


REPUBLIC OF KENYA



**REPORT**

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**THE AUDITOR-GENERAL**

**ON**

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

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

Revised 30<sup>th</sup> June 2025



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NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

UGUNJA CONSTITUENCY

ANNUAL REPORT AND FINANCIAL STATEMENTS

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

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

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

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## 1. Acronyms and Definition of Key Terms

### A. Acronyms

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

### B. Definition of Key Terms

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

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

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

## 2. Key Constituency Information and Management

### (a) Background information

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

### Mandate

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

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

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

#### **Vision**

Equitable Socio-economic development countrywide.

#### **Mission**

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

#### **Core Values**

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

### Functions of NG-CDF Committee

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

#### (b) Key Management

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

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

#### Fiduciary Management

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

No	Designation	Name
1.	AIE holder	Dr. Boaz Omondi Odeyo, PhD
2.	National Sub-County Accountant	Dr. Lazaro Adhu
3.	Chairman NGCDFC	Mr. Bernard Omollo Werre
4.	Member NGCDFC	Mrs. Rose Atieno Ochieng
5.	Member NG CDFC	Mrs. Ann Adhiambo Opiyo

#### (c) Fiduciary Oversight Arrangements

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

P.O. Box 212 -40606, UGUNJA  
NG-CDF Building  
Opposite Nyasanda Primary School  
Ugunja, KENYA

(e) NGCDF UGUNJA Constituency Contacts

Telephone: (254) 738 553 894  
E-mail: [cdfugunja@ngcdf.go.ke](mailto:cdfugunja@ngcdf.go.ke)  
Website: [www.ngcdf.go.ke](http://www.ngcdf.go.ke)

(f) NGCDF UGUNJA Constituency Bankers

1. Operations Account  
Equity Bank  
Siaya Branch  
P.O. Box 75104  
Nairobi
2. Deposit Account  
Equity Bank  
Siaya Branch  
P.O. Box 75104  
Nairobi
3. PMC Accounts
  - i. KCB Bank  
Ugunja Branch  
P.O Box 175  
Ugunja
  - ii. Co-operative Bank  
Ugunja Branch  
P.O. Box 5772  
Nairobi
  - iii. Faulu Bank  
Kisumu Branch  
P.O Box 60240  
Nairobi.

(g) Independent Auditor

Auditor General  
Office of the Auditor General  
Anniversary Towers, University Way  
P.O. Box 30084  
GPO 00100

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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
 Mr. Benard Omollo Were- Chairman	<p>He was born in 1960 in Bungoma County and currently reside in Ugunja Constituency and he pursued his Kenya Certificate of Secondary Education in 1980 where he achieved division 11 and later on proceeded to join Kenya Defense Forces where he worked as a serviceman and in the defense forces, he pursued Certificate in Electrical and Instrument Technician. Upon retirement he moved into business and later on appointed to be a member of Ugunja National Government Constituency development Fund Committee representing Male Adult and later on elected as the chairperson.</p>
 Mrs. Rose Atieno Ochieng-Secretary	<p>He was born in 1990 in Siaya County and currently reside in Ugunja Constituency and he pursued his Kenya Certificate of Secondary Education in 2006 where he passed well and later on proceeded to venture into business and later on appointed to be a member of Ugunja National Government Constituency development Fund Committee representing Female youth and elected as Secretary .</p>
 Mr. Philip Milton Ndaya - Member	<p>He was born in 1954 in Siaya County and currently reside in Ugunja Constituency and he pursued his Kenya Certificate of Secondary Education in 1973 where he passed well and later on proceeded to pursue Certificate of Teacher Education (p1) and later worked as a teacher with Teachers service Commission up to the rank of headteacher Upon retirement he moved into business and later on appointed to be a member of Ugunja national Constituency development Fund Committee representing Male Adult.</p>
	<p>She was born in 1988 in Siaya County and currently reside in Ugunja Constituency and she pursued her Kenya certificate of primary Education in 1995 where she passed well and later on proceeded to venture into business and later on appointed to be a member of Ugunja National Government Constituency development Fund Committee representing Female Adult.</p>

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 <p>Mrs. Anne Akoth Aor-Member</p>	
 <p>Mrs. Anne Adhiambo Opiyo- Member</p>	<p>She was born in 1982 in Siaya County and currently reside in Ugunja Constituency and she pursued her Kenya Certificate of Primary Education in 1994 where she passed well and later on proceeded to venture into business and later on appointed to be a member of Ugunja National Government Constituency development Fund Committee representing Female Adult.</p>
 <p>Mr. James Yamo Okello- Member</p>	<p>He was born in 1994 in Kisumu County and currently reside in Ugunja Constituency and he pursued his Kenya Certificate of Secondary Education in 2013 where he passed well and later on Joined University to pursue Bachelor of Education Degree and later on proceeded to venture into business and there after appointed to be a member of Ugunja National Government Constituency development Fund Committee representing Male Youth.</p>
	<p>He was born in 1956 in Siaya County and currently reside in Ugunja Constituency and he pursued his Kenya Certificate of Secondary Education in 1977 where he passed well and later on proceeded to venture into business and there after appointed to be a member of Ugunja National Government</p>

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	<p>Constituency development Fund Committee representing people with disability.</p>
<p>Mr. Ricadius Owino Agola- Member</p>	<p>She was born in 1963 in Machakos County and currently reside in Ugunja Constituency and she pursued her Kenya Certificate of Secondary Education in 1981 where she passed well and later on proceeded to pursue Certificate of Primary Teacher's Certificate in 1988 (p1) and later worked as a teacher with Teachers service Commission up to the rank of headteacher Upon retirement he moved into business and later on appointed to be a member of Ugunja National Government Constituency development Fund Committee as a board co-opted member.</p>
	<p>He was born in 1986 in Kisumu County and currently reside in Ugunja Constituency and he pursued his Kenya Certificate of Secondary Education in 2005 where he passed well and later on Joined University to pursue Bachelor of Business Management (Accounting Option) thereafter registered to Pursue Master of Business Management and and later on registered to Pursue Doctor of Philosophy in Finance (phD) and CPA2. I was hired as Fund Account Manager with NG-CDF.</p>
<p>Dr. Boaz Omondi Odeyo,phD- Fund Account Manager</p>	

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*List of the NG CDFC members who exited during the financial year and the period they served.*

1. Mrs. Martha Achieng Oduor exited the committee on 21<sup>st</sup> May 2025 after the gazettelement of a new committee after serving for 2 years
2. Mr. Lawrence Ochieng Omwala exited the committee on 21<sup>st</sup> May 2025 after the gazettelement of a new committee after serving for 2 years

4. NG-CDFC Chairman's Report



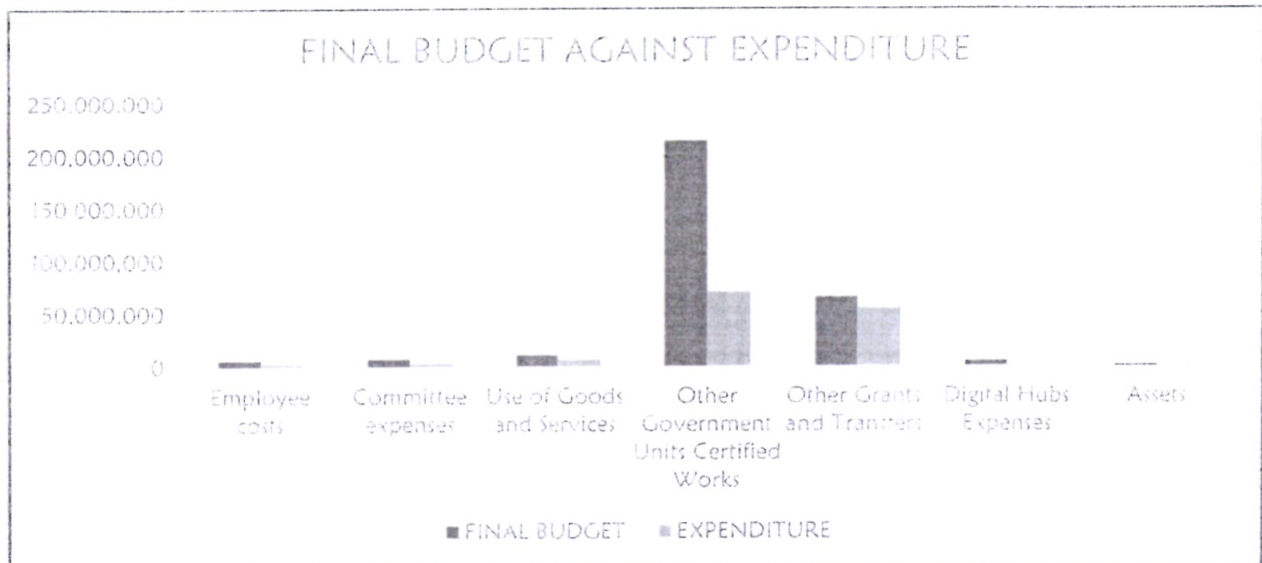
Benard Omollo Werre  
 NG-CDFC CHAIRMAN  
 UGUNJA CONSTITUENCY

In the financial year 2024/2025 the constituency had a total budget of Ksh. 255,658,417 Against Actual expenditure of Ksh.132,814,040 as analyzed as follows representing 51.9% Absorption rate as reflected in the appropriation account.

Final budget in relation to expenditures

	FINAL BUDGET	EXPENDITURE
Employee costs	5,839,690	3,042,857
Committee expenses	7,297,122	3,282,800
Use of Goods and Services	10,830,804	6,310,863
Other Government Units Certified Works	214,784,274	71,077,778
Other Grants and Transfers	65,586,568	54,859,238
Digital Hubs Expenses	4,803,192	1,025
Assets	600,000	600,000

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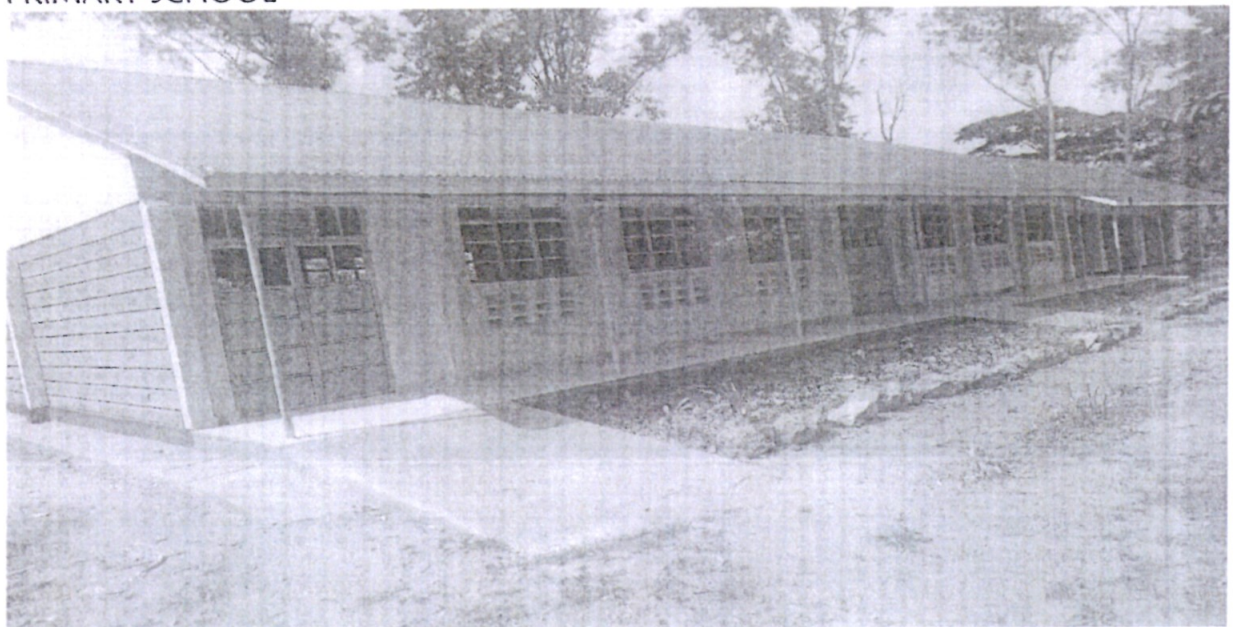
**Key achievements for Ugunja NG-CDF**

By equal distribution of funds to all constituents to fight poverty and ensuring regional balance .

