations, can aid in addressing a number of fundamental problems that impact the organization's operations a Board needs to release funds in good time and lobby for increase of funding to every constituency and finally the various institutions need to lobby for funding from other agencies including the NGOs to avoid overreliance on the NGCDF funding and project delivery.

.....


**Name: Zephaniah Otundo Monyenye
Chairman NGCDF Committee**

5. Statement of Performance Against Predetermined Objectives for FY2024/2025 FY

Introduction

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

The key development objectives of the *NGCDF Nyaribari Chache Constituency 2023-2027* plan are to:

1. To actualize realization of quality education through facilitation of infrastructural development in primary and secondary schools and offering of bursaries
2. To guarantee the building of police stations, the chief’s office, and security lighting
3. To guarantee water availability and environmental preservation
4. To address unexpected and urgent events in the constituency

Progress on the attainment of Strategic development objectives

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

Sector	Objective	Outcome	Indicator	Performance
Education	To have all children of school going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	Number of bursary’s beneficiaries at all levels	In FY 2024/2025 Bursary beneficiaries were around 10,000 at all levels were as per the attached schedules
Security	To ensure construction of chief’s office and police stations and security lights	Improved security within the constituency	Number of chief’s office and police stations/posts	In FY 2024/2025 The constituency constructed 5 chief offices during the year
Climate change	To ensure conservation of	Improved environmental safety and	No of trees planted in the	7,000 Trees planted through the

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

mitigation activities	environment and availability of water	access to water	institutions within Nyaribari Cache	allocations of 2023/2024
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6. Governance Statement

The National Government Constituency Development Fund Committee is established under Section 43 of The National Government Constituencies Development Fund Act of 2015. The composition of the committee includes;

- (a) the national government official responsible for co-ordination of national government functions;
- (b) two men each nominated as per the guidelines one of whom shall be a youth at the date of appointment;
- (c) two women nominated as per the guidelines one of whom shall be a youth at the date of appointment;
- (d) one persons with disability nominated by a registered group representing persons with disabilities in the constituency as per the guidelines
- (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 names of the persons selected under sub-section (3) shall be submitted by the Board to the National Assembly for approval before appointment and gazettelement by the board.

The current NGCDFC members were gazetted in 6th April 2025.

The persons appointed are drawn from different groupings as follows:

- Male Adult- Zephaniah Otundo Monyenye -Chairman
- Male youth – Dennis Mochoronge Kiyaka- Member
- Female adult—Rose Kerubo Nyagari-Secretary
- PWD REP- Dancun Ogwoka Mautia--Member
- Co-opted Member—Peterson Ombati Nyambane- Member
- Male Adult –Joseph Onchwati Bogonko- Member
- Female Adult – Rebecca Nyanduko Nyabuto- Member

Operation of the committee

The quorum of the Constituency Committee shall be one half of the total membership. 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 Fund account manager seconded by the Board to the constituency shall be the custodian of all records and equipment of the constituency during the term of Parliament and during transitions occasioned by general elections or a by-election.

Whenever a vacancy occurs in the Constituency Committee by reason of resignation, incapacitation or demise of a member the vacancy shall be filled from the same category of persons where the vacancy has occurred within a period of one hundred and twenty days.

NG-CDFC Tenure

The term of office for the members of the Constituency Committee is two years and will be renewable but shall expire upon the appointment of a new Constituency Committee in the manner provided for in the NG-CDF Act 2015

The Role of the Constituency Committee

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

- i. Convene public meetings in every ward in the constituency to deliberate to on development matters.
- ii. Deliberate on project proposals and any other projects considers beneficial to constituency.
- iii. List of projects to be submitted in accordance with the Act to be submitted to the Board and ensure that all proposed projects that are approved for funding meet the requirements of section 24 of the Act.
- iv. Ensure formation of project management committees, opening of project accounts, project implementation and closure of projects build the capacity of project management committees and sensitize the Community on the operations of the Fund.
- v. Ensure that all projects receive adequate funding and are completed within three years.
- vi. Monitor the implementation of projects in accordance with the monitoring and evaluation framework prescribed by the Board.



- vii. Submit financial statements to the Board within sixty days of the end of the financial year to enable the Board comply with section 39(4) of the Act.
- viii. Recommend to the Board the removal of a committee member in accordance with section 43(13) and (14) of the Act.
- ix. Enter into performance contracting with the Board on an annual basis.

Handing Over

The handing over of the office by the outgoing NG-CDFC Committee to the Incoming committee was carried out smoothly and successfully on 6th April, 2025.

NG-CDFC Induction and training

The NG-CDFC Members shall be inducted upon assumption of office to familiarize them with their functions. A training shall then be conducted for the members in conjunction with other stakeholders of the constituency NG-CDFC including the FAM, DCC and National Sub-county Accountant.

Meetings

The Constituency Committee shall meet at least six times in a year but the committee shall not hold more than twenty-four meetings in the same financial year, including sub-committee meetings.

Nyaribari Chache NG-CDFC conducted 24 meetings and 3 sub-committee meetings

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

		No of Meetings																							
		3/7/2024	17/7/24	7/8/2024	28/08/24	11/9/2025	25/09/25	9/10/2024	25/10/24	6/11/2024	27/11/2024	4/12/2024	18/12/24	10/1/2025	29/01/25	5/2/2025	26/02/25	5/3/2025	28/03/25	2/4/2025	23/04/25	7/5/2025	28/05/25	4/6/2025	25/06/25
1	Zephaniah Monyenye - Chairman	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
2	Linet Nyamisa Ayako - Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
3	Dancun Mautia - Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
4	Joseph Bogonko - Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
5	Rose Nyagari - Secretary	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
6	Peterson Nyambane - Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
7	Rebeccah Nyabuto - Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
8	Mochoronge Ki yaka Dennis - Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
9	Grace Lasso - DCC Ex-official	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
10	Patrick Lidovolo - FAM, Officer of the Board	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

A new FAM (Galgallo Guyo Danso) was introduced to Nyaribari Chache attending 6 meetings from second of April 2025

Remuneration Rates

Members of NG-CDFC are not eligible for salary payments. Nonetheless, the NGCDFC chairperson is entitled to Kshs. 7,000 per meeting, while all other members receive Kshs. 5,000 per sitting. The NGCDF Act's code of conduct and general ethics should be followed by all NGCDFC members.

The NGCDFC members complied with the cabinet secretary's circular on field allowances and member sitting throughout this fiscal year.

Removal from office

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.

Dissolution of Constituency Committee

A person may present a petition to the Board for the dissolution of a Constituency Committee setting out the alleged facts constituting any one or more of the following grounds for dissolution;

- (a) serious violation of the Constitution or any other law including a contravention of Chapter Six;
- (b) gross misconduct, whether in performance of the member's or office holder's functions or otherwise;
- (c) incompetence;
- (d) bankruptcy; or
- (e) any other cause as may be deemed justifiable.

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 Nyaribari Chache contravened conflict of interest policy.

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.

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.

Risk Management

Risk management has been integrated in the constituency operations through the following; training of the NGCDF staff in their respective technical areas of service to ensure they carry out their roles efficiently, training of the NGCDFCs and the PMCs to equip them with additional knowledge to carry out their duties efficiently within their mandates and regulations. 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

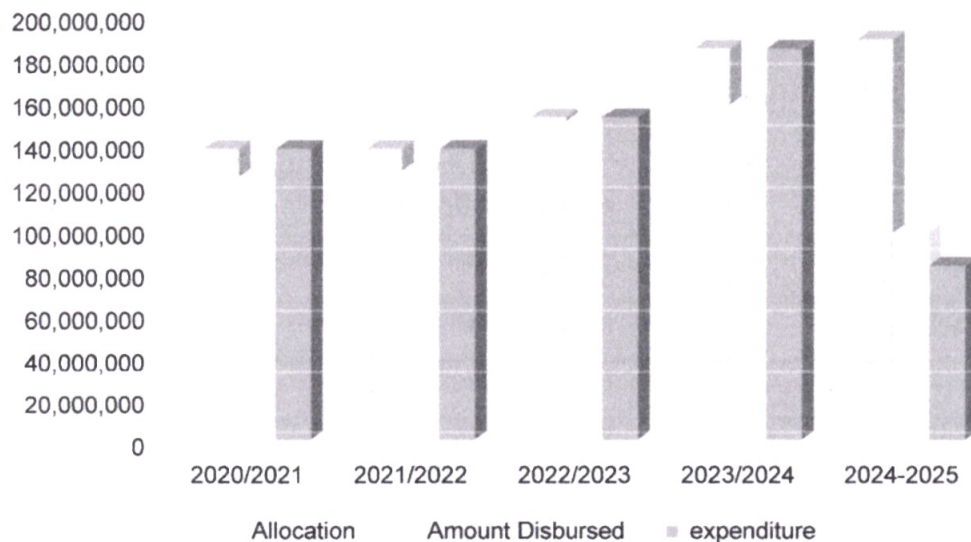
7. Management Discussion and Analysis

Nyaribari Chache NG-CDF has been operational since the year 2013 and it will provide analysis for the past two years on how much the entity has received and spend in the various sectors.

