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REPORT

OF

THE AUDITOR-GENERAL

ON

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – TIGANIA WEST CONSTITUENCY

FOR THE YEAR ENDED 30 JUNE, 2025



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NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

TIGANIA WEST CONSTITUENCY

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
30th JUNE 2025

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

Table of Contents

Page

1. Acronyms and Definition of Key Terms ii
2. Key Constituency Information and Management iii
3. NGCDF Committee viii
4. NG-CDFC Chairman's Report xi
5. Statement Of Performance Against Predetermined Objectives for FY2024/25 xvi
6. Governance Statement xviii
7. Management Discussion and Analysis xxv
8. Environmental and Sustainability Reporting xxviii
9. Statement Of Management Responsibilities xxxiv
10. Report Of the Independent Auditor on the NGCDF- Tigania West Constituency xxxvi
11. Statement of Financial Performance for the Year Ended 30th June 2025 1
12. Statement Of Financial Position As At 30th June, 2025 2
13. Statement of Changes in Net Assets for the year ended 30 June 2025 4
14. Statement Of Cash Flows for The Year Ended 30th June 2025 5
15. Statement of Comparison of Budget and Actual Amounts for the Year ended 30 June 2025 7
16. Budget Execution by Sectors And Projects For The Year Ended 30th June 2025 10
17. Notes to the Financial Statements 19
18. Annexes 58

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
DFAC	Decentralized Funds Accounts Committee

B. Definition of Key Terms

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

Comparative Year- Means the prior period.

2. Key Constituency Information and Management

(a) Background information

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

Mandate

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

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

h) Authorize withdrawal of money from the Consolidated Fund as provided under Article 206(2)(c) of the Constitution;

i) Provide mechanisms for supplementing infrastructure development at the constituency level in matters falling within the exclusive functions of the national government at that level in accordance with the Constitution;

j) Provide a framework for citizens-led development to assist the national government in planning and prioritizing the use of its resources;

k) Create a harmonious relationship between citizens and the national government and its officers in local development;

l) Provide a platform for citizens' participation in service delivery;

m) Build local accountability and transparency in the use of resources; and

n) Provide for a public finance system that promotes an equitable society and in particular expenditure that promotes equitable development of the country by making special provisions for marginalized groups and areas pursuant to Article 201(b)(iii) of the Constitution.

Vision

Equitable Socio-economic development countrywide.

Mission

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

Core Values

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

Functions of NG-CDF Committee

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

(b) Key Management

The NGCDF Tigania West Constituency's day-to-day management is under the following key organs:

i. National Government Constituencies Development Fund Board (NGCDFB)
ii. National Government Constituency Development Fund Committee (NGCDFC)

Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2025 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	A.I.E holder	Harrison Wachira
2.	National Sub-County Accountant	Franklin Mwenda
3.	Chairman NGCDFC	Jeremy Muriuki
4.	Member NGCDFC	Victoria Muthoni

(c) Fiduciary Oversight Arrangements

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

P.O. Box 150-60602

NGCDF Building

Kirindine-Miathene Road

Kianjai, KENYA

(e) NGCDF Tigania West Constituency Contacts

Telephone: (254) 0723257187
E-mail: cdftiganiawest@ngcdf.go.ke
Website: ngcdftiganiawest.go.ke

(f) NGCDF Tigania West Constituency Bankers

1. Family Bank (Operation Account)
   Meru Branch
   A/C No. 06300069305
   P.O. Box 74145-00200
   Nairobi.

2. Family Bank (Deposit Account)
   Meru Branch
   A/C No. 06300073369
   P.O. Box 74145-00200
   Nairobi.

3. National Bank of Kenya
   Kianjai Branch
   A/C No. Various
   P.O. Box
   Kianjai

4. Sidian Bank
   Meru Branch
   A/C No. as per Annex 2
   P.O. Box
   Meru

(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
 Chairman Jeremy Muriuki	Date of birth: 01/01/1960 Key Academic: Masters Degree Professional Qualification: Educationist Work experience: Retired educationist
 Secretary Victoria Muthoni	Date of birth: 1975 Key Academic: Certificate Professional Qualification: Work experience: Self employment
 Member 1 Caroline Nkirote	Date of birth: 22/02/1993 Key Academic: Certificate Professional Qualification: Work experience: Self employment

 Member 2 Dickson Mbabu	Date of birth: 19/09/1996 Key Academic: Diploma Professional Qualification: None Work experience: Self employment
 Member 3 Grace Gaita	Date of birth: 01/01/1973 Key Academic: Certificate Professional Qualification: Work experience: Business and farming
 Member 4 Stephen Kaibunga	Date of birth: 00/00/1970 Key Academic: Certificate Professional Qualification: None Work experience: Business and farming

 Member 5 Joseph Mworia	Date of birth: 06/09/1960 Key Academic: Certificate Professional Qualification: None Work experience: Business and farming
 Member 6 Mary Nkirote	Date of birth: 01/01/1978 Key Academic: Certificate Professional Qualification: None Work experience: Business and farming
Deputy County Commissioner Faith Murage	Date of birth: Key Academic: Professional Qualification: Work experience: 18 years in administration
 Fund Account Manager Harrison Wachira	Date of birth:1977 Key Academic: Masters Degree Professional Qualification: CPA(K), IIA(K) Work experience: 16 years in NGCDF

4. NG-CDFC Chairman's Report



Jeremiah Muriuki- Chairman, Tigania West NGCDF.

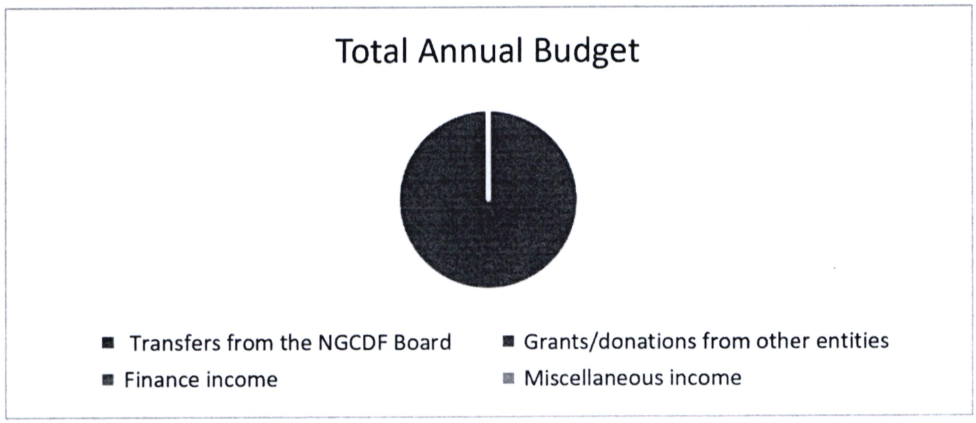
Tigania west is one of the electoral constituencies in Kenya. It is one of the nine constituencies in Meru County. The constituency borders Tigania East to the East, Buuri to the west, Imenti North to the south and Isiolo to the North. It is comprised of five wards namely: Kianjai, Akithi, Athwana, Mbeu and Nkomo. The constituency covers an area of 398.60 sq.km and has a population of approximately 139,961 persons according to the 2019 census. The population density is approximately 351 persons per sq.km with an average of 36,207 households. According to the 2019 census, the number of male persons within the constituency is 67715 while that of the female persons is 72241 and an average household size of 4 persons per household.

Key achievements

The Tigania West NGCDF has successfully implemented various projects within the constituency to benefit the people. We were able to fund completion of KMTC Miathene and it is now fully operational. We were also able to fund bursary for the needy students in secondary, tertiary and special schools. We were however not able to fund various development projects due to untimely disbursement of funds from the board.

Summary the budget performance against actual amounts for current year based on sectors

Bars1 represents the total annual budget and bars 2 represents the actual performance



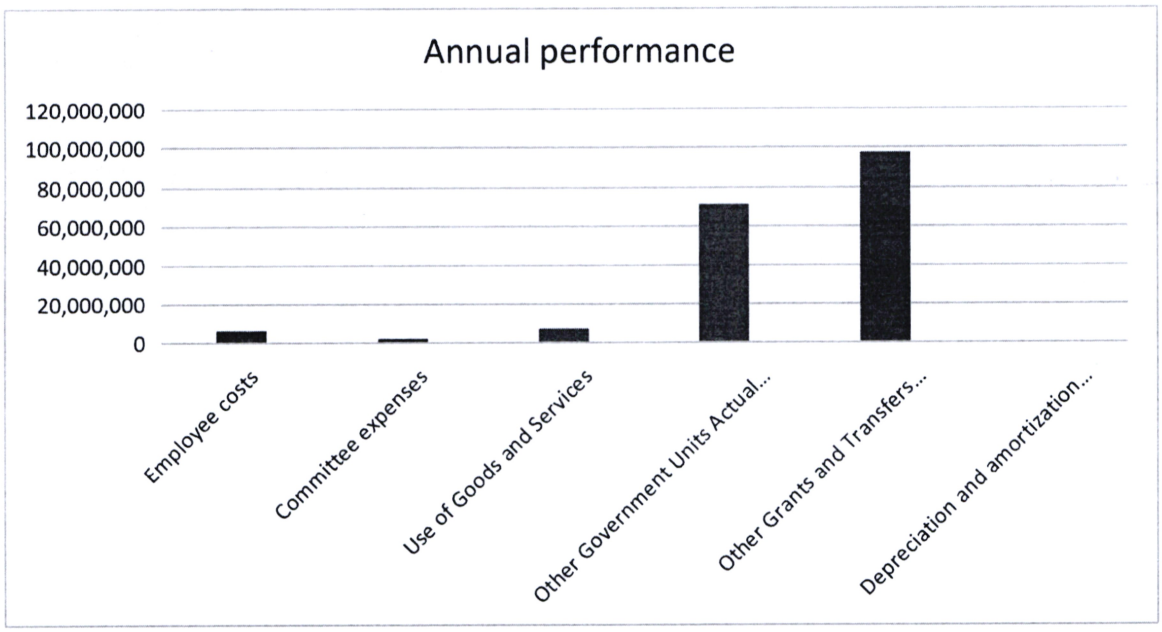


Figure 1: St David Primary School one new classroom construction

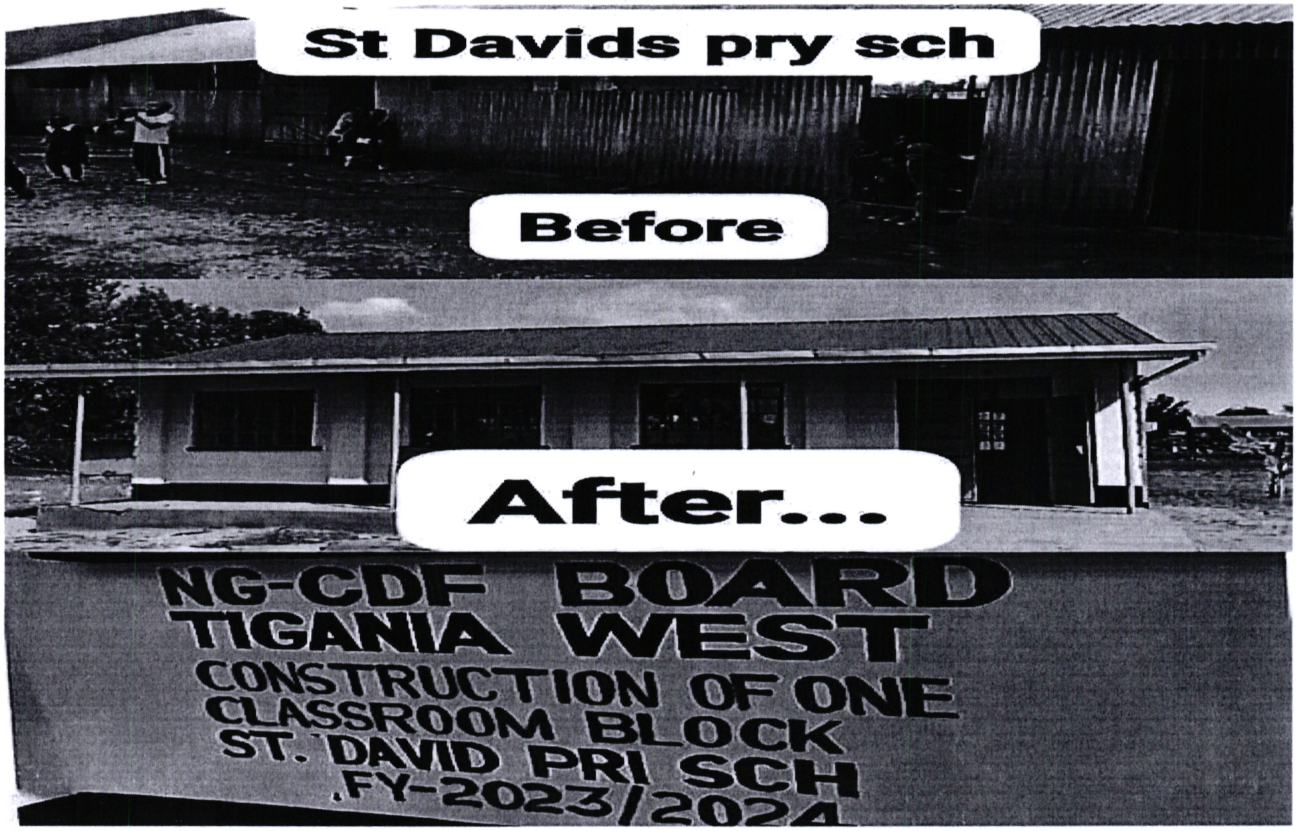
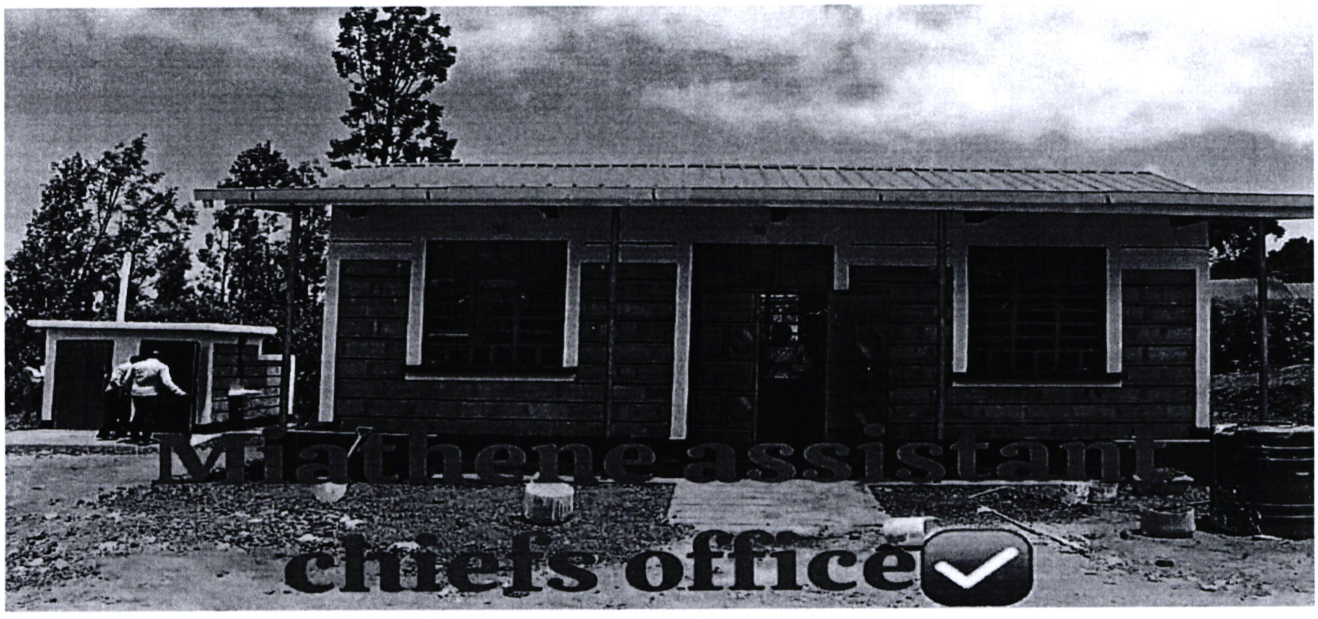