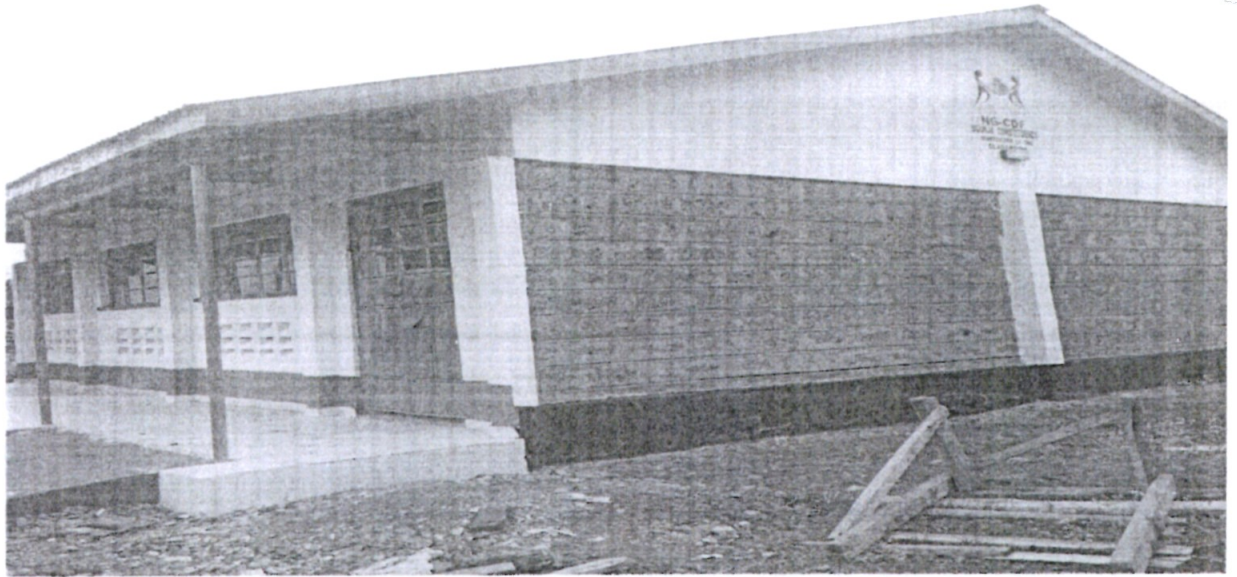
In the Education sector, NGCDF funding has aided in ensuring that infrastructure in schools is improved and that students are able to learn in conducive environment , a move that has seen students retained in schools and thus performance has been improved.

*Below are pictures of various projects done as indicators of our achievements:*

**1. PROPOSED CONSTRUCTION OF TWO CLASSROOMS AT BAR ATHENG PRIMARY SCHOOL**



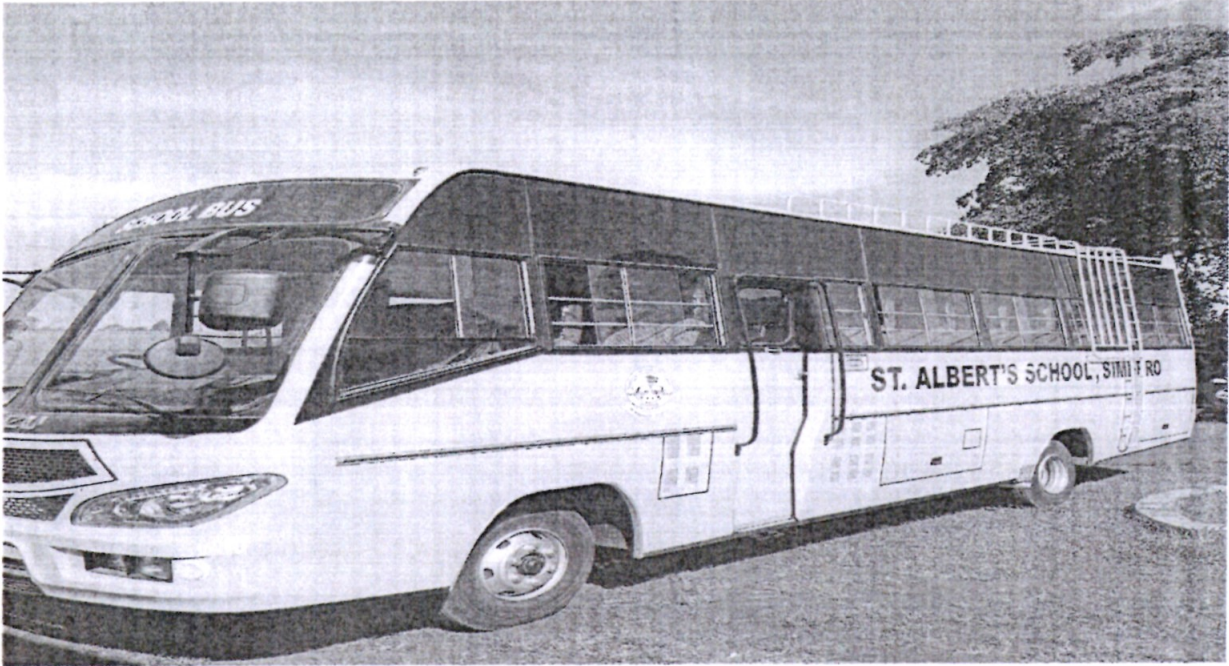
**2. PROPOSED CONSTRUCTION OF ONE CLASSROOM AT UGUNJA PRIMARY SCHOOL**



- 
- 
- 3. PROPOSED FENCING OF SIDINDI POLICE STATION



- 
- 4. SUPPLY AND DELIVERY OF A FOURTY SIX (46) SEATER SCHOOL BUS AT ST. ALBERT'S SCHOOL SIMERRO



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Emerging issues related to the NG-CDF

Entrenching NG-CDF in the new constitutional dispensation, since it is facing a lot of legal challenges hence Members of parliament should enact legislations which do not contravene the constitution in order to protect the NGCDF.

#### **Implementation Challenges and Recommended Way forward**

- Delayed disbursement of funds leads to inflated project costs due to the time value of money and also delayed implementation of projects a good example is the late disbursement of bursary funds and project funds, to remedy this, funds must be disbursed by the CDF board in time.
- Frequent development forums and awareness forums should be held to intimate the public with information concerning the development initiatives, from various funding agencies and stakeholders and CDF, County government and other development stakeholders plan together to avoid duplication of projects.
- Lack of a simple but standardized practical curriculum for training PMC's in order to enhance their capacity to implement the projects; hence PMC training manual should be operationalized.
- The NG-CDF Act and the constitution limit the operations of NG-CDF to Education and National security functions, leaving out all devolved functions.

Despite the achievements mentioned above, NGCDFC experienced the following challenges.

1. Most projects could not commence due to untimely disbursement of funds and subsequent delayed formation of PMCs.



Name: Bernard Omollo Werre  
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 the *NGCDF UGUNJA Constituency 2022-2027* plan are to:

1. To promote value addition in agricultural activities.
2. To boost scholarship and effective participation of the community through capacity building.
3. To stimulate structural development, conservation of the environment and socioeconomic development.
4. To inspire a healthy population to increase productivity and employment opportunities through entrepreneurship.
5. To promote transparency and accountability through project impact analysis and proper monitoring and evaluation.

### Progress on the attainment of Strategic development objectives

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

Sector	Objective	Outcome	Indicator	Performance
Education	To have all children of school going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	Number of usable physical infrastructure build in primary, secondary, and tertiary institutions number of bursary beneficiaries at all levels	In FY 24/25 we have completed the construction of 10 door four door pit latrines , 1 Concrete pole fence, 1 Dining Hall and construction of 2 Staff houses. - We had disbursed Bursary to over 4000 beneficiaries in both secondary and universities.
Security	To increase security administration	Increased security in the	Number of usable police stations constructed.	We constructed a total 1 police Post.

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	services fastened	community and harness good behaviors of the members of the community		
Climate change mitigation activities	To conserve the environment and beautify it	Increased number of trees within government institutions	Tree planting in the various institutions	No tree was planted in the government institutions as a result of delay in the disbursement of funds
Emergency	To take care of emergency needs in the constituency	Increased enrolment in primary schools and improved transition to secondary schools.	number of usable physical infrastructures build in primary schools	We constructed a total 7 Toilets 3 renovated classrooms and two new constructed Classrooms.

## 6. Governance Statement

### a. NG-CDF Process of appointment

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

1. There is establishment of a National Government Constituency Development Fund Committee for every constituency
2. Constutuecy Committee shall comprise of,
  - i. The national government official responsible for co-ordination of national government functions.
  - ii. Three men each nominated in accordance with subsection (3),one of whom should be a youth at the date of appointment,
  - iii. Three women nominated in accordance with subsection(3),one of whom shall be a youth at the date of appointment.
  - iv. One person with disability nominated by a registered group representing persons with disabilities in the constituency in accordance with subsection (3)
  - v. The officer of the board seconded to the constituency Committee by the Board who shall be an ex officio member without a vote
  - vi. One member co-opted by the board in accordance with regulations made by the Board
1. 3. The seven persons referred to in sub-section (2) (b), (d) and (e) shall be selected in such manner and shall have such qualifications as the Board may, by Regulations, prescribe. The names of the persons selected under sub-section (3) shall be submitted by the Board to the National Assembly for approval before appointment and gazettelement by the board. The current NGCDFC members were gazetted on **21<sup>st</sup> May 2025** and the first meeting was held 30<sup>th</sup> May, 2025

The persons appointed are drawn from different groupings as follows:

- Male Adult-Mr Benard Omollo Werre-Chairman
- Male youth –Mr.James Yamo – Member
- Male Adult-Mr Milton Philip Ndaya-Member
- Female adult-Ms Anne Opiyo -Member
- Female youth-Ms Rose Atieno Ochieng- Member

- PWD REP-Mr Rackadius Agolla-secretary
- CO-opted Member-Mrs Joy Ndoti - Member

**a. NG-CDFC Tenure**

The term of office of members of members of the constituency committee shall be two years and shall be renewable but shall expire upon the appointment of a new constituency committee in the manner provided for in the Act, or as maybe approved by the board Sec 43(8).The Term of the Committee which was Gazetted in November 2022 ended in December, 2024 and anew gazette notice appointing new committee members came out on 21<sup>st</sup> May 2025.

**b. The Role of the Constituency Committee**

- Build the capacity of project management committees and Committee.
- Sensitize the Community on the operations of the Fund;
- Consider all project proposals from all wards in the constituency and any other projects which a constituency committee considers beneficial to the Constituency;
- Ensure that all proposed projects that are approved for funding meet the requirements of section 24 of the Act;1956 - Kenya Subsidiary Legislation, 2016
- Ensure that project proposals submitted to the Board include detailed budget proposals, procurement plans and work plans; in approving a project and before submitting the project to the Board for consideration, satisfy itself and make a declaration to the effect that such project (works and services) fall within the functions of the National Government under the Constitution;
- Rank projects proposals in order of priority while ensuring that on-going projects take precedence;
- Ensure that all projects receive adequate funding and are completed within three years;
- where a project involves purchase of a parcel of land or a building, ensure that the ownership thereof is duly verified and ownership documents authenticated with relevant government agencies;
- Ensure that projects proposed for funding fulfil the requirements provided in the Act and relevant circulars issued by the Board;

- Monitor the implementation of projects in accordance with the monitoring and evaluation framework prescribed by the Board

**c. Removal of a member**

A member of the NG-CDFC may be removed from the office on any one or more of the following; -

- Lack of integrity
- Gross misconduct
- Embezzlement of public funds
- Bringing the committee into disrepute through unbecoming personal public conduct
- Promoting unethical practices
- Causing disharmony within the committee
- A physical or mental infirmity
- Failure to maintain proper records of minutes of meetings, committees accounting documents and other records of a project
- Failure to prepare and file returns with a Constituency Committee as required
- Misappropriation of funds
- Any other justifiable cause.