Financial Year	Allocation	Amount Disbursed	expenditure
2020/2021	137,088,879	124,188,879	137,088,879
2021/2022	137,088,879	127,088,879	137,088,879
2022/2023	151,960,174	150,160,174	151,960,174
2023/2024	184,129,901	157,935,884	184,129,901
2024-2025	188,414,052	97,935,000	82,300,000
total	798,681,886	657,308,816	692,567,833

BARGRAPH

BUDGET AGAINST EXPENDITURE



In the past five years, the fund has helped in several aspects from education sector, security, Environment/ climate change mitigation and also catering for emergency occurrence. The fund has helped cater for bursaries for both secondary schools and tertiary institution. The NGCDFC Nyaribari Chache has helped sponsor needy and deserving students on partial and full scholarships basis

The fund has implemented key major projects during this span. Among the notable projects implemented during the period include: construction of Kegati police Post during the 23/24 FY, Construction of a student laboratory at Irondi secondary school, construction of Classrooms at Kari Comprehensive school during the 22/23 FY, construction of Classrooms at Iberia DOK comprehensive school during the 23/24 FY, construction of classrooms at Nyabiuto DOK comprehensive school during the 2022/2023 FY , renovation of several classrooms including ones for institutions like Kisii primary, Gesere primary, inani primary, Nyaguta secondary amongst many more, the fund has also supported construction pit latrines for various institutions i.e. Nyabiosi DOK comprehensive school, Nyaura Primary, Masongo primary, Otamba Primary, Intundero Primary among others.

The fund has also supported ongoing projects like Ibeno KMTC completion and Storey buildings across the constituency St Augustines Otamba, Kiamabundu and Nyaura being notable beneficiaries.

In the most recent Proposal, the NGCDFC Nyaribari Chache decided to venture into implementation of giant projects which will impact the students and the community at large have set aside and sent a proposal to the board to work on major projects.

Project Name	Amount Allocated
Kisii Campus Primary	20,000,000
Kiamabundu Primary School	18,522,680
Kari Primary School	13,645,103
Gekomu Primary School	18,000,000

The five projects are on procurement stage

Nyaribari Chache NG-CDF has been able to undertake key projects that will go into improving the infrastructure standards and also providing job opportunities to the residents of Nyaribari . The completion of Kegati Police station in Bobaracho ward will also provide the much needed security for the residents of Bobaracho ward and nyaribari Chache constituency at large.

The Fund has also been able to construct additional classrooms in the various primary and secondary schools, key among them are the complete storey buildings in; Kiamabundu Primary School, Nyabiuto Primary School, Nyanchwa Primary School,

The storey buildings have been able to decongest the learning space for the students and provide conducive working area for the teachers and administrators of the schools. They have also reduced the pressure on additional land for the institutions which has been a great challenge.

A part from the key projects indicated above, Nyaribari chache NG-CDF has equally provided infrastructure to various institutions across the constituency including the recent matching fund arrangement with the Ministry of Education to construct Junior Secondary School classrooms. Electricity is also a critical need to the residents of Nyaribari Chache Constituency and Nyaribari Chache NG-CDF has been able to assist through matching fund with Rural Electrification and Renewable Energy Corporation (REREC). Through this program, over 2000 residents have been able to benefit through transformer maximization.

Compliance with statutory requirements.

Nyaribari Chache NG-CDF is an entity that is fully guided by the constitution of Kenya 2010, NG-CDF Act 2015, PFM Act 2012, PPADA 2015 and many other relevant laws 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 Nyaribari Chache been cited for non-compliance.

Nyaribari Chache NG-CDF has been able to equally meet its obligations for instance payment of taxes like VAT withholding tax from contactors, Pay As You Earn Tax and Withholding Tax as required and further commits to operate within the law even to the future.

Nyamagwa SDA Comprehensive primary school in Ibeno ward is one of the projects undertaken by the Nyaribari Chache NGCDF which has positively impacted the community through creation of employment opportunities.



Nyamagwa SDA Comprehensive Primary School

Based on the above information for the last two financial years; the key consumer of the resources is Education sector with an average of 96% of the entire allocation and secondly the security sector with average of 4%. This is an indicator that the Fund has put more efforts in improving the academic standards of The constituency through both the infrastructure and bursaries to needy students studying in various institutions.

Further from the above analysis, it is important to note that the Fund has been able to serve the rural communities and be able to improve on the living standards of the people, poverty eradication being one of its key objective. The management advocates for more resource allocation to further improve on its mandate.

Review of the Economy, Sector and Future Developments

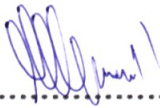
The Kenyan Economy has not been doing well in the past years due to the many factors such as the Covid 2019 that reduce the business growth and hence revenue collection. NG-CDF as a

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

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. Nyaribari Chache NG-CDF has put in place mechanisms through its strategic plan to ensure more projects are implemented within the next three years.



.....
Name: Galgallo Guyo Danso
Fund Account Manager



8. Environmental and Sustainability Reporting

1. Sustainability strategy and profile -

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

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

2. Environmental performance

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

3. Employee welfare

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

The constituency promotes a healthy lifestyle and provides all employees with health insurance coverage through a reliable insurance Scheme. Employees are encouraged and supported to build on their skills and knowledge continually. Nyaribari Chache Constituency invests in capacity-building programs for employees. These include courses on technical competencies relevant to each employee and continuous sensitization on cross-cutting issues.

The committee has a safety policy in compliance with the Occupational Safety and Health Act of 2007 (OSHA) and has ensured the work environment is conducive to everybody's movement and accessibility within the office, including PWDs. The Constituency has also put in place disaster-mitigating measures, including fire extinguishers and accessible escape routes in case of emergency.

4. Marketplace practices-

Nyaribari Chache Constituency is committed to fair and ethical market practices.

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

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

NGCDF has put in efforts to ensure:

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

5. Community Engagements-

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

Public Participation in Project Identification, Implementation, and Monitoring

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

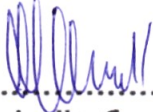
Public participation is a process that directly engages the concerned stakeholders in decision-making and fully considers public input.

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

Public Awareness

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

Nyaribari Chache 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: Galgallo Guyo Danso
Fund Account Manager.**



FUND ACCOUNT MANAGER
NYARIBARI CHACHE CONSTITUENCY - NG-CDFC
31 OCT 2025
P.O. Box 78-40212,
KEUMBU

9. Statement Of Management Responsibilities

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

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

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

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

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

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

Approval of the financial statements

The NGCDF- Nyaribari Chache Constituency financial statements were approved and signed by the Accounting Officer on 31/10/ 2025.



.....
Name: Zephaniah Monyenye
Chairman – NGCDF Committee



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Name: Galgallo Guyo Danso
Fund Account Manager

REPUBLIC OF KENYA

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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONTITUENCIES DEVELOPMENT FUND - NYARIBARI CACHE 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 financial statements of National Government Constituencies Development Fund - Nyaribari Cache Constituency set out on pages 1 to 68, which comprise of the statement of financial position as at 30 June,

2025 and statement of financial performance, the statement of statement of changes of 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 effects of the matters described in the Basis for Qualified Opinion section of my report, the transitional financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund - Nyaribari Chache 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 Public Finance Management Act, 2012, the National Government Constituencies Development Fund Act, 2015 (Amended 2022) and the National Treasury and Economic Planning Circular No.3 of 14 April 2025.

Basis for Qualified Opinion

1. Inaccuracies in the Presentation of the Financial Statements

An examination of the presentation and disclosure format of the financial statements for the year ended 30 June, 2025 revealed several inconsistencies, inaccuracies, in the presentation of the financial statements. The NG-CDFC Chairman's Report indicated that Kshs.75,365,820 had been allocated for bursaries. However, Note 14 on other grants and transfers indicated disbursements of Kshs.41,248,980 to secondary schools and Kshs.36,723,000 to tertiary institutions, totaling Kshs.77,971,980. This resulted in an unexplained variance of Kshs.2,606,160. The statement of cash flows reflects a negative balance of Kshs.58,092,929 as net cash flows from operating activities, while the disclosure Note 30 disclosed a negative balance of Kshs.55,034,319 resulting to a variance of Kshs.3,058,610. Further, the statement reflected cash and cash equivalents as at 30 June, 2025 as Kshs.46,151,141 while the same amount is reflected as Kshs.113,336,006 in the statement of financial position resulting to a variance of Kshs.67,184,865. The Statement of Comparison of Budget and Actuals reflected a nil surplus in the "Actual on Comparable Basis" column. However, a recalculation revealed an actual surplus of Kshs.46,150,644. The percentage utilization column was also left blank. Further, the reconciliation of the summary statement of appropriation to the statement of assets and liabilities reflected cash and cash equivalents of Kshs.45,790,352, while the statement of financial position reflected Kshs.113,336,006 leading to a variance of Kshs.67,545,654.

In view of these inconsistencies, the accuracy, completeness, presentation, and validity of the financial statements could not be confirmed.

