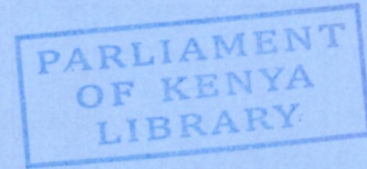


REPUBLIC OF KENYA



**REPORT**




**OF**

**THE AUDITOR-GENERAL**

**ON**

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

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

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE:	17 FEB 2026
	DAY. TUESDAY
TABLED BY:	DEPUTY MAJORITY LEADER
CLERK-AT THE-TABLE:	FINLAY



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NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND

FUNYULA CONSTITUENCY

ANNUAL REPORT AND FINANCIAL STATEMENTS

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

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Transitional International Public Sector Accounting Standards (IPSAS) Financial Statements

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

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## **1. Acronyms and Definition of Key Terms**

### **A. Acronyms**

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

### **B. Definition of Key Terms**

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

**Comparative Year-** Means the prior period.

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

## **2. Key Constituency Information and Management**

### **(a) Background information**

The National Government Constituency Development Fund (NG-CDF) formerly Constituency Development Fund (CDF), is established under the NG-CDF Act 2015 (amended 2023). The Act is a successor to the Constituency 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 Funyula 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	CPA Gregory K. Otaalo
2.	National Sub-County Accountant	Mr. Paul Ojiambo
3.	Chairman NGCDFC	Mr. Andrew Oduory Obada
4.	Member NGCDFC	Ms Shakina Ousman Sophy (Alternate signatory Operation)
5.	Member NG CDFC	Mrs. Grace Makokha (Deposit A/C)

**(c) Fiduciary Oversight Arrangements**

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

NG-CDFC Building  
Funyula Matayos Road  
Funyula (KENYA).

**(e) NGCDF Funyula Constituency Contacts**

P.O. Box 44-50406  
Telephone: (254) 721925048  
E-mail: [cdffunyula@ngcdf.go.ke](mailto:cdffunyula@ngcdf.go.ke)  
Website: [www.ngcdfunyula.go.ke](http://www.ngcdfunyula.go.ke)

**(f) NGCDF Funyula Constituency Bankers**

1. Operation account  
Equity  
Busia Branch.  
P.O. Box 75104-00200  
Nairobi
2. Deposit Account  
Equity  
Busia Branch  
P.O. Box 75104-00200  
Nairobi
3. Project management committee  
Equity  
Busia Branch.  
P.O. Box 75104-00200  
Nairobi

**(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
 Andrew Oduory Obada - Chairman	Date of birth: 24/11/1974 Academic qualification; Degree Professional qualification; Engineer Work experience: Has been a businessman and an ICT consultant for the last 27 years serving major communication. Currently serving as Funyula NGCDFC Chairperson
 Shakina Sophy Ousman-Female Youth representative.	Date of birth-16/10/1999 Academic qualification; Student at Bumbe TTI Professional qualification; None Work experience; Has served as a CDFC youth representative for 3 years. Currently serving as Funyula NGCDF Committee as the youth representative.
 Kelvin Bwire- Male Youth Representative	Date of birth: 03/09/1917 Academic qualifications; KCSE Professional qualification; Certificate in social Community Development Work experience; Has 3 years' experience as a CDFC youth representative also a serving Evangelist. Currently serving as Funyula NGCDF Committee as youth representative.

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 <p>Grace Makokha Female Adult</p>	<p>Date of birth: 09/09/1967                  Academic qualification; KCSE                  Professional qualification; Certificate in social management                  Work experience; Has been CDFC member for Funyula NG-DF for the last 7years.                  Currently serving as Funyula NGCDF Committee as female representative.</p>
 <p>Nathan Mbunga- coopted member</p>	<p>Date of birth:21/07/1959                  Academic qualification; "A" LEVEL                  Professional qualification; Diploma in education                  Work experience: Has served as a primary teacher for 34 years and head teacher.                  Currently serving as Funyula NGCDF Committee as a coopted member.</p>
 <p>Constant Apopo-Male adult representative</p>	<p>Date of birth: 16/03/1978                  Academic qualification; KCSE                  Professional qualification; Certificate in construction and building                  Work experience; Has 17years service in Construction and building industry                  Currently serving as Funyula NGCDF Committee as male representative.</p>
 <p>Victorine Naburi-Representative of PLWD</p>	<p>Date of birth: 10/09/1997                  Academic qualification; Student at Bumbe tti                  Professional qualification; Collage Student                  Work experience; 2years plumbing experience                  Currently serving as Funyula NGCDF Committee as PLWD</p>

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	representative.
 Josphine Akello-Member	Date of birth: 14/04/1975 Academic qualification; KCSE Professional qualification; Certificate in HIV testing and counseling Work experience; Medical mission board 12yrs Currently serving as Funyula NGCDF Committee member
 Joyce Onguso-DCC	Date of birth; 09/09/1979 Academic qualification; Degree Professional qualification; Paramilitary Work experience; DCC Samia sub county and ACC for 7years
 CPA Gregory K Otaalo Fund Account Manager	Date of birth;31/08/1984 Academic qualification; Masters in project management Professional qualification; Certified Public Accountant (CPAK) Work experience; serving FAM for the last 12 years Currently serving as Funyula NGCDF committee as a Fund manager board ex official.

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



Mr. Andrew Oduory Obada

##### Chairman

I'm pleased to present an insightful analysis of Funyula NG-CDF's financial performance for the fiscal year 2024-2025, focusing on the variances between budgeted allocations and actual expenditures across key spending categories.

**For Compensation of Employees**, the budget of Kshs. 6,216,450 was underutilized, with actual spending at Kshs. 3,736,814 resulting in a 60% utilization rate.

**Transfers to Other Government** Units showed significant underutilization, with only Kshs. 40,352,610 spent out of a Kshs. 144,238,612 budgets, resulting in a 28% utilization rate.

**Other Grants and Transfers** had actual expenditures of Kshs. 54,706,603 against a budget of Kshs. 64,076,166 leading to an 85% utilization rate.

Lastly, **Other Payments** had a utilization rate of 10%, with Kshs. 10,063,740 spent against a budget of Kshs. 47,254,465 and an underutilization of Kshs. 37,190,725.

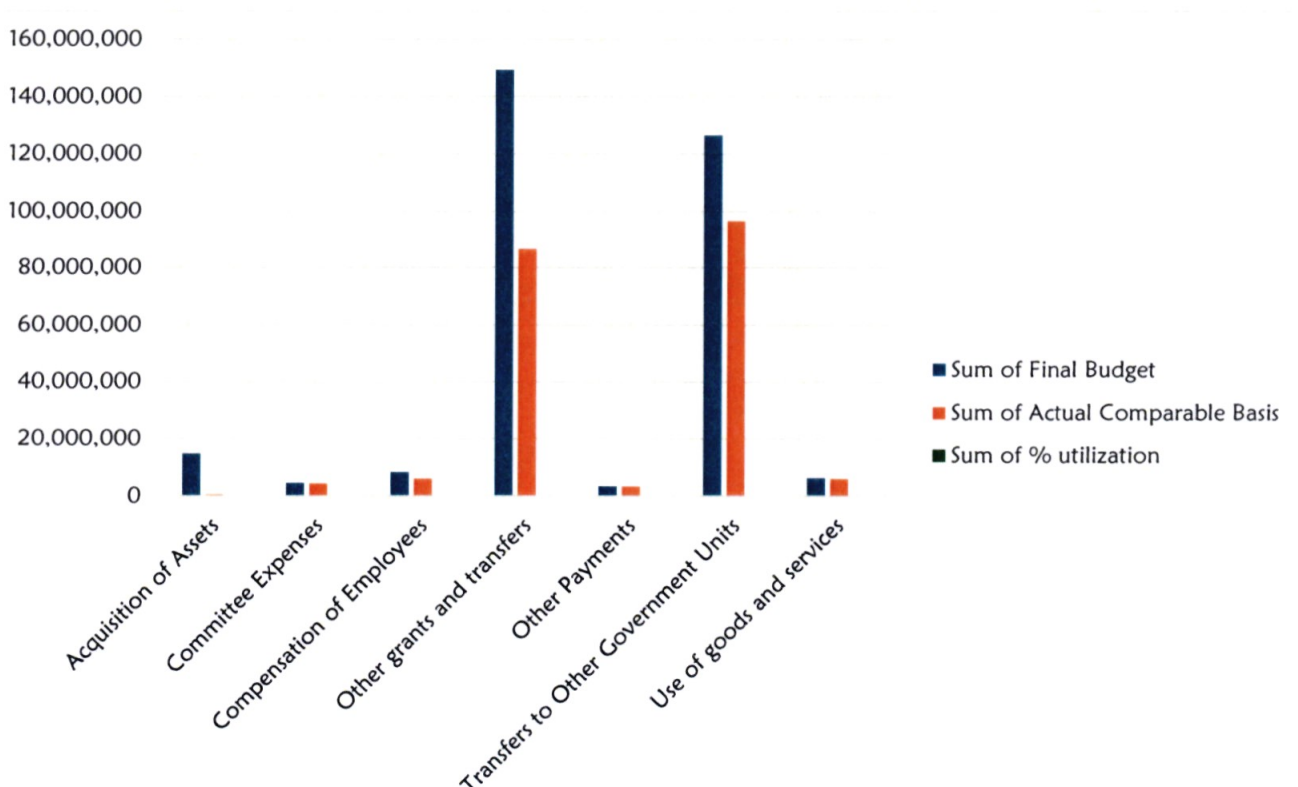
**In Conclusion**, the overall financial performance for the 2024-2025 fiscal year reveals areas of both strong budget adherence and opportunities for improvement. The significant underutilization in certain categories, particularly in Transfers to Other

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Government Units and Acquisition of Assets, is primarily due to delays in fund disbursements from the exchequer. These delays disrupt the planned execution of projects, resulting in lower-than-anticipated expenditures within the fiscal year. Moving forward, ensuring timely release of funds is critical for optimal budget utilization and the achievement of intended development goals.

