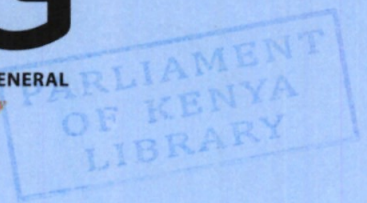


REPUBLIC OF KENYA



REPORT

OF

THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 12 FEB 2026

DAY

Tuesday

THE AUDITOR-GENERAL

BY:

Haji George Mung'ara

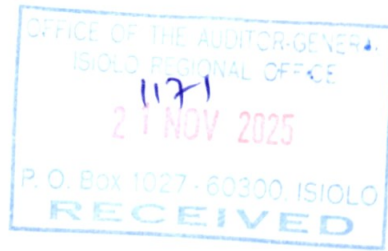
CLERK-AT
THE TABLE:

On behalf of Hon.
Kanola T.

ON

NATIONAL GOVERNMENT CONSTITUENCIES
DEVELOPMENT FUND - SAKU CONSTITUENCY

FOR THE YEAR ENDED
30 JUNE, 2025



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

SAKU CONSTITUENCY

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
30th JUNE 2025

Transitional 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)
Saku 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.

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 as amended in 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;

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- 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 Saku Constituency's day-to-day management is under the following key organs:

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

Fiduciary Management

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

No	Designation	Name
1.	AIE holder	Ibrahim Tawane
2.	National Sub-County Accountant	Anthony Macharia
3.	Chairperson NG-CDFC	Guyo Bonaya
4.	Member NG-CDFC	Bora Jattani

(c) Fiduciary Oversight Arrangements

The Audit and Risk Management Committee (ARMC) of the NGCDF Board provides overall fiduciary oversight on the activities of the NGCDF Saku Constituency. The reports and recommendations of ARMC, 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 Saku Constituency Headquarters

aku NG-CDF,
P.O. Box 184-60500,
Marsabit Township, Behind Kenya Commercial Bank,
Marsabit, KENYA

(e) NGCDF Saku Constituency Contacts

E-mail: cdfsaku@ngcdf.go.ke
Website: www.sakungcdf.go.ke

(f) NGCDF Saku Constituency Bankers

1. Operational Account
Kenya Commercial Bank,
Marsabit Branch,
2. Deposit account
Equity Bank
Branch- MARSABIT

(g) Independent Auditor

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

(h) Principal Legal Adviser

The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

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3. NGCDF Committee

Name	Details
 NGCDF Chairperson	Name: Guyo Bonaya Date of Birth: 01/01/1990 Education Qualification: KCSE Work Experience: BUSINESS
 NGCDFC Secretary	Name: Boru Adhi Jattani Date of Birth: 01/01/1971 Education Qualification: Diploma in Education Management, Diploma in Leadership and Governance Work Experience: Business person
 NGCDFC Member Representing Women	Name: Marian Lengalen Date of Birth: 01/01/1981 Education Qualification: KCSE Work Experience: Business
 NGCDFC Representative of People Living with Disability (PLWD)	Name: Julius Kinoti M'ringera Date of Birth: 01/01/1962 Education Qualification: KCPE Work Experience: Business man

***National Government Constituencies Development Fund (NGCDF)
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	Name: Arbe Galgallo Dokata Date of Birth: 01/01/1987 Education Qualification: Bachelor of development Studies Work Experience: Business
NGCDFC Committee Member	
	Name: Eve Bahati Date of Birth: 1/5/1998 Education Qualification: KCSE Work Experience: Business
NGCDFC Member Representing youth.	
	Name: Guyo Huka Roba Date of Birth: 01/01/1971 Education Qualification: KCPE Work Experience: Driver
NGCDFC Committee Member	
	Name: Sarah Dambi Wario Date of Birth: 4/12/1980 Education Qualification: KCPE Work Experience: Shopkeeper
NGCDFC Committee Member	

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	Name: David Ntawuasa Saruni Date of Birth: 1974 Education Qualification: Masters degree Work Experience: Deputy county commissioner
NGCDFC EX-OFFICIAL MEMBER	
	Name: Ibrahim Amir Tawane Date of Birth: 01/01/1988 Education Qualification: Masters Degree Work Experience: Fund Account Manager
Fund Account Manager	

4. NG-CDFC Chairperson's Report



MR. GUYO BONAYA- SAKU NG-CDFC CHAIRMAN

Greetings fellow stakeholders of NG-CDFC Saku Constituency.

Saku constituency is situated in Marsabit County and being a marginalised area with very high illiteracy levels, High poverty level with huge population.

I am pleased to present the unaudited financial statements for Saku NG-CDF for the ended 30th June 2025.

During the year under review, Saku constituency was allocated a total of Kshs 161,497,759 being the normal allocation.