2. Inaccuracies in Cash and Cash Equivalents

The statement of financial position, as disclosed in Note 19, reflected Kshs.113,336,006 as cash and cash equivalents. This balance includes Kshs.94,698,348 in respect to PMC bank balances. However, PMC bank balances had not been supported with the respective cashbooks and bank reconciliation contrary to Section 100 of the Public Finance Management (National Government) Regulations, 2015 which stipulates that accounting officers shall keep in all offices concerned with receiving cash or making payments a cash book showing the receipts and payments and shall ensure that bank accounts reconciliations are completed for each bank account held by that accounting officer, every month.

In the circumstances, the accuracy and completeness of the Kshs.113,336,006 reported as the cash and cash equivalent balances could not be confirmed.

3. Unsupported Property, Plant and Equipment

The statement of financial position and as disclosed in Note 23, reflected property, plant and equipment with a net book value of Kshs.61,808,376. However, the fixed asset register provided for audit review reflected a total of Kshs.91,676,273, resulting in an unexplained variance of Kshs.29,987,897. Details of the variances are summarized below.

Asset Class	Financial Statement Amount (Kshs)	Fixed Assets Register Amount (Kshs)	Variance (Kshs)
Buildings and structures	50,625,203	62,500,000	(11,874,797)
Motor Vehicle	10,774,944	6,500,000	4,274,944
Furniture and fittings	81,616	106,600	(24,984)
ICT Equipment, software and other ICT Assets	326,613	473,000.00	(146,387)
Other machinery equipment	-	-	-
Land	-	22,096,673	(22,096,673)
TOTAL	61,808,376	91,676,273	(29,867,897)

In the circumstances, the accuracy of the Kshs.61,808,376.00 reflected as the Net Book Value of the property, plant and equipment could not be ascertained.

4. Unreconciled Variances in Employee Cost

The statement of financial performance reflects Kshs.5,275,072 in respect to compensation of employees as disclosed in Note 10 to the financial statements. However, a review of the records provided revealed that the NG-CDFC basic staff salaries reflected Kshs.4,152,654. However, a recalculation of the basic salaries in the payroll reflected Kshs.3,269,000 salaries, resulting in a variance of Kshs.883,654. Further, included in the

employee cost was Kshs.900,240 as gratuity to contractual employees. However, the ledger provided reflected Kshs.1,566,492, resulting in a variance of Kshs.666,252. In addition, an expenditure of Kshs.61,710 disclosed in the financial statement under note 10 as compulsory employers' contributions, housing levy. However, the ledger reflected Kshs.43,230, leading to a variance of Kshs.18,480. Similarly, an amount of Kshs.160,468 disclosed as NSSF employer's contributions. However, the ledger reflected Kshs.174,264, leading to a variance of was understated by Kshs.13,796.

In the circumstance, the accuracy of the Kshs.5,275,072 reflected as the employees' cost could not be confirmed.

5. Unsupported and Unacknowledged Bursary Expenditure

The statement of financial performance and as disclosed in Note 14 reflects other grants and transfers actual expenditure of Kshs.104,327,833, which includes Kshs.41,248,980 as bursaries to secondary schools and Kshs.36,723,000 as bursaries to tertiary institutions, totaling Kshs.77,971,980. However, an audit review of the bursary disbursement records revealed that the payment vouchers provided in support of the disbursements during the year amounted to Kshs.70,647,700, resulting in an unexplained variance of Kshs.7,324,280. Further, only Kshs.26,288,083 of the total disbursements were acknowledged by the beneficiaries.

In the circumstances, the accuracy and completeness of the reported bursary expenditure of Kshs.77,971,980 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 - Nyaribari Chache 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 on comparable basis amounts reflects final receipts budget and actual on comparable basis of Kshs.356,425,291 and Kshs.266,011,239, respectively, resulting in under-funding of Kshs.Kshs.90,414,052 or 25% of the budget. Similarly, the Fund budgeted expenditure amounted to Kshs.219,860,598 against the realized receipts of Kshs.266,011,239 resulting in an under-utilization of Kshs.46,150,641 or 17% of the actual receipt. Further, there was a balance of Kshs.112,753,277 in respect to cash and cash equivalent, being funds released by the Board but not spent by the Fund.

In the circumstances, the under-funding and under-utilization may have negatively impacted the service delivery to the residents of Nyaribari Chache 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, I have determined that there are no other key audit matters to communicate in my report

Other Matter

Unresolved Prior Year Matters

In the prior year's audit report, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance. Review of the status during audit of the Fund in 2024/2025 revealed that the following five (5) issues remained unresolved:

S/No.	Financial Year	Audit Issue
1	2023/2024	Motor Vehicle Pre-Inspection and Post-Inspection Reports
2	2023/2024	Unsupported Bursary Payments
3	2023/2024	Budgetary Control and Performance
4	2023/2024	Unsatisfactory Implementation of Projects
5	2023/2024	Non-Implementation of Security Projects

My opinion is not modified in respect of these matters.

Other Information

The Management is responsible for the Other Information set out on pages iv to xxxiii, which comprises of Key Constituency Information and Management, The NG-CDF Committee, NG-CDF Chairman's Report, Statement of Performance Against Predetermined Objectives for the FY 2024/2025, Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Statement of Management Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Non-reporting of Emergency Expenditure

The statement of financial performance as disclosed in Note 14 to the financial statements reflects Kshs.104,327,833 in respect to other grants and transfers – actual expenditure, which included Kshs.1,732,634 incurred on emergency projects. However, no evidence was presented to confirm that this expenditure was reported to the Board within thirty (30) days of occurrence, as required under Regulation 20(2) of the National Government Constituencies Development Fund Regulations, 2016.

In the circumstances, the NGCDF Committee was in breach of the law.

2. Irregular Continued Funding of Stalled Security Projects

The statement of financial performance, as disclosed in Note 14, reflects Kshs.104,327,833 under other grants and transfers, which includes Kshs.18,700,000 as security projects actual expenditure. Further, included in the security project expenditure is Kshs.3,900,000 paid for Keumbu Police Post and Kshs.6,200,000 paid for Kiogoro Police Post for the Construction of the respective police administration blocks. However, a physical verification conducted on 15 October, 2025, revealed that both projects had stalled. Management explained that the projects were initiated in 2013 but had stalled due to unresolved legal disputes. In addition, no justification was provided for the continued funding of the projects despite the existence of the long-standing legal issues. Consequently, there is a risk of potential misuse of the funds by the respective Project Management Committees as the monies remain idle in their accounts.

In the circumstances, the value for money for the cumulative amount of Kshs.10,100,000 paid for both projects could not be confirmed.

3. Irregular Contract Award and Stalled Construction of Dormitory at Riondonga Secondary School

The statement of financial performance reflects an expenditure of Kshs.87,399,328 under other government units' expenditure, as disclosed in Note 13 to the financial statements. Included in this amount is Kshs.5,000,000 for the construction of Phase I of a dormitory measuring 30ft by 64ft, designed on a three-storey foundation with a tiled ground floor, at Riondonga Secondary School. An audit review of the records established that the contract for the project was awarded to a company at a contract sum of Kshs.5,048,500 on 5 July,

2024 and signed on 8 July, 2024. This was contrary to Section 135(3) of the Public Procurement and Asset Disposal Act, 2015, which requires observance of a fourteen (14) day standstill period between the notification of award and contract signing to allow for any appeals or review. Further, the project was to be completed within 90 days, ending 8 October 2024. However, an audit inspection conducted on 15 October, 2025 - more than one year and four months after contract signing - revealed that only the foundation and one course of stone had been laid. The contractor was not on-site, and no visible construction activity was ongoing. In addition, a review of the project file revealed that the contractor, citing financial constraints, wrote to the Fund Manager on 20 November, 2024, requesting to transfer the contract to another company. The Fund Manager declined the request through a letter dated 4 February 2025, instructing the contractor to finalize a joint statement of accounts within 14 days without involving the Project Implementation Committee, contrary to best practices in project closure and accountability.

In the circumstances, the project remains stalled, and the regularity, value for money, of the Kshs.5,000,000 paid for the construction of the dormitory could not be confirmed.

4. Unbalanced Budget

The statement of comparison of budget and actual amounts reflects a final budgeted revenue of Kshs.356,425,291 and a final expenditure budget of Kshs.356,065,002 resulting in a budget surplus of Kshs.360,289. The unbalanced budget is contrary to Regulation 33(c) of the Public Finance Management (National Governments) Regulations, 2015, which requires that the budget shall be balanced, ensuring total revenue equals total expenditure. Further, there was no documentary evidence or management explanation provided to indicate how the Hospital intended to utilize or account for the budget surplus during the year under review.