<b>PAYMENTS</b>	<b>Final Budget</b>	<b>Actual Comparable Basis</b>	<b>% utilization</b>
Compensation of Employees	6,216,450	3,736,814	60%
Transfers to Other Government Units	144,238,612	40,352,610	28%
Other grants and transfers	64,076,166	54,706,603	85%
Acquisition of Assets	300,000	250,000	83%
Other Payments	46,954,465	9,813,840	21%

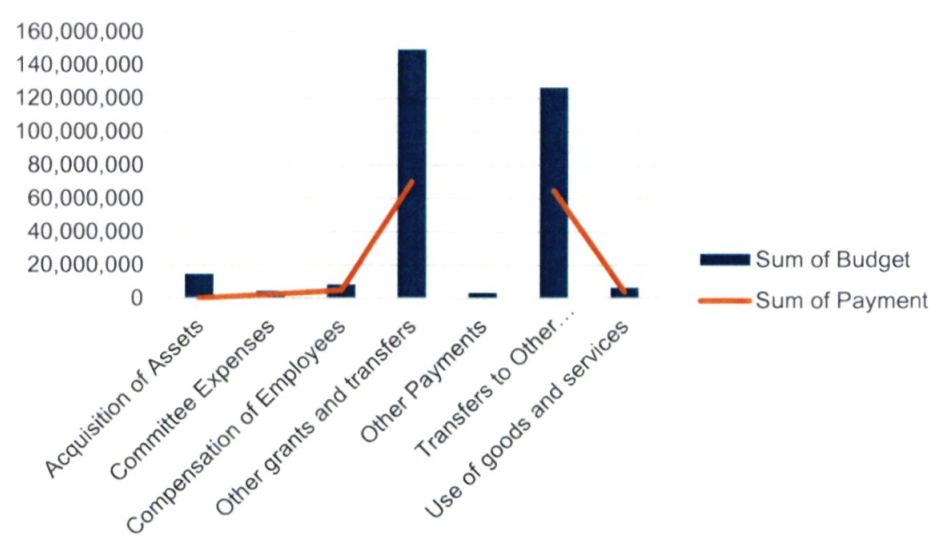
**Budget against Actual comparable basis**



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<b>PAYMENTS</b>	<b>Final Budget</b>	<b>Actual Comparable Basis</b>
Compensation of Employees	6,216,450	3,736,814
Transfers to Other Government Units	144,238,612	40,352,610
Other grants and transfers	64,076,166	54,706,603
Acquisition of Assets	300,000	250,000
Other Payments	46,954,465	9,813,840

**Budget Against Payment**



From the above analysis, the performance of Funyula NG-CDF has been exemplary given the circumstances and this is 20as a result of teamwork among the NG-CDFC and the

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various stakeholders. We intend to perform better in the coming financial year so that the residents of Funyula Constituency can get value for their money and better services.

During the financial year under review, Funyula NGCDF Committee achieved quite a lot, key among them are listed below;

- I. Funyula NGCDF funded construction of additional classrooms that reduced the challenges that the various school were facing more so the Junior Secondary Schools.
- II. Bursaries were issued to over 14,000 needy students across the constituency. The students were able to learn without much interruption.

The following are some of the best projects that Funyula NGCDF Committee implemented during the financial year 2024-2025;

*Some of Key Achievements.*



*1.Sio Port Divisional Headquarter (Samia Sub County)*



*2.Moody Awori Storey Tution Block 16NO classrooms*



*3. Bujwang'a primary school storey tuition block*



*4. Ganga Police Station*

- **Emerging issues related to Funyula NG - CDF**
  - i. **Climate Change:**

Harsh environmental conditions such as drought and floods caused by climate change have severely affected school infrastructure. Building schools that are resilient to climate change effects, such as flooding or extreme weather events, is becoming increasingly important to ensure the safety of students and the longevity of the infrastructure.
  - ii. **Evolving Education Models:**

The transition from the 8-4-4 system to the Competency-Based Curriculum (CBC) has created a demand for new laboratories, classrooms, and equipment to support Junior Secondary School education. Exploring and funding alternative education models, including CBC and online education, to adapt to changing educational needs is an on-going consideration.
  - iii. **Digital Education Infrastructure:**

The need for digital infrastructure in schools, including providing students with devices and improving internet access for online learning, has become more pressing due to the increasing reliance on technology in education.
  - iv. **Insecurity:**

Given the on-going security challenges in some regions, there is a growing need for additional resources to improve security measures in schools, such as the installation of surveillance systems and training for security personnel.
  - v. **Inflation and Property Destruction:**

The variation of prices due to inflation and the destruction of properties by demonstrators have further strained financial resources. These economic pressures necessitate adjustments in budgeting to accommodate rising costs and repair damaged infrastructure.
- **The implementation challenges and recommended way forward.**
  - i. **Climate Change**
    - **Challenge:** Severe damage to school infrastructure from droughts and floods.

- **Recommended Way Forward:** Invest in building schools that are resilient to climate change effects and enhance existing infrastructure to withstand extreme weather events.
- **Actions Taken:** The entity is incorporating climate-resilient designs in new school construction projects and retrofitting existing buildings with necessary adaptations.

## ii. Evolving Education Models

- **Challenge:** Transition to CBC requiring new laboratories, classrooms, and equipment for Junior Secondary School.
- **Recommended Way Forward:** Develop and fund infrastructure upgrades to meet the demands of CBC, including laboratories and modern classroom facilities.
- **Actions Taken:** The entity is working with educational authorities to prioritize infrastructure projects and is engaging with stakeholders to secure necessary resources and expertise.

## iii. Digital Education Infrastructure

- **Challenge:** Insufficient digital infrastructure for online learning and technology integration.
- **Recommended Way Forward:** Enhance digital infrastructure by providing devices, improving internet access, and supporting digital learning platforms.
- **Actions Taken:** The entity is investing in technology upgrades and collaborating with technology providers to improve internet connectivity and distribute digital devices to schools.

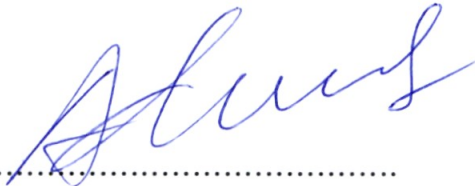
## iv. Insecurity

- **Challenge:** Ongoing security challenges in certain regions affecting school safety.
- **Recommended Way Forward:** Increase investment in security measures, including surveillance systems and training for security personnel.

- **Actions Taken:** The entity is allocating funds for security enhancements and working with local security agencies to implement improved safety protocols.

**v. Inflation and Property Destruction**

- **Challenge:** Rising costs due to inflation and damage from demonstrators impacting budget and resources.
- **Recommended Way Forward:** Adjust budgets to account for inflation and repair damaged properties promptly.
- **Actions Taken:** The entity is revising budget plans to accommodate increased costs and is prioritizing repair and reconstruction efforts for affected properties.



.....

**Name Mr. Andrew Oduory Obada**

**Chairman NGCDF Committee**

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

### Introduction

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

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

- 1. To improve education infrastructure.*
- 2. To improve and enhance Security infrastructure in the constituency*
- 3. To promote environmental sustainability and food security*

### 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	- number of usable physical infrastructure build in primary,	In FY 2024/25 we constructed 11 classrooms in primary schools, 3 dormitories in Sibinga

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		secondary schools and tertiary institutions	secondary, and tertiary institutions - number of bursary's beneficiaries at all levels	Secondary, Sigalame High and St. Mark bukiri and 2 laboratories in Namunyeda secondary, Namuduru Secondary secondary schools. Approximately 8500, 3400 & 50 applicants in secondary schools, tertiary and special needs benefited respectively.
Security	To ensure all Ass. chiefs, chiefs and the Ass. County Commissioners' have an office To have modern police stations and posts at the Constituency	Access to quality services  Reduced crime rate	- number of usable physical infrastructure build at the locational levels  - Number of crimes reported	During the financial year 2024-2025 Funyula NG-CDF handed over 2 police posts Namuduru and Bukiri, 1 Ganga police station and an on going Ass. County Commissioners' Headquarter.
Environment	To have health and clean environment	Access to good health and sanitation	- Number of Indigenous trees planted - Number of	During the financial year 2024-2025, Funyula NGCDFC constructed each

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			sanitary facilities constructed	ward receiving 4 sanitary facilities factored with PWDs facilities.
Emergency	Catering for any unforeseen occurrences in the Constituency	Preparedness to unforeseen occurrences	- Number of unforeseen occurrences in the constituency	Funyula NGCDF committee allocated Kshs. 8.9M million under the emergency kitty to cater for the same

## **6. Governance Statement**

### **Introduction**

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

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

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

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

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

**Process of appointment of NG-CDF Member**

1. Members of the Constituency committee are selected under section 43(2) (b), (c) and (d) of the Act.
2. The constituency committee members are selected by a constituency selection panel established under paragraph (4) in the event of vacancy.
3. A vacancy occurs in the constituency upon the
  - ❖ Commencement of a new parliamentary term
  - ❖ Dissolution of the committee
  - ❖ Removal of a member
  - ❖ Or occurrence of a vacancy
4. The selection panel reviews applications and selects 5 applicants based on various factors, including age, gender, special interest group and regional balance.
5. The officer seconded to the constituency submits selected candidates' names and the selection panel's report the board.
6. The board co-opts a person to ensure equitable representation in the committee's membership.
7. The board request the National assembly's clerk to nominate 2 individuals of either gender for the committee.
8. The board submits the names of 7 selected persons to the national assembly for approval, in accordance with the Act provisions.
9. After approval, the board appoints Constituency Committee members within 14 days though gazettes notice.

NO	NAME	CATEGORY	WARD
1.	Grace Naita Makokha	Female (Adult)	Nangina
2.	Shakina Sophy Ousman	Female (Youth)	Agenga Nanguba
3.	Andrew Oduory Obada	Male (Adult)	Bwiri
4.	Kelvin Ochieng	Male (Youth)	Bwiri



2. Grace Makokha - Member

**c. Sports and Environment Sub Committee**

1. Shakina Sophy Ousman - Member
2. Kelvin Ochieng - Member

The chairperson and the secretary are members of all the committees. The DCCs are members of the complaints committee, while representative from the ministry of education office is also coopted to be in the Bursary committee.

**The NG-CDF tenure**

The term of office for the members of the Constituency Committee is two years and will be renewable but shall expire upon the appointment of a new Constituency Committee in the manner provided for in the Act. The outgoing committee handed over the office on 31st May and the incoming committee became active immediately for a period of two years till 31st March 2027 as per the constituency guidelines.

**Qualifications of an NG-CDF Member**

1. Is a citizen of Kenya
2. Ordinarily a resident and a voter within the constituency
3. Able to read and write and communicate in English and Kiswahili
4. Meets the requirement of chapter 6 of the constitution
5. Available to participate in the activities of constituency committee
6. Persons who served in constituency committee constituted under fund manager or served in leadership position in the community will have an added advantage.

**NG-CDF Committees, Composition and roles**

Section 43 of the NG-CDF Act establishes the NG-CDF Committee (NG- CDFC) for every constituency, composed of: -

- the National Government official responsible for co-ordination of national government functions;

- Two men each nominated in accordance with subsection (3), one of whom shall be a youth at the date of appointment.
- Two women nominated in accordance with subsection (3). one of whom shall be a youth at the date of appointment:
- One person with disability nominated by a registered group representing persons with disabilities in the constituency in accordance with subsection (3)
- Two persons nominated by the constituency office established under Regulations made pursuant to the Parliamentary Service Act
- The officer of the Board seconded to the Constituency Committee by the Board who shall be an ex official member without a vote.
- One member co-opted by the Board in accordance with Regulations made by the Board

#### **Roles of the NG-CDF Committee**

1. Capacity build Project Management Committees and sensitize the Community on the operations of the Fund
2. Consider all project proposals from all wards in the constituency and any other projects which the Committee considers beneficial to the constituency
3. Ensure that all projects proposed and approved for funding meets the requirements of Section 24 of the Act.
4. Ensure Project proposals submitted to the Board include detailed budget proposal, procurement and work plans
5. Consult with relevant government departments to ensure that cost estimates for the projects are realistic
6. Monitor the implementation of projects as per the Monitoring and Evaluation framework prescribed by the Board
7. Receive and address complaints concerning the implementation of projects and collectively respond to audit queries concerning the Fund at the Constituency level
8. Ensure labelling of projects as per guidelines issued by the Board

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9. Recruit staff as per Section 45 of the Act.

