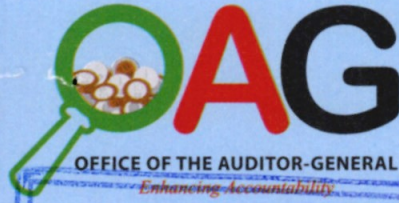


REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL  
*Enhancing Accountability*



THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 21 APR 2026	DAY: TUESDAY
REPORT BY:	HON. SILYANUS OSORO, MP (MAJORITY PARTY WHIP)
CLERK-AT-THE-TABLE:	INZOFV MWALE



**REPORT**

**OF**

**THE AUDITOR-GENERAL**

**ON**

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

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



OFFICE OF THE AUDITOR GENERAL  
NYERI REGIONAL OFFICE  
★ 30 OCT 2025 ★  
RECEIVED  
P. O. Box 267 - 10100, NYERI



---

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND**

**KANGEMA CONSTITUENCY**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED  
30<sup>th</sup> JUNE 2025**

---

Transitional IPSAS Financial Statements /Prepared in accordance with the  
Method Under International Public Sector Accounting

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

---

Table of Contents	Page
Acronyms and Definition of Key Terms .....	ii
Statement Of Performance Against Predetermined Objectives for FY2024/25 .....	xiv
Management Discussion and Analysis .....	xxiii
Environmental and Sustainability Reporting .....	xxvi
Statement Of Management Responsibilities.....	xxxi
Report Of the Independent Auditor on the NGCDF- Kangema Constituency.....	xxxiii
Statement of Financial Performance for the Year Ended 30th June 2025 .....	1
Statement Of Financial Position As At 30th June, 2025.....	2
Statement of Changes in Net Assets for the year ended 30 June 2025 .....	4
Statement Of Cash Flows for The Year Ended 30th June 2025 .....	1
Statement of Comparison of Budget and Actual Amounts for the Year ended 30 June 2025.....	2
Budget Execution by Sectors And Projects For The Year Ended 30 <sup>th</sup> June 2025 .....	5
Notes to the Financial Statements .....	15
Annexes.....	53

## 1. Acronyms and Definition of Key Terms

### 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
NCSA	National Sub-County Accountant
PFM	Public Finance Management
PMCs	Project Management Committees
PWD	Persons with Disability
FY	Financial Year

### 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

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

---

### **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 Kangema 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 30<sup>th</sup> June 2025 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	AIE holder	Caroline Kiama
2.	National Sub-County Accountant	Joyce Wambui
3.	Chairman NGCDFC	Grace Wambui Nduati
4.	Member NGCDFC	Samuel Muchunu
5.	Member NG CDFC	Alex Githac

#### **(c) Fiduciary Oversight Arrangements**

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

P.O. Box 22-10202, Kangema  
Kangema Sub County Head Quarters  
Kangema, Kenya.

**(e) NGCDF Kangema Constituency Contacts**

Telephone: (254) 0718455797, 0735698857  
E-mail: [cdfkangema@ngcdf.go.ke](mailto:cdfkangema@ngcdf.go.ke)  
Website: [www.kangema.ngcdf.go.ke](http://www.kangema.ngcdf.go.ke)

**(f) NGCDF Kangema Constituency Bankers**

1. Equity Bank  
Kangema Branch  
P.O. Box Private Bag – 10202  
Kangema, Kenya
2. KCB Bank B. (Deposit account).  
Kangema Branch  
P.O. Box 66- 10202  
Kangema

**(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

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

**NGCDF Committee**

Name	Details
 <p>Chairman (Adult Female Representative)</p>	<p>Grace Wambui Nduati, born in 1964, is a trained teacher. She completed her Certificate of Primary Education (C.P.E.) in 1980 and her O-Level studies in 1986. She has served as a P.T.A. teacher at Gacharaigu Primary School and Ihiga Primary School. She is an experienced leader in various groups in Kangema Constituency.</p>
 <p>Secretary (Youth Male Representative)</p>	<p>Alex Githea Waithaka, born in 1991 in Kangema, Murang'a, is the Secretary to Kangema NGCDF Committee. He completed his primary education in 2004 and attained his KCSE in 2008. He holds a Diploma in Technology (Analytical Chemistry) and has worked with Cosmos Limited and Norbrook Kenya Ltd. He possesses considerable leadership experience through active involvement in various youth and community-based groups.</p>
 <p>Male adult Representative</p>	<p>Nathaniel Gitogo Mbutia, born in 1979, completed his KCPE in 1995 and his KCSE in 1999. He is an entrepreneur with extensive experience in leadership, having served in various positions within Ichichi Location in Kangema Constituency.</p>
 <p>Male Adult Representative</p>	<p>Peter Thuku Kamau, born in 1978, completed his KCPE in 1992 and his KCSE in 1996. He holds a Certificate in Automotive Engineering and is an entrepreneur with vast leadership experience in Rwathia Ward</p>
 <p>Female Adult Representative</p>	<p>Jane Wanjiku Macharia, born in 1975, completed her KCPE in 1990 and her KCSE in 1994. She obtained a Certificate in Financial Management in 2011 and is a businesswoman with notable leadership roles in various women's groups within Muguru Ward, Kangema Constituency</p>