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

6. Funded but Unimplemented Projects

A review of the approved project code list revealed that twelve (12) projects, with a total allocation of Kshs.39,727,988 had been fully funded, with disbursements made to the respective Project Management Committee (PMC) accounts on various dates in the year under review. However, at the time of the audit, the projects were yet to be implemented. The details of the affected projects are as follows:

Payee	Date money disbursed to PMC	Cheque No	Activity	Amount (Kshs)
Ibeno Mission Primary school	22/01/2025	38999	Construction to completion of 4 classrooms on the ground floor of 2 a storey building	6,400,000
Nyamagwa Secondary School	08/09/2024	38853	Construction to completion of 45 student's laboratory	4,798,994
Kegati Secondary School	08/09/2024	38860	Construction to completion of 80 students' capacity dormitory on ground floor of storey building	4,798,994

Riondonga High School	22/01/2025	39000	Completion of one storey building comprising of 5 roomed administration block and one classroom on the ground floor and 3 classrooms on the first flo	5,030,000
Keumbu police post	04/10/2024	3887	Construction and completion of police administration block	3,900,000
Kiogoro police post	04/10/2024		Construction and completion of police administration block	6,200,000
Nyanchwa chiefs' office	04/11/2024		Construction to completion of a roomed office and a waiting area	3,000,000
Birongo chiefs office	11/11/2024		Construction to completion of a roomed office and a waiting area	3,000,000
Kisii central directorate of criminal investigation	08/09/2024	38869	Renovation to completion of a 2-roomed office, roofing, painting, tiling, and fixing doors	800,000
Kiemenyinga assistant chiefs office	08/09/2024	38868	Construction to completion of a 3-door pit latrine and urinal	600,000
Kisii central assistant chiefs office	08/09/2024	38869	Construction to completion of 3-door pit latrine and urinal with one chamber catering for persons with disability	600,000
Kirwa Assistant chiefs office	29/01/2025	39123	Construction to completion of 3 door pit latrine and urinal with one chamber catering for persons with disability	600,000
Total				39,727,988

The failure to implement these projects despite funding availability may cause delays in subsequent project phases and negatively impact intended beneficiaries.

In the circumstances, the value for money for the Kshs.39,727,988 spent on the projects may not be realized.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of Management and those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

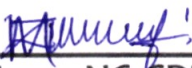
04 December, 2025

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


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

	Note	2024/2025
		Kshs
Revenue from non-exchange transactions		
Transfers from the NGCDF Board	6	188,414,052
Transfers from domestic and foreign partners	7	-
Revenue from exchange transactions		
Finance income	8	-
Miscellaneous income	9	229,589
Total revenue		188,643,641
Expenses		
Employee costs	10	5,275,072
Committee expenses	11	2,940,668
Use of Goods and Services	12	4,973,657
Other Government Units Actual expenditure	13	87,399,328
Other Grants and Transfers Actual expenditure	14	104,327,833
Depreciation and amortization expense	15	9,368,307
Digital Hubs Expenses Actual expenditure	16	5,317,448
Total expenses		219,602,313
Other gains/(losses)		
Gain/Loss on Sale of Assets	17	-
Impairment loss	18	-
Surplus/(Deficit) for the year		(30,958,672)

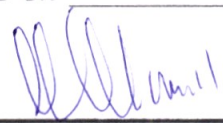
The Constituency financial statements were approved by the NGCDFC on _____ 2025 and signed by:



 Chairman NG-CDF
 Committee
 Name: Zephaniah
 Monyenye



 National Sub-County
 Accountant
 Name: John Obonsi
 ICPAK M/No: 20492



 Fund Account Manager
 Name: Galgallo Guyo Danso

NT 500 COUNTY ACCOUNTANT
 KISII CENTRAL
 P.O. Box 2875 - 40200
 1

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

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

	Note	2024/2025 FY	Opening Statement 1st July 2025
		Kshs	Kshs
Assets			
Current Assets			
Cash And Cash Equivalents	19	113,336,006	113,870,662
Receivables from Exchange Transactions	20	-	-
Receivables from Non-Exchange Transactions	21	90,414,052	53,911,488
Prepayments	22	-	-
Total Current Assets		203,750,058	167,782,150
Non-Current Assets			
Property, Plant and Equipment	23	61,808,375	61,550,090
Intangible Assets	24	-	-
Right-of-use assets	25	-	-
Total Non- Current Assets		61,808,375	61,550,090
Total Assets (A)		265,558,433	229,332,240
Liabilities			
Current Liabilities			
Trade and Other Payables	26	-	-
Third Party Deposits	27	3,058,611	-
Lease Liabilities	28	-	-
Gratuity Provision	29	900,240	900,240
Total Current Liabilities		3,958,851	900,240
Non-Current Liabilities			
Lease Liabilities	28	-	-
Total Liabilities (B)		3,958,851	900,240
Net Assets (A-B)		261,599,583	228,432,000
Represented by:			
Accumulated Surplus		135,923,238	166,881,910
Reserves			
Total Net Assets		135,923,238	166,881,910

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

The Constituency financial statements set out on pages 1 to 21 approved by NG CDFC on

31/10/

2025 and signed by:

**Chairman NG-CDF
Committee
Name: Zephaniah
Monyenye**

**National Sub-County
Accountant
Name: John Obonsi

ICPAK M/No: 20492**

**Fund Account Manager

Name: Galgallo Guyo Danso**



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

Description	Revaluation Reserves	Accumulated surplus/Deficit	Total
		Kshs	Kshs
Fund Balance as at 30 th June 2024	84,890,798	-	84,890,798
Adjustments			
Recognition of Assets	82,891,352		82,891,352
Recognition of Liabilities	900,240		900,240
As at July 1, 2025	166,881,910		166,881,910
Surplus/(Deficit) For the Period	(30,958,672)		(30,958,672)
Revaluation Gain/Loss	-	-	-
As at June 30, 2025	135,923,238	-	135,923,238

Note:

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

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

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

	Notes	2024/2025 FY
		Kshs
Cash flows from operating activities		
Receipts		
Transfers from the NGCDF Board		151,911,488
Transfers from domestic and foreign partners		-
Finance income		-
Miscellaneous income		229,589
Total Receipts		152,141,077
Payments		
Employee costs		5,275,072
Committee expenses		2,940,668
Use of Goods and Services		4,973,657
Other Government Units Certified Works		87,399,328
Other Grants and Transfers		104,327,833
Digital Hubs Expenses		5,317,448
Total Payments		210,234,006
Net Cash Flows from/ (used in) Operating Activities	30	(58,092,929)
Cash flows From Investing Activities		
Purchase of PPE		9,626,592
Purchase of Intangible assets		-
Proceeds From Sale of PPE		-
Net Cash Flows from Investing Activities		9,626,592
Net increase/(decrease) in cash & Cash equivalents		(67,719,521)
Cash Flows from Financing Activities		
Lease Payment		
Net Cash Flows from Financing Activities		(67,719,521)
Cash and cash equivalents at 1 July	17	113,870,662
Cash and cash equivalents at 30 June	17	46,151,141

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

(PSASB has prescribed the direct method of cash flow preparation/ presentation for all entities under the IPSAS accrual basis of accounting.)

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

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
	<i>2024/2025</i>	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements	<i>2024/2025</i>	<i>2024/2025</i>		
Revenue							
Transfers From the NGCDF Board	188,414,052	113,870,662	53,911,488	356,196,202	265,782,150	90,414,052	
Transfers from domestic and foreign partners	-	-	-	-	-	-	
Finance income	-	-	-	-	-	-	
Miscellaneous income	-	229,089	-	229,089	229,089	-	
Totals	188,414,052	114,099,751	53,911,488	356,425,291	266,011,239	90,414,052	
Expenses							
Employee costs	5,482,560	993,392	-	6,475,952	5,275,072	1,200,880	
Committee expenses	3,740,000	-	-	3,740,000	2,940,668	799,332	
Use of Goods and Services	7,606,180	2,531,087	-	10,137,267	4,973,657	5,163,610	
Other Government Units Certified Works	70,168,783	97,504,486	16,623,037	184,296,306	87,399,328	96,896,978	

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

	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilization
	Kshs	Kshs		Kshs	Kshs	Kshs	
	a	b		C=(a+b)	d	e=(c-d)	f=d/c*100
	<i>2024/2025</i>	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements	<i>2024/2025</i>	<i>2024/2025</i>		
Other Grants and Transfers	81,316,529	11,593,960	22,680,859	115,591,348	104,327,833	11,263,515	
Digital Hubs Expenses	-	317,448	5,000,000	5,317,448	5,317,448	-	
Acquisition of assets	-	-	10,147,592	10,147,592	9,626,592	521,000	
Funds Pending Approval**	20,100,000	259,089	-	20,359,089	-	20,359,089	
Total Expenditure	188,414,052	113,199,462	54,451,488	356,065,002	219,860,598	136,204,404	
Surplus for the period	188,414,052	-					

***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.*

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

Explanatory Notes.

Employee costs, Committee expenses, Use of Goods and Services, Other Government Units Certified Works, Other Grants and Transfers, Digital Hubs Expenses- Their utilization is below due to late disbursement of funds from the board.