Figure 2 Makandi Secondary School Science Laboratory Construction



Figure 3 Miathene Assistant Chiefs Office construction



Projects impacts

KMTC Miathene was successfully implemented and inaugurated in March 2023. The Institution is up and running with 53 students in the first intake. With operationalization of this institution, many students are accessing college education in medical field hence improving transition rate from secondary to colleges.

KK Tharaine Primary School is one of the school that is currently admitting students in junior secondary school. The classroom which was successfully implemented has created a better and conducive environment for learning and eased congestion.

Emerging issues

1) The people feel that the mandate of the NG-CDF in funding projects has been limited to a smaller scope arguing on the basis of having devolved functions having been removed with the onset of devolution. They feel that the scope of projects that NG-CDF can fund should be increased and their mandate improved to cater for devolved functions.
2) Poverty continues to be a challenge in the development of both rural and urban areas. As such there is need to ensure continuity of the NG-CDF fund and its expansion to cater for more development gaps in constituencies.

Implementation challenges and recommended way forward.

Challenges	Way forward
Erratic release of funds from the board	The NGCDF should endeavour to release funds in two instalments instead of many small disbursements
Unreliable availability of technical departments of government notably works office	Proper collaboration between NGCDF office works office should be established
Inadequate capacity of Project Management Committee	Enough funds should be set aside for training PMCs
Poor communication structure	A clear communication policy should be established

.....

Name: Jeremy Muriuki
Chairman NGCDF Committee

5. Statement Of Performance Against Predetermined Objectives for FY2024/25

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 ***Tigania West Constituency*** *2022-2027 plan* are to:

1) Educate, train and develop career.
2) Deviance eradication, peaceful communities, and secure environment.
3) Agribusiness, land, water, and environmental conservation.
4) Administration and development coordination.
5) Infrastructure development.
6) Gender, health, heritage, social welfare, and youth.

Progress on attainment of Strategic development objectives

For purposes of implementing and cascading 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:

Constituency Program	Objective	Outcome	Indicators	Performance
Education	Upgrade and construct new infrastructure for public primary and secondary schools to modern standards	Improved learning environment in public primary and secondary schools	Number of classes renovated, Number of new classes constructed, Number of new toilet blocks constructed Number of new science block constructed Number of new dining halls constructed Number of new school	Number of classes renovated -11 Number of new classes -16 Number of toilet blocks-2 Number of new science block constructed-3 Number of new dining

			buses bought Number of new boreholes drilled and equipped Number of play fields levelled	halls constructed-2 Number of new school buses bought-1 Number of new boreholes drilled and equipped-3 Number of play fields levelled-3
	Identify, screen, sort, verity, award NG-CDF bursaries to the most deserving applicants equitably	Decreased dropout rates among students from poor students backgrounds	Number of beneficiaries of NG-CDF bursaries	Number of NGCDF bursary beneficiaries-8,857
	Establish the tree seedlings needs in learning institutions and plan for planting	Increase the forest cover	Number of tree seedlings planted	Number of tree seedlings planted-20,050
Security	Upgrade and build new security infrastructure across Tigania West constituency	Improved security	Number of AP camps upgraded/constructed, Number of chiefs'/ass. Chiefs' offices renovated/built, number of police lines renovated/built.	Number of Ap camps, Chiefs office constructed/renovated- 11

6. Governance Statement

PROCESS OF APPOINTMENT OF NG-CDFC COMMITTEE

NG-CDFC is appointed pursuant to section 43(1), (2),(3) and (4) of the National constituencies development fund (NG-CDF) Act as follows:-

1. In case of the person living with disability, the fund account manager shall write to a registered group representing persons with disabilities in the constituency requesting of one person with disability to sit in the NG-CDF committee. The nominating organization shall be required to provide specific description of the kind of disability and provide necessary support to facilitate full participation of the nominee in the various activities of the fund.
2. Members of the public are invited to tender applications to be appointed as a NG-CDFC committee with requisite qualifications as per the NG-CDF Act.
3. The selection panel shall sit and analyse applications based on age, gender, special interest groups and regional balance.
4. Obtain from the constituency office manager via formal written communication names of two nominees to the NG-CDF committee one being of either gender.
5. Ensure that the original report of the selection panel duly signed by all members of the panel, original letter from the constituency office manager forwarding two nominees to the NG-CDF committee one being of either gender, original letter and copies of minutes of the meeting of the meeting of the body nominating person with disability to NG-CDF committee ,copies of national identity cards of all the nominees, the long list and short listing criteria ,and three colour passport size photographs of each of the respective nominees are attached to the list submitted to the board.
6. The final report shall be properly bound containing pertinent documents following the sequence of the checklist provided.

7. For avoidance of doubt the two persons to be nominated by the constituency office to sit n the selection panel and the two persons nominated by the same office to sit in the NG-CDF committee shall be drawn from community and not serving public offices.

In Tigania West, further to CEO letter ref NG-CDFB/CEO/BOARD CIRCULARS/VOL.II (033) dated November 18, 2024, the FAM embarked on the process of recruiting the NGCDF members.

A selection panel was picked as per the said guidelines as follows;

	NAME	**DESIGNATION**	CATEGORY
	James M. Mbutu	Chairperson	Assistant County Commissioner 1
	Gitonga Joseph	Member	Constituency office nominee
	Harrison Wachira	Secretary	Fund Account Manager
	Regina Kubai	Member	Constituency office nominee

The selection committee sat and resolved to invite all the interested persons, through an open and competitive process within the constituency, to apply.

At the end, the committee was fully satisfied and hence resolved to recommend nomination for membership in Tigania West NGCDF committee the following persons.

Nominees of the selection panel

	Name	**Gender**	**Category**
	Jeremy Muriuki Gerrald	Male	Male Adult
	Victoria Muthoni Kinoti	Female	Female Adult
	Mbaabu Dickson Muchena	Male	Male Youth
	Caroline Nkirote Thuranira	Female	Female Youth

	Stephen Kaibunga	Male	Athwana
	Grace Gaita	Female	Mbeu

Nominee of body representing persons with disability

	Name	**Gender**	**Nature of Disability**	**Ward**	**Nominating Organization**
	Joseph Mworia Thuranira	Male	Short leg	Kianjai Ward, Mutionjuri Sublocation	Tigania West PWD SHG

Recommended person to be co-opted by the ngcdf board

	Name	**Gender**	**Category**	**Ward**
1.	Mary Nkirote Festus	Female	Co opted	Nkomo

The nominated persons were processed further and appointed vide gazette notice number Vol. CXXVII—No. 098 dated 21st May 2025.

REMOVAL NG-CDFC MEMBERS

NG-CDF Act section 43 (13) and (14) of the act specifies the process of the removal of members of NG-CDFC a complaint against a member.

A complaint against a member of a committee shall be deposited with the National government constituency office.

The complaint shall clearly set out the particulars of the issues complained of.

The secretary shall convene a special meeting in accordance with the regulations to deliberate on the complaint, but the member against whom the complaint is raised shall not participate in such a meeting.

If at a meeting held pursuant to paragraph 4, members determine that sufficient grounds exist requiring the members against whom the complaint is raised to respond to the issues complained of .The secretary shall by notice, require the member to respond to the issues complained of, the secretary shall by notice, require the member to respond to the issues received in the complaint within fourteen days of the date of the notice.

That person is supposed to respond in writing and if he/she fails to do the same a decision will be reached by the committee and this is communicated to the board in fourteen days.

There has been no case of removal of any NGCDF member in Tigania West

FUNCTIONS OF COMMITTEE.

Under the Act NG-CDFC is mandated to do the following:-

1. Deliberate on all proposals from all wards in the constituency
2. Consult with relevant government departments to ensure that the cost estimate for the projects is as realistic as possible.
3. Rank project proposals in order of priority provided that ongoing projects shall take precedence
4. Ensure the projects proposed for funding comply with the Act.
5. Monitor the implementation of projects
6. Recommend to the board the removal of a member of the NG-CDFC in the line with section 24 sub sections 14-16 of the act.

INDUCTION/TRAINING

Upon appointment of the new members of the committee induction training was conducted by the National Management Board on 29th June 2025 to 4th July 2025 for the committee to know and understand the NG-CDF act and also their roles in the fund.

There after a complete training of the NG-CDFC shall take place to enable the committee to an in-depth knowledge of the fund in order to discharge their responsibilities effectively.

The Tigania West NGCDF committee was duly trained by NGCDF board in the year.

NUMBER MEETINGS IN A YEAR

The Act stipulates that NG-CDFC shall have a maximum of twenty four meetings per year and not less twelve including sub-committee meetings. The committee held 17 meetings in the year.

Tabulate the

	Name	12/07/24	09/08/24	13/08/24	22/08/24	28/08/24	06/09/24	17/10/24
	Jeremy Muriuki Gerrald	√	√	√	√	√	√	√
	Victoria Muthoni Kinoti	√	√	√	√	√	√	√
	Mbaabu Dickson Muchena	√	√	√	√	√	√	√
	Caroline Nkirote Thuranira	√	√	√	√	√	√	√
	Joseph Mworia Thuranira	√	√	√	√	√	√	√
	Stephen Kaibunga	√	√	√	√	√	√	√
	Grace Gaita	√	√	√	√	√	√	√
	Faith Murage	√	√	√	√	√	√	√
	Harrison Wachira	√	√	√	√	√	√	√
	Mary Nkirote	√	√	√	√	√	√	√

	Festus							

	Name	30/10/24	11/10/24	01/11/24	15/11/24	06/12/24	13/12/24	18/12/24
	Jeremy Muriuki Gerrald	√	√	√	√	√	√	√
	Victoria Muthoni Kinoti	√	√	√	√	√	√	√
	Mbaabu Dickson Muchena	√	√	√	√	√	√	√
	Caroline Nkirote Thuranira	√	√	√	√	√	√	√
	Joseph Mworia Thuranira	√	√	√	√	√	√	√
	Stephen Kaibunga	√	√	√	√	√	√	√
	Grace Gaita	√	√	√	√	√	√	√
	Faith Murage	√	√	√	√	√	√	√
	Harrison Wachira	√	√	√	√	√	√	√
	Mary Nkirote Festus	√	√	√	√	√	√	√

	Name	01/04/25	29/04/25	06/05/25	21/05/25
	Jeremy Muriuki Gerrald	√	√	√	√

	Victoria Muthoni Kinoti	√	√	√	√
	Mbaabu Dickson Muchena	√	√	√	√
	Caroline Nkirote Thuranira	√	√	√	√
	Joseph Mworia Thuranira	√	√	√	√
	Stephen Kaibunga	√	√	√	√
	Grace Gaita	√	√	√	√
	Faith Murage	√	√	√	√
	Harrison Wachira	√	√	√	√
	Mary Nkirote Festus	√	√	√	√

POLICY ON CONFLICT OF INTEREST

NG-CDF Act specifies clearly the any member with an interest in the fund shall not participate in a meeting deliberations on the fund is made and shall withdraw in such a meeting or resign from being a committee member.

MEMBERS REMUNERATION.

NG-CDF act specifies remuneration of the members of the committee as follows:-

1. Each member shall receive an allowance of ksh.5, 000 and the chair of the constituency fund will receive ksh.7, 000 per sitting.

MEMBERS ETHICS AND CONDUCT

The Act stipulate that 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 of the act and PFM act which can lead to the loss of funds.

RISK MANAGEMENT

It is the responsibility of the members of the committee to be extra vigilant to ensure that risks likely to cause loss of fund are mitigated and proper controls are put in place in the process of implementation of the NG-CDF projects.

7. Management Discussion and Analysis

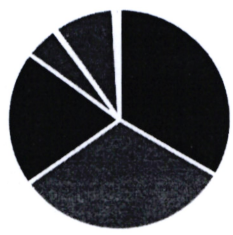
The review covers five financial years (2020/2021 through to 2024/2025). During this period, the Tigania West National Government Constituency Developed Committee received a total of Kenya Shillings **774,069,125.78**
million towards the implementation of various projects, with 2024/2025 recording the highest disbursement of Kenya Shillings **179,441,954.47 million,** followed by 2023/2024 with Kenya Shillings **175,361,810 million** as shown below:

FINANCIAL YEAR	ALLOCATION (KSHS)
2020/2021	137,088,879.31

2021/2022	137,088,879.00
2022/2023	145,087,603.00
2023/2024	175,361,810.00
2024/2025	179,441,954.47

Several projects have been implemented up to the reporting date of June, 2025. A breakdown of the projects into sectors is given below.