**d. NG-CDFC Induction and training**

In the financial year 2024-2025 the NG-CDF Board organized an induction and training for the gazetted National Government Constituency Development Fund Committee members in Embu from 4<sup>th</sup> May,2024 to 12<sup>th</sup> May, 2025.

During the training conducted by the board, members were trained on their roles in relation to management of the NG-CDF Act.

Members were also informed on the policy of engaging themselves on conflicts of interest in the award of tenders and bursaries and there was a follow up of the same on NG-CDFC meetings.

**e. Number of meetings.**

NG-CDF Act Section 43(11) stipulates that NG-CDFC shall have a maximum of twenty-four meetings per year and not less than twelve including sub-committee meetings.

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In Ugunja Constituency, the NG-CDF Committee conducted 11 meetings and 5 sub-committee meetings.

NAME OF ATTENDANCE	DESIGNATION	8/7/24	7/8/24	28/10/24	20/11/24	10/2/25	14/2/25	17/02/25	25/2/25	27/2/25	30/5/25	4/6/25
Ann Opiyo	Member	√	√	√	√	√	√	√	√	√	√	√
Rikadius Agola	Member	√	√	√	√	√	√	√	√	√	√	√
Ann Aor	Member	√	√	√	√	√	√	√	√	√	√	√
Rose Ochieng	Member	√	√	√	√	√	√	√	√	√	√	√
Ochieng Omwala	Member	√	√	√	√	√	√	√	√	√	x	x
Milton Ndaya	Member	√	√	√	√	√	√	√	√	√	√	√
Benson Aluodo	DCC	√	√	√	√	√	√	√	√	√	√	√
Benard Werre	Chairman	√	√	√	√	√	√	√	√	√	√	√
Martha Ochieng	Member	√	√	√	√	√	√	√	√	√	x	x
James yamo	Member	x	x	x	x	X	x	x	x	x	√	√
Joy Ndoti	Member	x	x	x	x	X	x	x	x	x	√	√

f. Remuneration Rates

The members of the committee are paid a sitting allowance of Ksh. 5000 and the Chairperson is paid Ksh. 7000.

g. Disclose the policy on conflict of interest

The Members are required to declare any conflict during meetings, which whenever declared, would be recorded in the minutes and in the register.

h. Succession plan

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

i. Ethics and code of conduct

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

**j. Risk Management**

During the training conducted by the Board, members were taken through risk management issues that will enable them manage risk at the constituency level. Risk management is an integral part of good governance and best management practice at the constituency.

The committee during the training were also informed that the risk Policy affirms the NG-CDF commitment of building a risk culture that encourages deliberate and proactive risk management in a manner and at intervals commensurate with the NG-CDF strategies.

Examples of Risk identified and the management responses are as follows;

NO	RISK	MANAGEMENT
1.	Embezzlement of Project Funds	-Ensuring that a project management committee consisting of five people is formed and for any payment to be made, a meeting must be held to approve any payment pertaining the project. -There must be three mandatory signatories to the project Management Committee account of which one of them is the Fund Account Manager.
2.	Failure to attend NG-CDFC meeting by the committee members	-The fund Account Manager must always ensure that in every meeting, an attendance sheet is signed by all the committee members present that will be used during payment of NG-CDFC allowances.

**ACCOUNTABILITY.**

Ugunja NG-CDF is subject to external oversight through a number of mechanisms and has developed its own internal processes to ensure that it maintains high levels of accountability.

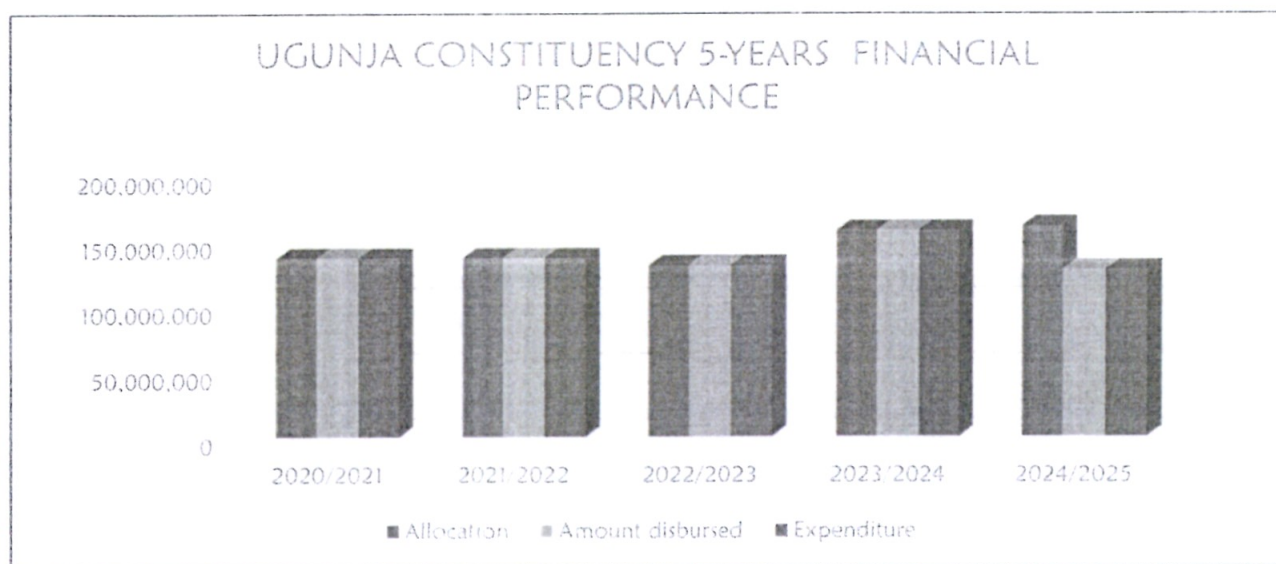
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**7. Management Discussion and Analysis**

The entity’s operational and financial performance

In the past five years, the funding of the NG-CDF has increased as can be seen in the last Five financial years, that is from 2020/2021 to 2024/2025.

Financial Year	Allocation	Amount disbursed	Expenditure	Percentage
2020/2021	137,088,879	137,088,879	137,088,879	100%
2021/2022	137,088,879	137,088,879	137,088,879	100%
2022/2023	131,342,462	131,342,462	131,342,462	100%
2023/2024	157,825,629	157,825,629	157,825,629	100%
2024/2025	161,497,759	128,000,000	128,000,000	79%



From the data Ugunja NG-CDF has been able to receive a total of kshs 691,345,849 as at 30<sup>th</sup> June 2025 for the last five years. The resources have been utilized to improve the various sectors in terms of infrastructural development and provision of bursaries to the needy students in both Secondary and Tertiary Institutions.

The Fund’s key projects implemented or ongoing.

Below are the key projects implemented by the fund in the last five years;

- 1) Construction of dining hall and Kitchen at Dr.lda Odinga Girls Secondary School.

- 2) Construction of a storey building comprising of eighteen classrooms at Dr Ida Odinga Girls Secondary School Asango which is on-going.



#### **Funds compliance with statutory requirements**

The National Government Constituency Development Fund (NG-CDF) complies with statutory requirements through its adherence to the NG-CDF Act, 2015, and related regulations. The regulations outline the fund's objectives, management structure and operational procedures, ensuring transparency and accountability in its use.

Key aspects of compliance include the fund's purpose, project selection process, financial management and reporting requirements.

-By adhering to these statutory requirements, the NG-CDF aims to ensure that public funds are used effectively and transparently for the benefit of all constituencies.

#### **Major risks facing the Funds**

The fund faces major risks namely.

##### **1. Mismanagement and Corruption**

-Lack of accountability

Weaknesses in financial oversight and accountability mechanisms can create opportunities for corruption and mismanagement.

## **2. Inadequate Project Management**

-Mismatch between projects and needs

There can be a disconnect between the development projects initiated and the actual needs of the community, leading to inefficient resource allocation.

-Slow implementation

Factors like delayed fund disbursement, late proposal approvals and re-allocations can slow down project implementation.

## **3. Legal and Governance Challenges**

-Litigation

The NG-CDF has faced numerous legal challenges including lawsuits filed by individuals and civil society organizations, which can disrupt operations and create uncertainty.

## **4. Other Challenges**

-Political interference

Political influence can affect the allocation of funds and the prioritization of projects potentially leading to skewed development.

-Economic Factors

Economic downturns and budget cuts can impact the availability of funds for NG-CDF projects.

-Insecurity

Insecurity in certain areas can hamper project implementation and hinder development efforts

### **Material arrears in statutory**

Here we deal with pending bills that consists of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in the past years. Since they do not involve the payment of cash in the reporting period they are recorded as "off -balance" to provide a sense of the overall net cash of the entity at the end of the financial year. For example, staffs' gratuity is always paid after the elapsed of the contract period that is three years.

### **Other financial obligations.**

Beyond direct project funding, there are other financial obligations that includes; -

#### **1. Managing operational costs**

-NG-CDF has to manage its own operational expenses, including staff salaries, administrative costs and other necessary expenditures for the fund's operations.

2. Ensuring proper accounting and financial reporting

- The NG-CDF Act mandates the preparation and presentation of financial statements that accurately reflect the fund's financial position. This involves maintaining proper accounting records, implementing internal controls and safeguarding assets.

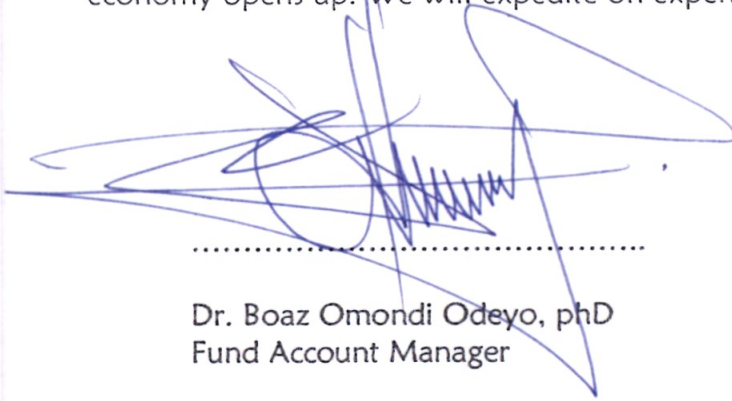
Handling unspent or returned funds, addressing complaints related to project implementation.

**Review of the sector**

Most of our funding goes to primary schools and secondary schools which are the priority of the constituency. The education sector has the lions share including support of needy students in our constituency. We have also funded some security sector especially construction of offices to chiefs, Assistant chiefs and sub-county commissioner.

**Future development**

We look forward to better performance in the next financial year 2025-2026 when our economy opens up. We will expedite on expenditure to ensure 100% compliance.



.....

Dr. Boaz Omondi Odeyo, PhD  
Fund Account Manager

## 8. Environmental and Sustainability Reporting

Ugunja 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 and climate change mitigation. This pillar also makes special provisions for Kenyans with various disabilities and previously marginalized communities.

### 1. Sustainability strategy and profile -

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

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

## 2. Environmental performance

- NG-CDF staff have at least one day in FY to sensitize the local communities on proper farming methods that lead to soil conservation as well as crop and animal husbandry of NGCDF supported projects.