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

 <p>Female Youth Representative</p>	<p>Ruth Kavaati Kilatya, born in 1993, completed her KCPE in 2010 and her KCSE in 2014. She is an entrepreneur with extensive experience in youth leadership within Kenya Njeru, Rwathia Ward</p>
 <p>Nominee representing PLWD</p>	<p>Florence Nyambura Wangechi, born in 1978, completed her KCPE in 1997 and her KCSE in 2001. She holds a Diploma in Social Work and Community Development and serves as a leader in several groups representing persons living with disabilities in Kangema Constituency</p>
 <p>Co-opted Member</p>	<p>Samuel Muchunu Muraguri, born in 1956, obtained his East Africa Certificate of Education in 1976 and holds a Certificate in Corporate Governance. He is a businessman with extensive leadership experience, having served as Chair of Kangema NGCDF for five years (2017–2022) and as Director of Rwathia KTDA Factory for 12 years. He is also the Chairman of Nyagatugu ACK Church and a prominent leader in Kangema Constituency.</p>
 <p>Deputy County Commissioner</p>	<p>Esther D. Mwamure , Deputy County Commissioner, 7th January 1976, MBA (Strategic Management), BA( English, Literature &amp; Business Studies), SLDP, SMC &amp; Diploma in Public Administration. Public Administration for last 22 years</p>
 <p>Fund Account Manager</p>	<p>Caroline Wangari Kiama, born in 1975, is a Kenyan professional with a Bachelor of Science (Hons) degree from Egerton University. She has extensive expertise in strategic management, sales, marketing, customer service, and client relationship management. Her career includes serving as Funds Account Manager at the National Government Constituencies Development Fund Board, Research Assistant Consultant at KIPPRA, Business Development Specialist at d Barclays Bank (Now Absa Bank)</p>

### 3. NG-CDFC Chairman's Report



It is with great pleasure that I present to you the financial statements for the Kangema National Government Constituency Development Fund (NG-CDF) for the current financial year. This report marks a significant milestone in our continued efforts to enhance transparency, accountability, and development within our constituency.

Throughout the year, our primary focus has been on prudent financial management and strategic allocation of resources to ensure the optimal utilization of public funds. We have navigated through a challenging economic landscape, characterized by global uncertainties and local economic fluctuations. Despite these challenges, we have remained steadfast in our commitment to delivering impactful projects that improve the lives of our constituents.

In this report, you will find a comprehensive overview of our financial performance, including budget allocations, expenditures, and key achievements. We have also highlighted the emerging issues and challenges encountered during the year, along with our proposed strategies to address them. Our goal is to provide a clear and transparent account of how the funds have been utilized, the outcomes achieved, and the way forward.

#### **Summary of Budget Performance Against Actual Amounts**

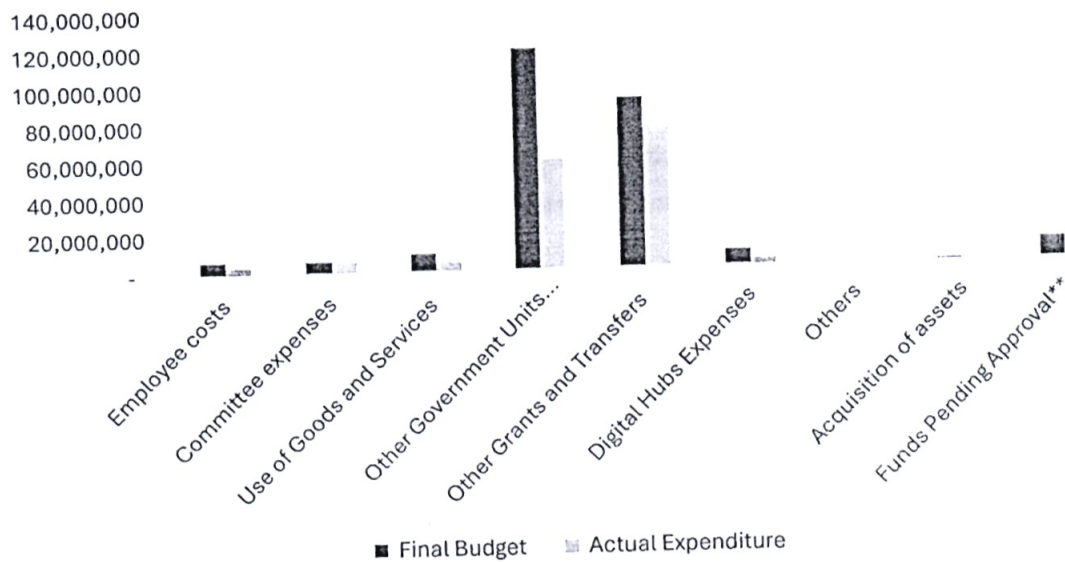
During the 2024/2025 financial year, the Constituency's final budget amounted to Kshs 255,987,042, against which actual expenditure totaled Kshs 150,177,018, representing 59% budget utilization.