Sectoral Performance over the past five years



■ Bursary ■ Primary Schools ■ Secondary Schools ■ Tertiary Institutions
■ Environment ■ Security ■ Sports ■ Others

Key Funded Projects.

As per the allocation bursary is our biggest project. We fund also infrastructure such as classrooms, laboratory, dormitories, toilets, security facilities and supply of desks. The continued funding towards the education and security sector in the Constituency has contributed to increased enrolment in primary, secondary and tertiary. Which includes

Education projects

1. Construction of 3 dining hall to completion of 100 capacity at St John Nchooro Secondary.

2. Construction to completion of a single science laboratory of a capacity of 45 students at Akithi Girls, Makandi Secondary School and Kirukire Secondary School.

Security projects

1. Construction of a police posts at Kibuline and Maili Tatu.
2. Construction of a Assistant Chiefs Offices at Miathene, Kieru and Twale.

Major Risks Facing the Fund

The NGCDF Tigania West has faces several significant risks, including political interference, and the risk of projects conflict of interest. Land ownership documents for projects, and challenges

in road infrastructure while accessing these project during implementation. Furthermore, legal challenges and the impact of unforeseen events like pandemics can disrupt project implementation.

Emerging issues

NG-CDF is a fund which attracts interest from all and sundry. People are more often than not, like establishing themselves with this fund. With this interest in the peoples, many issues emerges and requires concerted efforts to overcome.

a) Everybody wants to be involved in NG-CDF work
b) High expectation from the people
c) High level of accountability and transparency
d) Efficient and effective utilization of the funds
e) With devolved function having been removed from NG-CDF funding, people feels the mandate of NG-CDF has been watered down.
f) Poverty continues to be a challenge to the development of both rural and urban areas, as the country grows there is need for continuity of the fund and its expansion to cater for more development gaps in constituencies.

Implementation challenges and recommended way forward

Challenges	Way forward
Inadequate capacity of both NGCDF committee members and staff	The NGCDF committee and the board to conduct regular training
Insufficient competent support staff	The board should consider hiring account assistants and clerks of works directly
Too much unnecessary interference of NGCDFC works	Sensitization workshops should be held in order to define roles of different stakeholders
Slow approval of budget process	The board should endeavour to act on the proposals within 14 days of presentation



.....

Name: Harrison Wachira
Fund Account Manager

8. Environmental and Sustainability Reporting

Tigania West 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.

1. Sustainability strategy and profile -

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

a. **Education and Training**: Tigania West NG-CDF 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 marginalised groups including girls and people living with disabilities.

b. **Security Sector Support:** Among its key pillars; NGCDF has security as a priority area with intention to provide better working environment for the security providers within the constituency as well a secure constituency. The strategy is to have a long-term collaborative working approach that enhances community engagement in security activities. This is aimed at eliminating crime and vices in the long run by providing a better working environment for the law enforcement agencies while collaborating with community in trust on matters of security.

c. **Environment:** The Constituency acknowledges that all its operation has an impact on environment. Cognizant of the Sustainable development goals, the NG-CDF has allocated part of its budget on environment conservation through activities such as tree planting, water conservation, sensitization forums for agro-forestry as well as best practices to reduce soil erosion.

d. **Sports:** The NG-CDF has taken sports as a key pillar of cohesion and integration. To sustain this pillar, the strategy taken is that of developing skills through sports with intention of identifying, nurturing talent and encouraging physical fitness among the constituents.

2. Environmental performance

Environment Policy and Action Plan

Protection of the environment in which we live and operate is part of Tigania West NG-CDF initiatives. Care for the environment is one of our key responsibilities and an important aspect in the way in which carry out our operations.

Our Environment Policy

In this policy statement, Tigania West NG-CDF commits to:

- Comply with all relevant environmental legislation, regulations and approved codes of practice
- Protecting the environment by striving to prevent and minimize our contribution to pollution of land, air, and water
- Seeking to keep wastage to a minimum and maximize the efficient use of materials and resources
- Managing and disposing of all wastage in a responsible manner;
- Providing training for our CDFC and staff so that we all work in accordance with this and within an environmentally aware culture
- Regularly communicating our environmental performance to our employees and other significant stakeholders
- Developing our management processes to ensure that environmental factors are considered during planning and implementation
- Monitoring and continuously improving our environmental performance.

❖Seeking to leverage our environmental impact by encouraging stakeholders to improve their environmental performance

Our Environmental Action Plan

Tigania West NG-CDF has identified four areas in which we as an office have direct or indirect environmental impact, and where we can implement initiatives to manage and reduce these impacts.

These four areas together with our approach and targets for each are shown below:

Impact Area	Approach
Capacity Building	✓ Promote environmental awareness by sensitizing the Tigania West NG-CDFC, NG-CDFC staff and PMCs on good conservation practices ✓ To encourage, through regular communication to Tigania West NG-CDFC, staff , and other stakeholders changes in individual behaviour
Conservation of Energy and Resources	✓ To maximize use of available technologies to remove the need to use paper ✓ To encourage our clients to engage with us using electronic means where possible ✓ To maximize on rain water harvesting
Environmental Protection and	✓ To promote use of volt guards to control power surges ✓ We have constructed culverts and gabions to prevent soil erosion ✓ To encourage tree planting in the constituency to improve the forest
Pollution Control and Waste	✓ To ensure that all paper waste is recycled ✓ To ensure segregation of waste ✓ To ensure proper human waste disposal through construction of pit latrines, septic and soak pit tanks

In 2022/2023 Financial year, the office has endeavoured to undertake the following environmental initiatives

- Engaged our stakeholders including NGCDF supported students, NGCDF members and staff in sensitizing them on the importance of trees planting and other environmental conservation measures
- Sensitizes youths on the impact of drugs and substance abuse during inauguration of NGCDF projects

Organized a one day NGCDF staff day out to sensitize the local community on proper farming methods that lead to soil conservation as well as crop and animal husbandry.

3. Employee welfare

We invest in providing the best working environment for our employees. Tigania West 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. Tigania West 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.

4. Market place practices-

Tigania West NGCDF Constituency is committed to fair and ethical market practises.

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 practises 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 honouring 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 honouring contracts and respecting payment practices.
c) Responsible marketing and advertisement
d) Product stewardship by safeguarding consumer rights and interest

5. Community Engagements-

Tigania West NGCDF has endeavoured 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

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

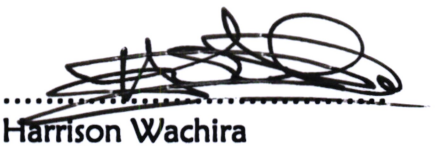
Public participation is the process that directly engages the concerned stakeholders in decision-making and gives full consideration to public input in making that decision.

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

Public Awareness

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

Tigania West NG-CDF have continually practiced public participation and public awareness during project identification and proposal collections in all the wards in the constituency.



Harrison Wachira
Fund Account Manager.

9. Statement Of Management Responsibilities

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

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

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

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

Approval of the financial statements

The NGCDF- Tigania West Constituency financial statements were approved and signed by the Accounting Officer on 27/11/ 2025.

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Name: Jeremy Muriuki

Chairman – NGCDF Committee

.....

Name: Harrison Wachira

Fund Account Manager

REPUBLIC OF KENYA

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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – TIGANIA WEST CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2025

PREAMBLE

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

A. Report on Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements;

B. Report on Lawfulness and Effectiveness in the Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose.; and,

C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund – Tigania West set out on pages 1 to 82, which

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund – Tigania West as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the National Government Constituencies Development Fund Act, 2015 (Amended, 2022) and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Cash and Cash Equivalents

The statement of financial position and as disclosed in Note 19 to the financial statements reflects cash and cash equivalents balance of Kshs.62,404,621 as at 30 June, 2025. Included in this balance is Kshs.29,852,777 held in one hundred and seventeen (117) Project Management Committee (PMC) commercial bank accounts as disclosed in Annex 2 of the annual report. However, cashbooks and bank reconciliations for the one hundred and seventeen (117) bank accounts were not provided for audit.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.62,404,621 could not be confirmed.

2. Tax Arrears due to Kenya Revenue Authority

The financial statements for Fund as at 30 June, 2025 reflects nil closing balance for trade and other payables whereas the feedback to the Decentralized Funds Accounts Committee of the National Assembly on enforcement of outstanding taxes owed by National Government Constituency Development Funds (NG-CDFs) dated 17 June, 2025 referenced KRA/5/1002/26(12508), the Kenya Revenue Authority (KRA) report on tax arrears owed by the Constituencies reflected a balance of Kshs.396,895 for Tigania West Constituency which has been disputed by the Fund.

In the circumstances, the accuracy and completeness of the Nil payables balance as reflected in the financial statements could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituencies Development Fund – Tigania West 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

1. Unspent Balances

The statement of cash flows reflects a cash and cash equivalents closing balance of Kshs.62,404,621 which relates to the Fund's unspent cash balances as at 30 June, 2025. Despite the availability of the unspent balances, the Fund only spent Kshs.186,763,127 against an approved budget of Kshs.300,609,700 resulting in an under absorption of Kshs.113,846,573 or 38% of the budget, contrary to Section 68(1) of the Public Finance Management (National Government) Act, 2012 which states that an Accounting Officer for a National Government Entity, shall be accountable to the National Assembly for ensuring that the resources of his or her respective entity are used in a way that is lawful, authorized, effective, efficient, economical and transparent.

2. Budget Control and Performance

The statement of comparison of budget and actual amounts reflects a final receipts budget and actual on comparable basis of Kshs.300,609,700 and Kshs.249,093,747 respectively, resulting in an underfunding of Kshs.51,515,953 or 17 % of the budget. Similarly, the Fund spent Kshs.186,763,127 against actual receipts of Kshs.249,093,747 resulting in an under absorption of Kshs.63,330,620 or 25% of the actual receipts.

In the circumstances, the under-performance and underutilization affected the planned activities and impacted negatively on service delivery to the public.

My opinion is not modified in respect of the above matters.

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 of my report, I have determined that there are no key audit matters to report in the year under review.

Other Matter

Unresolved Prior Year Audit Matters

In the audit report of the previous year, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, Management had not resolved the issues or given any explanations for failure to implement the recommendations as summarized below;

1. Failure to Insure Assets

The Fund Committee did not incur any expenditure on insurance of the assets.

2. Projects

i. Tigania West NG-CDF paid Kshs.1,300,000 for the construction of a three roomed structure at Kibiru assistant chief's office on 31 August 2023. The Fund had previously built four roomed offices to house the police, the office was abandoned with some of the doors, roofs and windows vandalized.

ii. Approved code list indicates that the NG-CDF Board sanctioned a project involving the renovation of two single-room staff quarters and the conversion of an office into police cells at a budget of Kshs.2,000,000. However, the (PMC) unilaterally altered the scope of activities by extending the police cell instead of converting the existing office into a cell as originally approved.

3. Lack of Internal Audit Function and Audit Committee

During the year under review, the Fund had not constituted an audit committee and an internal audit unit.

4. Lack of Updated Asset Register

Other Information

The National Government Constituencies Development Fund Committee is responsible for the Other Information set out on page ii to xxxv which comprise of Fund Information and Management, Function of NG-CDF Committee, NG-CDFC Chairman's Report, Statement of Performance Against the Fund's Predetermined Objectives, Governance Statement, Environmental and Sustainability Reporting and Statement of the Fund Management Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit of 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 and I am required to report that fact. I have nothing to report in this regard.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on

Lawfulness and Effectiveness in the Use of Public Resources section of my report, I confirm that nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Emergency Funding of Mbaarua Primary School

The statement of financial performance and as disclosed in Note 14 to the financial statements reflect other grants and transfers actual expenditure amount of Kshs.97,757,938. Included in this expenditure amount is Kshs.7,300,000 in respect to emergency projects utilized to clear bushes and leveling of Mbaarua Primary School compound, a School closed through a Court Order on 10 September, 2019 due to the School's deplorable condition caused by landslides through a recommendation from the Ministry of Health. However, no justification was provided why the Committee did not consider the above works as emergency on 10 September, 2019 when the school was closed through a court order but instead declared it as an emergency in the financial year 2024/2025 contrary to Section 8(3) of the National Government Constituencies Development Fund Act, 2015 which construes an 'Emergency' to mean an urgent, unforeseen need for expenditure for which it is in the opinion of the committee that it cannot be delayed until the next financial year without harming the public interest of the constituents.

The School also got an approval for reallocation of emergency funds amounting to Kshs.1,129,759 on 05 August, 2024 for renovation of one classroom by demolition and reconstructing it to completion. However, project physical verification in the month of June, 2025 revealed that renovation works had not started despite the funds having been disbursed nine months before the date of the project verification.

In the circumstances, the lawfulness and effective use of the emergency funds could not be confirmed.

3. Delay in Implementation of Environment Project

The statement of financial performance and as disclosed in Note 14 to the financial statements reflects Other Grants and Transfers actual expenditure amount of Kshs.97,757,938. Included in this expenditure amount is Kshs.2,907,707 in respect to climate change mitigation projects for supply, delivery, planting and nurturing of tree seedlings to various institutions. However, field verification revealed that the project had not started despite the funds being disbursed to the Project Management Committee account by the end of the financial year under review.

In the circumstances, the validity of the expenditure amount of Kshs.2,907,707 on climate change mitigation projects could not be confirmed.

4. Delay in Implementation of Environment Project

The statement of financial performance and as disclosed in Note 14 to the financial statements reflects Other Grants and Transfers actual expenditure amount of

Kshs.97,757,938. Included in this expenditure amount is Kshs.2,907,707 in respect to climate change mitigation projects for supply, delivery, planting and nurturing of tree seedlings to various institutions. However, field verification revealed that the project had not started despite the funds being disbursed to the Project Management Committee account by the end of the financial year under review.