## 3. Employee welfare

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

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

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

## 4. Marketplace practices-

UGUNJA Constituency is committed to fair and ethical market practices.

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

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

NGCDF has put in efforts to ensure:

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

#### **5. Community Engagements-**

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

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

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

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

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

### Public Awareness

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

ugunja Constituency has continually practiced public participation and public awareness during project identification and proposal collections in all the wards in the constituency.



.....  
Dr. Boaz Omondi Odeyo, PhD  
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-UGUNJA 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-UGUNJA 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- UGUNJA 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.

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The Accounting Officer in charge of the NGCDF UGUNJA 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- UGUNJA Constituency financial statements were approved and signed by the Accounting Officer on 4/12/ 2025.



.....  
Mr. Benard Omollo Werre  
Chairman – NGCDF Committee



.....  
Dr. Boaz Omondi Odeyo, PhD  
Fund Account Manager

# REPUBLIC OF KENYA

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

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### **PREAMBLE**

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

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

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

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

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

#### **Qualified Opinion**

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

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

pages 1 to 74, which comprise of the statement of financial position as at 30 June, 2025 and the statement of statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

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

## **Basis for Qualified Opinion**

### **1. Bursary to Secondary Schools**

The statement of financial performance and as disclosed in Note 14 reflects to the financial statements, reflects other grants and transfer actual expenditure of Kshs.55,396,260. This amount includes bursary transfers to secondary schools' amount of Kshs.28,000,000. During the review, a sample of bursary totaling to Kshs.2,110,000 to various secondary schools was examined and it was observed that despite the Management providing acknowledgement letter from the schools, there was no documents provided to proof that the amounts were actually received in the respective students' accounts.

In the circumstances, the accuracy and completeness of the expenditure could not be confirmed

### **2. Project Management Committee (PMC) Bank Account Balances**

The statement of financial position and Note 19 to the financial statements reflects cash and cash equivalent balance of Kshs.137,069,420. This amount include amount of Kshs.46,097, 473 in respect of Project Management Committee (PMC) balances which, represents bank account balances for seventy-four (74) Project Management Committees. However, Bank reconciliations, bank statements and certificates of bank balance for the seventy-four (74) bank accounts were not provided for audit review.

In the circumstances, the accuracy and completeness of the PMC bank account balances of Kshs.137,069,420 could not be confirmed.

### **3. Receivable from Non-Exchange Transactions**

The statement of financial position and as disclosed in Note 21 to the financial statements reflects balance of Kshs.33,497,759 relating to receivables from non-exchange transactions. The amount was indicated as owing from the National Government Constituencies Development Fund Board. However, the amount was not supported with a debtors' ledger.

In the circumstances, the completeness and accuracy of the opening balances of receivables 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 - Ugunja Constituency Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

#### **Emphasis of Matter**

The statement of comparison of budget and actual amounts for recurrent and development account reflects final receipts budget and actual amounts on comparable basis of Kshs.309,761,650 and Kshs.276,463,891 respectively, resulting to underfunding of Kshs.33,297,759 11% of the budget. Similarly, the entity spent Kshs.139,174,560 against an approved budget of Kshs.309,741,650 resulting to under absorption of Kshs.170,567,090 55% of the budget.

In the circumstances, the underfunding and under absorption may have affected achievement of the planned activities of Ugunja Constituency resulting in a negative impact on service delivery to the public.

My opinion is not modified in respect of this matter.

#### **Key Audit Matters**

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

#### **Other Matter**

#### **Unresolved Prior Year Audit Recommendation**

In the prior year's audit report, several issues were raised under the Report on Financial Statements, Lawfulness and Effectiveness in Use of Public Resources, and Effectiveness of Internal Controls, Risk Management and Governance, respectively. Review of the status during audit of the National Government Constituencies

Development Fund – Ugunja Constituency during the year revealed that the following matters remained unresolved.

	<b>Financial Year</b>	<b>Audit Issue</b>
1	2023/2024	Bursary Disbursement
2	2023/2024	Project Management Committee Bank Balances
3	2023/2024	Prior Year Adjustments
4	2023/2024	Budgetary Control and Performance

### **Other Information**

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

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

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

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

### **Conclusion**

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in 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. Failure to Comply with Climate Change and Financing Requirements**

The Fund did not establish mandatory climate change policies required by the Climate Change Act, 2016, and constitutional provisions under Articles 42 of the Constitution of Kenya, 2010. Further, the Fund did not establish structured procedures to regularly evaluate environmental effects and maintain compliance with environmental requirements.

Despite the Fund having submitted project proposals for 2024-2025, it still did not have approved policies in place on climate change.

## **2. Delay in Completion of Dr. Ida Odinga Girls Secondary School**

The statement of financial performance reflects Other Government Units Actual Expenditure of Kshs.73,199,527 as disclosed in Note 13 to the financial statements, which include Kshs.35,607,036 in respect of Secondary Schools Projects. Review of contract documents revealed that a supplier was contracted for construction of a 2-storied building comprising of six (6) classrooms per floor at a contract price of Kshs.41,233,470.

The agreement was signed on 25 February, 2025 and a completion period of 180 days provided for in the notification of award dated 7 February, 2025, therefore the project ought to have been completed by 24 August, 2025. The Contractor requested for a variation of the contract of Kshs.7,056,830 for additional works vide a letter dated 17 July, 2025.

Review of records and payments indicated that as at the time of audit, the contractor has been paid a total of Kshs.31,229,426. However, physical verification done on 7 November, 2025 revealed that the project has not been completed, 255 days after expiry of the contract period. The Contractor has not requested for extension of time.

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

## **3. Other Non-Compliance**

### **3.1. Project Implementation Status**

Review of Project Implementation Status revealed that the Constituency had planned to carry out twenty (20) projects during the financial year but were not started. These projects consist of fourteen (14) projects in primary school, six (6) from secondary schools and one (1) from tertiary institution. It was not clear why the projects had not been started yet the expenditure had already been included in the approved Budget.

In the circumstances, the Constituents of Ugunja were denied value for money.

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

## **REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE**

### **Conclusion**

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

## **Basis for Conclusion**

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

## **Responsibilities of the Management and those Charged with Governance**

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

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

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

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

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

## **Auditor-General's Responsibilities for the Audit**

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of

assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

  
FCPA Nancy Gathungu, CBS  
**AUDITOR-GENERAL**

**Nairobi**

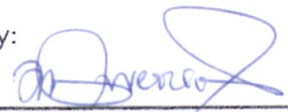
**04 December, 2025**

*National Government Constituencies Development Fund (NGCDF)  
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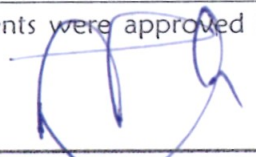
11. Statement of Financial Performance for the Year Ended 30th June 2025

	Note	2024-2025
		Kshs
Revenue from non-exchange transactions		
Transfers from the NGCDF Board	6	161,497,759
Transfers from domestic and foreign partners	7	-
Revenue from exchange transactions		
Finance income	8	-
Miscellaneous income	9	-
<b>Total revenue</b>		<b>161,497,759</b>
<b>Expenses</b>		
Employee costs	10	3,812,897
Committee expenses	11	3,282,800
Use of Goods and Services	12	6,310,863
Other Government Units Actual expenditure	13	73,199,527
Other Grants and Transfers Actual expenditure	14	55,396,260
Depreciation and amortization expense	15	195,038
Digital Hubs Expenses Actual expenditure	16	1,025
<b>Total expenses</b>		<b>142,198,409</b>
<b>Other gains/(losses)</b>		
Gain/Loss on Sale of Assets	17	-
Impairment loss	18	-
<b>Surplus/(Deficit) for the year</b>		<b>19,299,350</b>

The Constituency financial statements were approved by the NGCDFC on 4/12/2025 and signed by:

  
Chairman NG-CDF  
Committee

Mr. Benard Omollo Werre

  
National Sub-County  
Accountant

Dr. Lazaro Adhu

ICPAK M/No 21306

  
Fund Account Manager

Dr. Boaz Omondi Odeyo,  
phD

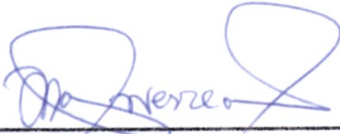
*National Government Constituencies Development Fund (NGCDF)*  
*UGUNJA Constituency*  
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12. Statement Of Financial Position As At 30th June, 2025

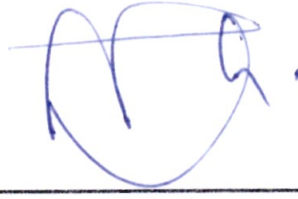
	Note	2024-2025	Opening Statement 1st July 2024
		Kshs	Kshs
<b>Assets</b>			
<b>Current Assets</b>			
Cash And Cash Equivalents	19	137,069,420	86,484,529
Receivables from Exchange Transactions	20	-	-
Receivables from Non-Exchange Transactions	21	33,497,759	61,759,362
Prepayments	22	-	-
<b>Total Current Assets</b>		<b>170,567,179</b>	<b>148,243,891</b>
<b>Non-Current Assets</b>			
Property, Plant and Equipment	23	817,213	412,250
Intangible Assets	24	-	-
Right-of-use assets	25	-	-
<b>Total Non- Current Assets</b>		<b>817,213</b>	<b>412,250</b>
<b>Total Assets (A)</b>		<b>171,384,392</b>	<b>148,656,141</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and Other Payables	26	-	-
Third Party Deposits	27	2,658,771	-
Lease Liabilities	28	-	-
Gratuity Provision	29	2,042,280	1,272,240
<b>Total Current Liabilities</b>		<b>4,701,051</b>	<b>1,272,240</b>
<b>Non-Current Liabilities</b>			
Lease Liabilities	28	-	-
<b>Total Liabilities (B)</b>		<b>4,701,051</b>	<b>1,272,240</b>
<b>Net Assets (A-B)</b>		<b>166,683,341</b>	<b>147,383,901</b>
<b>Represented by:</b>			
Revaluation Reserves			
Accumulated Surplus		166,683,341	147,383,991
<b>Total Net Assets</b>		<b>166,683,341</b>	<b>147,383,991</b>

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The Constituency financial statements set out on pages 3 to 11 approved by NG CDFC on 4/12/  
2025 and signed by:

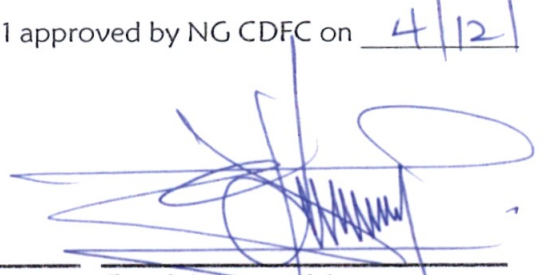


Chairman NG-CDF  
Committee  
Mr. Benard Omollo Werre



National Sub-County  
Accountant  
Dr. Lazaro Adhu

ICPAK M/No: 21306



Fund Account Manager  
Dr. Boaz Omondi Odeyo,  
phD

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

Description	Revaluation Reserves	Accumulated surplus/Deficit	Total
		Kshs	Kshs
Fund Balance as at 30 <sup>th</sup> June 2024		31,978,656	31,978,656
Adjustments			
Recognition of Assets			
Recognition of Liabilities			
As at July 1, 2024			
Surplus/(Deficit) For the Period	-	19,299,350	19,299,350
Revaluation Gain/Loss	-	-	-
As at June 30, 2025 (current year)	-	51,278,006	51,278,006