**Number of Meetings Held**

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

The committee is required to convene a minimum of six meetings and a maximum of twenty-four, including sub-committee meetings.

NO.	NG-CDFC COMMITTEE MEMBERS	4 <sup>th</sup> July 2024	30 <sup>th</sup> Aug 2024	12 <sup>nd</sup> Oct 2024	28 <sup>th</sup> Nov 2024	29 <sup>th</sup> Dec 2024	31 <sup>st</sup> Jan 2025	27 <sup>H</sup> Feb 2025	21 <sup>st</sup> March 2025	24 <sup>th</sup> April 2025	17 <sup>th</sup> May 2025	4 <sup>th</sup> June 2025	28 <sup>H</sup> June 2025
1	Andrew Oduory	√	√	√	√	√	√	√	√	√	√	√	√
2	Grace Makokha	√	√	√	√	√	√	√	√	√	√	√	√
3	Constant Apopo	√	√	√	√	√	√	√	√	√	√	√	√
4	Josphine Akello	√	√	√	√	√	√	√	√	√	√	√	√
5	Kelvin Ochieng	√	√	√	√	√	√	√	√	√	√	√	√
6	Victorine Naburi	√	√	√	√	√	√	√	√	√	√	√	√
7	Nathan Mbunga	√	√	√	√	√	√	√	√	√	√	√	√
8	Shakina Osman	√	√	√	√	√	√	√	√	√	√	√	√
9	Joyce Onguso	√	√	√	√	√	√	√	√	√	√	√	√

**Member Removal:**

Grounds for removing a committee member include:

- i. Lack of integrity
- ii. Gross misconduct
- iii. Embezzlement of public funds

- iv. Bringing disrepute to the committee through unethical practices or unbecoming personal conduct
- v. Causing disharmony within the committee, or physical or mental infirmity.

#### **Policy on Conflict of Interest**

Funyula NG- CDF is dedicated to upholding the highest standards of integrity and accountability in all its operations. To this end, we maintain a robust conflict of interest policy that obliges all NG- CDFC members, employees and stakeholders to declare any potential conflicts of interest promptly. We emphasize that the fundamental principle of this policy is to avoid conflict of interest all together, thus ensuring that decisions and actions are made solely in the best interest of our community and without any personal gain. We are proud to report that, to date, no conflict of interest has been identified, affirming our commitment to transparency and ethical conduct in the pursuit of our development goals.

#### **g. Remuneration Rates**

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

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

#### **h. Disclose the policy on conflict of interest**

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

**i. Succession plan**

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

**j. Ethics and code of conduct**

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

**k. Risk Management**

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

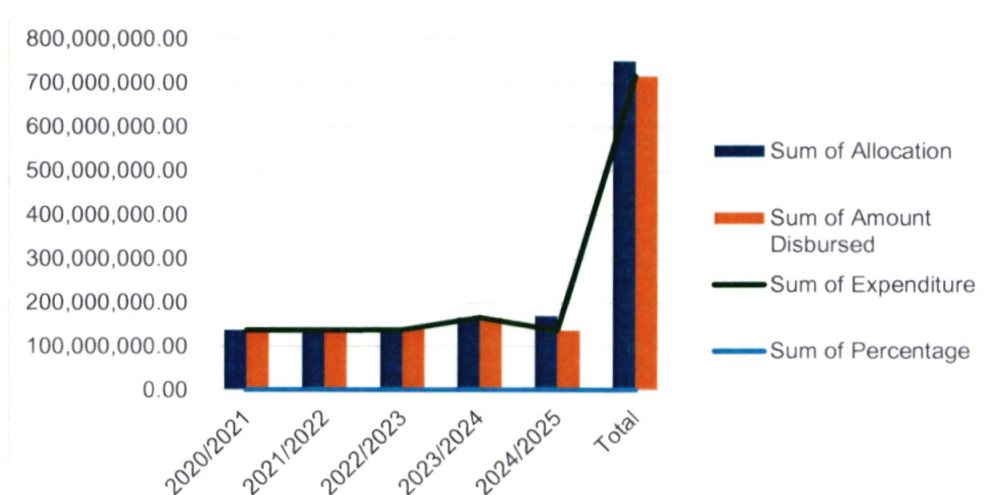
**7. Management Discussion and Analysis**

Funyula NG-CDF management would like to provide a detailed analysis of its performance in the various areas of operation and financial as follows;

**a) Sector Performance**

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

Financial Year	Allocation	Amount Disbursed	Expenditure	Percentage
2024/2025	170,469,856.74	137,000,000.00	137,000,000.00	80.37%
2023/2024	166,593,720.00	166,593,720.00	166,593,720.00	100%
2022/2023	138,215,033.00	138,215,033.00	138,215,033.00	100%
2021/2022	137,088,879.00	137,088,879.00	137,088,879.00	100%
2020/2021	137,088,879.31	137,088,879.31	137,088,879.31	100%
Total	749,456,368.05	715,986,511.31	715,986,511.31	95.53%



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From the above data, Funyula NG-CDF has been able to receive a total of Ksh **715,986,511.31** as at 30.06.2025 for the last five financial years. The resources have been utilized to improve the various sectors in terms of infrastructure and provision of bursaries to needy students in secondary and tertiary institutions.

The below table further illustrates the expenditure performance of Funyula NG-CDF in the past two years;

Financial Year	Sector	Budget	Expenditure
2024-2025	Education-Projects	144,238,612	40,352,610
	Education-Bursary	42,678,244	51,951,603
	Security Projects	5,200,000	5,200,000
2023-2024	Education-Projects	60,886,805	60,886,805
	Education-Bursary	73,376,599	73,376,599
	Security Projects	0	0
	<b>Total</b>	<b>252,934,514</b>	<b>252,934,514</b>

Sector	Sector Budget	Percentage
Education	247,734,514	98%
Security	5,200,000	2%

Based on the above information for the last two financial years; the key consumer of the resources is Education sector with an average of 98% of the entire allocation and secondly the security sector with average of 2%. This is an indicator that the Fund has put more efforts in improving the academic standards of Funyula 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 objectives. The management advocates for more resource allocation to further improve on its mandate.

#### **b) Key Projects**

Funyula 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 Funyula Constituency.

The completion of Ganga Police Station and Namuduru police post within Bwiri Ward, Bukiri police base in Ageng'a ward and on ongoing construction of Ganjala police station will also provide the much-needed security for the residents of Funyula 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; Moody Awori Primary School 16NO. classrooms, Bujwang,a Primary School 8NO., Ganjala Primary School ongoing, St. Stephens Bujwang'a Secondary School 8NO., St. Mark Bukiri Secondary School and Sigalame High School 256 capacity storey dormitory. 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.

Huduma Jitume Digital Centre is one other critical project that Funyula has been able to implement. The project is located in Nangina Ward. The project is currently ongoing and once completed it will provide various services to the locals more so internet and online jobs for the youth in Funyula constituency and beyond.

A part from the key projects indicated above, Funyula 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 Funyula Constituency and Funyula 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.

### Transformative projects



1. Bujwang, Primary School Storey Tution Block



**2. Ganga Police Station**



**The Proposed Samia ICT Hub**

**c) Compliance with statutory requirements.**

Funyula 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 Funyula been cited for non-compliance.

Funyula 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.

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



**Name: CPA. Gregory K. Otaalo  
Fund Account Manager**

## **8. Environmental and Sustainability Reporting**

Funyula NG-CDF exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, which is founded on social sector, namely, Education & Training, Security Sector Support, Environment, and Sports. This pillar also makes special provisions for Kenyans with various disabilities and previously marginalized communities.

- **Sustainability strategy and profile -**

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

- Education and Training:** Funyula 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.
- Security Sector Support:** Among its key pillars; NGCDF has security as a priority area with intention to provide better working environment for the security providers within the constituency as well a secure constituency. The strategy is to have a long-term collaborative working approach that enhances community engagement in security activities. This is aimed at eliminating crime and vices in the long run by providing a better working environment for the law enforcement agencies while collaborating with community in trust on matters of security.
- Environment:** The Constituency acknowledges that all its operation has an impact on environment. Cognizant of the Sustainable development goals, the NG-CDF has allocated part of its budget on environment conservation through activities such as tree

planting, water conservation, sensitization forums for agro-forestry as well as best practices to reduce soil erosion.

- **Employee welfare**

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

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

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

- **Market place practices-**

Funyula Constituency is committed to fair and ethical market practices.

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

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

NGCDF has put in efforts to ensure:

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

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

#### **Public Participation in Project Identification and Implementation and Monitoring**

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

**Public participation** is the process that directly engages the concerned stakeholders in decision-making and gives full consideration to public input in making that decision.

The NG CDFC during bursary programme, engaged the community through the community leaders to identify the needy students to be awarded with the bursary.

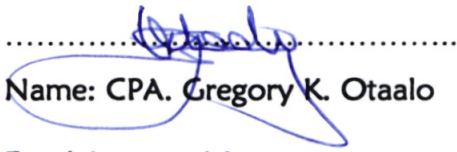
#### **Public Awareness**

***National Government Constituencies Development Fund (NGCDF)***  
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This includes mechanisms for participation and cooperation with local, regional and national agencies, and for conducting community-based needs assessments and public awareness campaigns and holding community meetings.

Funyula 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: CPA. Gregory K. Otaalo  
Fund Account Manager.

## **9. Statement Of Management Responsibilities**

Section 81 (1) of the Public Finance Management Act, 2012, requires that, at the end of a 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-Funyula 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-Funyula 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 Funyula constituency financial statements give a true and fair view of the state of entities 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- Funyula Constituency further confirms the completeness of the accounting records maintained for the Funyula constituency which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

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

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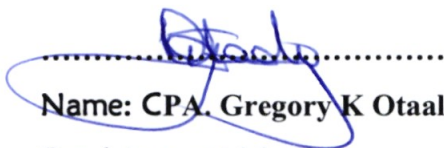
The Accounting Officer in charge of the NGCDF Funyula Constituency confirms that the Funyula constituency has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further, the Accounting Officer confirms that the Funyula constituency 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- Funyula Constituency financial statements were approved and signed by the Accounting Officer on 25/10 2025.



.....  
**Name: Andrew Oduory Obada**  
**Chairman – NGCDF Committee**



.....  
**Name: CPA. Gregory K Otaalo**  
**Fund Account Manager**

# REPUBLIC OF KENYA

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

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### **PREAMBLE**

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

- A. Report on Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements;
- B. Report on Lawfulness and Effectiveness in the Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose; and,
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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

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

### **REPORT ON THE FINANCIAL STATEMENTS**

#### **Qualified Opinion**

I have audited the accompanying transitional IPSAS financial statements of National Government Constituencies Development Fund - Funyula Constituency set out on pages

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

1 to 61, which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the transitional IPSAS financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund - Funyula Constituency as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) including the transitional provisions permitted under IPSAS 33 and comply with the National Government Constituencies Development Fund Act, 2015 (Amended 2023), the Public Finance Management Act, 2012, and The National Treasury and Economic Planning Circular No.3/2025 of 14 April, 2025.