In the circumstances, the validity of the expenditure amount of Kshs.2,907,707 on climate change mitigation projects could not be confirmed.

3. Delayed Purchase of 51-Seater Isuzu Bus for Kunene Mixed Day Secondary School

The statement of financial performance and as disclosed in Note 13 to the financial statements reflects other government units' actual expenditure amount of Kshs.71,475,803. Included in this expenditure amount is Kshs.10,650,000 transferred to Kunene Mixed Day Secondary school for purchase of a fifty-one (51) seater Isuzu bus with a deposit payment of Kshs.4,250,431 made on 26 September, 2024. However, physical verification carried out in the month of June, 2025 revealed that the school bus had not been delivered.

In the circumstances the value for the money for the expenditure amount of Kshs.4,250,431 could not be confirmed.

4. Delayed Project Implementation

Review of the approved project code list revealed that the Fund had a total budget of Kshs.179,441,954 with Kshs.163,292,179 approved to finance projects in various sectors including primary schools, secondary schools, bursary, security, emergency, sports and environment within the Constituency in the financial year 2024/2025.

Analysis of the project implementation status provided for audit indicated that four (4) projects amounting to Kshs.74,370,373 were complete, eight (8) projects were ongoing at a cost of Kshs.14,548,989 while seventy-six (76) projects amounting to Kshs.90,038,710 had not started. No explanation was given why the seventy-six (76) projects had not started and eight (8) projects remained incomplete.

In the circumstances, value for money obtained from incomplete and un-started projects could not be confirmed.

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, except for the effect of the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

1. Failure to Insure Assets

The statement of financial position reflects fixed assets net book value of Kshs.4,385,547. However, review of financial expenditure revealed that the Fund did not incur any expenditure on insurance of these assets. This is contrary to Section 36(3) of the National Government-Constituencies Development Fund Act, 2015, which requires the Fund to ensure that all assets are adequately insured. Failure to comply with this requirement exposes the assets to potential risks, including loss or damage, which could result in financial and operational challenges for the organization.

In the circumstances, the recoverability of the equipment in the event of the unforeseen occurrence of risk could not be confirmed.

2. Weaknesses in ICT Governance and Controls

Audit of the fund Information and Communication Technology (ICT) environment revealed multiple weaknesses revealing inadequate ICT governance, data protection, and systems controls. The following anomalies were observed;

i) Use of personal email accounts, staff use personal email addresses for official communication, which undermines data security and organizational accountability.

ii) Absence of a data protection policy, the entity lacks a documented policy to ensure the collection, handling, storage, and sharing of data thus does not comply with legal and regulatory data protection requirements.

iii) No ICT asset register, there is no centralized and updated ICT asset register to track, manage, or safeguard ICT infrastructure and equipment.

iv) No Risk Assessment policy, the entity has not developed a risk assessment framework to identify, assess, and mitigate ICT-related risks.

v) No data backup mechanism- there is no formalized data backup processes, exposing the entity to the risk of data loss in the event of system failure, cyberattack, or accidental deletion.

No ICT steering committee, there is no ICT steering committee to provide oversight, strategic guidance, and decision-making on ICT investments and priorities.

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 the Management and the National Government Constituencies Development Committee

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

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

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

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

The National Government Constituencies Development Committee is responsible for overseeing the National Government Constituencies Development 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

20 November, 2025

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

	Note	*Period ended June*
		Kshs
Revenue from non-exchange transactions		
Transfers from the NGCDF Board	6	179,441,954
Grants/donations from other entities	7	-
Revenue from exchange transactions		
Finance income	8	-
Miscellaneous income	9	74,000
Total revenue		**179,515,954**
Expenses		
Employee costs	10	5,028,358
Committee expenses	11	2,312,957
Use of Goods and Services	12	7,437,280
Other Government Units Actual expenditure	13	71,475,803
Other Grants and Transfers Actual expenditure	14	97,757,938
Depreciation and amortization expense	15	527,533
Digital Hubs Actual expenditure	16	-
Total expenses		**184,539,868**
Other gains/(losses)		
Gain/Loss on Sale of Assets	17	-
Impairment loss	18	-
Surplus/(Deficit) for the year		**(5,023,914)**

The Constituency financial statements were approved by the NGCDFC on 29/07/ 2025 and signed by:

Chairman NG-CDF Committee	**National Sub-County Accountant**	**Fund Account Manager**
Name: Jeremy Muriuki	**Name: Franklin Mwenda**	**Name: Harrison Wachira**
	ICPAK M/No: 32141	

(Paragraph 79 of IPSAS 33 allows for the election by an MDA to present one statement of financial performance, one statement of cash flow, one statement of net assets and the statement of financial position, and an opening statement of financial position at the time of adoption of the accrual basis of accounting. In preparing this financial reporting template, this election has been made; therefore, there are no comparatives in the first year of transition.)

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

	Note	*Period as at June 2025*	*Opening Statement 1st July 2024*
		Kshs	Kshs
Assets			
Current Assets			
Cash And Cash Equivalents	19	62,404,621	64,696,304
Receivables from Exchange Transactions	20	-	-
Receivables from Non-Exchange Transactions	21	51,441,953	56,397,442
Prepayments	22	-	-
Total Current Assets		**113,846,574**	**121,093,746**
Non-Current Assets			
Property, Plant and Equipment	23	4,385,547	-
Intangible Assets	24	-	-
Right-of-use assets	25	-	-
Total Non- Current Assets		**4,385,547**	**-**
Total Assets (A)		**118,232,121**	**121,093,746**
Liabilities			
Current Liabilities			
Trade and Other Payables	26	-	-
Third-Party Deposits	27	3,895,477	763,701
Lease Liabilities	28	-	-
Gratuity provision	29	1,618,749	2,588,237
Total Current Liabilities		**5,514,226**	**3,351,938**
Non-Current Liabilities			
Lease Liabilities	28	-	-
Total Liabilities (B)		**5,514,226**	**3,351,938**
Net Assets (A-B)		**112,717,894**	**117,741,808**
Represented by:			
Accumulated Surplus		**112,717,894**	**117,741,808**

The Constituency financial statements set out on pages 1 to 18 approved by NG CDFC on 28/07/2025 and signed by:

Chairman NG-CDF Committee	**National Sub-County Accountant**	**Fund Account Manager**
Name: Jeremy Muriuki	**Name: Franklin Mwenda**	**Name: Harrison Wachira**
	ICPAK M/No: 32141	

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

Description	ACCUMULATED SURPLUS/DEFICIT	RESERVES	Total
	Kshs	Kshs	Kshs
As at 30th June 2024 (cash basis)	26,172,053	-	26,172,053
Adjustments: (to recognize assets and liabilities			
Add Assets	93,658,240		93,658,240
Less Liabilities	2,088,485		2,088,485
As at July 1, 2024	117,741,808		117,741,808
Surplus/(Deficit) For the Period	(5,023,914)		(5,023,914)
Revaluation Gain/Loss	-	-	-
As at 30th June 2025	**112,717,894**	**-**	112,717,894

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.

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

	Notes	*Period ended 30TH June 2025*
		Kshs
Cash flows from operating activities		
Receipts		
Transfers from the NGCDF Board		184,397,443
Grants/donations from other entities		-
Finance income		-
Miscellaneous income		74,000
Total Receipts		**184,471,443**
Payments		
Employee costs		5,997,846
Committee expenses		2,312,957
Use of Goods and Services		7,437,280
Other Government Units Certified Works		69,130,757
Other Grants and Transfers		96,971,207
Digital Hubs Expenses		-
Total Payments		**181,850,047**
Net Cash Flows from/ (used in) Operating Activities	30	**2,621,397**
Cash flows From Investing Activities		
Purchase of PPE		(4,913,080)
Purchase of Intangible assets		-
Proceeds From Sale of PPE		-
Net Cash Flows from Investing Activities		**(4,913,080)**
Cash Flows from Financing Activities		
Lease payment		-
Net Cash Flows from Financing Activities		-

Net Changes in Cash & Cash Equivalent		**(2,291,684)**
Cash and cash equivalents at Period Start	19	**64,696,304**
Cash and cash equivalents at Period End	19	**62,404,621**

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

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	179,441,954	64,696,304	56,397,442	**300,535,700**	**249,093,747**	**51,441,953**	**83**
Grants/donations from other entities	-	-	-	-	-	-	
Finance income	-		-	-		-	
Miscellaneous income	-	74,000	-	**74,000**		**74,000**	

Totals	**179,441,954**	**64,770,304**	**56,397,442**	**300,609,700**	**249,093,747**	**51,515,953**	**83**
Expenses				-		-	
Employee costs	6,321,026	682,867		**7,003,893**	5,997,846	**1,006,047**	**86**
Committee expenses	4,491,258	4,188,760		**8,680,018**	2,312,957	**6,367,061**	**27**
Use of Goods and Services	5,337,491	6,848,728	-	**12,186,219**	7,437,280	**4,748,940**	**61**
Other Government Units Certified Works	69,351,195	29,921,459	44,847,442	**144,120,096**	69,130,757	**74,989,339**	**48**
Other Grants and Transfers	93,940,984	23,054,490	11,550,000	**128,545,474**	96,971,207	**31,574,267**	**75**
Digital Hubs Expenses	-	-	-	-	-	-	
Acquisition of Asset				-	4,913,080		
Funds Pending Approval**	-	74,000	-	**74,000**		**74,000**	-
Total Expenditure	**179,441,954**	**64,770,304**	**56,397,442**	**300,609,700**	**186,763,127**	**113,846,573**	**62**
Surplus for the period							

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

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	**Amount**
Budget utilization difference totals	113,846,574
Less undisbursed funds receivable from the Board as at period June 30, 2025	51,441,953
	62,404,621

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 28/07/2025 and signed by:

Fund Account Manager

Name: Harrison Wachira

National Sub-County Accountant

Name: Franklin Mwenda
ICPAK M/No: 32141

Chairman NG-CDF Committee

Name: Jeremy Muriuki

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent						
1.1 Compensation of employees	6,321,026	682,867		7,003,893	5,997,846	1,006,047
1.2 Committee allowances	1,008,000	1,387,306		2,395,306	2,312,957	82,349
1.3 Use of goods and services	3,437,491	4,761,397		8,198,888	7,437,280	761,609
Sub-total	**10,766,517**	**6,831,570**	-	**17,598,087**	**15,748,083**	1,850,005
2.0 Monitoring and evaluation						-
2.1 Capacity building	2,839,258	1,865,098		4,704,356	1,019,479	3,684,877
2.2 Committee allowances	644,000	936,356		1,580,356		1,580,356
2.3 Use of goods and services	1,900,000	2,087,331		3,987,331		3,987,331
Sub-total	**5,383,258**	**4,888,785**	-	**10,272,043**	**1,019,479**	9,252,564
4.0 Emergency				-		-
4.1 Unutilized	7,944,313			7,944,313		7,944,313
4.2 Kimachia Secondary	1,500,000			1,500,000	1,452,892	47,108
4.3 Mbaarua Primary School		7,300,000		7,300,000	7,201,126	98,874
Sub-total	**9,444,313**	**7,300,000**	-	**16,744,313**	**8,654,018**	8,090,295
5.0 Bursary and Social Security						-

5.1 Primary Schools				-		-
5.2 Secondary Schools	43,176,782	533,593		43,710,375	40,295,212	3,415,163
5.3 Tertiary Institutions	28,500,000	380,000		28,880,000	28,868,000	12,000
5.4 special needs	100,000	200,000		300,000	282,390	17,610
5.5 Social Security		600,000		600,000	249,400	350,600
Sub-total	**71,776,782**	**1,713,593**	**-**	**73,490,375**	**69,695,002**	3,795,373
7.0 Environment						-
Climate change	2,500,900	44,168	2,950,000	5,495,068	2,907,707	2,587,361
				-		-
Sub-total	**2,500,900**	**44,168**	**2,950,000**	**5,495,068**	**2,907,707**	2,587,361
8.0 Primary Schools Projects						-
ACK Ngainteithia Primary School	900,000			900,000		900,000
ACK REI PRIMARY SCHOOL		4,585		4,585	4,220	365
AMATU PRY SCHOOL		1,400,206		1,400,206	1,365,243	34,963
Antubeiga Primary School	1,600,000	22,390		1,622,390	2,340	1,620,050
Chaikuru Primary School	800,000			800,000	-	800,000
Gimpine Pry Sch		489		489	-	489
ITHAMARE PRIMARY SCHOOL		240		240	-	240
Ithatene Primary School	1,600,000	150		1,600,150	150	1,600,000
Kaamu Primary School	2,471,195	1,484,794		3,955,989	1,372,867	2,583,122
Kalimba Primary School	1,600,000	402		1,600,402	-	1,600,402
Kamanoro Primary School		1,482,125		1,482,125	1,439,462	42,664
Kamarima Primary School	250,000	1,486,748		1,736,748	1,421,582	315,166
KAMAROO PRIMARY SCHOOL		5,221		5,221	3,400	1,821
Kamaruki Pry Sch		469		469	-	469
Kamitongu Primary School		5,082,005	419,618	5,501,623	5,500,111	1,512
Kamuthanga Primary School	1,600,000	2,904		1,602,904	-	1,602,904