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

	Notes	2024-2025
		Kshs
Cash flows from operating activities		
Receipts		
Transfers from the NGCDF Board		189,759,452
Transfers from domestic and foreign partners		-
Finance income		-
Miscellaneous income		-
<b>Total Receipts</b>		<b>189,759,452</b>
Payments		3,042,857
Employee costs		3,282,800
Committee expenses		6,310,863
Use of Goods and Services		71,077,778
Other Government Units Certified Works		54,859,238
Other Grants and Transfers		1,025
Digital Hubs Expenses		138,574,560
<b>Total Payments</b>	31	<b>51,184,892</b>
<b>Net Cash Flows from/ (used in) Operating Activities</b>		
Cash flows From Investing Activities		-
Purchase of PPE		600,000
Purchase of Intangible assets		-
Proceeds From Sale of PPE		-
<b>Net Cash Flows from Investing Activities</b>		<b>600,000</b>
<b>Net increase/(decrease) in cash &amp; Cash equivalents</b>		<b>50,584,892</b>
Cash Flows from Financing Activities		
Lease Payment		-
<b>Net Cash Flows from Financing Activities</b>		<b>50,584,892</b>
Cash and cash equivalents at 1 July	19	86,484,529
Cash and cash equivalents at 30 June	19	137,069,420

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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	2024-2025FY		
Revenue							
Transfers From the NGCDF Board	161,497,759	86,484,529	61,779,362	309,761,650	276,463,891	33,497,759	89%
Transfers from domestic and foreign partners	-	-	-	-	-	-	
Finance income	-	-	-	-	-		
Miscellaneous income	-	-	-	-	-		
<b>Totals</b>	<b>161,497,759</b>	<b>86,484,529</b>	<b>61,779,362</b>	<b>309,761,650</b>	<b>276,463,891</b>	<b>33,497,759</b>	<b>89%</b>
Expenses							
Employee costs	3,993,393	1,846,297	-	5,839,690	3,042,857	2,796,834	52%
Committee expenses	2,376,000	4,921,122	-	7,297,122	3,282,800	4,014,322	45%
Use of Goods and Services	8,165,404	2,485,400	180,000	10,830,804	6,310,863	4,519,941	58%
Other Government Units Certified Works	87,438,147	70,465,021	56,881,106	214,784,274	71,077,778	143,706,496	33%
Other Grants and Transfers	58,999,879	6,586,689	-	65,586,568	54,859,238	10,727,329	84%
Digital Hubs Expenses	524,936	-	4,278,256	4,803,192	1,025	4,802,167	0%
Assets	-	180,000	420,000	600,000	600,000	-	100%

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	Original Budget		Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilization
	Kshs	a	Kshs	b				
			Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements	2024-2025	2024-2025FY		
Funds Pending Approval**		-	-	-	-	-	-	
Total Expenditure	161,497,759		86,484,529	61,759,362	309,741,650	139,174,560	170,567,089	45%
Surplus for the period								

*Explanatory Notes.*

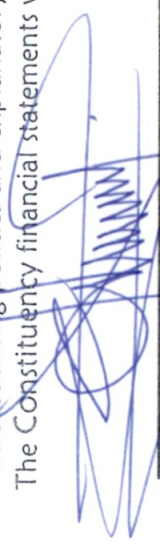


1. For Employee costs the utilization is below 90% because Gratuity has not been paid.
2. For Committee expenses the utilization is below 90% because not all the monies were received at the end of the financial year.
3. For Use of Goods and Services the utilization is below 90% because not all the monies were received at the end of the financial year.
4. For Other Government Units Certified Works the utilization is below 90% because not all the monies were received at the end of the financial year.
5. For Other Grants and Transfers the utilization is below 90% because not all the monies were received at the end of the financial year.
6. For Other Grants and Transfers the utilization is below 90% because not all the monies were received at the end of the financial year.
7. For Digital Hubs Expenses the utilization is below 90% because not all the monies were received at the end of the financial year.

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Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	170,567,089
Less undisbursed funds receivable from the Board as at 30 <sup>th</sup> June 2025	33,497,759
Cash and Cash Equivalents at the end of the 30 <sup>th</sup> June 2025	137,069,330

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 NGCDFC on 4/12 2025 and signed by:

Fund Account Manager

National Sub-County Accountant

Chairman NG-CDF Committee

Dr. Boaz Omondi Odeyo, PhD

Dr. Lazaro Adhu

Mr. Benard Omollo Werre

ICPAK M/No: 21606

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16. Budget Execution by Sectors and Projects for The Year Ended 30<sup>th</sup> 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	3,993,393	1,846,297		5,839,690	3,042,857	2,796,834
1.2 Committee allowances	1,440,000	2,188,090		3,628,090	1,748,000	1,880,090
1.3 Use of goods and services	4,256,475	568,268		4,824,743	4,773,284	51,459
Sub-total	9,689,868	4,602,655	-	14,292,523	9,564,140	4,728,383
2.0 Monitoring and evaluation						
2.1 Capacity building	2,062,273	1,773,497	180,000	4,015,770	-	4,015,770
2.2 Committee allowances	936,000	2,733,032		3,669,032	1,534,800	2,134,232
2.3 Use of goods and services	1,846,656	143,635		1,990,291	1,537,579	452,712
Sub-total	4,844,929	4,650,164	180,000	9,675,093	3,072,379	6,602,714
3.0 Emergency						

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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
3.1 Primary Schools						
Unutilized	0	101,286		101,286	-	101,286
MAUNA PRIMARY SCHOOL	400,000		-	400,000	278,917	121,083
ULUMBA PRIMARY SCHOOL	400,000		-	400,000	278,917	121,083
SANGO PRIMARY SCHOOL	400,000		-	400,000	126	399,874
TIHINGA PRIMARY SCHOOL	400,000		-	400,000	326,279	73,721
ULWANI PRIMAR SCHOOL	400,000		-	400,000	325,516	74,484
UGUNJA PRIMARY SCHOOL	400,000		-	400,000	126	399,874
SIDINDI POLICE STATION	400,000		-	400,000	325,390	74,610
GINGA PRIMARY SCHOOL	3,299,879		-	3,299,879	2,016,152	1,283,727
BAR ATHENG PRIMARY SCHOOL	2,400,000		-	2,400,000	1,186,202	1,213,798
3.2 Secondary schools	-	-	-	-	-	-
3.3 Tertiary institutions	-	-	-	-	-	-
3.4 Security projects	-	-	-	-	-	-

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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
<b>Sub-total</b>	<b>8,499,879</b>	<b>101,286</b>	<b>-</b>	<b>8,601,165</b>	<b>4,737,625</b>	<b>3,863,540</b>
<b>4.0 Bursary and Social Security</b>						
5.1 Primary Schools						-
5.2 Secondary Schools	28,000,000	-	-	28,000,000	28,000,000	-
5.3 Tertiary Institutions	13,600,000	450,000	-	14,050,000	14,000,000	50,000
5.4 special needs	3,000,000	3,000,000	-	6,000,000	5,976,000	24,000
5.5 Education Support Programmes	-	-	-	-	-	-
5.6 Social Security	-	-	-	-	-	-
5.1 Primary Schools	-	-	-	-	-	-
<b>Sub-total</b>	<b>44,600,000</b>	<b>3,450,000</b>	<b>-</b>	<b>48,050,000</b>	<b>47,976,000</b>	<b>74,000</b>
<b>7.0 Environment</b>						
St. Aloice Mbosie Secondary School	50,000	-	-	50,000	-	50,000
Ugunja Assistant Commissioner's residence	50,000	-	-	50,000	-	50,000
Suwinga Primary School	50,000	-	-	50,000	-	50,000

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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
Ulawe Primary School	50,000	-	-	50,000	-	50,000
Bar Atheng Primary School	50,000	-	-	50,000	-	50,000
Ginga Primary School	50,000	-	-	50,000	-	50,000
Got Osimbo Primary School	50,000	-	-	50,000	-	50,000
Madungu Primary School	50,000	-	-	50,000	-	50,000
Murumba Yiro Primary School	50,000	-	-	50,000	-	50,000
Ruwe Primary School	50,000	-	-	50,000	-	50,000
Mudhiero Primary School	50,000	-	-	50,000	-	50,000
Iolwe Primary School	50,000	-	-	50,000	-	50,000
Nyiera Primary School	100,000	-	-	100,000	-	100,000
Sikang Primary School	100,000	-	-	100,000	-	100,000
Simenya Primary School	100,000	-	-	100,000	-	100,000
Wangotong' Primary School	100,000	-	-	100,000	-	100,000

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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
Sidindi Primary School	100,000	-	-	100,000	-	100,000
Ruwe Assistant Chief Office	100,000	-	-	100,000	-	100,000
Ulhowe Primary School	100,000	-	-	100,000	-	100,000
Hawagaya Primary School	100,000	-	-	100,000	-	100,000
Uluthe Primary School	100,000	-	-	100,000	-	100,000
Ninga Primary School	100,000	-	-	100,000	-	100,000
Luoka Primary School	100,000	-	-	100,000	-	100,000
Kirind Police Post	100,000	-	-	100,000	-	100,000
Tihinga Primary School	100,000	-	-	100,000	-	100,000
Asango Primary School	100,000	-	-	100,000	-	100,000
Ichinga Primary School	100,000	-	-	100,000	-	100,000
Uref Primary School	100,000	-	-	100,000	-	100,000
Ngunya Primary School	100,000	-	-	100,000	-	100,000

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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
Ugunja Primary School	100,000	-	-	100,000	-	100,000
Mudaho Primary School	100,000	-	-	100,000	-	100,000
Konjra Primary School	100,000	-	-	100,000	-	100,000
Raduodi Primary School	100,000	-	-	100,000	-	100,000
Sango Primary School	100,000	-	-	100,000	-	100,000
Ulwani Primary School	100,000	-	-	100,000	-	100,000
<b>Sub-total</b>	<b>2,900,000</b>	<b>-</b>	<b>-</b>	<b>2,900,000</b>	<b>-</b>	<b>2,900,000</b>
<b>6.0 Primary Schools Projects (List all the Projects)</b>						
Got Osimbo Primary School	-	150	-	150	-	150
Simerro Primary school	3,200,000	-	-	3,200,000	-	3,200,000
Rangala Boys Primary school	5,000,000	-	-	5,000,000	-	5,000,000
Umina Primary school	3,000,000	-	-	3,000,000	-	3,000,000
Lunjre Primary school	1,200,000	-	-	1,200,000	-	1,200,000

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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
Sigomre Primary school	1,500,000	-	-	1,500,000	-	1,500,000
Iuru Primary school	1,200,000	-	-	1,200,000	-	1,200,000
Ulhowe Primary school	1,200,000	-	-	1,200,000	-	1,200,000
Wangotong' Primary school	1,200,000	-	-	1,200,000	-	1,200,000
Nyiera Primary school	1,200,000	-	-	1,200,000	-	1,200,000
Ulumba Primary school	1,200,000	-	-	1,200,000	-	1,200,000
Rambula Special school	1,200,000	-	-	1,200,000	-	1,200,000
Uriya Magoya Primary school	1,200,000	-	-	1,200,000	-	1,200,000
Raduodi primary School	1,200,000	-	-	1,200,000	-	1,200,000
Ogeda Primary school	1,200,000	-	-	1,200,000	-	1,200,000
OLOMA MURUMBA PRIMARY SCHOOL	-	353,039	-	353,039	340,669	12,370
MADUNGU PRIMARY SCHOOL	-	1,548,756	-	1,548,756	1,527,452	21,304
SIKALAME PRIMARY SCHOOL	-	244,834	-	244,834	59,695	185,139