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	136,204,404
Less undisbursed funds receivable from the Board as at 30 th June 2025	90,414,052
Cash and Cash Equivalents at the end of the 30 th June 2025	45,790,352

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 _____ 2025 and signed by:

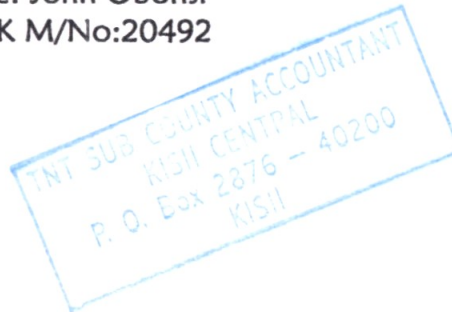
Fund Account Manager

Name: Galgallo Guyo Danso



National Sub-County Accountant

Name: John Obonsi
ICPAK M/No:20492



Chairman NG-CDF Committee

Name: Zephaniah Monyenye

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

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (operational, deposit and PMCs C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent						
1.1 Compensation of employees	5,482,560	993,392		6,475,952	5,275,072	1,200,880
1.2 Committee allowances	3,740,000			3,740,000	2,940,668	799,332
1.3 Use of goods and services	7,606,180			7,606,180	4,973,657	2,632,523
Sub-total	16,828,740	993,392	-	17,822,132	13,189,397	4,632,735
2.0 Monitoring and evaluation						
2.1 Capacity building				-		-
2.2 Committee allowances				-		-
2.3 Use of goods and services		2,531,087		2,531,087		2,531,087
Sub-total	-	2,531,087	-	2,531,087	-	2,531,087
4.0 Emergency						
unutilized	8,353,159	1,093,770	97,605	9,544,534		9,544,534
Kisii Primary School		169,264		169,264	-	169,264

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (operational, deposit and PMCs C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Masongo Primary School	1,563,370			1,563,370	-	1,563,370
				-		-
Sub-total	9,916,529	1,263,034	97,605	11,277,168	-	11,277,168
5.0 Bursary and Social Security						
5.1 Primary Schools				-		-
5.2 Secondary Schools	40,000,000		2,160,000	42,160,000	41,248,980	911,020
5.3 Tertiary Institutions	31,400,000	5,379,520		36,779,520	36,723,000	56,520
5.4 special needs				-		-
5.5 Education Support Programmes				-		-
5.6 Social Security			4,500,000	4,500,000	4,500,000	-
Sub-total	71,400,000	5,379,520	6,660,000	83,439,520	82,471,980	967,540
7.0 Environment						
Nyansancha			30282	30,282	30,282	-
Masongo			30282	30,282	30,280	2
Nyaura			30282	30,282	30,282	-
Otamba			30282	30,282	30,280	2
Nyanchwa			30282	30,282	30,282	-
Nyataro COG			30282	30,282	30,282	-
Riangabi			30282	30,282	30,282	-

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (operational, deposit and PMCs C/Bk) and AIA	Previous Years'			
			Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Gesere			30282	30,282	30,282	-
Rikendo			30282	30,282	30,282	-
Ibeno COG			30282	30,282	30,282	-
Nyakebako			30282	30,282	30,282	-
Kerera			30282	30,282	30,282	-
Inani			30282	30,282	30,282	-
Ibeno Mission			30282	30,282	30,282	-
Iberia			30282	30,282	30,281	1
Amasago			30282	30,282	30,281	1
Nyamware			30282	30,282	30,281	1
Gianchere			30282	30,282	30,281	1
Geterere			30282	30,282	30,281	1
Amabiria			30282	30,282	30,281	1
Riabamanyi			30282	30,282	30,281	1
Chirenge			30282	30,282	30,281	1
Nyaguta			30282	30,282	30,281	1
Monuri			30282	30,282	30,281	1
Boronyi			30282	30,282	30,281	1
Irondi			30282	30,282	30,281	1
Keoke			30282	30,282	30,281	1
Kianate			30282	30,282	30,281	1
Taracha			30282	30,282	30,281	1

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (operational, deposit and PMCs C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Birongo			30282	30,282	30,281	1
Biombe			30282	30,282	30,281	1
Nyabiosi			30282	30,282	30,281	1
Boruma			30282	30,282	30,281	1
Riondonga			30282	30,282	30,281	1
Kegati			30282	30,282	30,281	1
Nyosia			30282	30,282	30,281	1
Nyanguru			30282	30,282	30,281	1
Nyanko			30282	30,282	30,281	1
Nyamemiso			30282	30,282	30,281	1
Kionganyo			30282	30,282	30,281	1
Kisii Comprehensive			30282	30,282	30,281	1
Nyanchwa Boys			30282	30,282	30,282	-
Riondonga Mixed			30282	30,282	30,282	-
Matunwa			30282	30,282	30,281	1
Irondi			30282	30,282	30,281	1
Kereri Girls			30282	30,282	30,281	1
Matunwa Sec			30282	30,282	30,281	1
					-	
					-	
				-		
Sub-total	-	-	1,423,254	1,423,254	1,423,219	35

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (operational, deposit and PMCs C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
8.0 Primary Schools Projects						
Monuri Primary School		1,598.45		1,598	480	1,118
Rianyamwamu DEB Primary		1,399,433.00		1,399,433	1,570,283	(170,850)
Ibeno Mission School		4,648.80	6,400,000	6,404,649	120	6,404,529
Nyabiuto DOK Primary		166,083.25		166,083	-	166,083
Otamba DOK Primary		16,846.75		16,847	-	16,847
Nyamecheo DOK Primary		6,907.00		6,907	2,508	4,399
Iberia DOK Primary		2,400,493.00		2,400,493	2,385,996	14,497
Ritaro SDA Primary		2,940.00		2,940	1,200	1,740
Chirichiro DEB Primary		753.05		753	-	753
Amabiria FAM Primary		6,846.00		6,846	5,880	966
Esamba DOK Primary		1,400,000.00		1,400,000	1,398,200	1,800
Kari DEB Primary	13,646,103	240.00		13,646,343	-	13,646,343
Eremo DOK Primary		13,562.00		13,562	2,477,260	(2,463,698)
Rikendo DEB Primary		410.00		410	-	410
Nyanguru Primary School		2,762,883.50		2,762,884	1,795,456	967,428
Nyakibako DEB Primary		1,360.00		1,360	-	1,360

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (operational, deposit and PMCs C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Inani SDA Primary		1,830.00		1,830	-	1,830
Nyamage DOK Primary		421,210.00		421,210	-	421,210
Biombe SDA Primary		8,372.50		8,373	-	8,373
Kianate Primary		3,500,000.00		3,500,000	3,103,875	396,125
Itundero Primary School		600,000.00		600,000	599,520	480
Gesere DOK		600,043.50		600,044	-	600,044
Kiamabudu dok pri	18,522,680	4,920,431.00		23,443,111	4,320,477	19,122,634
Nyanderema DEB		2,763,176.00		2,763,176	2,696,023	67,153
Kisii Primary	20,000,000	2,763,196.00		22,763,196	2,760,251	20,002,945
Nyamagwa SDA Primary		600,000.00		600,000	539,613	60,387
Nyansira Primary		2,762,356.00		2,762,356	1,166,410	1,595,946
Birongo Comp School		601,920.00		601,920	601,075	845
Gekomu Primary School	18,000,000	2,761,224.50		20,761,225	-	20,761,225
Nyankoro SDA Primary		2,761,196.00		2,761,196	1,640	2,759,556
Nyamemiso DEB		600,000.00		600,000	540,291	59,709
Boruma Primary		2,762,696.00		2,762,696	1,834,467	928,230
Kerera Primary		602,244.00		602,244	537,307	64,937
Nyabiosi DOK		595,561.85		595,562	542,385	53,177

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (operational, deposit and PMCs C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Getungurumu SDA Primary		2,767,398.00		2,767,398	2,397,367	370,031
Nyanchwa Primary School		3,500,000.00		3,500,000	-	3,500,000
Masongo Primary School		190,000.00	190,000	380,000	169,470	210,530
Kiogoro DEB Primary		158,791.95	33,037	191,829	169,970	21,859
Jogoo Primary		2,761,196.00		2,761,196	-	2,761,196
Mogorora Primary		2,761,196.00		2,761,196	2,761,196	-
Nyamagwa SDA Primary		2,761,196.00		2,761,196	2,747,880	13,316
Nyataro COG Primary		25,952.00		25,952	-	25,952
Ibeno COG Primary School		7,100.00		7,100	-	7,100
Boronyi Primary School		8,990.00	3,500,000	3,508,990	-	3,508,990
Nyaguta Primary School		913,080.80		913,081	896,090	16,991
Getungurumo Primary		2,761,197.00		2,761,197	-	2,761,197
Kianate Primary				-	-	-
Nyachwa Primary				-	-	-
Gianchere FAM Primary			600,000	600,000	-	600,000