### **Basis for Qualified Opinion**

#### **1. Cash and Cash Equivalents Balance**

##### **1.1. Unsupported Deposit and Project Management Committee (PMC) Accounts Balances**

The statement of financial position reflects a balance of Kshs.98,660,856 in respect of cash and cash equivalents, as disclosed in Note 19 to the financial statements. Included in this, are balances totaling Kshs.93,805,422 relating to various Project Management Committee bank accounts and Deposit Account balance of Kshs.744,000 whose bank reconciliation statements, cash books and bank statements as at 30 June 2025 were not provided for audit verification.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.98,660,856 could not be confirmed.

##### **1.2. Non-Disclosure of Subsequent Clearance Dates for Unpresented Cheques**

The statement of financial position reflects a balance of Kshs.98,660,856 in respect of cash and cash equivalents as disclosed in Note 19 to the financial statements. Included in this, is a balance of Kshs.4,111,434 in respect to operations account. Review of the bank reconciliation statements as at 30 June, 2025 revealed that there were reconciling items in the nature of unpresented cheques totalling Kshs.22,278,995. However, Management did not provide evidence of whether and when the cheques were presented and subsequent clearance dates.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.98,660,856 could not be confirmed.

## **2. Inaccuracy of the Financial Statements**

### **2.1. The Statement of Financial Performance**

The statement of financial performance reflects an amount of Kshs.12,780,824 in respect of use of Goods and services as disclosed in Note 12. However, this varies with the amount disclosed in Note 12 to the financial statements of Kshs.14,594,564 by unreconciled variance of Kshs.1,813,740.

In the circumstances, the accuracy and completeness of the use of goods and services amount of Kshs.12,780,824 could not be confirmed.

### **2.2. The Statement of Financial Position**

The statement of financial position reflects net assets balance of Kshs.125,614,117 as at 30 June, 2025, which includes revaluation reserves balance of Kshs.125,614,117. However, the statement of changes in net assets reflects Nil balance resulting to unreconciled variance of Kshs.125,614,117. Further, no evidence was provided for audit indicating occurrence of revaluation of assets. Additionally, the statement reflects accumulated surplus/deficit of Kshs.62,803,288. However, the statement of changes in net assets reflects accumulated surplus/deficit of Kshs.149,740,763 resulting to unreconciled variance of Kshs.86,937,475.

In the circumstances, the accuracy and completeness of the net assets balance amounting to Kshs.125,614,117 could not be confirmed.

### **2.3. The Statement of Cash Flows**

The statement of cash flows reflects net cash flows from operating activities of Kshs.68,494,687 as disclosed in Note 30 to the financial statements. However, Note 30 to the financial statements on cash generated from operations indicates net cash flows from operating activities of Kshs.92,524,764 resulting to unreconciled variance of Kshs.24,030,077. Further, Note 30 to the financial statements incorrectly discloses surplus/deficit for the year as Kshs.62,706,603 instead of Kshs.62,803,171 as indicated in the statement of financial performance resulting to unreconciled variance of Kshs.96,568.

In the circumstances, the accuracy and completeness of the net cash flows from operating activities amount of Kshs.68,494,687 could not be confirmed.

### **2.4. The Statement of Comparison of Budget and Actual Amounts**

The statement of comparison of budget and actual amounts reflects budget utilization difference on total receipts Kshs.33,469,857, other grants and transfers Kshs.9,369,563 and digital hub expenses Kshs.37,140,725. However, recalculation of the stated amounts indicates Kshs.63,886,026, Kshs.1,369,563 and Kshs.45,140,725 respectively resulting to unreconciled variances of Kshs.30,416,169, Kshs.8,000,000 and Kshs.8,000,000 respectively.

In the circumstances, the accuracy and completeness of the respective amounts reflected in the statement of comparison of budget and actual amounts could not be confirmed.

### **3. Unsupported Receivables from Non-Exchange Transactions Balance**

The statement of financial position reflects receivables from non-exchange transactions balance of Kshs.33,469,857 as disclosed in Note 21 to the financial statements. However, the balance was not supported by the supporting ledgers.

In the circumstances, the accuracy and completeness of receivables from non-exchange transactions balance of Kshs.33,469,857 could not be confirmed.

### **4. Unrecorded Payment for the Construction of Sigalame Secondary School Dormitory**

The statement of financial performance reflects other Government units' actual expenditure of Kshs.45,225,126, which as disclosed in Note 13 to the financial statements includes primary schools expenditure of Kshs.45,225,126 and Nil secondary schools expenditure. The Fund awarded a contract for the construction of 256-capacity dormitory on 28 August, 2024 to a local contractor at a contract price of Kshs.24,107,485. The contract agreement stipulated that the contractor was to be on site on 2 September, 2024 but did not specify the contract period.

Review of the project's PMC bank statements revealed that on 23 January, 2025 funds amounting to Kshs.2,293,000 were transferred to the contractor. However, this expenditure was not recorded in the ledger and was not disclosed in the financial statements.

In the circumstances, the accuracy and completeness of other Government units' actual expenditure of Kshs.45,225,126 could not be confirmed.

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

### **Emphasis of Matter**

#### **Budgetary Control and Performance**

The statement of comparison of budget and actual amounts reflects approved final receipts budget and actual on comparable basis of Kshs.258,482,529 and Kshs.194,596,503 respectively resulting to under-funding of Kshs.63,886,026 or 25% of the budget. Similarly, the Fund spent a total of Kshs.126,351,816 against an approved

budget of Kshs.258,482,529 resulting to an under-expenditure of Kshs.132,130,713 or 51% of the budget.

The under-funding and under-expenditure affected the planned activities and may have impacted negatively on service delivery to the public.

My opinion is not modified in respect of this matter.

### **Key Audit Matters**

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

### **Other Matter**

#### **Unresolved Prior Year Matters**

In the audit report of the previous year, several issues were raised under Report on Financial Statements, Emphasis of Matter, and the Report on Lawfulness and Effectiveness in the Use of Public Resources as detailed in **Appendix I**. However, Management had not resolved the issues or given any explanation for the delay in resolving the issues.

### **Other Information**

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

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

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

# REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

## **Conclusion**

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in 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-Compliance with Data Protection Regulations**

It was observed that the Fund is a consumer and custodian of data by virtue of its key role in supporting the local community in funding education through disbursement of bursaries to various institutions. Records provided for audit showed that the office is furnished with details of students applying for bursaries, next of kin details and financial status among other sensitive information. This information is stored in hardcopies and softcopies and thus the need to safeguard the same from unauthorized access.

However, no evidence was provided to confirm that the Fund had registered with the Office of the Data Protection Commissioner as a data controller and processor contrary to Section 18 of the Data Protection Act, 2019 which requires that (1) no person shall act as a data controller or data processor unless registered with the Data Commissioner.

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

### **2. Delayed Completion of Six Classrooms and Administration Block at Ganjala Primary School**

The Fund awarded a contract for the construction of six (6) classrooms and an administration block at Ganjala Primary School to a local contractor vide a contract agreement dated 16 August, 2024, at a contract sum of Kshs.24,026,430 for a duration of twelve (12) months. The project was expected to be completed by 30 October, 2025. Review of project implementation and procurement records revealed the following anomalies;

- I. Physical inspection conducted in October, 2025 revealed that only approximately 40% of the works had been completed, including walling of the ground floor, casting of the suspended slab, erection of columns to the first floor and partial walling. No justification was provided for the delays in project implementation relative to the agreed timelines.

- II. The bill of quantities included provisional sums of Kshs.750,000 for electrical works and Kshs.600,000 for contingencies. However, no detailed breakdowns, approvals or supporting cost estimates were provided to support the amounts.
- III. Bank statements were not provided to confirm the amount paid to the contractor.

In the circumstances, value for money may not have been realized from the project.

### **3. Failure to Prepare Annual Procurement Plan**

Review of the 2024/2025 financial year expenditure established that the Accounting Officer did not prepare a procurement plan for the period under review as required by Section 53(1) of the Public Procurement and Asset Disposal Act, 2015.

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

### **4. Outstanding Tax Arrears Owed to Kenya Revenue Authority**

Following a tax audit covering the five-year period from 2014 to 2018, the Fund was assessed to have tax arrears amounting to Kshs.2,214,249 which had not been settled as at 30 June, 2025. Further, the tax liability was not disclosed in the financial statements.

In the circumstances, Management was in breach of the tax laws.

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 control, risk management and overall governance.

In preparing the financial statements, Management is responsible for assessing the Fund's ability to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable 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 are in compliance 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

10 December, 2025

## Appendix 1: Unresolved Prior Year Matters

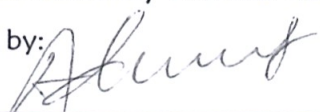
Reference No. of the Auditor-General's Audit Report	Title of Audit Issue
	<b>Report on the Financial Statements</b>
	Unconfirmed cash and cash equivalents Balance
	<b>Emphasis of Matter</b>
	Budgetary Control and Performance
	<b>Report on Lawfulness and Effectiveness in the Use of Public Resources</b>
1	Transfer to other Government Units
1.1	Construction of Dormitory at Sigalame High School
1.2	Bujwanga Mixed Sec School Project
2	Other Grants and Transfers
2.1	Unsupported Payment for Bursary Education Day
2.2	Failure to Constitute Bursary and Sports Projects committee

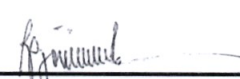
*National Government Constituencies Development Fund (NGCDF)  
 Funyula Constituency  
 Annual Report and Financial Statements for The Year Ended June 30, 2025*


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

	Note	2024-2025
		Kshs
<b>Revenue from non-exchange transactions</b>		
Transfers from the NGCDF Board	6	194,596,503
Transfers from domestic and foreign partners	7	-
<b>Revenue from exchange transactions</b>		
Finance income	8	-
Miscellaneous income	9	-
<b>Total revenue</b>		<b>194,596,503</b>
<b>Expenses</b>		
Employee costs	10	4,480,814
Committee expenses	11	4,711,225
Use of Goods and Services	12	12,780,824
Other Government Units Actual expenditure	13	45,225,126
Other Grants and Transfers Actual expenditure	14	62,706,603
Depreciation and amortization expense	15	75,000
Digital Hubs Actual expenditure	16	1,813,740
<b>Total expenses</b>		<b>131,793,332</b>
<b>Other gains/(losses)</b>		
Gain/Loss on Sale of Assets	17	-
Impairment loss	18	-
<b>Surplus/(Deficit) for the year</b>		<b>62,803,171</b>

The Constituency financial statements were approved by the NGCDFC on 25/10 2025 and signed by:

  
 Chairman NG-CDF  
 Committee  
 Name: Andrew Oduory  
 Obada

  
 National Sub-County  
 Accountant  
 Name: Paul Ojiambo

  
 Fund Account Manager  
 Name: CPA Gregory K.  
 Otaalo

ICPAK M/No:

**National Government Constituencies Development Fund (NGCDF)**  
**Funyula 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	Opening Statement 1st July 2024
		Kshs	Kshs
Assets			
Current Assets			
Cash And Cash Equivalents	19	98,660,856	30,416,169
Receivables from Exchange Transactions	20	-	-
Receivables from Non-Exchange Transactions	21	33,469,857	57,596,503
Prepayments	22	-	-
Total Current Assets		132,130,713	88,012,672
Non-Current Assets			
Property, Plant and Equipment	23	175,000	-
Intangible Assets	24	-	-
Right-of-use assets	25	-	-
Total Non- Current Assets		175,000	-
Total Assets (A)		132,305,713	88,012,672
Liabilities			
Current Liabilities			
Trade and Other Payables	26	-	-
Third-Party Deposits	27	4,872,515	-
Lease Liabilities	28	-	-
Gratuity provision	29	1,819,080	1,075,080
Total Current Liabilities		6,691,595	1,075,080
Non-Current Liabilities			
Lease Liabilities	28	-	-
Total Liabilities (B)		6,691,595	1,075,080
Net Assets (A-B)		125,614,117	86,937,592
Revaluation Reserves		125,614,117	86,937,592

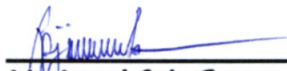
**National Government Constituencies Development Fund (NGCDF)**  
**Funyula Constituency**  
**Annual Report and Financial Statements for The Year Ended June 30, 2025**

Accumulated Surplus		62,803,288	
Total Net Assets		188,417,288	86,937,361

The Constituency financial statements set out on pages 1 to 61 approved by NG CDFC on 25/10 2025 and signed by:



Chairman NG-CDF  
 Committee  
 Name: Andrew Oduory  
 Obada



National Sub-County  
 Accountant  
 Name: Paul Ojiambo

ICPAK M/No:



Fund Account Manager  
 Name: CPA Gregory K.  
 Otaalo

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

Description	Revaluation Reserves	Accumulated surplus/Deficit	Total
		Kshs	Kshs
Fund Balance as at 30th June 2024		17,244,652	17,244,652
Adjustments			
Recognition of Assets		70,768,021	70,768,021
Recognition of Liabilities		1,075,080	1,075,080
As at July 1, 2024		86,937,592	86,937,592
Surplus/(Deficit) For the Period		62,803,171	62,803,171
Revaluation Gain/Loss		-	-
As at June 30, 2025 (current year)		149,740,763	149,740,763

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.

*Note; The Recognition of Asset and liabilities are detailed below;*

Accumulated surplus	17,244,651.8
<b>Add</b>	
PMC bank balances	13,171,517.7
Disbursement owing from the board	57,596,502.0
Prepayments	-
<b>Total Assets</b>	<b>70,768,020.7</b>
<b>Less</b>	
Trade and Other Payables	-
Third Party Deposits	-
Gratuity Provision	1,075,080

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

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<b>Total liabilities</b>	<b>1,075,080</b>
Accumulated surplus	<b>86,937,592</b>

*National Government Constituencies Development Fund (NGCDF)*  
*Funyula 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
		Kshs
Cash flows from operating activities		
Receipts		
Transfers from the NGCDF Board		194,596,503
Grants/donations from other entities		-
Finance income		-
Miscellaneous income		-
Total Receipts		194,596,503
Payments		
Employee costs		3,736,814
Committee expenses		4,711,225
Use of Goods and Services		12,780,824
Other Government Units Certified Works		40,352,610
Other Grants and Transfers		62,706,603
Digital Hubs Expenses		1,813,740
Total Payments		126,101,816
Net Cash Flows from/ (used in) Operating Activities	30	68,494,687
Cash flows From Investing Activities		
Purchase of PPE		(250,000)
Purchase of Intangible assets		-
Proceeds From Sale of PPE		
Net Cash Flows from Investing Activities		(250,000)
Net increase/(decrease) in cash &		68,244,687
Cash equivalents		
Cash Flows from Financing Activities		
Lease payment		-
Net Cash Flows from Financing Activities		68,244,687
Cash and cash equivalents at Period Start	19	30,416,169
Cash and cash equivalents at Period End	19	98,660,856

*National Government Constituencies Development Fund (NGCDF)  
 Funyula 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
	2024-2025	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements	2024-2025	2024-2025		
Revenue							
Transfers From the NGCDF Board	170,469,857	30,416,169	57,596,503	258,482,529	194,596,503	33,469,857	87%
Grants/donations from other entities	-	-	-	-	-	-	
Finance income	-	-	-	-	-	-	
Miscellaneous income	-	-	-	-	-	-	
Totals	170,469,857	30,416,169	57,596,503	258,482,529	194,596,503	33,469,857	
Expenses							
Employee costs	4,898,430	1,318,020	-	6,216,450	3,736,814	2,479,636	60%
Committee expenses	2,536,500	(7,087,532)	-	(4,551,032)	4,711,225	(9,262,257)	-104%
Use of Goods and Services	3,991,719	(1,837,571)	(906,280)	1,247,869	12,780,824	(11,532,955)	1024%
Other Government Units Certified Works	64,632,140	21,503,689	58,102,783	144,238,612	40,352,610	103,886,001	28%
Other Grants and Transfers	70,111,068	(6,434,901)	400,000	64,076,166	62,706,603	9,369,563	85%
Digital Hubs Expenses	24,000,000	22,954,465	-	46,954,465	1,813,740	37,140,725	21%
Acquisition of Assets	300,000	-	-	300,000	250,000	50,000	83%
Funds Pending Approval**	-	-	-	-	-	-	-
Total Expenditure	170,469,857	30,416,169	57,596,503	258,482,529	126,351,816	132,130,713	49%
Surplus for the period					68,244,687		

**National Government Constituencies Development Fund (NGCDF)**  
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**Explanatory Notes.**

All the items below 90% can be summarized as below:

S/NO	ITEM	PERCENTAGE	REASON
1	Committee expenses	<b>67%</b>	Late approval of the code list and disbursement of funds.
2	Use of Goods and Services	<b>66%</b>	Late approval of the code list and disbursement of funds.
3	Other Government Units Certified Works	<b>22%</b>	Late approval of the code list and disbursement of funds.
4	Other Grants and Transfers	<b>75%</b>	Late approval of the code list and disbursement of funds.
5	Acquisition of assets	<b>9%</b>	Reallocation process took long


<b>Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities</b>	
Description	Amount
Budget utilisation difference totals	132,130,713
Less undisbursed funds receivable from the Board as at 30th June 2025	33,469,857
Cash and Cash Equivalents at the end of the 30th June- 2025	98,660,856

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 25/6 2025 and signed by:

  
 Fund Account Manager

Name: CPA Gregory K. Otaalo

  
 National Sub-County Accountant

Name: Paul Ojiambo

ICPAK M/No:

  
 Chairman NG-CDF Committee

Name: Andrew Oduory Obada

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

**16. Budget Execution by Sectors And Projects For The Year Ended 30<sup>th</sup> June 2025**

Programme/Sub-programme	Original Budget				Final Budget	Actual on
					comparable basis	Budget utilization
		Adjustments				difference
		Opening Balance (C/Bk) and AIA	Previous			
			Years'			
			Outstanding			
			Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent						
1.1 Compensation of employees	4,898,430	1,318,020	-	6,216,450	3,736,814	2,479,636
1.2 Committee allowances	796,500	(3,606,852)		(2,810,352)	4,711,225	(7,521,577)
3.01.3 Use of goods and services	2,597,972	(9,505)	(906,280)	1,682,187	6,696,874	(5,014,687)
Sub-total	8,292,902	(2,298,337)	(906,280)	5,088,285	15,144,913	(10,056,628)
2.0 Monitoring and evaluation				-		-
2.1 Capacity building	750,000.00	(1,118,550)		(368,550)	3,931,650	(4,300,200)

**National Government Constituencies Development Fund (NGCDF)**  
**Funyula Constituency**  
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Programme/Sub-programme	Original Budget				Final Budget	Actual on
					comparable basis	Budget utilization
		Adjustments				difference
2.2 Committee allowances	1,740,000	(3,480,680)		(1,740,680)	-	(1,740,680)
2.3 Use of goods and services	643,747	(709,516)	-	(65,769)	2,152,300	(2,218,069)
Sub-total	3,133,747	(5,308,746)	-	(2,174,999)	6,083,950	(8,258,949)
4.0 Emergency				-		-
Unutilized	8,972,098	5,325,825	-	14,297,923	855,000	13,442,923
Sub-total	8,972,098	5,325,825	-	14,297,923	855,000	13,442,923
5.0 Bursary and Social Security				-		-
5.1 Primary Schools				-		-
5.2 Secondary Schools	40,038,970	(12,362,774)	-	27,676,196	43,765,603	(16,089,407)
5.3 Tertiary Institutions	5,300,000	597,048	-	5,897,048	8,186,000	(2,288,952)
5.4 special needs	3,000,000	-	-	3,000,000	-	3,000,000
5.5 Education Support Programmes	2,500,000	5,000	-	2,505,000	-	2,505,000
5.6 Social Security	3,600,000	-	-	3,600,000	-	3,600,000
Sub-total	54,438,970	(11,760,726)	-	42,678,244	51,951,603	(9,273,359)
7.0 Environment	-	-		-	-	-
MUGASA PRIMARY	-	-	100,000	100,000	100,000	-
BUKHULUNGU PRIMARY	-	-	100,000	100,000	100,000	-
BUSEMBE PRIMARY	-	-	100,000	100,000	100,000	-

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

Programme/Sub-programme	Original Budget				Final Budget	Actual on
					comparable basis	Budget utilization
		Adjustments				difference
HAKATI PRIMARY	-	-	100,000	100,000	100,000	-
Nyakwaka Primary School	300,000			300,000	300,000	-
Samia Girls High School	250,000	-	-	250,000	250,000	-
SIGALAME HIGH SCHOOL.	250,000	-	-	250,000	250,000	-
Bumayenga Primary	100,000	-	-	100,000	100,000	-
BUKEKO PRIMARY SCHOOL	100,000	-	-	100,000	100,000	-
Namunyweda Primary School	100,000	-	-	100,000	100,000	-
Bujwang'a Primary School	100,000	-	-	100,000	100,000	-
Muramba Primary School	100,000	-	-	100,000	100,000	-
Namasali Primary School	100,000	-	-	100,000	100,000	-
Busibi Girls Sec School	100,000	-	-	100,000	100,000	-
				-		-
				-		-
Sub-total	1,500,000	-	400,000	1,900,000	1,900,000	-
8.0 Primary Schools Projects				-		-
MOODY AWOURY PRIMARY	-	7,822,371	-	7,822,371	6,259,023	1,563,348
MOODY AWOURY PRIMARY	-	-	6,000,000	6,000,000	4,950,975	1,049,025
BULOMA PRIMARY	-	-	1,100,000	1,100,000	881,175	218,825