Kanjai Primary School	1,600,000	34,716		1,634,716	5,570	1,629,146
Kanjalu Boarding Pry Sch		1,480,775		1,480,775	1,466,848	13,927
Kanjalu Pry Sch		10,255		10,255	3,390	6,865
Kanthiari Primary School		2,512,335		2,512,335	2,132,556	379,779
Karii Primary School		25,498	1,480,000	1,505,498	1,379,839	125,659
KIANDIU PRY SCHOOL		800,000		800,000	795,647	4,353
Kianjai Circuit Boarding Primary		1,275		1,275	-	1,275
Kianjai Primary School		1,399,275		1,399,275	1,391,548	7,727
Kiare Pry Sch		436		436	-	436
Kibuline Primary School		295		295	-	295
Kieru Pry Sch		4,041		4,041	2,330	1,711
Kimachia Primary Sch	1,600,000	1,742		1,601,742	1,170	1,600,572
Kimerei Pry Sch		27,499		27,499	7,815	19,684
Kimuthii Primary School	1,850,000	87		1,850,087	-	1,850,087
Kirukire Primary School	1,600,000			1,600,000	-	1,600,000
Kithiiri Primary School		1,480,000		1,480,000	1,379,635	100,365
KK THARAINE PRIMARY SCHOOL		5,445		5,445	2,340	3,105
KUNENE SPECIAL	450,000	2,505		452,505	1,170	451,335
Laaria Primary School	1,600,000	21,857		1,621,857	-	1,621,857
Laciathuriu Primary School	580,000	1,515,717		2,095,717	1,745,440	350,277
Lairangi Primary School			1,480,000	1,480,000	1,375,052	104,948
Limoro Primary School	3,600,000			3,600,000	-	3,600,000
LUURIA PRIMARY SCHOOL		802,302		802,302	800,545	1,757
MAANTHI PRIMARY SCHOOL		21,015		21,015	1,170	19,845
MACHAKU PRIMARY SCHOOL		7,354		7,354	-	7,354
Maitha Primary School		4,316		4,316	2,240	2,076

Manyiri Primary School	1,600,000	625		1,600,625	-	1,600,625
Mbaarua Primary School	3,000,000	98,874		3,098,874	1,002,824	2,096,050
MCK Mwerondu Primary School	250,000	1,480,000		1,730,000	1,378,235	351,765
MCK Mwithu Primary School	2,250,000	1,480,180		3,730,180	1,452,755	2,277,425
Miathene Primary school		14,985		14,985	-	14,985
Mituntu Primary School		680	550,000	550,680	540,726	9,954
Mucuune Pry Sch		435		435	-	435
Mukindu Pry Sch		30		30	-	30
Mumui Primary School	1,600,000			1,600,000	-	1,600,000
Muramba Primary School		42,057		42,057	5,211	36,846
MURICHIA PRIMARY SCH		41		41	-	41
Mutionjuri Primary School		1,060		1,060	-	1,060
Mwanika Primary School		864		864	-	864
Mwanika Special School	450,000			450,000	-	450,000
Mweronkanga Primary School	1,600,000			1,600,000	-	1,600,000
MWERONKANGA PRY SCH		11,216		11,216	2,340	8,876
Mweronkoro Primary School		6,098	1,697,824	1,703,922	1,579,829	124,093
Mwili Pry Sch		3,523		3,523	2,210	1,313
Nairiri Primary School		3		3	-	3
Nkiluthu Primary School	1,600,000	7,161		1,607,161	4,631	1,602,530
Nkurare Pry Sch		1,480,000		1,480,000	1,382,363	97,637
Ntalami Primary School	1,600,000			1,600,000	-	1,600,000
Ntiba Primary School	1,600,000			1,600,000	-	1,600,000
Ntoombo Primary School	1,600,000			1,600,000	-	1,600,000
Rwanjwe Primary School			1,400,000	1,400,000	1,238,272	161,728
Rwongo Rwa Nyanki Primary School		12,511	700,000	712,511	639,665	72,846
St David Primary School		2,638	1,480,000	1,482,638	1,366,285	116,353

St Rita Primary School	800,000	9,414		809,414	2,220	807,194
Thanantu Primary School		2,372	1,480,000	1,482,372	1,433,027	49,345
Thau Primary School		62,959	1,480,000	1,542,959	1,483,365	59,594
Thinyaine Primary School		80	1,480,000	1,480,080	1,317,978	162,102
Twale Pry Sch		26,164		26,164	6,830	19,334
Uringu Primary		4,723		4,723	2,230	2,493
				-		-
Sub-total	**41,651,195**	**25,880,161**	**13,647,442**	**81,178,798**	**38,444,678**	42,734,121
9.0 Secondary Schools Projects (List all the Projects)						-
Akithi Girls Secondary School			5,000,000	5,000,000	4,616,451	383,549
Amatu Day Secondary School		105,440		105,440	93,420	12,020
AMWARI DAY SEC SCHOOL		4,036		4,036	2,085	1,951
ATHWANA SEC SCH	2,000,000	375		2,000,375	-	2,000,375
Kaliati Mixed Secondary School	2,500,000			2,500,000	-	2,500,000
Kamaroo Day Sec	2,000,000	420		2,000,420	-	2,000,420
Kanjalu Girls Secondary School	5,500,000			5,500,000	-	5,500,000
KIANDIU DAY SEC		951		951	951	-
Kianjai Boys Secondary School	800,000			800,000	-	800,000
Kianjai Girls Secondary School		8,012		8,012	3,480	4,532
Kirukire Day Secondary School		500	2,000,000	2,000,500	1,840,570	159,930
Kitheo Secondary School		15,856		15,856	2,340	13,516
Kithiiri Day Sec School		125,753		125,753	-	125,753
Kk Lumbi Day Secondary School		7,261		7,261	7,261	-

Kunene Day Secondary School		3,414	8,700,000	8,703,414	8,703,414	0
LACIATHURIU DAY SEC SCHOOL		21,857		21,857	19,188	2,669
Lairangi Day Secondary School		14,350		14,350	12,556	1,794
Lubunu Sec Sch		2,790		2,790	1,170	1,620
Machaku Day Secondary School	2,500,000	8,113	2,500,000	5,008,113	2,354,881	2,653,232
Makandi Day Secondary School		5	5,000,000	5,000,005	2,224,025	2,775,980
Miathene Day Sec School		7,744		7,744	1,170	6,574
Mituntu Day Secondary School		3,876		3,876	1,170	2,706
Mituntu Girls Secondary School		1,149		1,149	-	1,149
Mucuune Secondary School	3,500,000			3,500,000	-	3,500,000
Mutionjuri Day Secondary School	2,400,000	3,533,737		5,933,737	3,332,893	2,600,844
NKURARE DAY	2,500,000	7,835		2,507,835	4,050	2,503,785
St Augustine Luuria Secondary School		8,152		8,152	3,610	4,542
St John's Nchooro Secondary School	2,500,000		2,500,000	5,000,000	2,330,354	2,669,647
Thau Mixed Day Sch		4,230		4,230	2,390	1,840
Thinyaine Secondary School		1,363		1,363	1,170	193
Uringu Girls Secondary School	1,500,000	1,725		1,501,725	-	1,501,725
Urru Day Secondary School		2,816		2,816	1,170	1,646
				-		-
				-		-
Sub-total	**27,700,000**	**3,891,760**	**25,700,000**	**57,291,760**	**25,559,769**	31,731,991

10.0 Tertiary institutions Projects (List all the Projects)						-
Miathene KMTC		149,537	5,500,000	5,649,537	5,126,310	523,227
				-		-
				-		-
Sub-total	-	**149,537**	**5,500,000**	**5,649,537**	**5,126,310**	523,227
11.0 Security Projects						-
Antubeiga Ap Camp		5,021		5,021	2,570	2,451
Athwana Assistant County Commissioner	2,500,000		2,500,000	5,000,000	2,012,668	2,987,332
Ithamare Assistant Chiefs Office	1,400,000		-	1,400,000		1,400,000
Kianjai Chiefs Office		3,500,000	3,200,000	6,700,000	6,371,074	328,926
Kiare Assistant Chief		436		436	-	436
KIBIRU CHIEFS OFFICE		1,522		1,522	-	1,522
KIBULIINE AP POST		1,750,155		1,750,155	1,730,482	19,673
Kieru Assistant Chief Office			1,350,000	1,350,000	1,171,486	178,514
Kilenchune Chiefs Office		1,810		1,810	1,170	640
Kimachia Chief Office		2,317	150,000	152,317	132,527	19,790
KITHEO CHIEFS OFFICE		4,951		4,951	4,951	-
Maanthi Assistant Chief Office		2,391		2,391	-	2,391
Maili Tatu AP post			1,400,000	1,400,000	1,076,744	323,256
Miathene Assistant Chiefs Office	470,000	1,350,000	-	1,820,000	1,298,261	521,739
MWERONKANGA ASSISTANT CHIEFS OFFICE		538		538	-	538
NCHIRU POLICE STATION		2,002,369		2,002,369	1,900,369	102,000
TIGANIA WEST DESKS PMC		260		260	-	260
Twale Assistant Chief Office	1,400,000		-	1,400,000	-	1,400,000

Urru AP		1,152		1,152	-	1,152
				-		-
Sub-total	**5,770,000**	**8,622,922**	**8,600,000**	**22,992,922**	**15,702,301**	7,290,621
Sports Activities						-
Tigania West Sports Committee		73,807		73,807	12,180	61,627
				-		-
TOTAL	**-**	**73,807**	**-**	**73,807**	**12,180**	61,627
12.0 Acquisition of assets						-
12.1 Motor Vehicles (including motorbikes)			-	-		-
12.2 Purchase of furniture and fitiings		1,450,000		1,450,000	1,449,000	1,000
12.2 Construction of CDF office		3,650,000		3,650,000	2,244,600	1,405,400
Sub-total	**-**	**5,100,000**	**-**	**5,100,000**	**3,693,600**	1,406,400
13.0 Others						-
Kianjai Chiefs Office Digital Hub	4,448,989	-	-	4,448,989		4,448,989
Strategic Plan		200,000		200,000	200,000	-
			-	-		-
Sub-total	**4,448,989**	**200,000**	**-**	**4,648,989**	**200,000**	4,448,989
Funds pending approval**				-		-
unapproved projects-Kianjai Chiefs Digital				-		-
AiA	-	74,000		74,000		74,000
PMC Bank accounts				-		-
Sub-total	**-**	**74,000**	**-**	**74,000**	**-**	74,000
Total	**179,441,954**	**64,770,304**	**56,397,442**	**300,609,700**	**186,763,126**	113,846,573

(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 Tigania West Constituency principal activity is managing development in the specified sectors at the constituency level.

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 Tigania West 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 Tigania West has recognized all financial assets, including cash and cash equivalents held in the operational account, deposit account, and PMC bank accounts; receivables (amounts due from the Board and other parties); prepayments; property, plant, and equipment (PPE); and intangible assets acquired during the financial year 2023/2024 up to the reporting date.

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

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

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 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

(When an IPSAS becomes effective on 1st January 2025, it is applicable in Kenya from 1st July 2025)

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

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

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

Standard	Effective date and Impact:
IPSAS 43: Leases	***Applicable 1st January 2025*** The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity. The new standard requires entities to recognize, measure and present information on right of use assets and lease liabilities. ***This IPSAS is not applicable at the constituency.***
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	***Applicable 1st January 2025*** 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.

	This IPSAS is not applicable at the constituency.
IPSAS 45: Property Plant and Equipment	***Applicable 1st January 2025*** The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under-maintenance of assets and distinguishing significant parts of infrastructure assets. ***This IPSAS is applicable effective 1st July 2025***
IPSAS 46: Measurement	***Applicable 1st January 2025*** The objective of this standard was to improve measurement guidance across IPSAS by: i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS. iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. The standard also introduces a public sector specific measurement bases called the current operational value. ***This IPSAS is applicable effective 1st July 2025***
IPSAS 47: Revenue	***Applicable 1st January 2026*** 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. ***This IPSAS is applicable effective 1st July 2026***
IPSAS 48: Transfer Expenses	***Applicable 1st January 2026*** 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. ***This IPSAS is not applicable at the constituency.***
IPSAS 49: Retirement Benefit Plans	***Applicable 1st January 2026*** The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan. ***This IPSAS is not applicable at the constituency.***
IPSAS 50: Exploration For & Evaluation of Mineral Resources	***Applicable 1st January 2027*** The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires: i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized. ***This IPSAS is not applicable at the constituency.***

iii. Early adoption of standards

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

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Sale of goods

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

Interest income

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

Rental income

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

b) Budget information

The original budget was approved by Parliament on 30th June 2024 for the period 1st July 2024 to 30th June 2025 as required by law. Included in the adjustments are Cash book opening balance, AIA generated during the year and constituency allocations not yet disbursed at the beginning of the financial year.

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

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

c) Property, plant and equipment

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

d) Leases

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

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

e) Intangible assets

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

f) Financial instruments

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

a) Financial assets

Classification of financial assets

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

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

Trade and other receivables

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

Fair value through surplus or deficit

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

Impairment

The NGCDF, Tigania West 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.

b) Financial liabilities

Classification

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

g) Inventories

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

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

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

sale, exchange, or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the *NGCDF Tigania West.*

h) Provisions

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

Foreign currency transactions

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

m) Related parties

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

n) Cash and Cash Equivalents

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

o) Comparative figures

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

p) Subsequent events

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

5. Significant Judgments and Sources of Estimation Uncertainty

The preparation of the *NGCDF Tigania West* 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.