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (operational, deposit and PMCs C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Chirenge Primary school			600,000	600,000	-	600,000
Nyaura			600,000	600,000	-	600,000
Amasago primary school			3,500,000	3,500,000	-	3,500,000
Birongo sda primary school			1,200,000	1,200,000	-	1,200,000
				-		-
				-		-
Sub-total	70,168,783	56,426,560	16,623,037	143,218,380	38,022,689	105,195,691
9.0 Secondary Schools Projects (List all the Projects)						
Boronyi Mixed Secondary		1,846,425.50		1,846,426	1,363,532	482,894
Nyamemiso DEB Secondary		100,396.25		100,396	1,317	99,079
Nyaguta Secondary		342,726.04		342,726	171,073	171,653
				-	-	-
Nyanguru Secondary		1,022,558.90		1,022,559	-	1,022,559
Riondonga Mixed Secondary		5,000,000.00		5,000,000	-	5,000,000

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (operational, deposit and PMCs C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Kiamabundu Secondary School		89,544.95		89,545	-	89,545
Nyosia Mixed Secondary		446,380.60		446,381	79,975	366,406
Nyataro Secondary		25,952.00		25,952	-	25,952
St. Andrews Irondi Secondary		478,780.90		478,781	-	478,781
St. Augustine Otamba Secondary		4,800,994.00		4,800,994	4,214,210	586,784
Nyamagwa SDA Secondary		4,809,033.50		4,809,034	300,366	4,508,668
Nyanguru Secondary		1,022,558.90		1,022,559	956,552	66,007
Nyanchwa Girls sHigh School		1,609,642.50		1,609,643	-	1,609,643
Our Lady of Victory		1,600,000.00		1,600,000	-	1,600,000
Nyansira SDA Secondary		4,800,689.00		4,800,689	-	4,800,689
Rikendo secondary		1,100,000.00		1,100,000	-	1,100,000
Gianchere Secondary School		4,798,994.00		4,798,994	-	4,798,994
Senior Chief Musa N Kegati		4,798,994.00		4,798,994	-	4,798,994

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (operational, deposit and PMCs C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Amariba Secondary School	-	2,082,476.25	-	2,082,476	252	2,082,224
St. Francis Kabosi Sec School		301,779.00		301,779	-	301,779
				-		-
				-		-
Sub-total	-	41,077,926	-	41,077,926	7,087,277	33,990,650
11.0 Security Projects						
Kieminyinga Asst. Chief Office		601,000.00		601,000	599,660	1,340
Kisii Township Sub Location		1,096,998.44	600,000	1,696,998	-	1,696,998
Keumbu Police Post			3,900,000	3,900,000	1,640	3,898,360
Kiogoro Police Station			6,200,000	6,200,000	1,640	6,198,360
Kisii Central DCI Office			800,000	800,000	-	800,000
Birongo Chief Office			3,000,000	3,000,000	-	3,000,000
Nyanchwa Chief Office		3,000,000.00		3,000,000	-	3,000,000
Kegati AP line		253,407.50		253,408	250,000	3,408
Kirwa Assistant Chiefs Office				-	-	-
	-		-	-		-
				-		-

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (operational, deposit and PMCs C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Sub-total	-	4,951,406	14,500,000	19,451,406	852,940	18,598,466
12.0 Acquisition of assets						
12.1 Motor Vehicles (including motorbikes)			10,147,592	10,147,592	9,626,092	521,500
12.2 Purchase of furniture and fittings				-		-
12.2 Construction of CDF office				-		-
Sub-total	-	-	10,147,592	10,147,592	9,626,092	521,500
13.0 Others						
Keumbu ICT Hub		317,448.00	5,000,000	5,317,448	1,640	5,315,808
NG-CDF Strategic Plan			-	-		-
Sub-total	-	317,448	5,000,000	5,317,448	1,640	5,315,808
Funds pending approval**						
unapproved projects	20,100,000	-		20,100,000		20,100,000
AiA	-	259,089		259,089		259,089
Sub-total	20,100,000	259,089	-	20,359,089	-	20,359,089
Total	188,414,052	113,199,462	54,451,488	356,065,002	152,675,734	203,389,269

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

17. Notes to the Financial Statements

1. General information

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

2. Statement of Compliance and Basis of Preparation

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

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

The NG-CDF Nyaribari Chache 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.

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

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

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

3. Adoption of New and Revised Standards

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

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

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

Standard	Effective date and impact:
IPSAS 43: Leases	<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 cashflows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities. <i>Not applicable</i>
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. <i>Not applicable</i>

<p>IPSAS 45: Property Plant and Equipment</p>	<p><i>Applicable 1st January 2025</i></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under-maintenance of assets and distinguishing significant parts of infrastructure assets.</p> <p><i>Not applicable</i></p>
<p>IPSAS 46: Measurement</p>	<p><i>Applicable 1st January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS. iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p><i>Not applicable</i></p>
<p>IPSAS 47: Revenue</p>	<p><i>Applicable 1st January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue</p>

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

	<p>under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> <p><i>Not applicable</i></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><i>Not applicable</i></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><i>Not applicable</i></p>
<p>IPSAS 50: Exploration For & Evaluation of Mineral Resources</p>	<p><i>Applicable 1st January 2027</i></p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ul style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized. <p><i>Not applicable</i></p>

iii. Early adoption of standards

The Entity did not early – adopt any new or amended standards in the financial year or *the entity adopted the following standards early (state the standards, reason for early adoption, and impact on the entity’s financial statements.)*

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Sale of goods

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

Interest income

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

Rental income

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

b) Budget information

The original budget was approved by Parliament on 11th June 2025 for the period 1st July 2025 to 30th June 2025 as required by law. Included in the adjustments are Cash book opening balance, AIA generated during the year and constituency allocations not yet disbursed at the beginning of the financial year.

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

The financial statements are prepared on an accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget.

A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section 15 of these financial statements.

c) Property, plant and equipment

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

d) Leases

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

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

e) Intangible assets

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

f) Financial instruments

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

a) Financial assets

Classification of financial assets

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

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

Trade and other receivables

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

Fair value through surplus or deficit

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

Impairment

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

b) Financial liabilities

Classification

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

g) Inventories

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

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

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost. Net realizable value is the estimated selling price in the ordinary course of

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

h) Provisions

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

i) Social Benefits

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

j) Contingent liabilities

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

k) Contingent assets

The Entity does not recognize a contingent asset but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Entity in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately

reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

l) Employee benefits

Retirement benefit plans

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

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.

m) Related parties

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

n) 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.

o) Comparative figures

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

p) Subsequent events

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

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

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

Useful lives and residual value

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

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

Provisions

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

(include provisions applicable for your organization e.g. provision for bad debts, provisions of obsolete stocks and how management estimates these provisions).

6. Transfers from the NGCDF Board

Description	2024-2025
	Kshs
NGCDFB Transfers (Allocation for the FY)	188,414,052
Total	188,414,052

7. Transfers from domestic and foreign partners

Description	2024-2025
	Kshs
Grants	-
Total	-

8. Finance income

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

(Provide a brief explanation for this revenue)

9. Miscellaneous income

	2024/2025
	Kshs
Rental Income	-
Income from sale of tenders	229,589
Hire of plant/equipment/facilities	-
Other Income Not Classified Elsewhere <i>(specify)</i>	-
Total	229,589

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

10. Employees cost

	<i>2024/2025</i>
	Kshs
NG-CDFC Basic staff salaries	4,152,654
Personal allowances paid as part of salary	-
House Allowance	-
Transport Allowance	-
Leave allowance	-
Gratuity to contractual employees	900,240
Employer Contributions Compulsory national social security schemes	160,468
Employer Contributions Compulsory Housing levy	61,710
Employer contributions to National Industrial Training Authority	-
Other Specify	-
Total	5,275,072

11. Committee Expenses

	<i>2024/2025</i>
	Kshs
Sitting allowance	2,186,000
Other Committee expenses	754,668
Total	2,940,668

12. Use of Goods and services

	2024/2025
	Kshs
Utilities, supplies and services	50,800
Communication, supplies and services	-
Domestic travel and subsistence	490,000
Printing, advertising and information supplies & services	-
Office Rent	-
Training expenses	-
Hospitality supplies and services	30,988
Insurance costs	396,617
Specialized materials and services	24,000
Office and general supplies and services	322,938
Fuel, oil & lubricants	844,662
Bank charges	40,233
Routine maintenance – vehicles and other transport equipment	622,920
Routine maintenance – other assets	-
Strategic plan expenses	-
Other operating expenses	2,150,500
Total	4,973,657

13. Other Government Units Actual expenditure

Description	2024/2025
	Kshs
Primary Schools Actual expenditure	60,704,358
Secondary Schools Actual expenditure	26,694,970
Tertiary Institutions Actual expenditure	-
Total	87,399,328

14. Other Grants and transfers Actual expenditure

	<i>2024/2025</i>
	Kshs
Bursary – secondary schools	41,248,980
Bursary – tertiary institutions	36,723,000
Bursary – special schools	-
Bursary - Education Support programmes	-
Social Security programmes (SHIF)	4,500,000
Security projects Actual expenditure	18,700,000
Climate change mitigation projects	1,423,219
Emergency projects Actual expenditure	1,732,634
Roads projects Actual expenditure	-
Others specify	-
Total	104.327,833