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

Programme/Sub-programme	Original Budget				Final Budget	Actual on
					comparable basis	Budget utilization
		Adjustments				difference
GANJALA PRIMARY	-	-	7,000,000	7,000,000	5,601,000	1,399,000
BUSEMBE PRIMARY	-	-	3,500,000	3,500,000	2,800,898	699,103
SIBINGA PRIMARY	-	509,800		509,800	-	509,800
NAMBALE RC JUNIOR SEC	-	-	4,200,000	4,200,000	3,361,600	838,400
BUSULERE JUNIOR SEC	-	-	2,800,000	2,800,000	2,241,675	558,325
WAKHUNGU JUNIOR SEC	-	-	1,400,000	1,400,000	1,121,575	278,425
NYAKWAKA JUNIOR SEC	-	-	2,602,783	2,602,783	2,083,102	519,681
WAKHUNGU JUNIOR SEC	-	-	1,400,000	1,400,000	1,121,645	278,355
EUGINE MASOMBO JUNIOR SEC	-	-	1,400,000	1,400,000	1,120,975	279,025
BULOMA JUNIOR SEC	-	-	1,400,000	1,400,000	1,121,575	278,425
BUNANDI JUNIOR SEC	-	-	1,400,000	1,400,000	1,121,325	278,675
MUNYANJA JUNIOR SEC	-	-	1,400,000	1,400,000	1,120,898	279,103
BURADI JUNIOR SEC	-	-	1,400,000	1,400,000	1,121,275	278,725
BUKEKO JUNIOR SEC	-	-	1,400,000	1,400,000	1,121,200	278,800
MOODY AWOURY PRIMARY	-	-	3,000,000	3,000,000	1,601,400	1,398,600
SIBINGA PRIMARY	-	-	(400,000)	(400,000)	-	(400,000)
NAMBOBOTO PRIMARY	-	-	2,000,000	2,000,000	-	2,000,000
Moody Awori Primary School	14,414,870	-	-	14,414,870		14,414,870

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Programme/Sub-programme	Original Budget				Final Budget	Actual on
					comparable basis	Budget utilization
		Adjustments				difference
GANJALA PRIMARY SCHOOL	10,000,000	-	-	10,000,000	-	10,000,000
BURADI PRIMARY SCHOOL	1,285,600	-	-	1,285,600	-	1,285,600
BUKEKO PRIMARY SCHOOL	1,400,000	-	-	1,400,000	-	1,400,000
SAGANIA PRIMARY SCHOOL	1,400,000	-	-	1,400,000	-	1,400,000
EUGENE MASOMBO PRIMARY SCHOOL	2,800,000	-	-	2,800,000	-	2,800,000
MALANGA PRIMARY SCHOOL	1,400,000	-	-	1,400,000	-	1,400,000
BURUDU PRIMARY SCHOOL	1,400,000	-	-	1,400,000	-	1,400,000
NAMASALI PRIMARY SCHOOL	1,400,000	-	-	1,400,000	-	1,400,000
BUDUTA PRIMARY SCHOOL	1,400,000	-	-	1,400,000	-	1,400,000
NAMBALE RC PRIMARY SCHOOL	400,000	-	-	400,000	-	400,000
BUSULERE PRIMARY SCHOOL	400,000	-	-	400,000	-	400,000
FATHER MARTIN RYKE GANGA PRIMARY SCHOOL	1,400,000	-	-	1,400,000	-	1,400,000

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Programme/Sub-programme	Original Budget				Final Budget	Actual on
					comparable basis	Budget utilization
		Adjustments				difference
NAMUDURU PRIMARY SCHOOL PMC	-	587,715	-	587,715	-	587,715
NAMUNYWEDA PRIMARY SCHOOL PMC	-	53,152	-	53,152	-	53,152
NANGINA MIXED PRIMARY SCHOOL PMC	-	338,826	-	338,826	-	338,826
NYAKHOBİ PRIMARY SCHOOL - PMC ACCOUNT	-	57,978	-	57,978	-	57,978
SIBINGA PRIMARY SCHOOL PMC	-	51,813	-	51,813	-	51,813
SIFUYO PRIMARY SCHOOL-PMC	-	29,871	-	29,871	-	29,871
SIGULU PRIMARY SCHOOL PMC	-	20,114	-	20,114	-	20,114
SIJOWA PRIMARY SCHOOL PMC	-	56,230	-	56,230	-	56,230
SIREKERESI PRIMARY SCHOOL PMC	-	25,991	-	25,991	-	25,991
ST.CATHERINE NANGINA GIRLS BOARDING SCHOOL PMC	-	203,181	-	203,181	-	203,181
WAKHUNGU PRIMARY SCHOOL PMC	-	1,411,644	-	1,411,644	-	1,411,644

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Programme/Sub-programme	Original Budget				Final Budget	Actual on
					comparable basis	Budget utilization
		Adjustments				difference
Sub-total	39,100,470	11,168,686	43,002,783	93,271,939	38,751,210	54,520,728
9.0 Secondary Schools Projects (List all the Projects)						
ST CECILIA NANGINA GIRLS	-	-	2,000,000	2,000,000	1,601,400	398,600
ST MARK BUKIRI SEC	-	-	3,000,000	3,000,000	-	3,000,000
ST. STEPHEN BUJWANGA	-	-	1,500,000	1,500,000	-	1,500,000
SIJOWA SEC. SCHOOL	-	-	3,400,000	3,400,000	-	3,400,000
MAMBALE RC Secondary	-	-	3,400,000	3,400,000	-	3,400,000
ST JOSEPH GANJALA SEC	-	-	1,800,000	1,800,000	-	1,800,000
NYAKHOBI SECONDARY SCHOOL	2,400,000	-	-	2,400,000	-	2,400,000
ST. STEPHENS BUNJWANGA SEC SCH	5,231,676	-	-	5,231,676	-	5,231,676
ST. STEPHENS BUNJWANGA SEC SCH	1,499,994	-	-	1,499,994	-	1,499,994
SIGALAME HIGH SCHOOL.	7,000,000	-	-	7,000,000	-	7,000,000
ST. CECILIA NANGINA GIRLS	1,300,000	-	-	1,300,000	-	1,300,000

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Programme/Sub-programme	Original Budget				Final Budget	Actual on
					comparable basis	Budget utilization
		Adjustments				difference
ST. PETERS BUSIBI GIRLS SECONDARY SCHOOL	3,600,000	-	-	3,600,000	-	3,600,000
GANJALA SECONDARY SCHOOL	4,500,000	-	-	4,500,000	-	4,500,000
NAMUNYWEDA SECONDARY SCHOOL PMC	-	286,270	-	286,270	-	286,270
NYAKHOBII SECONDARY SCHOOL PMC	-	418,598	-	418,598	-	418,598
SIGALAME HIGH SCHOOL PMC	-	3,738,170	-	3,738,170	-	3,738,170
SIJOWA SECONDARY SCHOOL PMC	-	150,100	-	150,100	-	150,100
ST. PETERS BUSIBI GIRLS SECONDARY SCHOOL pmc	-	50,712	-	50,712	-	50,712
ST.CHRISPINE SAMIA GIRLS SECONDARY SCHOOL PMC	-	151,404	-	151,404	-	151,404
ST.STEPHEN BUJWANG'A MIXED DAY SECONDARY PMC	-	5,539,750	-	5,539,750	-	5,539,750
				-		-
Sub-total	25,531,670	10,335,003	15,100,000	50,966,673	1,601,400	49,365,273
10.0 Tertiary institutions Projects (List all the Projects)				-		-

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Programme/Sub-programme	Original Budget			Final Budget	Actual on
				comparable basis	Budget utilization
					difference
Sub-total					
11.0 Security Projects				-	-
GANJALA POLICE PATROL BASE	2,800,000	-	-	2,800,000	2,800,000
SIO-PORT POLICE STATION	650,000	-	-	650,000	650,000
SIO-PORT ACC OFFICE	1,500,000	-	-	1,500,000	1,500,000
GANGA POLICE STATION	250,000	-	-	250,000	250,000
Sub-total	5,200,000	-	-	5,200,000	5,200,000
12.0 Acquisition of assets				-	-
12.1 Motor Vehicles (including motorbikes)				-	-
12.2 Purchase of furniture and fittings				-	-
12.2 Construction of CDF office	300,000			300,000	50,000
Sub-total	300,000	-	-	300,000	50,000
13.0 Others				-	-
13.1 Strategic Plan				1,000,250	(813,490)
13.2 Innovation Hub	19,000,000			32,954,215	32,954,215
13.3 Electricity Projects	5,000,000			13,000,000	5,000,000
				8,000,000	

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Programme/Sub-programme	Original Budget				Final Budget	Actual on
					comparable basis	Budget utilization
		Adjustments				difference
Sub-total	24,000,000	22,954,465	-	46,954,465	9,813,740	37,140,725
Funds pending approval**				-		-
unapproved projects		-		-		-
AiA	-			-		-
AiA	-			-		-
Sub-total	-	-	-	-	-	-
<b>Total</b>	<b>170,469,857</b>	<b>30,416,169</b>	<b>57,596,503</b>	<b>258,482,529</b>	<b>126,351,816</b>	<b>132,130,713</b>

(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 Funyula Constituency principal activity is issue of grants to education and security projects.

### **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 Funyula 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 Funyula 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 2024/2025 up to the reporting date.

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

The recognition of all other non-financial assets acquired prior to the 2024/2025 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.

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

Standard	Effective date and impact:
IPSAS 43: Leases	<p>Applicable 1st January 2025</p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p> <p>The new standard requires entities to recognize, measure and present</p>

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	<p>information on right of use assets and lease liabilities.</p> <p>Not applicable</p>
<p>IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations</p>	<p>Applicable 1st January 2025</p> <p>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.</p> <p>Not applicable</p>
<p>IPSAS 45: Property Plant and Equipment</p>	<p>Applicable 1st January 2025</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 recognized as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p> <p>Not applicable</p>
<p>IPSAS 46: Measurement</p>	<p>Applicable 1st January 2025</p> <p>The objective of this standard was to improve measurement guidance across IPSAS by: Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be</p>

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	<p>used.</p> <p>Clarifying transaction costs guidance to enhance consistency across IPSAS.</p> <p>Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</p> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p>Not applicable</p>
IPSAS 47: Revenue	<p>Applicable 1st January 2026</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 under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> <p>Not applicable</p>
IPSAS 48: Transfer Expenses	<p><b>Applicable 1<sup>st</sup> January 2026</b></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p> <p>Not applicable</p>
IPSAS 49: Retirement	<p><b>Applicable 1<sup>st</sup> January 2026</b></p> <p>The objective is to prescribe the accounting and reporting requirements for</p>

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Benefit Plans	<p>the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p> <p>Not applicable</p>
<p>IPSAS 50: Exploration For &amp; Evaluation of Mineral Resources</p>	<p><b><i>Applicable 1<sup>st</sup> January 2027</i></b></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"> <li>i. Limited improvements to existing accounting practices for exploration and evaluation expenditures.</li> <li>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.</li> <li>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.</li> </ul> <p>Not applicable</p>

***ii. 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 30th June 2024 for the period 1<sup>st</sup> July 2024 to 30<sup>th</sup> June 2025 as required by law. Included in the adjustments are Cash book opening balance, AIA generated during the year and constituency allocations not yet disbursed at the beginning of the financial year.