6. Transfers from the NGCDF Board

Description	*Period ended June 30th 2025*
NGCDFB Transfers (Allocation for the FY)	179,441,954
TOTAL	**179,441,954**

7. Transfers from domestic and foreign partners

Description	*Period ended June 30th 2025*
	Kshs
Grants	-
Total	**-**

8. Finance income

Description	*Period ended June 30th 2025*
	Kshs
Interest Income on Bank Deposits	-
Total	**-**

(Provide a brief explanation for this revenue)

9. Miscellaneous income

Description	*Period ended June 30th 2025*
	Kshs
Rental Income	-
Income from sale of tenders	74,000
Hire of plant/equipment/facilities	-
Other Income Not Classified Elsewhere *(specify)*	
Total	**74,000**

10. Employees cost

Description	*Period ended June 30th 2025*
	Kshs
NG-CDFC Basic staff salaries	3,878,479
Personal allowances paid as part of salary	-
House Allowance	
Transport Allowance	-
Leave allowance	35,109
Gratuity to contractual employees	941,304
Employer Contributions Compulsory national social security schemes	166,066
Employer Contributions Compulsory Housing levy	
Employer contributions to National Industrial Training Authority	7,400
Other Specify	-
Total	**5,028,358**

11. Committee Expenses

Description	*Period ended June 30th 2025*
	Kshs
Sitting allowance	1,090,077
Other Committee expenses	1,222,880
Total	**2,312,957**

12. Use of Goods and services

Description	*Period ended June 30th 2025*
	Kshs
Utilities, supplies and services	-
Communication, supplies and services	611,719
Domestic travel and subsistence	2,248,468
Printing, advertising and information supplies & services	-

Office Rent	-
Training expenses	1,577,500
Hospitality supplies and services	431,525
Insurance costs	-
Specialized materials and services	22,400
Office and general supplies and services	122,673
Fuel, oil & lubricants	1,500,000
Bank Charges	57,039
Routine maintenance – vehicles and other transport equipment	515,114
Routine maintenance – other assets	350,842
Strategic plan expenses	-
Other operating expenses	-
Total	**7,437,280**

13. Other Government Units Actual expenditure

Description	Period ended June 30, 2025 Kshs
Primary Schools Actual expenditure	39,650,038
Secondary Schools Actual Expenditure	26,424,523
Tertiary Institutions Actual Expenditure	5,401,241
Total	**71,475,803**

14. Other Grants and transfers Actual expenditure

Description	Period ended June 30, 2025 Kshs
Bursary – secondary schools	40,295,212
Bursary – tertiary institutions	28,868,000
Bursary – special schools	282,390
Bursary - Education Support programmes	-
Social Security programmes (SHIF)	249,400
Security projects Actual Expenditure	16,489,030
Climate change mitigation projects	2,907,707
Emergency projects Actual Expenditure	8,654,018
Roads projects	-
Sport Activity	12,180

Others specify	-
Total	**97,757,938**

15. Depreciation and Amortization Expenses

Description	For the Year Ended June 30, 2025
	Kshs
Property Plant and Equipment	527,533
Intangible Assets	-
Total	**527,533**

16. Digital Hubs Expenses

Description	For the Year Ended June 30, 2025
	Kshs
Construction/ renovation/ Actual expenditure	-
Digital Hub utility costs Water, Electricity,	-
Maintenance of ICT equipment	-
Maintenance of building	-
Others *(specify)*	-
Total	**-**

17. Gain/loss on Sale of Assets

Description	*Period ended June 30th 2025*
	Kshs
Property, Plant and Equipment	-
Intangible Assets	-
Total Gain/loss on Sale of Assets	-

(Provide brief explanation on gains on sale of fixed assets)

18. Impairment Loss

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

(Provide brief explanation on assets impairment loss)

19. Cash and Cash Equivalents

Name Of Bank and Account No.	*Period ended June 30th 2025*	*Opening Statement 1st July 2024*
	Kshs	Kshs
Bank Accounts (Cash Book Bank Balance)		
Name Of Bank, Account No. (Operations account)	30,605,728	26,101,008
Operations account pending closure (Indicate name & account no.)	-	-
Name of Bank, account No. (Deposit account)	1,946,115	1,412,940
Name of Bank, account No. (PMC's account)	29,852,778	37,182,356
Total	**62,404,621**	**64,696,304**
Cash Balances		
Location 1	-	-
Location 2	-	-

Other Locations (*Specify)*	-	-
Total	-	-
[Provided Cash Count Certificates for Each bank account held]		

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

20. Receivables from Exchange Transactions

Description	Period ended June 30 2025 Kshs	Opening Balance 1 July 2024 Kshs
Total receivables		
Other exchange debtors (*Specify*)	-	-
Less: impairment allowance	(-)	(-)
Total receivables	**-**	**-**
a. Current receivables	-	-
b. Non-current receivables	-	-
Total Receivables (a+b)	**-**	**-**

(Entity to state the expected credit loss rates for various categories of its receivables. The entity should also disclose how ECL was arrived at in line with provisions of IPSAS 41.)

i. Ageing Analysis for Receivables

Description	Period ended June 30 2025 Kshs		Opening Balance 1 July 2024 Kshs	
	2024/2025	**% of the total**	**Opening Balance**	**% of the total**
Less than 1 year	-	%	-	%
Between 1- 2 years	-	%	-	%
Between 2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total (a+b)	**-**	**%**	**-**	**%**

21. Receivables from Non-Exchange Transactions

Transfers from NGCDFB	51,441,953	56,397,442.00		
Outstanding imprest	-	-		
Total	**51,441,953**	**56,397,442**		
Ageing Analysis for Receivables				

	Current FY	**% of the total**	**Opening Balance**	**% of the total**
Less than 1 year	51,441,953	100	56,397,442	100
Between 1- 2 years	-		-	
Between 2-3 years	-		-	
Over 3 years	-		-	
Total (a+b)	**51,441,953**		**56,397,442**	

22. Prepayments

Prepaid Rent	-	-
Prepaid Insurance	-	-
Prepaid Electricity Costs	-	-
Other Prepayments *(Specify)*	-	-
Total	**-**	**-**

23. Property, Plant and Equipment

	Land	Buildings	Motor vehicles	Infrastructure assets	Furniture and fittings	Computers & ICT Equipment	Work in progress	Service concession assets	Total
Depreciation Rate		**10%**	25.00%	**20%**	12.50%	**30.00%**			
Cost	**Kshs**	**Kshs**	**Kshs**	**Kshs**	**Kshs**	**Kshs**	**Kshs**	**Kshs**	**Kshs**
Opening Bal as 1st July 2024	-	-	-	-	-	-	-	-	-
Additions	-	**3,464,080**	-	-	**1,449,000**	-	-	-	**4,913,080**
Disposals	-	-	-	-	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-	-	-	-	-
As At xx Sep/Dec/Mar/Jun 2025	-	**3,464,080**	-	-	**1,449,000**	-	-	-	**4,913,080**
Depreciation And Impairment									
Opening bal accumulated depreciation 1st July 2024	-	-	-	-	-	-	-	-	-
Depreciation	-	346,408	-	-	181,125	-	-	-	**527,533**
Disposals	-	-	-	-	-	-	-	-	-

Impairment	-	-	-	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-	-	-	-
As At xx Sep/Dec/Mar/Jun 2025	-	346,408	-	-	181,125	-	-	-	527,533
Net Book Values									
Opening Bal as at 1st July 2024	-	-	-	-	-	-	-	-	-
As At June 30, 2025	-	**3,117,672**	-	-	**1,267,875**	-	-	-	**4,385,547**

Valuation

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

22 b) Property, Plant and Equipment at Cost

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

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

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

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

24. Intangible Assets

Description	2024/2025 Kshs
Cost	-
Opening balance at 1st July 2024	-
Additions	-
Disposal	-
At end of the 2025	-
Amortization and impairment	-
At beginning of the year	-
Amortization	-
At end of the year	-
Impairment loss	-
At end of the year	-
NBV at July 1st 2024	-
NBV at June 30th 2025	-

25. Right-of use assets

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

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

26. Trade and Other Payables

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

27. Third-Party deposits

	Period ended June 30th 2025 Kshs	Opening Statement 1st July 2024 Kshs
Retention as at start of the period (A)	763,701	763,701
Retention held during the period (B)	8,301,347	-
Retention paid during the period (C)	5,169,571	-
Closing Retention as at period 30th June 2025, D= A+B-C	**3,895,477**	**763,701**
Retention aging analysis		

	Insert 2024/2025	% of the total	Insert 2023/2024	% of the total
Less than 1 year	3,895,477	100%	763,701	100 %
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total	3,895,477	100%	763,701	100 %

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

28. Lease Liabilities

Description	Period ended June 30th 2025 Kshs	Opening Statement 1st July 2024 Kshs
Balance at the beginning of the year	-	-
Discount interest on lease liability	-	-
Paid during the year	(-)	(-)
At end of the year	-	-

Maturity Analysis

Period	Amount
Year 1	-
Year 2	-
Year 3	-
Year 4	-
Year 5 and onwards	-
Less: unearned Interest	(-)
	-

Analysed as:

Description	Amount
Current	-
Non- Current	-
Total	-

29. Gratuity Provision

Description	Part Concluded June 2025	Opening Balance 01 July 2024
	Kshs	Kshs
Gratuity at the beginning of the period (A)	2,588,237	2,588,237
Gratuity held during the period (B)	941,304	-
Gratuity paid during the period (C)	1,910,792	-
Total Gratuity provision as at period 30th June 2025 D=(A+B-C)	**1,618,749.00**	**2,588,237**

30. Cash Generated from Operations

	Period ended June 2025 Kshs
Surplus for the period before tax	**(5,023,914)**
Adjusted for:	
Depreciation	527,533
Non-cash grants received	-
Contributed assets	-
Impairment	-
Gains and losses on disposal of assets	-
Contribution to provisions	-
Contribution to impairment allowance	-
Working capital adjustments	
Changes in inventory	-
Changes in receivables	4,955,489
Changes in deferred income	-
Changes in Third party deposits	3,131,776
Changes in gratuity provision	(969,488)
Changes in payments received in advance	-
Net cash flow from operating activities	**2,621,397**

i) Credit risk

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

Financial Risk Management

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

Description	Total amount (Kshs)	Fully performing (Kshs)	Past due (Kshs)	Impaired (Kshs)
As at 30th June 2025				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	**51,441,953**	**51,441,953**		
Bank balances	-	-	-	-
Total	**51,441,953**	**51,441,953**		
As at 30 June 2024				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	56,397,442	56,397,442	-	-
Bank balances	-	-	-	-
Total	**56,397,442**	**56,397,442**	-	-

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

Financial Risk Management

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

ii) Liquidity risk management

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

Description	1month	2month	3months	Total
As at 30th June (Current FY)				
Trade payables	-	-	3,895,477	3,895,477
Current proportion of borrowings	-	-		
Provisions	-	-		
Deferred income	-	-		
Gratuity Provision	-	-	1,618,749.00	1,618,749.00
Total	-	-	**5,514,226**	**5,514,226**
As at 30th June (Previous FY)				
Trade payables	-	-	763,701	763,701
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-

Description	Less than 1 month	Between 1-3 months	Over 3 months	Total
Gratuity Provision	-	-	2,588,237	2,588,237
Total	-	-	**3,351,938**	**3,351,938**

iii) Market risk

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

a) Foreign currency risk

The *NGCDF Tigania West* has no 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 *NGCDF Tigania West* manages foreign exchange risk form future commercial transactions and recognised assets and liabilities by projecting for expected sales proceeds and matching the same with expected payments.

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 Ksh	Effect on profit before tax Ksh	Effect on equity/Net assets Ksh
Current FY			
Euro	10%	-	-
USD	10%	-	-
Previous FY			
Euro	10%	-	-
USD	10%	-	-

b) Interest rate risk

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

Management of interest rate risk

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

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 *NGCDF Tigania West's* market assumptions. These two types of inputs have created the following fair value hierarchy:

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

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 FY	Opening 1st July 2024
	Kshs	Kshs
Revaluation Reserve	117,741,808	117,741,808
Retained Earnings	(5,023,914)	-
Capital Reserve		-
Total Funds	112,717,894	117741808
Total Borrowings	-	-
Less: Cash and Bank Balances	**62,404,621**	**64,696,304**
Net Debt/(Excess Cash And Cash Equivalents)	**62,404,621**	**64,696,304**
Gearing	0%	0%

31. Related Party Disclosures

	Ksh	Ksh
Committee Members Remuneration		
Sitting allowance of committee Members during the year	2,312,957	-
Transaction with the NGCDF Board		
Transfers from the NGCDF Board during the year	184,397,443	-
Total	**185,487,520**	-

32. 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)

33. Contingent Assets and Contingent Liabilities

Contingent Assets

Description		
Contingent Assets	-	-
Insurance Reimbursements	-	-
Assets Arising from Determination Of Court Cases	-	-
Reimbursable Indemnities and Guarantees	-	-
Receivables From Other Government Entities	-	-
Others (Specify)	-	-
Total	-	-

(Give details)

Contingent Liabilities

Description	2024/2025 Kshs	Financial Statement of 2023/2024 Kshs
Contingent Liabilities	-	-
Court Case against the Entity	-	-
Bank Guarantees in Favour of Subsidiary	-	-
Contingent Liabilities arising from Contracts Including PPPs	-	-
Others (Specify)	-	-
Total	-	-

34. Capital Commitments

Capital Commitments	2024/2025 Kshs	Financial Statement of 2023/2024 Kshs
Authorised for	-	-
Authorised and Contracted for	-	-
Total	-	-

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

35. Events after the Reporting Period

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

36. Ultimate And Holding Entity

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

37. Currency

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

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				
Land	-	-	-	-
Buildings and structures	3,700,000	2,244,600	-	5,944,600
Transport equipment	6,147,044	-	-	6,147,044
Office equipment, furniture and fittings	1,134,740	1,449,000	-	2,583,740
ICT Equipment, Software and Other ICT Assets	635,645	-	-	635,645
Other Machinery and Equipment	180,000	-	-	180,000
Heritage and cultural assets	4,700,000	-	-	4,700,000
Intangible assets		-	-	
Total	16,497,429	3,693,600	-	20,191,029

Asset Register

ASSET NAME	PURCHASE DATE	COST(KSH)	DEPRECIATION RATE	DEPRECIATION FOR THE YEAR	ACCUMULATED DEPRECIATION	NBV
TOYOTA LAND CRUISER	2014	6,027,044.00	-	-	-	-
YAMAHA	2014	120,000.00	-	-	-	-
BUILDINGS /FITTINGS	2012	3,700,000.00	-	-	-	-
THREE SEATER LINK CHAIR	2009	98,840.00	-	-	-	-
VISITORS CHAIRS	2009	18,500.00	-	-	-	-
HALF HEIGHT CUPBOARD	2009	19,700.00	-	-	-	-
COFFEE TABLE	2009	18,200.00	-	-	-	-
HIGH BLACK LEATHER CHAIR	2009	18,500.00	-	-	-	-
OFFICE DESK	2009	22,600.00	-	-	-	-
COMPUTER TABLE	2009	13,500.00	-	-	-	-
FILLING METAL CABINET	2009	24,400.00	-	-	-	-