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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
WANGOTONG PRIMARY SCHOOL	-	1,254,461	-	1,254,461	1,186,091	68,370
UKALAMA PRIMARY SCHOOL	-	181,608	-	181,608	116,815	64,793
RAMBULA SPECIAL SCHOOL	-	108,128	-	108,128	2,503	105,625
ST. PASKALIA NAYA PRIMAY SCHOOL	-	584,043	-	584,043	450,281	133,762
ULawe PRIMARY SCH.	-	378,473	-	378,473	181,716	196,757
RUWE PRIMARY SCH.	-	111,639	-	111,639	58,718	52,921
UREF PRIMARY SCH.	-	92,226	-	92,226	61,457	30,769
SIROR PRIMARY SCHOOL	-	1,220,282	-	1,220,282	1,125,328	94,954
RANGALA GIRLS PRIMARY SCHOOL	-	1,198,875	-	1,198,875	1,171,986	26,889
TIHINGA PRIMARY SCHOOL	-	1,203,240	-	1,203,240	1,072,975	130,265
GINGA PRIMARY SCHOOL	-	1,550,000	-	1,550,000	1,423,835	126,165
KIRIND PRIMARY SCHOOL	-	34,128	500,000	534,128	438,841	95,287
ST. DOMNIC ULOMA PRIMARY SCHOOL	-	1,345	1,467,466	1,468,811	1,324,121	144,691

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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
ST. PATRICK UGANA PRIMARY SCHOOL	-	1,204,022	-	1,204,022	1,165,333	38,689
NGOP MISENGNI PRIMARY SCHOOL	-	1,232,483	-	1,232,483	1,129,640	102,843
ASANGO PRIMARY SCHOOL	-	1,217,099	-	1,217,099	1,178,942	38,157
GOT OSIMBO PRIMARY SCHOOL	-	1,223,867	-	1,223,867	1,188,609	35,258
SIGOMERE PRIMARY SCHOOL	-	1,290,860	-	1,290,860	1,152,811	138,049
MAYINGO PRIMARY SCHOOL	-	1,323,900	-	1,323,900	1,232,824	91,076
MUDHIERO PRIMARY SCHOOL	-	1,422,378	-	1,422,378	1,407,832	14,546
SIMENYA PRIMARY SCHOOL		1,201,307	-	1,201,307	1,111,402	89,905
SIDINDI PRIMARY SCHOOL		1,200,940	-	1,200,940	1,138,708	62,232
KONJIRA PRIMARY SCHOOL	-	1,564,131	-	1,564,131	1,528,293	35,838
RAMBULA PRIMARY SCHOOL	-	1,199,503	-	1,199,503	1,125,580	73,923
NYASANDA PRIMARY SCHOOL	-	1,206,259	-	1,206,259	1,122,881	83,378
AMBIRA PRIMARY SCHOOL	-	4,285,421	-	4,285,421	4,284,831	590

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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
NGUNYA PRIMARY SCHOOL	-	1,555,597	-	1,555,597	1,504,319	51,278
UMINA PRIMARY SCHOOL	-	1,400,306	-	1,400,306	1,311,193	89,113
ORAO PRIMARY SCHOOL	-	690,504	-	690,504	656,893	33,611
YWAYA PRIMARY SCHOOL	-	630,165	-	630,165	626,666	3,499
LUOKA PRIMARY SCHOOL	-	280,993	-	280,993	279,317	1,676
NYAMASARE PRIMARY SCHOOL	-	413,245	-	413,245	312,189	101,056
MBOSIE PRIMARY SCHOOL	-	279,488	-	279,488	278,342	1,146
MASAMRA PRIMARY SCH.	-	296,177	-	296,177	282,068	14,109
SIMERRO PRIMARY SCH.	-	280,856	-	280,856	278,317	2,539
MURUMBA YIRO PRIMARY SCHOOL	-	831,148	-	831,148	829,118	2,030
BAR ATHENG PRIMARY SCHOOL	-	12,351	-	12,351	-	12,351
ULWANI PRIMARY SCHOOL	-	10,424	-	10,424	240	10,184
SANGO PRIMARY SCHOOL	-	177,599	-	177,599	114,792	62,807

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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
ULUMBA PRIMARY SCHOOL	-	11,043	-	11,043	240	10,803
MAUNA PRIMARY SCHOOL	-	17,388	-	17,388	240	17,148
NYIERA PRIMARY SCHOOL	-	348,948	-	348,948	338,514	10,434
URIYA MAGOYA PRIMARY SCHOOL	-	350,049	-	350,049	314,256	35,793
UGUNJA PRIMARY SCHOOL	-	1,243,250	-	1,243,250	1,242,037	1,213
LWANDA PRIMARY SCHOOL	-	1,243,249	-	1,243,249	268,126	975,123
<b>Sub-total</b>	<b>24,700,000</b>	<b>39,710,177</b>	<b>1,967,466</b>	<b>66,377,643</b>	<b>37,947,035</b>	<b>28,430,608</b>
<b>7.0 Secondary Schools Projects (List all the Projects)</b>						
DR. IDA ODINGA GIRLS SEC SCHOOL	-	2,094,969	-	2,094,969	7,610	2,087,359
SIMERRO MIXED SEC. SCHOOL	-	475	9,500,000	9,500,475	9,498,941	1,534
ST. EDWARD MASAMRA	-	147,862	-	147,862	8,696	139,166
DR. IDA ODINGA GIRLS SEC SCHOOL	13,263,083	-	42,000,000	55,263,083	13,996,025	41,267,058
UGENYA HIGH SCHOOL	-	4,389,287	4,013,640	8,402,927	5,503,233	2,899,694

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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
ST. PETERS BAR ATHENG SEC. SCHOOL	-	500,158	-	500,158	469,504	30,654
UKALAMA SECONDARY SCHOOL	-	4,000,938	-	4,000,938	3,645,417	355,521
Ukalama Secondary School	-	-	(600,000)	(600,000)	-	(600,000)
Ambira High School	-	9,000,000	-	9,000,000	-	9,000,000
Mudhiero Mixed Secondary School	9,500,000	-	-	9,500,000	-	9,500,000
Ngunya Mixed Secondary School	9,500,000	-	-	9,500,000	-	9,500,000
Tingare Mixed Secondary School	9,500,000	-	-	9,500,000	-	9,500,000
Mayingo Mixed Secondary School	10,000,000	-	-	10,000,000	-	10,000,000
<b>Sub-total</b>	<b>51,763,083</b>	<b>20,133,688</b>	<b>54,913,640</b>	<b>126,810,411</b>	<b>33,129,426</b>	<b>93,680,985</b>
<b>8.0 Tertiary institutions Projects (List all the Projects)</b>						
8.1						
Ugunja Kenya Medical Training College	10,975,064	10,000,000	-	20,975,064	-	20,975,064
UGUNJA T.V.C	-	621,156	-	621,156	1,317	619,839

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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
<b>Sub-total</b>	10,975,064	10,621,156	-	21,596,220	1,317	21,594,903
<b>9.0 Security Projects</b>						
Tingare East Assistant Chiefs Office	3,000,000	-	-	3,000,000	-	3,000,000
SIDINDI POLICE STATION	-	375,202	-	375,202	312,346	62,856
UMINA POLICE POST	-	206,079	-	206,079	95,970	110,109
Rambula police post	-	403,404	-	403,404	356,771	46,633
YIRO EAST ASSISTANT CHIEF OFFICE	-	136,660	-	136,660	3,956	132,704
UMALA ASSISTANT CHIEF OFFICE	-	114,121	-	114,121	6,345	107,776
ASANGO EAST ASSISTANT CHIEF OFFICE	-	254,840	-	254,840	234,185	20,655
UHUYI ASSISTANT CHIEF OFFICE	-	517,989	-	517,989	319,590	198,399
UGUNJA ACC RESIDENCE	-	1,027,108	-	1,027,108	816,451	210,657
<b>Sub-total</b>	3,000,000	3,035,403	-	6,035,403	2,145,613	3,889,789
<b>10.0 Acquisition of assets</b>						

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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
10.1 Motor Vehicles (including motorbikes)						
10.2 Construction of CDF office						
12.1 Motor Vehicles (including motorbikes)	-	-	-	-	-	-
12.2 Purchase of furniture and fittings	-	-	180,000	420,000	600,000	600,000
12.2 Construction of CDF office	-	-	-	-	-	-
<b>Sub-total</b>	-	-	<b>180,000</b>	<b>420,000</b>	<b>600,000</b>	<b>600,000</b>
<b>13.0 Others</b>						
Innovation Hub	524,936	-	3,578,256	<b>4,103,192</b>	1,025	4,102,167
Ugunja NG-CDF Offices	-	-	700,000	<b>700,000</b>	-	700,000
<b>Sub-total</b>	<b>524,936</b>	-	<b>4,278,256</b>	<b>4,803,192</b>	<b>1,025</b>	<b>4,802,167</b>
<b>Funds pending approval**</b>						
unapproved projects						
AiA	-					

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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
Sub-total	-	-	-	-	-	-
13.1 Unapproved projects	-	-	-	-	-	-
13.2 AIA	-	-	-	-	-	-
13.3	-	-	-	-	-	-
Sub-total	-	-	-	-	-	-
Total	161,497,759	86,484,529	61,759,362	309,741,650	139,174,560	170,567,089

## 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 Ugunja Constituency principal activity is Ugunja.

### 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 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 Ugunja 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 Ugunja 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.

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

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

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3. Adoption of New and Revised Standards

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

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

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

Standard	Effective date and impact:
IPSAS 43: Leases	<i>Applicable 1<sup>st</sup> January 2025</i>  The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.  The new standard requires entities to recognize, measure and present information on right of use assets and lease liabilities.  Not Applicable
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<i>Applicable 1<sup>st</sup> January 2025</i>  The Standard requires,  Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:  Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.  Not Applicable
IPSAS 45: Property Plant	<i>Applicable 1<sup>st</sup> January 2025</i>

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

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	<p>that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> <p>Not Applicable</p>
<p>IPSAS 48: Transfer Expenses</p>	<p><i>Applicable 1<sup>st</sup> January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p> <p>Not Applicable</p>
<p>IPSAS 49: Retirement Benefit Plans</p>	<p><i>Applicable 1<sup>st</sup> January 2026</i></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p> <p>Not Applicable</p>
<p>IPSAS 50: Exploration For &amp; Evaluation of Mineral Resources</p>	<p><i>Applicable 1<sup>st</sup> January 2027</i></p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ol style="list-style-type: none"> <li>i. Limited improvements to existing accounting practices for exploration and evaluation expenditures.</li> <li>ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26.</li> <li>iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.</li> </ol> <p>Not Applicable</p>

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*iii. Early adoption of standards*

The Entity did not early – adopt any new or amended standards in the financial year or *the entity adopted the following standards early*

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

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

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

**c) Property, plant and equipment**

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

d) Leases

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

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

e) Intangible assets

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

f) Financial instruments

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

a) Financial assets

Classification of financial assets

The entity classifies its financial assets as subsequently measured at amortized 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 an irrevocable election at initial recognition for particular investments in equity instruments.