15. Depreciation and Amortization Expenses

Description	<i>2024/2025</i>
	Kshs
Property Plant and Equipment	9,368,307
Intangible Assets	-
Total	9,368,307

16. Digital Hubs Expenses

Description	<i>2024/2025</i>
	Kshs
Construction/ renovation/ Actual expenditure	5,317,448
Digital Hub utility costs Water, Electricity,	-
Maintenance of ICT equipment	-
Maintenance of building	-
Others (<i>specify</i>)	-
Total	5,317,448

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

17. Gain/loss on Sale of Assets

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

18. Impairment Loss

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

19. Cash and Cash Equivalents

Name Of Bank and Account No.	2024/2025	Opening Statement 1 st July 2025
	Kshs	Kshs
Bank Accounts (Cash Book Bank Balance)		
<i>Equity Bank, Account No. 0510294577003 (Operations account)</i>	17,154,689	85,791,038
	-	-
<i>KCB Bank, account No.1332717233 (Deposit account)</i>	900,240	-
<i>Equity, KCB, Family, Cooperative Bank (PMC accounts)</i>	95,264,488	28,079,624
Total	113,336,006	113,870,662
Cash Balances	-	-
Location 1	-	-
Location 2	-	-
Other Locations (<i>Specify</i>)	-	-
Total	-	-
<i>[Provide Cash Count Certificates for Each]</i>		

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

20. Receivables from Exchange Transactions

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

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

21. Receivables from Non-Exchange Transactions

Description	2024/2025		Opening Statement 1 st July 2025	
	Kshs		Kshs	
Transfers from NGCDFB	90,414,052		53,911,488	
Outstanding imprest	-		-	
Total	90,414,052		53,911,488	
Ageing Analysis- Receivables from non-exchange transactions	2024/2025	% of the total	Opening Balance	% of the total
Less than 1 year	90,414,052	100%	-	0%
Between 1-2 years	-	0%	53,911,488	100%
Between 2-3 years	-	0%	-	0%
Over 3 years	-	0%	-	0%
Total	90,414,052	100%	53,911,488	100%

22. Prepayments

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

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

23. 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)		10%	0.25	20%	12.50%	30.00%			
Cost	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Opening Bal as 1 st July 2025	-	62,500,250	6,500,000	-	106,600	473,700	-	-	69,580,550
Additions	-	-	9,491,592	-	-	135,000	-	-	9,626,592
Disposals	-	-	-	-	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-	-	-	-	-
As At 30 th June 2025	-	62,500,250	15,991,592	-	106,600	608,700	-	-	79,207,142
Depreciation And Impairment									
Opening Depreciation	-	6,250,025	1,625,000	-	13,325	142,110	-	-	8,030,460
Depreciation	-	5,625,023	3,591,648	-	11,659	139,977	-	-	9,368,307
Disposals	-	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-	-	-	-
As At 30 th June 2025	-	11,875,048	5,216,648	-	24,984	282,087	-	-	17,398,767
Net Book Values									
Opening Bal as at 1 st July 2025	-	56,250,225	4,875,000	-	93,275	331,590	-	-	61,550,090
As At 30 th June 2025	-	50,625,203	10,774,944	-	81,616	326,613	-	-	61,808,375

Valuation

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

22 b) Property, Plant and Equipment at Cost

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

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

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

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

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

24. Intangible Assets

Description	2024/2025
	Kshs
Cost	
Opening balance at 1 st July 2025	-
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 1st 2025	-
NBV at June 30th 2025	

25. Right-of use assets

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

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

As At 30 June 2025 (2024/2025 FY)	-	-	-	-
As At 30 June 2025. (Comparative Period)	-	-	-	-

26. Trade and Other Payables

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

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

27. Third-Party deposits

	<i>Period ended June 2025</i>	<i>Opening Statement 1st July 20XX</i>
	Kshs	Kshs
Retention as at start of the period (A)	-	-
Retention held during the period (B)	4,713,336	-
Retention paid during the period (C)	1,654,725	-
Closing Retention as at period xx, D= A+B-C	3,058,111	-

Retentions aging analysis.

	2024/2025	% of the total	2023/2024	% of the total
Less than 1 year	3,059,111	100%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total	3,059,111	100%	-	

28. Lease Liabilities

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

29. Gratuity Provision

Description	<i>Period ended June 2025</i>	<i>Opening Statement 1st July 2024</i>
	Kshs	Kshs
Gratuity at the beginning of the period (A)	900,240	-
Gratuity held during the period (B)	900,240	900,240.00
Gratuity paid during the period (C)	900,240	-
Total Gratuity provision as at period xx D=(A+B-C)	900,240.00	900,240.00

30. Cash Generated from Operations

	2024/2025
	Kshs
Surplus for the period before tax	(30,958,672)
Adjusted for:	
Depreciation	9,368,307
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	36,502,564
Changes in deferred income	-
Changes in Third party deposits	(3,058,611)
Changes in gratuity provision	-
Changes in payments received in advance	-
Net cash flow from operating activities	(55,034,319)

31. Financial Risk Management

The Entity's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The Entity's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimize the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The Entity does not hedge any risks and has in place policies to ensure that credit is only extended to customers with an established credit history. The Entity's financial risk management objectives and policies are detailed below:

i) Credit risk

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

Financial Risk Management

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

Description	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
As at 30th June (2025)				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	90,414,052	90,414,052	-	-
Bank balances	112,753,277	112,753,277	-	-
Total	203,167,329	203,167,329	-	-
As at 30 June (Previous FY)				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	53,911,488	53,911,488	-	-
Bank balances	112,970,424	112,970,424	-	-
Total	166,881,912	166,881,912	-	-

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

Financial Risk Management

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

ii) Liquidity risk management

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
As at 30th June 2025				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions(retention)	-	-	3,059,111	3,059,111 -
Deferred income	-	-		
Gratuity Provision	-	-	617,591	617,591
Total	-	-	3,676,702	3,676,702
As at 30th June 2024				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions(retention)		-	-	

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
Deferred income	-	-	-	-
Employee benefit obligation		-	300,080	300,080
Total		-	300,080	300,080

iii) Market risk

The *Entity* has put in place an internal audit function to assist it in assessing the risk faced by the Entity on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls. Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the Entity's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee. The Entity's Finance Department is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee) and for the day-to-day implementation of those policies. There has been no change to the Entity's exposure to market risks or the way it manages and measures the risk.

a) Foreign currency risk

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

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

payments. The carrying amount of the *Entity's* foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

2024/2025

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

Foreign currency sensitivity analysis

2024/2025 FY

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

Financial Risk Management

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

Description	Change in currency rate	Effect on Profit before tax	Effect on Equity/Net assets
	Kshs	Kshs	Kshs
2024/2025 FY	N/A		
Euro	-	-	-
USD	-	-	-
Previous FY	-	-	-
Euro	-	-	-
USD	-	-	-

b) Interest rate risk

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

Management of interest rate risk

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

Sensitivity analysis

The Entity analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year. Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as a decrease/increase of Kshs nil (2024/2025: Kshs nil). A rate

increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs nil (2024/2025 – Kshs nil)

Fair value of financial assets and liabilities

a) Financial instruments measured at fair value.

Determination of fair value and fair values hierarchy

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

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

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

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

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

As at 30th June (2024)				
Financial Assets				
Quoted Equity 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 Entity's capital risk management is to safeguard the Entity's ability to continue as a going concern. The Entity capital structure comprises of the following funds:

Description	2024/2025	<i>Opening Statement 1st July 2025</i>
	Kshs	Kshs
Revaluation Reserve	-	-
Retained Earnings	206,703,821	166,581,830
Capital Reserve	-	-
Total Funds	-	-
Total Borrowings	-	-
Less: Cash and Bank Balances	(112,753,277)	(112,970,424)
Net Debt/(Excess Cash And Cash Equivalents)	93,950,544	53,611,406
Gearing	-	-

32. Related Party Disclosures

	<i>2024/2025</i>	<i>Opening Statement 1st July 2025</i>
	Kshs	Kshs
Committee Members Remuneration		
Sitting allowance of committee Members during the year	2,186,000	1,996,000
	-	-
Transaction with the NGCDF Board		
Transfers from the NGCDF Board during the year	151,911,488	233,984,570
Total	154,097,488	235,980,570

33. Segment Information

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

34. Contingent Assets and Contingent Liabilities

Contingent Assets

Description	<i>2024/2025</i>	<i>Opening Statement 1st July 2025</i>
	Kshs	Kshs
Contingent Assets	N/A	
Insurance Reimbursements	-	-
Assets Arising from Determination Of Court Cases	-	-
Reimbursable Indemnities and Guarantees	-	-
Receivables From Other Government Entities	-	-
Others (Specify)	-	-
Total	-	-

Contingent Liabilities

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

35. Capital Commitments

Capital Commitments	2024/2025	<i>Opening Statement 1st July 2025</i>
	Kshs	Kshs
Authorised for	NA	NA
Authorised and Contracted for	NA	NA
Total	NA	NA