SAFE (FIRE PROOF)	2009	71,000.00	-	-	-	-
LAPTOP 2.O GHZ	2010	78,000.00	-	-	-	-
HP PRINTER	2010	45,000.00	-	-	-	-
MONITOR	2013	FROM BOARD	-	-	-	-
UPS	2013	FROM BOARD	-	-	-	-
HP 5590 SCANNER	2013	FROM BOARD	-	-	-	-
SONY CAMERA	2013	FROM BOARD	-	-	-	-
ASSORTED OFFICE CUTLERY	2009	42,945.00	-	-	-	-
MODEM (ZAIN)	2009	7,000.00	-	-	-	-
HP 290 G2 MicroTower PC DualCore	2019	45,000.00	-	-	-	-
HP 290 G2 MicroTower PC DualCore	2019	45,000.00	-	-	-	-
HP 290 G2 MicroTower PC DualCore	2019	45,000.00	-	-	-	-
Kyocera	2019	180,000.00	-	-	-	-

ECOSYS M6235						
Visitors chairs in metallic frame, arms and fabric seat for comfort , sleigh base	2019	9,700.00	-	-	-	-
Visitors chairs in metallic frame, arms and fabric seat for comfort , sleigh base	2019	9,700.00	-	-	-	-
Visitors chairs in metallic frame, arms and fabric seat for comfort , sleigh base	2019	9,700.00	-	-	-	-

Visitors chairs in metallic frame, arms and fabric seat for comfort , sleigh base	2019	9,700.00	-	-	-	-
Visitors chairs in metallic frame, arms and fabric seat for comfort , sleigh base	2019	9,700.00	-	-	-	-
Visitors chairs in metallic frame, arms and fabric seat for comfort , sleigh base	2019	9,700.00	-	-	-	-
Visitors chairs in metallic frame, arms and fabric seat for comfort , sleigh base	2019	9,700.00	-	-	-	-
Visitors chairs in metallic frame, arms and	2019	9,700.00	-	-	-	-

fabric seat for comfort , sleigh base						
Visitors chairs in metallic frame, arms and fabric seat for comfort , sleigh base	2019	9,700.00	-	-	-	-
Visitors chairs in metallic frame, arms and fabric seat for comfort , sleigh base	2019	9,700.00	-	-	-	-
Visitors chairs in metallic frame, arms and fabric seat for comfort , sleigh base	2019	9,700.00	-	-	-	-
Fully	2019	3,500,000.0	-	-	-	-

equiped borehole		0				
Cabro, washroom, car shade	2024	2,244,600.00	0.1	224,460	224,460	2,020,140
2m Executive Desk	2024	131,000.00	0.125	16,375	16,375	114,625
3m high end conference table	2024	200,000.00	0.125	25,000	25,000	175,000
8 high back black laether office chairs	2024	190,000.00	0.125	23,750	23,750	166,250
2 executive leather chairs	2024	90,000.00	0.125	11,250	11,250	78,750
6 seater one sided work stations	2024	250,000.00	0.125	31,250	31,250	218,750
2.4m conference table	2024	90,000.00	0.125	11,250	11,250	78,750
20 Leather boardroom chairs with metal with metal frames	2024	498,000.00	0.125	62,250	62,250	435,750

(Atttached a complete asset register above showing all the assets in the constituency with the date of purchase, cost of the asset. depreciation rate, depreciation for the year, accumulated depreciation and the NBV of the assets)

Annex 2 –PMC Bank Balances As At 30th June 2024

PMC	Bank	Account number	Bank Balance 2024/2025	Bank Balance 2023/2024
Ack Ngaintethia Primary school	Sidian Bank	01025710005919	900,000	-
ACK REI PRIMARY SCHOOL	NBK-KIANJAI	01022232208400	365	4,585
AKITHII GIRLS	NBK-KIANJAI	7717099055	383,549	-
Amatu Day Secondary School	NBK-KIANJAI	01022206768700	12,020	105,440
AMATU PRY SCHOOL	NBK-KIANJAI	01022249907800	34,963	1,400,206
AMWARI DAY SEC SCHOOL	NBK-KIANJAI	01022262892600	1,951	4,036
Antubeiga Ap Camp	NBK-KIANJAI	01281130716300	2,451	5,021
ANTUBEIGA PRIMARY SCHOOL	NBK-KIANJAI	01281124324200	20,050	22,390
Athwana ACC NGCDF	Sidian Bank	01025710005949	2,500,000	-
Athwana ACC NGCDF	NBK-KIANJAI	7717132419	487,332	-
ATHWANA SEC SCH	NBK-KIANJAI	0102539021200	375	375
Gimpine Pry Sch	NBK-KIANJAI	01285124394900	489	489
ITHAMARE PRIMARY SCHOOL	NBK-KIANJAI	01024112924800	240	240
Ithatene Primary School	NBK-KIANJAI	1282077559200	-	150
Kaamu Primary School	NBK-KIANJAI	01022127709800	111,927	1,484,794
Kaamu Primary School	Sidian Bank,Meru	01025710005889	2,471,195	-
Kalimba Primary School	NBK-KIANJAI	01022218502200	402	402
Kamanoro Primary School	NBK-KIANJAI	01281124378300	42,664	1,480,625
KAMARIMA PRY SCHOOOL	NBK-KIANJAI	01285124393700	315,166	1,486,748
Kamaroo Day Sec	NBK-KIANJAI	01025082026900	420	420
KAMAROO PRIMARY SCHOOL	NBK-KIANJAI	01285124377700	1,821	5,221
Kamaruki Pry Sch	NBK-KIANJAI	01024112919400	469	469
Kamitongu Pry Sch	NBK-KIANJAI	01025119548600	1,512	1,623
Kamuthanga Pry	NBK-KIANJAI	01285124321800	2,904	2,904
KANJAI PRIMARY SCHOOL	NBK-KIANJAI	01248040459200	29,146	34,716

PMC	Bank	Account number	Bank Balance 2024/2025	Bank Balance 2023/2024
Kanjalu Boarding Pry Sch	NBK-KIANJAI	01021040212200	13,927	775
Kanjalu Pry Sch	NBK-KIANJAI	01285130745600	6,865	10,255
Kanthiari Primary School	NBK-KIANJAI	01024112919900	379,779	2,512,335
Karii Pry Sch	NBK-KIANJAI	01024119574300	125,659	25,498
KIANDIU PRY SCHOOL	NBK-KIANJAI	7717102897	4,353	800,000
KIANDIU DAY SEC	NBK Kianjai	1022218323300	-	951
Kiandiu Day Sec Sch	NBK Kianjai	1285124352900	-	951
KIANJAI CHIEFS OFFICE	NBK-KIANJAI	7717100835	328,926	-
kianjai chiefs office	Sidian Bank	01025710005929	3,848,989	-
Kianjai Circuit Boarding Primary School	NBK-KIANJAI	01022219426800	1,275	1,275
Kianjai Girls Secondary School	NBK-KIANJAI	01285124321600	4,532	8,012
Kianjai Primary School	NBK-KIANJAI	01281124396200	7,727	1,399,275
Kiare Assistant Chief	NBK-KIANJAI	01020220081500	436	436
Kiare Pry Sch	NBK-KIANJAI	01024124335700	436	436
KIBIRU CHIEFS OFFICE	NBK-KIANJAI	01020262879700	1,522	1,522
Kibuline Ap Post	NBK-KIANJAI	01520218652000	19,673	-
Kibuline Primary School	NBK-KIANJAI	01285130700100	295	295
Kibuline Secondary School	NBK Kianjai	1021039014900	-	611,709
kieru assistant ceifs office	NBK-KIANJAI	7717748320	178,514	-
Kieru Pry Sch	NBK-KIANJAI	01285124390600	1,711	4,041
Kilenchune Chiefs Office	NBK-KIANJAI	01285112967200	640	1,810
Kimachia Chief's Camp	NBK-KIANJAI	01285112911500	19,790	2,317
Kimachia Primary Sch	NBK-KIANJAI	01285130743600	572	1,742
Kimachia Sec Sch	NBK Kianjai	1025019087500	-	122,850
kimachia secondary school	Sidian Bank	01025710005169	47,108	-
Kimerei Pry Sch	NBK-KIANJAI	01024039233401	19,684	27,499

PMC	Bank	Account number	Bank Balance 2024/2025	Bank Balance 2023/2024
Kimuthii Primary School	NBK-KIANJAI	01022206735900	87	87
KIORIMBA DAY SECONDARY SCHOOL	NBK Kianjai	1025134510800	-	212,778
Kirukire Day Sec	NBK-KIANJAI	01025077675700	159,930	500
KITHEO CHIEFS OFFICE	NBK Kianjai	1021229035900	-	4,951
Kitheo Secondary School	NBK-KIANJAI	01248039885800	13,516	15,856
Kithiiri Day Sec School	NBK-KIANJAI	01285124323100	125,753	-
KITHIIRI PRIMARY SCHOOL	NBK-KIANJAI	01022230398000	100,365	125,753
Kk Lumbi Day Secondary School	NBK Kianjai	1020088255700	-	7,261
Kk Lumbi Pry Sch	NBK Kianjai	1224040162500	-	81,240
KK RWANJWEE PRY SCHOOL	NBK-KIANJAI	7717372207	161,728	7,772
KK THARAINE PRIMARY SCHOOL	NBK-KIANJAI	01024112929200	3,105	5,445
KMTC MIATHENE	NBK-KIANJAI	01285124348800	523,227	149,537
KUNENE SPECIAL	NBK-KIANJAI	01022263410300	1,335	2,505
LAARIA PRIMARY SCHOOL	NBK-KIANJAI	01281077650300	21,857	21,857
Laciathuriu Pry Sch	NBK-KIANJAI	01248040457100	350,277	3,031,434
Laciathurui Day	NBK-KIANJAI	01025088265100	2,669	43,714
Lairangi Day Secondary School	NBK-KIANJAI	01025082031400	1,794	-
Lairangi Pry School	NBK-KIANJAI	01024062277300	104,948	14,350
Lubunu Sec Sch	NBK-KIANJAI	01285124327300	1,620	2,790
LUURIA PRIMARY SCHOOL	NBK-KIANJAI	01022247236100	1,757	802,302
Maanthi Assistant Chief Office	NBK-KIANJAI	01520220330600	2,391	2,391
MAANTHI PRIMARY SCHOOL	NBK-KIANJAI	01022229942500	19,845	21,015
MACHAKU PRIMARY SCHOOL	NBK-KIANJAI	01022231558400	7,354	7,354
Machegene Mixed Day Sec	NBK Kianjai	1025040304900	-	68,463
machaku secondary school	Sidian Bank	01025710005959	2,500,000	-
machaku secondary school	NBK-KIANJAI	01025112927700	153,232	-
MAILI TATU AP POST	NBK-KIANJAI	01020209678300	323,256	-
Maitha Primary School	NBK-KIANJAI	01024112949900	2,076	4,316
MAKANDI MIXED DAY	NBK-KIANJAI	7717062291	2,775,980	-

PMC	Bank	Account number	Bank Balance 2024/2025	Bank Balance 2023/2024
Manyiri Pry Sch	NBK-KIANJAI	01281124340100	625	625
Mbaarua primary scool	Sidian Bank	01025710005909	1,500,000	-
Mbaarua primary scool	NBK-KIANJAI	01025710005909	1,824,682	-
MCK ALL SAINTS MWITHU PRIMARY SCH	Sidian Bank	01025710005899	2,000,000	-
MCK ALL SAINTS MWITHU PRIMARY SCH	NBK-KIANJAI	01022246787800	277,425	1,480,180
Mck Mwerondu Primary School	NBK-KIANJAI	01022218012600	101,765	-
MIATHENE ASSITANT CHIEFS OFFICE	NBK-KIANJAI	7717099195	521,739	-
Miathene Day Sec School	NBK-KIANJAI	01022240167900	6,574	7,744
MIATHENE PRIMARY SCHOOL	NBK-KIANJAI	1285130745600	14,985	14,985
Mituntu Day Secondary School	NBK-KIANJAI	01025130723300	2,706	3,876
Mituntu Girls Secondary School	NBK-KIANJAI	01025112927900	1,149	1,149
Mituntu Primary School	NBK-KIANJAI	01025062292300	9,954	680
Mucuune Dispensary	NBK Kianjai	1281124373000	-	534
Mucuune Pry Sch	NBK-KIANJAI	01285124326100	435	435
Mukindu Pry Sch	NBK-KIANJAI	01024040508400	30	30
Muramba Primary School	NBK-KIANJAI	01024112928100	36,846	42,057
MURICHIA PRIMARY SCH	NBK-KIANJAI	01022246590400	41	41
Mutionjuri Day Secondary School	NBK-KIANJAI	01022218496500	200,844	3,533,737
Mutionjuri Primary School	NBK-KIANJAI	01022206824800	1,060	1,060
Mwanika Primary School	NBK-KIANJAI	01024112961900	864	864
MWERONKANGA ASSISTANT CHIEFS OFFICE	NBK-KIANJAI	01020262914900	538	538
MWERONKANGA PRY SCH	NBK-KIANJAI	01022224267500	8,876	11,216
Mweronkoro Pry	NBK-KIANJAI	01285101158700	124,093	6,098
Mwili Pry Sch	NBK-KIANJAI	01024119569400	1,313	3,523
Nairiri Primary School	NBK-KIANJAI	01022225431700	3	3
NCHIRU POLICE STATION	NBK-KIANJAI	01285112933100	102,000	2,369

PMC	Bank	Account number	Bank Balance 2024/2025	Bank Balance 2023/2024
Nkiluthu Pry	NBK-KIANJAI	01024112923400	2,530	7,161
NKURARE DAY	NBK-KIANJAI	01025124374300	3,785	7,835
Nkurare Pry Sch	NBK-KIANJAI	01285130727500	97,637	1,480,000
Rwongo Rwa Nyanki Primary	NBK-KIANJAI	01285130745400	72,846	12,511
St Augustine Luuria Secondary School	NBK-KIANJAI	01022218737500	4,542	8,152
St Johns secondary school	NBK-KIANJAI	7717814226	169,647	-
St Johns secondary school	Sidian Bank	01025710005939	2,500,000	-
ST. DAVID PRY SCH	NBK-KIANJAI	01022246244900	116,353	2,638
ST.RITA PRIMARY SCH	NBK-KIANJAI	01022247013400	7,194	9,414
Thanantu Pry	NBK-KIANJAI	01256100075200	49,345	2,372
Thau Mixed Day Sch	NBK-KIANJAI	01285124328500	1,840	4,230
THAU PRIMARY SCHOOL	NBK-KIANJAI	01022211689800	59,594	62,959
Thinyaine Primary School	NBK-KIANJAI	01022221249000	162,102	80
Thinyaine Secondary School	NBK-KIANJAI	01025119533600	193	1,363
TIGANIA WEST DESKS PMC	NBK-KIANJAI	01521247083500	260	260
Tigania West Environment Management Comm	NBK-KIANJAI	01285124371100	86,461	44,168
Tigania West Sports Committee	NBK-KIANJAI	01285124365000	61,627	73,807
Twale Pry Sch	NBK-KIANJAI	01285130746400	19,334	26,164
Uringu Primary	NBK-KIANJAI	01285130749600	2,493	4,723
Uringu Sec Sch	NBK-KIANJAI	01025112915100	1,725	1,725
Urru AP	NBK-KIANJAI	01285130760100	1,152	1,152
Urru Day Secondary School	NBK-KIANJAI	01021077517200	1,646	2,816
TOTAL			**29,852,777**	**23,073,783**