On the revenue side, total receipts were Kshs 162,535,062, primarily from NG-CDF Board transfers (Kshs 162,379,062) and miscellaneous income (Kshs 156,000). This resulted in a funding shortfall of Kshs 93,607,980 compared to the final budget.

Key observations include:

- High utilization in committee expenses (92%) and other grants/transfers (82%).
- Moderate utilization in employee costs (55%) and certified works (47%).
- Low utilization in digital hubs (40%) and use of goods/services (48%).
- Funds pending approval totalled Kshs 11,222,516, contributing to the year-end surplus.

Budget vs Actual expenditure by sector (2024/2025)



Actual Expenditure Distribution by sector



**Emerging Issues**

During the reporting period, the committee observed the following emerging issues:

- Increased demand for projects and services beyond the current budget allocations, especially in education, infrastructure, and health.
- Rising costs of materials and services due to inflation, which impacts project budgets and timelines.
- Greater community expectations for faster delivery of projects and more equitable distribution of resources across wards.

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

---

- Need for stronger monitoring and evaluation frameworks to ensure accountability and value for money.
- Integration of digital systems for project tracking and stakeholder engagement, requiring capacity building for members and staff.

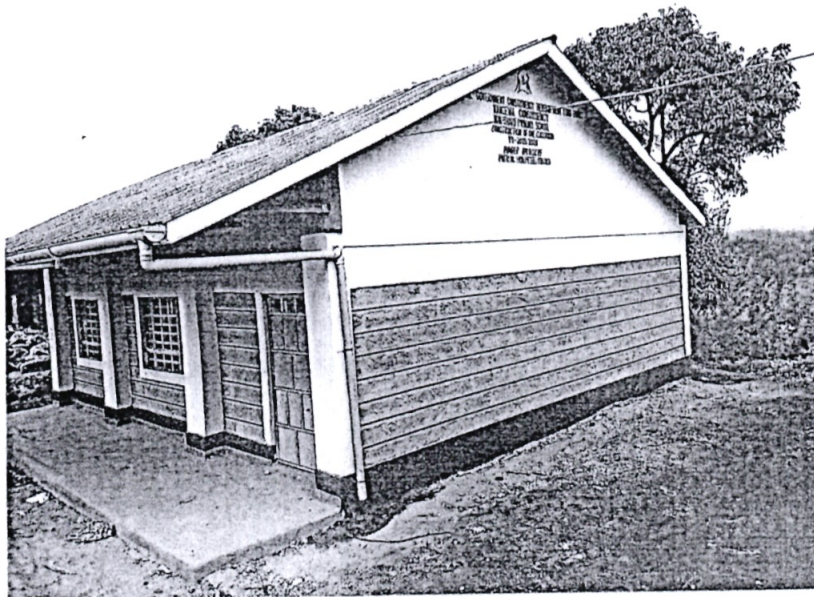
### Achievements

During the year under review, the Kangema NG-CDFC successfully implemented a range of impactful projects aimed at improving education, infrastructure, and environmental sustainability:

- Furniture Supply – Delivered 336 lockers and desks to Rwathia Primary School and Gacharaigu Primary School to enhance the learning environment.
- Sanitation Improvement – Constructed 10 blocks of aqua toilets in 10 primary schools, improving hygiene and sanitation standards.



- Classroom Renovation – Renovated 23 classrooms across various schools, providing a more conducive learning atmosphere.
- Junior Secondary School Facilities – Constructed 10 new classrooms for Junior Secondary Schools to accommodate the CBC transition.



JSS Classroom at Njii Ithatu Primary School

- School Security – Built a perimeter wall at Karuri Gakure Secondary School to enhance safety and protect school property.
- Science Infrastructure – Renovated the science laboratory at Wanjerere Secondary School, boosting the quality of practical science education.
- Climate Change Mitigation – Planted over 2,000 apple seedlings in 10 institutions to promote environmental conservation and support sustainable livelihoods.
- Security Sector – Supplied desktop computers with accessories, executive office desks and chairs, and cabinet drawers to all Chiefs and the Assistant County Commissioner, enhancing office operations and service delivery.

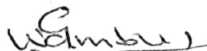


### **Implementation Challenges and Recommended Way Forward**

- Delay in disbursement of funds from the National Treasury which slowed project commencement and completion. The committee is engaging with the NG-CDF Board for timely fund release and prioritizing projects based on readiness for immediate implementation.
- Rising cost of construction materials which leads to budget overruns and project scope reduction. Regular review of project budgets, adoption of cost-saving designs, and sourcing materials from local suppliers to reduce costs.
- Inadequate skilled manpower in remote project sites which delays in project execution and reduced quality. Partnering with local Michuki National Technical institution to train artisans and encouraging use of certified local contractors.

### **Conclusion**

Despite the challenges, the Kangema NG-CDFC remains committed to delivering development that transforms lives. We continue to focus on prudent resource management, stakeholder engagement, and innovation in project implementation. With sustained community support and collaboration with all stakeholders, we are confident that we will overcome current challenges and achieve even greater milestones in the coming year.



.....  
**Grace Wambui Nduati**  
**Chairman NGCDF Committee**