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

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

**c) Property, plant and equipment**

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

**d) Leases**

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

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

**e) Intangible assets**

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

**f) Financial instruments**

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. *The entity does not have any hedge relationships and therefore*

*the new hedge accounting rules have no impact on the Company's financial statements. (amend as appropriate).* A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

#### **a) Financial assets**

##### **Classification of financial assets**

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

##### **Subsequent measurement**

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

##### **Amortized cost**

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

**Fair value through net assets/ equity**

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

**Trade and other receivables**

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

### **Fair value through surplus or deficit**

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

### **Impairment**

The entity assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The entity recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL) are set out in *Note 23*

## **b) Financial liabilities**

### **Classification**

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

### **g) Inventories**

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

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

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost. Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution. Inventories are recognized as

an expense when deployed for utilization or consumption in the ordinary course of operations of the *Entity*.

#### **h) Provisions**

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

#### **i) Social Benefits**

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

#### **j) Contingent liabilities**

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

#### **k) Contingent assets**

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

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

#### **l) Employee benefits**

##### **Retirement benefit plans**

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

##### **m) Foreign currency transactions**

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

**n) Related parties**

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

**o) Cash and Cash Equivalents**

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

**p) Comparative figures**

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

**q) Subsequent events**

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

**5. Significant Judgments and Sources of Estimation Uncertainty**

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

### **Estimates and assumptions.**

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

### **Useful lives and residual value**

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

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

### **Provisions**

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

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**6. Transfers from NGCDF Board**

Description	2024-2025
	Kshs
NGCDFB TRANSFERS (Allocation for the FY 2024-2025)	170,469,857
<b>Total</b>	<b>170,469,857</b>

Description	2024-2025
	Kshs
B228712	11,863,404.00
B22860	28,733,099.00
B234788	14,000,000.00
B233607	23,000,000.00
B230909	30,000,000.00
B329145	3,000,000.00
B329267	40,000,000.00
B278710	22,000,000.00
B327581	22,000,000.00
<b>Total NGCDFB TRANSFERS ( for the FY 2024-2025)</b>	<b>194,596,503.00</b>

**10. Employees cost**

	<i>2024-2025</i>
	<b>Kshs</b>
NG-CDFC Basic staff salaries	3,466,497
Personal allowances paid as part of salary	-
House Allowance	-
Transport Allowance	-
Leave allowance	-
Gratuity to contractual employees	744,000
Employer Contributions Compulsory national social security schemes	216,977
Employer Contributions Compulsory Housing levy	47,391
Employer contributions to National Industrial Training Authority	5,950
Other Specify	-
<b>Total</b>	<b>4,480,815</b>

**11. Committee Expenses**

	<i>2024-2025</i>
	<b>Kshs</b>
Sitting allowance	1,419,000
Other Committee expenses	3,292,225
<b>Total</b>	<b>4,711,225</b>

**12. Use of Goods and services**

	<i>2024-2025</i>
	<b>Kshs</b>
Utilities, supplies and services	2,714,165
Communication, supplies and services	2,530,550
Domestic travel and subsistence	3,145,050
Printing, advertising and information supplies & services	-
Office Rent	-
Training expenses	786,600
Hospitality supplies and services	2,152,300
Insurance costs	357,581
Specialized materials and services	28,500
Office and general supplies and services	344,810
Fuel, oil & lubricants	4,200
Bank charges	21,500
Routine maintenance – vehicles and other transport equipment	695,568
Routine maintenance – other assets	-
Strategic plan expenses	1,813,740
Other operating expenses	-
<b>Total</b>	<b>14,594,564</b>

**13. Other Government Units Actual expenditure**

<b>Description</b>	<i>2024-2025</i>
	<b>Kshs</b>
Primary Schools Actual expenditure	45,225,126
Secondary Schools Actual expenditure	-
Tertiary Institutions Actual expenditure	-
<b>Total</b>	<b>45,225,126</b>

**14. Other Grants and transfers Actual expenditure**

	<i>2024-2025</i>
	Kshs
Bursary – secondary schools	43,765,603
Bursary – tertiary institutions	8,186,000
Bursary – special schools	-
Bursary - Education Support programmes	-
Social Security programmes (SHIF)	-
Security projects Actual expenditure	-
Climate change mitigation projects	1,900,000
Emergency projects Actual expenditure	855,000
Roads projects Actual expenditure	-
Others specify	8,000,000
<b>Total</b>	<b>62,706,603</b>

**15. Depreciation and Amortization Expenses**

Description	<i>2024-2025</i>
	Kshs
Property Plant and Equipment	75,000
Intangible Assets	-
<b>Total</b>	<b>75,000</b>

**16. Digital Hubs Expenses**

Description	<i>2024-2025</i>
	Kshs
Construction/ renovation/ Actual expenditure	-
Digital Hub utility costs Water, Electricity,	1,813,740
Maintenance of ICT equipment	-
Maintenance of building	-
Others ( <i>specify</i> )	-
<b>Total</b>	<b>-</b>

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**19. Cash and Cash Equivalents**

Name Of Bank and Account No.	2024-2025	<i>Opening Statement 1<sup>st</sup> July 2024</i>
	Kshs	Kshs
<b>Bank Accounts (Cash Book Bank Balance)</b>		
<i>NG-CDF Funyula Account No ;0780292650348</i>	4,111,434	17,244,652
	-	-
<i>Funyula ng-cdf Deposit account no;0780285707437</i>	744,000	-
<i>PMC accounts</i>	93,805,422	13,171,518
<b>Total</b>	<b>98,660,856</b>	<b>30,416,169</b>
<b>Total</b>	<b>98,660,856</b>	<b>30,416,169</b>

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**20.Receivables from Non-Exchange Transactions**

Description	2024-2025		Opening Statement 1 <sup>st</sup> July 20204	
	Kshs		Kshs	
Transfers from NGCDFB	33,469,857		57,596,503	
Outstanding imprest	-		-	
<b>Total</b>	<b>33,469,857</b>		<b>57,596,503</b>	
<b>Ageing Analysis- Receivables from non-exchange transactions</b>	<b>Insert Current FY</b>	<b>% of the total</b>	<b>Opening Balance</b>	<b>% of the total</b>
Less than 1 year	33,469,857	100%	57,596,503	1.00
Between 1- 2 years		0%	-	
Between 2-3 years	-	0%	-	0%
Over 3 years	-	0%	-	0%
<b>Total (a+b)</b>	<b>33,469,857</b>	<b>100%</b>	<b>57,596,503</b>	<b>100%</b>

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**23. Property, Plant and Equipment**

	Land	Buildings	Motor vehicles	Furniture and fittings	Computers & ICT Equipment	Other Assets (specify)	Capital Work in progress	Total
<b>Depreciation Rate(specify)</b>		2%	25%	12.5%	30%	x%		
<b>Cost</b>	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
<b>Opening Bal as 1<sup>st</sup> July 2024</b>	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	250,000	-	-
Disposals	-	-	-	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-	-	-	-
<b>As At 30<sup>th</sup> June 2025</b>	-	-	-	-	-	250,000	-	-
<b>Depreciation And Impairment</b>								
<b>Opening Depreciation</b>	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	75,000	-	-
Disposals	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-	-	-
<b>As At 30<sup>th</sup> June 2025</b>	-	-	-	-	-	75,000	-	-
<b>Net Book Values</b>	-	-	-	-	-	-	-	-
<b>Opening Bal as at 1<sup>st</sup> July 2024</b>	-	-	-	-	-	-	-	-
<b>As At 30<sup>th</sup> June 2025</b>	-	-	-	-	-	175,000	-	-

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**Valuation**

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

**23 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	-	-	-
<b>Total</b>	-	-	-

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	-	-
<b>Total</b>	-	-

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**27. Third-Party deposits**

	2024-2025	
	KShs	
Retention as at 1 <sup>st</sup> July (A)	-	-
Retention held during the year (B)	5,022,515	-
Retention paid during the Year (C)	150,000	-
<b>Closing Retention as at 30<sup>th</sup> June D= A+B-C</b>	<b>4,872,515</b>	<b>-</b>

**Retentions aging analysis.**

	2024-2025	% of the total	Insert Comparative	% of the total
Less than 1 year	4,872,515	100%	-	%
1-2 years	0	%	-	%
2-3 years	0	%	-	%
Over 3 years	0	%	-	%
<b>Total</b>	<b>4,872,515</b>	<b>100%</b>	<b>-</b>	

**29. Gratuity Provision**

Description	2024-2025
	Kshs
Gratuity at the beginning of the year 1 <sup>st</sup> of July 2024	1,075,080
Gratuity held during the year	744,000
Gratuity paid during the year	-
<b>Total Gratuity Provision 30th June 2025 (A+B-C)</b>	<b>1,819,080</b>

**30. Cash Generated from Operations**

Description	2024-2025
	Kshs
<b>Surplus/Deficit for the year</b>	<b>62,706,603</b>
<b>Adjusted for:</b>	
Depreciation	75,000
Impairment	-
Gains and losses on disposal of assets	-
	-
<b>Working capital adjustments</b>	
Changes in inventory	-
Changes in receivables	24,126,646
Changes in deferred income	-
Changes in Third party deposits	4,872,515
Changes in gratuity provision	744,000
Changes in payments received in advance	-
<b>Net cash flow from operating activities</b>	<b>92,524,764</b>

**18. Financial Risk Management**

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

**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

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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
<b>As at 30<sup>th</sup> June (Current FY)</b>				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	170,469,857	170,469,857	-	-
Bank balances	1,476,366	-	-	-
<b>Total</b>	171,946,223	170,469,857	-	-
<b>As at 30 June (Previous FY)</b>		170,469,857		
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	17,244,652	17,244,652	-	-
Bank balances	13,171,518	-	-	-
<b>Total</b>	30,416,170	17,244,652	-	-

**Financial Risk Management**

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the Entity has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The Entity has significant concentration of credit risk on amounts due from 30<sup>th</sup> June 2025. The board of directors sets

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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
<b>As at 30<sup>th</sup> June (Current FY)</b>				
Trade payables	-	-	-	-
Current proportion of borrowings	-	-	-	-
Retention Provisions	-	-	5,022,515	5,022,515
Deferred income	-	-	-	-
Gratuity Provision	-	-	1,819,080	1,819,080
<b>Total</b>	-	-	<b>6,841,595</b>	<b>6,841,595</b>
<b>As at 30<sup>th</sup> June (Previous FY)</b>				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Retention Provisions	-	-	-	-
Deferred income	-	-	-	-
Gratuity provision				
Employee benefit obligation	-	-	1,819,080	1,819,080
<b>Total</b>	-	-	<b>1,819,080</b>	<b>1,819,080</b>

**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

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

**a) Foreign currency risk**

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

**Current FY**

Description	In Kshs	Other currencies	Total
	Kshs	Kshs	Kshs
<b>As at 30<sup>th</sup> June (Current FY)</b>			
<b>Financial Assets</b>	N/A	N/A	N/A
Investments	N/A	N/A	N/A
Cash	N/A	N/A	N/A
Debtors	N/A	N/A	N/A
<b>Total Financial Assets</b>	N/A	N/A	N/A
<b>Financial Liabilities</b>	N/A	N/A	N/A
Trade And Other Payables	N/A	N/A	N/A
Borrowings	N/A	N/A	N/A
<b>Total Financial Liabilities</b>	N/A	N/A	N/A

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Net Foreign Currency Asset/(Liability)	N/A	N/A	N/A
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**Foreign currency sensitivity analysis**

**Current FY**

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

**31. 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
<b>Current FY</b>			
Euro	10%	N/A	N/A
USD	10%	N/A	N/A
<b>Previous FY</b>			
Euro	10%	N/A	N/A
USD	10%	N/A	N/A

**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.

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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 (Current FY: Kshs nil). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs nil (Current FY – 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).