Annex 3: Progress On Follow Up of Auditor Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1 Inaccuracies in financial statements	Statement of asset and liabilities reflects financial asset balance of Ksh 26,172,033. However, a recast of the statement results in a balance of Ksh 26,172,071 resulting in a variance of Ksh 38.	The error is a typographical which has no effect to the financial statements as presented. The issue was not detected at any stage for correction during preparation and audit until the issuance of audit certificate. The error has been corrected	Not resolved	In consultation with auditors pending appearance before DFAC
	Statement of receipt and expenditure reflects a transfer to other government of sh 76,536,214. However, a recast of note 7 results in total of Ksh 38,536,214 resulting to a variance of sh 38,000,000 which has not been reconciled of explained	The error is a typographical which has no effect to the financial statements as presented. The issue was not detected at any stage for correction during preparation and audit until the issuance of audit certificate. The error has been corrected	Not resolved	In consultation with auditors pending appearance before DFAC
	The statement of receipt and payment reflects as disclosed in note 7 to the financial statements reflects transfer to primary schools of Ksh 4,126,436. However, the supporting	The error is a typographical which has no effect to the financial statements as presented. The issue was not detected at any stage for correction during	Not resolved	In consultation with auditors

Reference No. on the External Audit Report	Issue / Observations from Auditor	Management comments	Status (Resolved / Not Resolved)	Timeframe (Provide a date when you expect the issue to be resolved)
	ledger revealed an amount of sh 42,126,436 resulting in unreconciled and unexplained amount of Ksh 38,000,000	preparation and audit until the issuance of audit certificate. The error has been corrected		pending appearance before DFAC
Unaccounted for Bursary Funds	Included in the balance of Kshs.89,149,832 is Kshs.63,098,942 in respect to bursaries to secondary schools, tertiary institutions and special schools. Audit verification revealed that Kshs.50,475,092 of bursary disbursements were acknowledged with letters from various institutions leaving a balance of Kshs.12,623,850 as un acknowledged bursaries	The management has analyzed the bursary disbursement as follows; Total Bursary Disbursed 63,098,942 Total Bursary Acknowledged 62,664,442 Total Bursary Cancelled and replaced 298,521 Total Bursary Unacknowledged 434,500 The management availed physically in Embu OAG office the original acknowledgement receipts and the cancellation and replacement letter and minutes of NGCDFC.	Not resolved	In consultation with auditors pending appearance before DFAC

Reference No. on the external audit Report	Issue/ Observation from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Provide date when you expect the issue to be resolved)
Budgetary control and performance	The Summary Statement of Appropriation for the year reflected a total budget of Kshs. 264,192,624. However, a review of expenditure revealed that the management spent only Kshs.181,623,128, resulting to an under-absorption of Kshs.82,569,496 (31%). Additionally, the appropriation statement for the year shows that the management projected revenue of Kshs.264,175,624. On a comparative basis, the actual receipts amounted to Kshs. 207,778,182, leading to an under-performance of Kshs. 56,397,442. The significant under-absorption of budgeted funds and revenue shortfall raises concerns about the effectiveness of budget utilization and revenue collection processes, potentially affecting the delivery of planned activities and programs.	The management notes and appreciate the recommendation and affirms compliance subject to timely disbursement of funds from the board.	Not resolved	In consultation with auditors pending appearance before DFAC
Unresolved prior year matters	Review of progress on follow up prior years audit recommendation reveals that several issues remained unresolved		Not resolved	In consultation with auditors pending appearance

				before DFAC
Failure to open a deposit account	Management of Tigania West National Government-Constituencies Development Fund was granted authority to open deposit bank account with family bank on 23 November, 2023 by the National Treasury via letter Ref:AG.3/88/1Vol.72/ (53). It was not clear why Management did not start operating the account until March 2024 despite the fact that Gratuity amount was being deducted for the whole financial year. In addition, Management should explain why they were operating without a deposit account as stipulated in the Act	The delay was not intentional and the management acted in good faith within what was humanly possible. The management was informed of the treasury authority to open deposit account through NGCDF board letter reference NGCDF/MERU/TIGANIA WEST VOL 3 (52) dated December 13, 2023 which was received in our offices in mid January 2024. The chairman NGCDF then could not be available to actualize the opening of the said account due to personal commitments until March 2024. The management provided all the documentary evidence to collaborate the above mentioned facts.	Not resolved	In consultation with auditors pending appearance before DFAC
Unutilized Funds for Project Management	Tigania West NG-CDF had unspent funds amounting to Kshs.23,073,780 for Project Management Committees as per the various bank account balances as at 30 June, 2024.	The PMC balances comprises of funds disbursed for active on going projects and the funds retained after completion of the projects awaiting elapsing of the	Not resolved	In consultation with auditors

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Indicate when you expect the issue to be resolved)
Committees	Management did not transfer the unspent balances to the constituency bank account as required by the law.	defect liability period for it to be released or otherwise, to the contractors. Such funds as not returnable to the NGCDF main account since it is being utilized.		pending appearance before DFAC
Failure to Prepare Balanced Budget.	The approved budget presented for audit revealed that Management only projected expenditure of Kshs.264,192,624 without preparing corresponding revenue projections. This is contrary to the Public Finance Management Act, which requires that budgets should balanced, with projected revenues matching planned expenditures. The absence of revenue projections compromises the budget's credibility and risks misalignment between available resources and planned activities, potentially leading to financial shortfalls and operational inefficiencies.	The Budget is balanced only that, the projected revenue side is not incorporated in one worksheet. The information is however presented in the Summary Statement of Appropriation for The Year Ended 30th June 2024 The budget for 2023/2024 FY for both revenue and expenditure is attached for ease of your reference.	Not resolved	In consultation with auditors pending appearance before DFAC
Under Allocation of Bursary Funds	Analysis of management expenditure revealed that the Fund committee spent Kshs.63,098,942 against an approved budget	The correct position is that, the yearly allocation excluding previous years balance brought forward, which were	Not resolved	In consultation with

	of Kshs.64,134,565, resulting to unutilized bursary funds of Kshs.1,035,623. The underutilization of the allocated funds may have deprived some academically outstanding and financially needy students access to education, potentially hindering their academic progress and the intended impact of the bursary program. Proper allocation and utilization of such funds are critical to ensuring that eligible students benefit as intended.	basically projects without any aspect of bursary, was sh 186,397,442 (Kindly refer to the summary statement of appropriation). Out of this amount, the management allocated sh 45,876,634 to Bursary Secondary Schools, sh 500,000 to Bursary Special Schools, sh 17,000,000 to Bursary Tertiary Institutions and sh 600,000 to NGCDF Social Security Programmes. As such, the total allocation under Bursary Sector was 63,976,634 (34%) out of the constituency yearly allocation of sh 186,397,442. The observation is therefore a misrepresentation of facts. **The management provided code list to support the response.**		auditors pending appearance before DFAC
Under Budgeted Emergency Funds	During the year under review, Management of set aside Kshs.9,229,569, which represents 3% of the allocated funds, contrary to the NG-CDF Act, 2023. The Act stipulates that the emergency funds shall be equivalent to 5% of the total allocated funds. This	The emergency reserve of sh 9,229,569 is based on the annual NGCDF allocation divided equally to all constituency in the country. The figure is calculated by the NGCDF board and the constituencies are guided on what	Not resolved	In consultation with auditors pending appearance

Reference No. on the external audit Report	Issue / Observation from Auditor	Management comments	Status (Resolved / Not Resolved)	Timeframe (Resolved / Not Resolved)
	deviation results in non-compliance with the statutory requirement, potentially limiting the constituency's ability to address emergencies effectively.	figure to budget through NGCDF board circular. **The management provided a NGCDF circular clearly guiding the amount to set aside for emergency purposes.**		before DFAC
Late Disbursement of NG-CDF Funds	The Summary Statement of Appropriation for the year disclosed previous years' outstanding disbursements amounting to Kshs.58,087,603, representing undisbursed funds from the Board relating to prior years. Additionally, by the end of the financial year, the committee had not received Kshs.56,397,442. This contravenes Section 39(2) of the National Government-Constituencies Development Fund Act, which stipulates that the disbursement of funds to the Constituency Fund Account should be effected at the beginning of the first quarter of each financial year.	The management notes and appreciate the recommendation and affirms compliance subject to timely disbursement of funds from the board	Not resolved	In consultation with auditors pending appearance before DFAC
Reallocation of Emergency	Management of Tigania West National Government-Constituencies Development	The NGCDF act 2015(amended) 2022(amended) section 6(4) states,	Not resolved	In consultation

Funds	Fund approved reallocation of emergency funds totaling Kshs.2,500,000 to facilitate preparation, facts collection, designing, type setting and printing of Tigania West NG-CDF strategic plan for the period between 2023-2027. There was no evidence and reasons to warrant the urgency in development of the Strategic Plan that was going to harm the interest of the constituents if it was delayed until the next financial year	"Unspent funds shall be allocated to any eligible project and such project may be new or ongoing at the end of the financial year." In this case, the fund had an unspent funds of sh 2,500,000 in emergency reserve which was then procedurally allocated to formulation and drafting of 2022-2027 strategic plan. Therefore, the observation is erroneous representation of facts and the law since the strategic plan was not funded as the emergency project and the law allows reallocation of such funds with the approval of the NGCDF board. The management attached NGCDF board approval of the said project		with auditors pending appearance before DFAC
Failure to Insure Assets	Annex 4 to the financial statements reflects a summary of fixed assets amounting to Kshs.16,497,429. However, review of financial expenditure revealed that the Fund Committee did not incur any expenditure on insurance of these assets. This is contrary to Section 36(3) of the National	The management notes the recommendation and is in the process of procuring an insurance agent	Not resolved	In consultation with auditors pending appearance before

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	[illegible]
	Government-Constituencies Development Fund Act, 2023, which requires the Fund Committee to ensure that all assets are adequately insured. Failure to comply with this requirement exposes the assets to potential risks, including loss or damage, which could result in financial and operational challenges for the organization			DFAC
Project Verification	Tigania West NG-CDF paid Kshs.1,300,000 for the construction of a three roomed structure at Kibiru assistant chief's office on 31 August 2023. A physical verification of the project revealed that the NG-CDF had previously built four roomed offices to house the police, the office was abandoned with some of the doors, roofs and windows vandalized. It was not clear why management was building the new Assistant Chiefs office while there was another building lying idle.	Kibiru assistant chief's office was constructed in 2023/2024 FY while the Ap staff houses were constructed in 2016/2017FY. The assistant chief office was successfully constructed and it's in full use as verified during project inspection by the audit team. The Ap staff houses are four in number and are in intermittent use, many times abandoned after the officers are attacked by the bandits since the area is a high insecurity area. It's important to note that, the ministry of interior is in the process of constructing a fully-fledged police station in this area to solve this menace once and for all	Not resolved	In consultation with auditors pending appearance before DFAC
	A review of the approved code list indicates that the NG-CDF Board sanctioned a project	The proposal at Nchiru Police Station was to provide a children cells. The	Not resolved	In consultation

	involving the renovation of two single-room staff quarters and the conversion of an office into police cells at a budget of Kshs. 2,000,000. However, during project inspection, it was noted that the Project Management Committee (PMC) unilaterally altered the scope of activities by extending the police cell instead of converting the existing office into a cell as originally approved	plan was to construct them on the space which was preserved for construction of future offices since the need for children cells was more pressing that offices. Cells comes in specific designs and specifications and hence no office may meet all conditions for it to be modified into a cell.		with auditors pending appearance before DFAC
Lack of Internal Audit	During the year under review, Tigania west NG-CDF had no internal audit report published as required by law.	The internal audit functions are undertaken by the sub county treasury internal audit department and the NGCDF board internal audit department, both of which the management does not have control of.	Not resolved	In consultation with auditors pending appearance before DFAC
Weak IT Controls	Review of the Tigania West National Government-Constituencies Development Fund Information Communication Technology (ICT) environment identified several critical gaps and areas of concern that could significantly affect operational efficiency and data security. Firstly, there is no	The management notes the recommendation and affirms compliance subject to availability of funds	Not resolved	In consultation with auditors pending appearance before

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status (Resolved / Not Resolved)	Timeframe (Resolved)
	approved ICT policy, which is essential for guiding the use, management, and security of ICT resources. This exacerbates the lack of direction and oversight in ICT governance. There is also no IT continuity plan or disaster recovery plan in place, exposing the fund to significant risks in the event of a system failure or disaster. Compounding these issues is the absence of verification processes to ensure that data backups are successful, potentially leading to data loss. There are also no procedures to regularly review user access rights to the system, creating vulnerabilities where access privileges may not align with users' responsibilities.			DFAC
Lack of Updated Asset Register	Annex 4 of the financial statements disclosed a summary of Fixed Assets value amounting to Kshs.16,497,429. However, the committee did not maintain an updated fixed assets register contrary to the law. In addition, the assets were not tagged as required by the law	The management keeps an asset register and updates it as appropriate. We stand guided whether the register we keep is inadequate. The tagging of assets is an on going process dependent upon availability of tags.	Not resolved	In consultation with auditors pending appearance before DFAC



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Harrison Wachira
Fund Account Manager.