#### **Subsequent measurement**

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

#### **Amortized cost**

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

#### **Fair value through net assets/ equity**

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

#### **Trade and other receivables**

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

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

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

#### **Impairment**

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

#### **b) Financial liabilities**

##### **Classification**

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

##### **g) Inventories**

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

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

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

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

#### **h) Provisions**

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

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

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

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

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

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

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

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

**l) Employee benefits**

**Retirement benefit plans**

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

**m) Foreign currency transactions**

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

n) Related parties

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

o) Cash and Cash Equivalents

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

p) Comparative figures

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

q) Subsequent events

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

## 5. Significant Judgments and Sources of Estimation Uncertainty

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

#### Estimates and assumptions.

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

#### Useful lives and residual value

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

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

#### Provisions

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

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6. Transfers from the NGCDF Board

Description	2024-2025
	Kshs
NGCDFB Transfers (Allocation for the FY)	161,497,759
Total	161,497,759

7. Transfers from domestic and foreign partners

Description	2024-2025
	Kshs
Grants	-
Total	-

8. Finance income

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

9. Miscellaneous income

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

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10. Employees cost

	2024-2025
	Kshs
NG-CDFC Basic staff salaries	2,483,507
Personal allowances paid as part of salary	-
House Allowance	342,000
Transport Allowance	-
Leave allowance	-
Gratuity to contractual employees	770,040
Employer Contributions Compulsory national social security schemes	169,560
Employer Contributions Compulsory Housing levy	42,390
Employer contributions to National Industrial Training Authority	5,400
Other Specify	-
<b>Total</b>	<b>3,812,897</b>

11. Committee Expenses

	2024-2025
	Kshs
Sitting allowance	1,748,000
Other Committee expenses	1,534,800
<b>Total</b>	<b>3,282,800</b>

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12. Use of Goods and services

	2024-2025
	Kshs
Utilities, supplies and services	92,400
Communication, supplies and services	9,450
Domestic travel and subsistence	-
Printing, advertising and information supplies & services	-
Office Rent	-
Training expenses	-
Hospitality supplies and services	2,323,505
Insurance costs	-
Specialized materials and services	-
Office and general supplies and services	2,335,885
Fuel, oil & lubricants	1,000,000
Bank charges	12,044
Routine maintenance – vehicles and other transport equipment	305,334
Routine maintenance – other assets	39,440
Strategic plan expenses	-
Other operating expenses	192,805
<b>Total</b>	<b>6,310,863</b>

13. Other Government Units Actual expenditure

Description	2024-2025
	Kshs
Primary Schools Actual expenditure	37,591,174
Secondary Schools Actual expenditure	35,607,036
Tertiary Institutions Actual expenditure	1,317
<b>Total</b>	<b>73,199,527</b>

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14. Other Grants and transfers Actual expenditure

	2024-2025
	Kshs
Bursary – secondary schools	28,000,000
Bursary – tertiary institutions	14,000,000
Bursary – special schools	5,976,000
Bursary - Education Support programmes	-
Social Security programmes (SHIF)	-
Security projects Actual expenditure	2,145,613
Climate change mitigation projects	-
Emergency projects Actual expenditure	5,274,647
Roads projects Actual expenditure	-
Others specify	-
<b>Total</b>	<b>55,396,260</b>

15. Depreciation and Amortization Expenses

Description	2024-2025
	Kshs
Property Plant and Equipment	195,038
Intangible Assets	-
<b>Total</b>	<b>195,038</b>

16. Digital Hubs Expenses

Description	2024-2025
	Kshs
Construction/ renovation/ Actual expenditure	1,025
Digital Hub utility costs Water, Electricity,	-
Maintenance of ICT equipment	-
Maintenance of building	-
Others ( <i>specify</i> )	-
<b>Total</b>	<b>1,025</b>

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17. Gain/loss on Sale of Assets

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

18. Impairment Loss

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

19. Cash and Cash Equivalents

Name Of Bank and Account No.	2024-2025	<i>Opening Statement</i> <i>1<sup>st</sup> July 2024</i>
	Kshs	Kshs
<b>Bank Accounts (Cash Book Bank Balance)</b>		
<i>Equity Bank, Siaya, Account No.0970261942309</i> <i>(Operations account)</i>	88,929,667	31,984,255
<i>Operations account pending closure (Indicate name &amp; account no.)</i>	-	-
<i>Equity Bank Siaya Branch, account No.0970285383250</i> <i>(Deposit account)</i>	2,042,280	-
<i>Project Management Committee Account</i>	46,097,473	54,500,273
<b>Total</b>	<b>137,069,420</b>	<b>86,484,529</b>
<b>Cash Balances</b>		
Location 1	-	-
Location 2	-	-
Other Locations <i>(Specify)</i>	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

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20. Receivables from Exchange Transactions

Description	2024-2025	Opening Statement 1 <sup>st</sup> July 2024
	Kshs	Kshs
Total receivables		
Other exchange debtors ( <i>Specify</i> )	-	-
Less: impairment allowance	-	-
Total receivables	-	-
a. Current receivables	-	-
b. Non-current receivables	-	-
Total Receivables (a+b)	-	-

i. Ageing Analysis for Receivables

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

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21. Receivables from Non-Exchange Transactions

Description	2024-2025		Opening Statement 1 <sup>st</sup> July 2024	
	Kshs		Kshs	
Transfers from NGCDFB	33,497,759		61,759,362	
Outstanding imprest	-		-	
<b>Total</b>	<b>33,497,759</b>		<b>61,759,362</b>	
Ageing Analysis- Receivables from non-exchange transactions	2024-2025	% of the total	Opening Balance	% of the total
Less than 1 year	33,497,759	100%	61,759,362	100%
Between 1- 2 years		0%	-	0%
Between 2-3 years	-	0%	-	0%
Over 3 years	-	0%	-	0%
<b>Total (a+b)</b>	<b>33,497,759</b>	<b>100%</b>	<b>61,759,362</b>	<b>100%</b>

22. Prepayments

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

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23. Property, Plant and Equipment

	Land	Buildings	Motor vehicles	Furniture and fittings	Computers & ICT Equipment	Other Assets (specify)	Capital Work in progress	Total
Depreciation Rate(specify)	Kshs	2%	25%	12.5%	30%	x%	Kshs	Kshs
Cost								
Opening Bal as 1 <sup>st</sup> July 2024	-	-	97,000	-	485,000	-	-	582,000
Additions	-	-	-	600,000	-	-	-	600,000
Disposals	-	-	-	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-	-	-	-
As At 30 <sup>th</sup> June 2025	-	-	97,000	600,000	485,000	-	-	1,182,000
Depreciation And Impairment								
Opening Depreciation		-	24,250	-	145,500	-	-	169,750
Depreciation	-	-	18,188	75,000	101,850	-	-	195,038
Disposals	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-	-	-
As At 30 <sup>th</sup> June 2025	-	-	42,438	75,000	247,350	-	-	364,788
Net Book Values								
Opening Bal as at 1 <sup>st</sup> July 2024	-	-	72,750	-	339,500	-	-	412,250
As At 30 <sup>th</sup> June 2025	-	-	54,563	525,000	237,650	-	-	817,213

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**Valuation**

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

**22 b) Property, Plant and Equipment at Cost**

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

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

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

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

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24. Intangible Assets

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

25. Right-of use assets

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

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26. Trade and Other Payables

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

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27. Third-Party deposits

	2024-2025	
	KShs	
Retention as at 1 <sup>st</sup> July (A)	-	-
Retention held during the year (B)	3,108,051	-
Retention paid during the Year (C)	449,280	-
Closing Retention as at 30 <sup>th</sup> June D= A+B-C	2,658,771	-

Retentions aging analysis.

	2024-2025	% of the total	Opening Statement 1 <sup>st</sup> July 2024	% of the total
Less than 1 year	-	%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total	-		-	

28. Lease Liabilities

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

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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	2024-2025	Opening Statement 1 <sup>st</sup> July 2024
	Kshs	
Gratuity at the beginning of the year 1 <sup>st</sup> of July	1,272,240	1,272,240
Gratuity held during the year	770,040	-
Gratuity paid during the year	-	-
Total Gratuity Provision 30th June (A+B-C)	2,042,280	1,272,240

### 30. Cash Generated from Operations

	2024-2025
	Kshs
Surplus/Deficit for the year	19,299,350
Adjusted for:	
Depreciation	195,038
Impairment	-
Gains and losses on disposal of assets	-
	-
Working capital adjustments	-
Increase/decrease in receivables	(28,261,603)
Changes in Third party deposits	(2,658,771)
Increase/decrease in payables	(770,040)
	-
Net cash flow from operating activities	51,184,802

### 31. Financial Risk Management

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

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i) Credit risk

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

**Financial Risk Management**

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

Description	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
<b>As at 30<sup>th</sup> June 2025</b>				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	33,497,759	33,497,759	-	-
Bank balances	-	-	-	-
<b>Total</b>	<b>33,497,759</b>	<b>33,497,759</b>	-	-
<b>As at 30 June 2024</b>	-	-	-	-
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	61,759,362	61,759,362	-	-
Bank balances	-	-	-	-
<b>Total</b>	<b>61,759,362</b>	<b>61,759,362</b>	-	-

### Financial Risk Management

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

#### ii) Liquidity risk management

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
<b>As at 30<sup>th</sup> June 2025</b>				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions(Retention)	-	-	2,658,771	2,658,771
Deferred income	-	-	-	-
Gratuity Provision	-	-	2,042,280	2,042,280
<b>Total</b>	-	-	<b>4,701,051</b>	<b>4,701,051</b>
<b>As at 30<sup>th</sup> June 2024</b>				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-

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Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
Employee benefit obligation	-	-	-	-
<b>Total</b>	-	-	-	-

**iii) Market risk**

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

**a) Foreign currency risk**

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

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2024-2025

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

Foreign currency sensitivity analysis

2024-2025

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

## Financial Risk Management

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

Description	Change in currency rate	Effect on Profit before tax	Effect on Equity/Net assets
	Kshs	Kshs	Kshs
<b>2024-2025</b>			
Euro	10%	-	-
USD	10%	-	-
<b>2023-2024</b>			
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 endeavored to bank with institutions that offer favorable interest rates.

#### Sensitivity analysis

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

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increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs Ugunja  
 (Current FY – Kshs Ugunja)

Fair value of financial assets and liabilities

a) Financial instruments measured at fair value.

Determination of fair value and fair values hierarchy

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

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

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

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

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As at 30 <sup>th</sup> June 2025				
Financial Assets				
Quoted Equity Investments	-	-	-	-
Non- Financial Assets				
Investment Property	-	-	-	-
Land And Buildings	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

There were no transfers between levels 1, 2 and 3 during the year. Disclosures of fair values of financial instruments not measured at fair value have not been made because the carrying amounts are a reasonable approximation of their fair values.

**iv) Capital Risk Management**

The objective of the Entity's capital risk management is to safeguard the Entity's ability to continue as a going concern. The Entity capital structure comprises of the following funds:

Description	2024-2025	<i>Opening Statement 1<sup>st</sup> July 2024</i>
	Kshs	Kshs
Revaluation Reserve	-	-
Retained Earnings	166,683,341	147,383,991
Capital Reserve	-	-
<b>Total Funds</b>	<b>-</b>	<b>-</b>
Total Borrowings	-	-
Less: Cash and Bank Balances	137,069,420	86,484,529
Net Debt/(Excess Cash And Cash Equivalents)	-	-
<b>Gearing</b>	<b>%</b>	<b>%</b>

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32. Related Party Disclosures

	2024-2025	<i>Opening Statement 1<sup>st</sup> July 2024</i>
	Kshs	Kshs
Committee Members Remuneration		
Sitting allowance of committee Members during the year	1,748,000	1,236,000
Transaction with the NGCDF Board		
Transfers from the NGCDF Board during the year	189,759,362	148,342,462
<b>Total</b>	<b>191,507,362</b>	<b>149,578,462</b>

33. Segment Information

34. Contingent Assets and Contingent Liabilities

Contingent Assets

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

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Contingent Liabilities

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

35. Capital Commitments

Capital Commitments	2024-2025	<i>Opening Statement 1<sup>st</sup> July 2024</i>
	Kshs	Kshs
Authorised for	-	-
Authorised and contracted for	-	-
<b>Total</b>	-	-

36. Events after the Reporting Period

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

37. Ultimate And Holding Entity

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

38. Currency

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

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18. Annexes  
 Annex 1: Summary of Asset Register

Asset class	Historical Cost/valuation cost balance brought forward (Kshs)	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) At Year End
Land	-	-	-	-
Buildings and structures	15,781,654	-	-	15,781,654
Transport equipment	-	-	-	-
Office equipment, furniture, and fittings	1,360,000	600,000	-	1,960,000
ICT Equipment and Other ICT Assets	685,000	-	-	685,000
Other Machinery and Equipment	5,678,530	-	-	5,678,530
Intangible assets	-	-	-	-
<b>Total</b>	<b>23,505,184</b>	<b>600,000</b>	<b>-</b>	<b>24,105,184</b>