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- 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
<b>As at 30 June (Current FY)</b>				
<b>Financial Assets</b>				
Quoted Equity Investments	N/A	N/A	N/A	N/A
<b>Non- Financial Assets</b>	N/A	N/A	N/A	N/A
Investment Property	N/A	N/A	N/A	N/A
Land And Buildings	N/A	N/A	N/A	N/A
<b>Total</b>	N/A	N/A	N/A	N/A
<b>As at 30<sup>th</sup> June (Previous FY)</b>	N/A	N/A	N/A	N/A
<b>Financial Assets</b>	N/A	N/A	N/A	N/A
Quoted Equity Investments	N/A	N/A	N/A	N/A
<b>Non- Financial Assets</b>	N/A	N/A	N/A	N/A
Investment Property	N/A	N/A	N/A	N/A
Land And Buildings	N/A	N/A	N/A	N/A
<b>Total</b>	N/A	N/A	N/A	N/A

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	Opening Statement 1 <sup>st</sup> July 2024

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	Kshs	Kshs
Revaluation Reserve	-	-
Retained Earnings	125,614,117	86,937,592
Capital Reserve	-	-
<b>Total Funds</b>		
Total Borrowings	-	-
Less: Cash and Bank Balances	98,660,856	30,416,169
Net Debt/(Excess Cash And Cash Equivalentents)	-	-
<b>Gearing</b>	-	-

### 32.Related Party Disclosures

	2024-2025	Opening Statement 1 <sup>st</sup> July 2024
	Kshs	Kshs
<b>Committee Members Remuneration</b>		
Sitting allowance of committee Members during the year	1,419,000	
<b>Transaction with the NGCDF Board</b>		
Transfers from the NGCDF Board during the year	170,469,857	17,244,651.77
<b>Total</b>	<b>171,888,857</b>	<b>17,244,651.77</b>

### 33.Segment Information

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

### 34.Contingent Assets and Contingent Liabilities

#### Contingent Assets

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

*(Give details)*

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**Contingent Liabilities**

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

**35.Capital Commitments**

Capital Commitments	2024-2025	Opening Statement 1 <sup>st</sup> July 2024
	Kshs	Kshs
Authorized for	N/A	N/A
Authorized and Contracted for	N/A	N/A
<b>Total</b>	N/A	N/A

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

**38.Currency**

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

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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	21,500,000	-	-	21,500,000
Transport equipment	10,345,000	-	-	10,345,000
Office equipment, furniture, and fittings	597,300	-	-	597,300
ICT Equipment and Other ICT Assets	1,904,976	-	-	1,904,976
Other Machinery and Equipment	20,849	-	-	20,849
Intangible assets	-	-	-	
<b>Total</b>	<b>34,368,125</b>	<b>-</b>	<b>-</b>	<b>34,368,125</b>

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**Annex 2 –PMC Bank Balances As At 30<sup>th</sup> June 2025**

PMC	Bank	Account number	Bank Balance Current FY	Bank Balance Comparative FY
PMC	Bank	Account number	2024-2025	2023-2024
Moody Awuori primary school	Equity	0780279763411	1,563,348	-
Moody Awuori primary school	Equity	0780281001665	1,049,025	-
Nyakwaka primary school	Equity	0780280083354	519,681	-
Moody Awuori primary school	Equity	0780281017166	398,600	-
Busulere primary school	Equity	0780279699932	558,325	-
St. Cecilia Nangina Girls	Equity	0780279760808	398,775	-
Nambale Rc Primary Sch.	Equity	0780279767390	838,400	-
Bukeko Primary School	Equity	0780279698826	278,800	-
Munyanja Primary School	Equity	0780281001635	279,103	-
Bunandi Pri. School	Equity	0780277838800	278,675	-
Ganjala Pri. Sch.	Equity	0780281001538	1,399,000	-
Eugine Masombo primary sch.	Equity	0780280057133	279,025	-
Busembe pri school	Equity	0780279507839		-

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PMC	Bank	Account number	Bank Balance Current FY	Bank Balance Comparative FY
			699,103	
Buloma pr. School	Equity	0780279763411	278,425	-
WAKHUNGU PRIMARY SCHOOL	Equity	0780281001665	278,355	-
WAKHUNGU PRIMARY SCHOOL	Equity	0780280083354	278,355	-
BURADI PRIMARY SCHOOL	Equity	0780281017166	278,725	-
BULOMA PRIMARY SCHOOL	Equity	0780279699932	218,825	-
Moody awori primary school	Equity	0780279760808	2,000,000	-
Eugine Masombo primary school	Equity	0780279767390	2,800,000	-
Busulere primary school	Equity	0780279698826	400,000	-
Nambale rc primary school	Equity	0780281001635	400,000	-
Mugasa Pri. School	Equity	0780277838800	880,000	-
Moody Awori Primary School	Equity	0780281001538	7,500,000	-
Bukeko Primary School	Equity	0780280057133	1,400,000	-
Malanga Primary School	Equity	0780279507839	1,400,000	-
Saganja Primary School	Equity	0780279763411		-

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PMC	Bank	Account number	Bank Balance Current FY	Bank Balance Comparative FY
			1,400,000	
Odiado Primary School	Equity	0780281001665	2,200,000	-
Buradi Primary School	Equity	0780280083354	1,285,600	-
Moody Awori Pr. School	Equity	0780281017166	4,914,870	-
Fr. Martin Ryke Pri. School	Equity	0780279699932	1,400,000	-
Buduta Pr. School	Equity	0780279760808	1,400,000	-
Namasali Pri. School	Equity	0780279767390	1,400,000	-
Burudu Pri. School	Equity	0780279698826	1,400,000	-
St. MARK Bukiri Sec	Equity	0780281001635	2,000,000	-
St. Stephen Bujwang'a Sec	Equity	0780277838800	5,231,676	-
St. Peters Busibi Sec	Equity	0780281001538	2,600,000	-
Sigalame High Schoo	Equity	0780280057133	7,000,000	-
St. Cecilia Nangina High	Equity	0780279507839	1,300,000	-
Ganjala Sec	Equity	0780279763411	4,500,000	-
NAMUDURU PRIMARY SCHOOL PMC	Equity	0780279766714		587,715

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PMC	Bank	Account number	Bank Balance Current FY	Bank Balance Comparative FY
			587,715	
NAMUNYWEDA PRIMARY SCHOOL PMC	Equity	0780281002756	53,152	53,153
NANGINA MIXED PRIMARY SCHOOL PMC	Equity	0780279699890	338,826	338,826
NYAKHOBI PRIMARY SCHOOL - PMC ACCOUNT	Equity	0780277838085	57,978	57,978
SIBINGA PRIMARY SCHOOL PMC	Equity	0780279957750	51,813	51,813
SIFUYO PRIMARY SCHOOL-PMC	Equity	0780281008347	29,871	29,871
SIGULU PRIMARY SCHOOL PMC	Equity	0780279763411	20,114	20,115
SIJOWA PRIMARY SCHOOL PMC	Equity	0780281001665	56,230	56,230
SIREKERESI PRIMARY SCHOOL PMC	Equity	0780280083354	25,991	25,991
ST. CATHERINE NANGINA GIRLS BOARDING SCHOOL PMC	Equity	0780281017166	203,181	203,181
WAKHUNGU PRIMARY SCHOOL PMC	Equity	0780279699932	1,411,643.75	1,411,644
NAMUNYWEDA SECONDARY SCHOOL PMC	Equity	0780279760808	286,270	286,270
NYAKHOBI SECONDARY SCHOOL PMC	Equity	0780279767390	418,598	418,598
SIGALAME HIGH SCHOOL PMC	Equity	0780279698826	3,738,170	3,738,170
SIJOWA SECONDARY SCHOOL PMC	Equity	0780281001635		150,100

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PMC	Bank	Account number	Bank Balance Current FY	Bank Balance Comparative FY
			150,100	
ST. PETERS BUSIBI GIRLS SECONDARY SCHOOL pmc	Equity	0780277838800	50,712	50,712
ST. CHRISPINE SAMIA GIRLS SECONDARY SCHOOL PMC	Equity	0780281001538	151,40	151,404
ST. STEPHEN BUJWANG'A MIXED DAY SECONDARY PMC	Equity	0780280057133	5,539,750	5,539,750
ST. MARK BUKIRI SEC SCHOOL PMC	Equity	0780279507839	-	-
Sio port Police Station	Equity	0780279763411	650,000	-
MURAMBA PRIMARY SCHOOL	Equity	0780281001665	45,000	-
Milimani Pri. School	Equity	0780280083354	300,000	-
Samia ICT Hub	Equity	0780279699932	6,000,000	-
Samia ICT Hub	Equity	0780279699932	7,954,215	-
<b>Total</b>			<b>93,805,422</b>	<b>13,171,518</b>

**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: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
Unsupported expenditure on Bursaries	The statement of receipts and payments, and as disclosed in Note 8 to the financial statements, reflects a balance of Kshs. 92,952,089 in respect of other grants and transfer which, includes Kshs. 77,494,178 and Kshs. 714,670 being bursary disbursement to secondary schools and Tertiary Institutions respectively totaling Kshs. 78,207,848. However, receipts and acknowledgement letters from the beneficiary institutions amounting to Kshs.77,972,849 were	The management has followed up the matter and ensured all the receipts and acknowledgements for all the bursary issued to institutions have been retrieved and filled	Not Resolved	December 2025

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	not confirm receipt of the distbursements. In the circumstances, the accuracy and completeness of the expenditure of Kshs. 77,972,849 on bursaries could not be confirmed			
2.Budgetary Control and Performance	The summary statement of appropriation reflects final receipts budget and actual on comparable basis of Kshs. 2429,841,420 and Kshs. 153,969.558 respectively resulting to an under-refunding of Kshs.95,871,862 or 38% of the budget. Similarly, the fund spent Kshs. 153,653,042 against actual receipts of Kshs. 153,969,558 resulting to an under-utilisation of Kshs. 316,516. The	The underfunding and was brought about by delay in disbursement of funds from exchequer Under-utilization of funds is as a result of delay in procurement process and some of the funds were for emergency activity which by the end of the financial year no such occurrences had happened hence underutilization of funds	Not Resolved	December 2025

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
	under-funding affected the planned activities and may have impacted negatively on service delivery to the public. My opinion is not modified in respect of this matter.			

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 Name CPA Gregory K. Otaalo  
 Fund Account Manager.