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

36. Events after the Reporting Period

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

37. Ultimate and Holding Entity

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

38. Currency

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

18. Annexes

Annex 1: Summary of Asset Register

Asset class	Historical Cost/valuation cost balance brought forward (Kshs)	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) At Year End
Land	-	-	-	-
Buildings and structures	-	-	-	-
Transport equipment	-	-	-	-
Office equipment, furniture, and fittings	-	-	-	-
ICT Equipment and Other ICT Assets	-	-	-	-
Other Machinery and Equipment	-	-	-	-
Intangible assets	-	-	-	-
Total	-	-	-	-

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

PMC	Bank	Account number	Bank Balance 2024/2025	Bank Balance 2023/2024
Amariba Primary School	Kcb Bank	1269843478	1,621	
Biombe Sda Primary School	Equity Bank	0510278739455	38,654	8,373
Eremo Dok Primary Schol	Equity Bank	0510278749791	101,964	13,562
Gesere Dok Primary School	Kcb	1322015341	44	600,044
Ibeno Mission Primary School	Family	027000062212	6,397,894	7,100
Inani Sda Primary Schol	Equity Bank	0510280148664	2,997	1,830
Kiamabundu Dok Primary School	Equity Bank	0510284719797	665,071	4,920,431
Monuri Deb Primary	Cooperative Bank	01141016726401	359	1,598
Nyakebako Deb Primary School	Equity Bank	0510278748326	31,642	1,360
Nyanguru Cog Primary School	Equity Bank	0510280191906	968,500	1,688
Nyataro Cog Primary School	Equity Bank	0510284331977	26,234	25,952
Rianyamwamu Deb Primary	Co-Operative Bank	01102975408001	19,793	1,399,433
Rikendo Deb Primary	Equity Bank	051028134157	2,692	410
Riondonga Sda Primary School	Co-Operative	01100167769001	1,051	
Ritaro Sda Primary School	National Bank	01022215161700	1,740	2,940
Gekomu Primary	Equity Bank	0510278902221	2,761,045	28
Boruma Primary	National Bank	7717392321	180,013	1,500
Nyansira Primary	National Bank	7701682627	1,595,946	1,159

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

PMC	Bank	Account number	Bank Balance 2024/2025	Bank Balance 2023/2024
Kisii Primary	Equity Bank	0510284332001	2,945	2,000
Nyamagwa Primary	National Bank	7717410303	-	
Nyabiosi Primary	National Bank	01020035253900	11,647	(4,438)
Nyankororo Primary	Family	027000070688	1,696,212	
Nyanderema Primary	Equity Bank	0510279214668	336,755	1,980
Intundero Primary	National Bank	7717387662	119	
Nyamemiso Primary	Family	027000070511	37,794	
Birongo Primary	National Bank	01520215108800	1,230,406	1,920
Masongo Primary	KCB	1330396197	32,104	
Nyamage DOK Primary	Equity Bank	0510281271933	21,320	421,210
Kiogoro DEB Primary	Equity Bank	0510280154051	22,380	1,849
Boronyi Primary School	Equity Bank	0510277737861	3,509,271	8,990
Ibeno COG Primary	Equity Bank	0510278740424	6,382	7,100
Iberia DOK Primary	National Bank	01022266755200	14,779	2,400,493
Chirichiro DEB E.S.A.C	National Bank	01020035252900	(4,958)	753
Amabiria F.A.M Primary	National Bank	7717048256	(1,360)	6,846
Esamba DOK Primary	National Bank	7716443283	1,850	1,400,000
St. Theresa Amasago DOK Primary	National Bank	01522215949700	1,880	
Kerera DOK Primary	KCB	1255122129	5,421	2,244
Nyaguta Pri School	KCB	1312285222	261	913,081

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

PMC	Bank	Account number	Bank Balance 2024/2025	Bank Balance 2023/2024
Getungurumu SDA Primary	KCB	1225533805	541,231	6,202
Nyamecheo DOK Primary	KCB	1313087661	4,399	6,907
Otamba DOK Primary	KCB	1312277866	14,252	16,847
Nyabiuto Dok Primary School	KCB	1324878657	806	166,083
Nyansancha DEB Primary	Cooperative Bank	01141017521400	(14)	
Boronyi Mixed Secondary School	Co-Operative	01139296443002	6,325	1,846,426
Kiamabundu Secondary School	Cooperative Bank	01141019586700	89,425	89,544,95
Nyosia Mixed Sec School	Equity Bank	0510284642377	1,406	
St Francis Kabosi Secondary	National Bank	01285034828500	1,460	
Riondonga High School	Equity Bank	0510284684596	5,030,282	5,000,000
Senior Chief Musa Nyandusi Kegati	KCB	1339252457	3,793,269	
Nyamagwa SDA Mixed Secondary			4,508,542	10,039,50
Our Lady of Victory Nyabiosi Sec	Equity Bank	1240261569466	1,600,199	
Nyanguru COG Secondary	National Bank	01025035230402	66,007	1,022,559
Nyanchwa Girls High School	National Bank	01285035453000	1,609,643	1,609,643
St Augustines Otamba Secondary	KCB	1332007171	571,175	2,000
Nyaguta Secondary	KCB	1101924292	66,058	342,726
Nyamemiso DEB Secondary	KCB	1265556431	99,079	100,396
Kisii central assistant chief office	Equity	1970285278565	1,846,998	1,096,998
Kiemenyinga Assistant Chief Office	Equity	0510282594862	1,340	1,000

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

PMC	Bank	Account number	Bank Balance 2024/2025	Bank Balance 2023/2024
Keumbu Police Post	Family	027000071023	3,898,360	
Kiogoro Police Post	Family Bank	027000071016	6,198,360	
Kegati AP Line	Equity	0510279724193	3,408	253,408
Keumbu Digital Hub	Family Bank	027000071021	5,315,808	
Kieminyinga Asst. Chief Office		1,000.00	600,000	
Kisii Township Sub Location		1,096,998.44	600,000	
Keumbu Police Post			3,900,000	
Kiogoro Police Station			6,200,000	
Kisii Central DCI Office			800,000	
Birongo Chief Office			3,000,000	
Nyanchwa Chief Office			3,000,000	
Kirwa Assistant Chiefs Office			600,000	
Kieminyinga Asst. Chief Office			600,000	
Kisii Township Sub Location			600,000	
Keumbu Police Post			3,900,000	
Kiogoro Police Station			6,200,000	
Kisii Central DCI Office			800,000	
Birongo Chief Office			3,000,000	
		GRAND TOTAL	95,264,488	28,079,624

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	<p>Motor Vehicle Pre-Inspection and Post-Inspection Reports</p> <p>The statement of receipts and payments reflects Kshs.431,302 in respect to Routine maintenance - vehicle and other transport equipment as disclosed under Note 6 to the financial statements. A review of payment vouchers and ledgers revealed that Kshs.431,302 was spent in respect to motor vehicles repairs and maintenances. However, the payment vouchers were not supported with pre-inspection report and post-inspection repairs report by a mechanic detailing out the nature of repairs to be undertaken together with the estimates and confirmation of works done.</p>	<p>The evidence obtained is sufficient and appropriate to provide a basis for qualified opinion</p>	<p>Resolved</p>	

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

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)
	Under the circumstances, the propriety of the expenditure of Kshs.431,302 as at 30 June, 2024 cannot be confirmed. Unsupported Bursary payments The statement of receipts and payments reflects Kshs.87,138,130 in respect to other grants and other transfer as disclosed under Note 8 to the financial statements. Included in this balance is Kshs.65,882,145 that was spent in respect to bursary to secondary and tertiary institutions. However, a review of bursary receipts revealed that only Kshs.25,421,415 (39%) were acknowledged. The management has not explained or provided evidence for verification on the status of the unacknowledged balance of Kshs.40,460,730 representing 61% of the total bursaries issued during the year. In the circumstances, the expenditure of Kshs.40,460,730 could not be confirmed.	The evidence obtained is sufficient and appropriate to provide a basis for qualified opinion	Resolved	
2				
3	Non-Implementation of Security Projects The statement of receipts and payments reflects Kshs.87,138,130 in		Unresolved	5 Months

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

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)
4	<p>respect to other grants and other transfers as disclosed under Note 8 to the financial statements. Included in this amount is Kshs.3,343,996 in respect to security projects. Physical verification of sampled projects revealed the following anomalies:</p> <p>Unsatisfactory implementation of Projects</p> <p>The statement of receipts and payments reflects Kshs. 51,869,499 in respect to transfer to other government units as disclosed under Note 7 to the financial statements. Included in this amount is Kshs. 24,283,499 transfers to primary schools and Kshs. 27,586,000 transfers to secondary schools. Physical verification of sampled projects revealed the following anomalies:</p>		Unresolved	5 Months

[Handwritten Signature]

Name: Galgallo Guyo Danso
Fund Account Manager.

FUND ACCOUNT MANAGER
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31 OCT 2025
 P.O. Box 78 - 40212,
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