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

PMC	Bank	Account number	Bank Balance 2024-2025	Bank Balance 2023-2024
OLOMA MURUMBA PRIMARY SCHOOL	K.C.B UGUNJA	1171019513	12,370	353,039
MADUNGU PRIMARY SCHOOL	K.C.B UGUNJA	1110229844	21,304	1,548,756
SIKALAME PRIMARY SCHOOL	K.C.B UGUNJA	1110987536	185,139	244,834
WANGOTONG PRIMARY SCHOOL	K.C.B UGUNJA	1139251546	68,370	1,254,461
UKALAMA PRIMARY SCHOOL	K.C.B UGUNJA	1117029476	64,793	181,608
RAMBULA SPECIAL SCHOOL	K.C.B UGUNJA	1318497221	105,625	108,128
ST. PASKALIA NAYA PRIMAY SCHOOL	K.C.B UGUNJA	1235257290	133,762	584,043
ULawe PRIMARY SCH.	K.C.B UGUNJA	1117096572	196,757	378,473
RUWE PRIMARY SCH.	K.C.B UGUNJA	1125370963	52,921	111,639
UREF PRIMARY SCH.	K.C.B UGUNJA	1117031497	30,769	92,226
SIROR PRIMARY SCHOOL	K.C.B UGUNJA	1134806604	94,954	1,220,282
RANGALA GIRLS PRIMARY SCHOOL	K.C.B UGUNJA	1330241487	26,889	1,198,875
TIHINGA PRIMARY SCHOOL	K.C.B UGUNJA	1133474926	130,265	1,203,240
GINGA PRIMARY SCHOOL	K.C.B UGUNJA	1109666543		

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PMC	Bank	Account number	Bank Balance 2024-2025	Bank Balance 2023-2024
			126,165	1,550,000
KIRIND PRIMARY SCHOOL	K.C.B UGUNJA	1110595735	95,287	34,128
ST. DOMNIC ULOMA PRIMARY SCHOOL	K.C.B UGUNJA	1117029719	144,691	1,345
ST. PATRICK UGANA PRIMARY SCHOOL	K.C.B UGUNJA	1111471991	38,689	1,204,022
NGOP MISENGNI PRIMARY SCHOOL	K.C.B UGUNJA	1117093093	102,843	1,232,483
ASANGO PRIMARY SCHOOL	K.C.B UGUNJA	1117078655	38,157	1,217,099
GOT OSIMBO PRIMARY SCHOOL	K.C.B UGUNJA	1207282839	35,258	1,223,867
SIGOMERE PRIMARY SCHOOL	K.C.B UGUNJA	1170644015	138,049	1,290,860
MAYINGO PRIMARY SCHOOL	K.C.B UGUNJA	1262668662	91,076	1,323,900
MUDHIERO PRIMARY SCHOOL	K.C.B UGUNJA	1235470288	14,546	1,422,378
SIMENYA PRIMARY SCHOOL	K.C.B UGUNJA	11318833772	89,905	1,201,307
SIDINDI PRIMARY SCHOOL	K.C.B UGUNJA	1118423577	62,232	1,200,940
KONJRA PRIMARY SCHOOL	K.C.B UGUNJA	1126412279	35,838	1,564,131
RAMBULA PRIMARY SCHOOL	K.C.B UGUNJA	1110282931	73,923	1,199,503
NYASANDA PRIMARY SCHOOL	K.C.B UGUNJA	1116902621	83,378	1,206,259

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PMC	Bank	Account number	Bank Balance 2024-2025	Bank Balance 2023-2024
AMBIRA PRIMARY SCHOOL	K.C.B UGUNJA	1134807139	590	4,285,421
NGUNYA PRIMARY SCHOOL	K.C.B UGUNJA	1125418311	51,278	1,555,597
UMINA PRIMARY SCHOOL	K.C.B UGUNJA	1178420795	89,113	1,400,306
ORAO PRIMARY SCHOOL	K.C.B UGUNJA	1110860544	33,611	690,504
YWAYA PRIMARY SCHOOL	K.C.B UGUNJA	1131771087	3,499	630,165
LUOKA PRIMARY SCHOOL	K.C.B UGUNJA	1110602065	1,676	280,993
NYAMASARE PRIMARY SCHOOL	K.C.B UGUNJA	1117161161	101,056	413,245
MBOSIE PRIMARY SCHOOL	K.C.B UGUNJA	1117160947	1,146	279,488
MASAMRA PRIMARY SCH	K.C.B UGUNJA	1134577036	14,109	296,177
SIMERRO PRIMARY SCH	K.C.B UGUNJA	1139251058	2,539	280,856
MURUMBA YIRO PRIMARY SCHOOL	K.C.B UGUNJA	1133471285	2,030	831,148
BAR ATHENG PRIMARY SCHOOL	K.C.B UGUNJA	1117033031	12,351	12,351
ULWANI PRIMARY SCHOOL	K.C.B UGUNJA	1124637044	10,184	10,424
SANGO PRIMARY SCHOOL	K.C.B UGUNJA	1110356919	62,807	177,599
ULUMBA PRIMARY SCHOOL	K.C.B UGUNJA	1293239518		

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PMC	Bank	Account number	Bank Balance 2024-2025	Bank Balance 2023-2024
			10,803	11,043
MAUNA PRIMARY SCHOOL	K.C.B UGUNJA	1110306350	17,148	17,388
NYIERA PRIMARY SCHOOL	K.C.B UGUNJA	1116895358	10,434	348,948
URIYA MAGOYA PRIMARY SCHOOL	K.C.B UGUNJA	1116903873	35,793	350,049
UGUNJA PRIMARY SCHOOL	K.C.B UGUNJA	1124637044	1,213	1,243,250
LWANDA PRIMARY SCHOOL	K.C.B UGUNJA	1118026098	975,123	1,243,249
DR. IDA ODINGA GIRLS SEC SCHOOL	K.C.B UGUNJA	1291405631	2,087,359	2,094,969
SIMERRO MIXED SEC. SCHOOL	K.C.B UGUNJA	1177180987	1,534	475
ST. EDWARD MASAMRA	K.C.B UGUNJA	1177961113	139,166	147,862
DR. IDA ODINGA GIRLS SEC SCHOOL	CO-OP UGUNJA	1101493184001	28,003,975	-
UGENYA HIGH SCHOOL	K.C.B UGUNJA	1124999957	899,694	4,389,287
ST. PETERS BAR ATHENG SEC. SCHOOL	K.C.B UGUNJA	1203628579	30,654	500,158
UKALAMA SECONDARY SCHOOL	K.C.B UGUNJA	1167985052	355,521	4,000,938
UGUNJA T.V.C	K.C.B UGUNJA	1234555808	619,839	621,156
SIDINDI POLICE STATION	K.C.B UGUNJA	1012851959	62,856	375,202

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PMC	Bank	Account number	Bank Balance 2024-2025	Bank Balance 2023-2024
UMINA POLICE POST	K.C.B UGUNJA	1260132072	110,109	206,079
RAMBULA POLICE POST	FAULU KISUMU	1013989498	46,633	403,404
YIRO EAST ASSISTANT CHIEF OFFICE	FAULU- UGUNJA	1014686386	132,704	136,660
UMALA ASSISTANT CHIEF OFFICE	FAULU- UGUNJA	1014593434	107,776	114,121
ASANGO EAST ASSISTANT CHIEF OFFICE	FAULU- UGUNJA	1014593493	20,655	254,840
UHUYI ASSISTANT CHIEF OFFICE	FAULU- UGUNJA	1014595682	198,399	517,989
UGUNJA ACC RESIDENCE	KCB UGUNJA	1157666116	210,657	1,027,108
MAUNA PRIMARY SCHOOL	K.C.B UGUNJA	1110306350	121,083	-
ULUMBA PRIMARY SCHOOL	K.C.B UGUNJA	1293239518	121,083	-
SANGO PRIMARY SCHOOL	K.C.B UGUNJA	1110356919	399,874	-
TIHINGA PRIMARY SCHOOL	K.C.B UGUNJA	1133474926	73,721	-
ULWANI PRIMAR SCHOOL	K.C.B UGUNJA	1124637044	74,484	-
UGUNJA PRIMARY SCHOOL	K.C.B UGUNJA	1125736623	399,874	-
SIDINDI POLICE STATION	CO-OP UGUNJA	1101859306001	74,610	-

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PMC	Bank	Account number	Bank Balance 2024-2025	Bank Balance 2023-2024
GINGA PRIMARY SCHOOL	K.C.B UGUNJA	1109666543	1,283,727	-
BAR ATHENG PRIMARY SCHOOL	K.C.B UGUNJA	1117033031	1,213,798	-
Ugunja Digital Hub	CO-OP UGUNJA	1101973176001	3,577,231	-
Total			46,097,473	54,500,273

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**Annex 3: Progress On Follow Up of Auditor Recommendations**

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.	<p><b>Bursary Disbursement</b></p> <p>The statement of receipts and payments reflect other grants and transfers amounting to Kshs.74,856,612 which, as disclosed in Note 8 to the financial statements includes reflects Bursary to secondary schools, tertiary institutions and special schools' amount of Kshs.28,000,000, Kshs.13,152,000 and Kshs.1,998,000 respectively. However, disbursements amounting to kshs. 4,778,000 to eight secondary schools and kshs.1,198,000 to special schools were not supported by receipts and acknowledgement letters from the receiving schools and special schools in the circumstances, the accuracy.</p>	<p>We have attached acknowledgement letters for Ambira High school, Umina secondary school, St.Francis Rangala Girls,Moi Secondary School Uloma, St.peters Rambula secondary School, Equator Special School and Ugenya High School and Special schools for your reference.</p>	Not Resolved	December 2025

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	completeness of the expenditure of Kshs.5,976,000 in respect of bursary could not be confirmed.			
2.	<p><b>Project Management Committee (PMC) Bank Account Balances .</b>  <b>Observation</b>                      The other important disclosures under 19.4 to the financial statements reflects a balance of Kshs.39,117,021 relating to Project Management Committee (PMC) balances which, as disclosed in Annex 5, represents bank account balances for Project Management Committees. However, the cashbooks, bank statements and certificates of bank balance for the PMC accounts were not provided for audit review.</p>	<p>We have attached certificates of bank balances for the 69 projects to support the balances</p>	Not Resolved	December 2025

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	In the circumstances, the accuracy and completeness of the PMC bank account balances of Kshs.39,117,021 could not be confirmed.			
3.	<p><b>Prior Year Adjustments</b> The statement of financial position as disclosed in Note 16 to the financial statements reflects an amount of Kshs.602,640 described as prior year adjustment. However, the management did not provide journal entries to support the prior year adjustments and did not indicate the nature of adjustments of the component affected by the adjustment.</p> <p>In the circumstances, the occurrence and the accuracy of the prior year adjustment balance of kshs.602,640 could not be confirmed.</p>	The prior year adjustments of ksh. 602,640 relates to provision for gratuity money for the financial year 2022-2023 which had not been taken care of in the previous financial year 2022-2023	Not Resolved	December 2025



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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>Emphasis of matter. Budgetary Control and performance The statement of comparison of the budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.246,539,879 and kshs. 184,780,517 respectively resulting to underfunding of kshs. 61,759,362 or 25% of the budget.similrly, the fund spent a total of kshs.152,199,221 against an approved budget of kshs. 246,539,879 resulting to underexpenditure of kshs.94,340,658 of approximately 38% of the budget. The underfunding and the underperformance affected the planned activities of the National government Constituency Development fund-Ugunja Constituency and may have impacted negatively on service delivery to the public.</p>			

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p><b>Other Matters</b> Unresolved prior year matters In the audit report of the previous year, several issues were raised under the report on the financial statements, Report on lawfulness and effectiveness in the use of the public resources. However, management had not resolved the issue as at 30 June, 2024</p>	<p>The issues have now been resolved.</p>	<p>Not Resolved</p>	<p>December 2025</p>

  
 .....  
 Dr. Boaz Omondi Odeyo, PhD  
 Fund Account Manager.