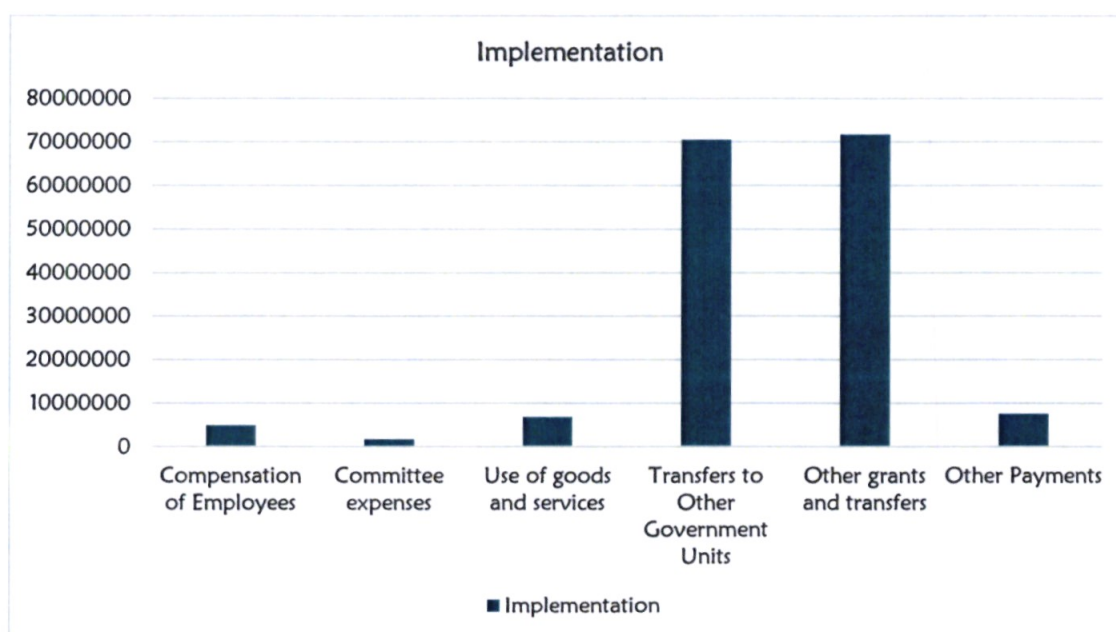
On receipt of the above allocation, Saku NG-CDFC pursuant to the provisions of the National Government CDF Act 2015, as amended in 2022, met and allocated funds to various projects with reference to priorities of the public participation meetings held across the constituency. The funds received were disbursed to earmarked projects. Out of these, the committee focused more on full implementation of bursary and completion of projects in primary, secondary and security sectors. Priority was given to education bursary which was allocated a budget of Ksh. 55,638,970 translating to 34% of the total annual budget.

Kshs 158M of the total allocation has been received from the NGCDF Board due to undisbursed allocation of FY 2024/2025 with a utilization of 54% of the same to the respective approved projects. The table below shows a summary of the budget and the implementation level

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PAYMENT	Budget	Actual
Compensation of employees	10,691,961	4,884,841
Committee expenses	1,758,992	1,758,992
Use of goods and services	7,149,453	6,791,369
Transfers to Other Government Units	130,725,563	70,400,149
Other grants and transfers	97,635,224	71,733,638
TOTAL	247,961,193	155,568,989

Table 1: Summary of Payments



From the above analysis, the performance of Saku NG-CDF has been exemplary given the circumstances and this is as a result of teamwork among the NG-CDFC and the various stakeholders. We intend to perform better in the coming financial year so that the residents of Saku can get value for their money and better services.

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

- I. Saku NGCDF funded construction of additional classrooms that reduced the challenges that the various school were facing more so the Junior Secondary Schools.

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- II. Bursaries were issued to over 14,000 needy students across the constituency. The students were able to learn without much interruption.

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



Figure 1: Gadamoji High School – School Bus



Figure 2: ACK St Peters' Secondary School – Construction of Science Laboratory and classrooms block

Emerging Issues

During the financial year under review, the following were the emerging issues that the NGCDFC had to handle;

- I. The introduction of E-procurement process that necessitate training of members of the committee and staff.
- II. The rejection of finance bill 2023 that could have seen Saku NGCDF benefiting with additional 30 million and increased development programs.

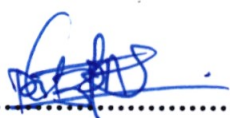
Challenges

Major challenges faced by the Fund include;

- 1) Delay in disbursement of funds from the board that has affected timely implementation of projects.
- 2) The removal of sports as a fundable activity that has led to idleness amongst the young people who were initially benefiting from the kitty. We are currently receiving a lot of requests on the same though we are not able to fund.

Way forward

Board needs to release funds in good time, secondly the Board needs to lobby for increase of funding to every constituency and finally the various institutions need to lobby for funding from other agencies including the NGOs to avoid overreliance on the NGCDF funding.



.....
GUYO BONAYA
Chairperson 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 Saku Constituency 2022-2027* plan are:

1. To improve academic performance in all learning institutions
2. To improve infrastructure in learning institutions.
3. To increase enrolment in schools.
4. To increase retention levels in schools.

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's beneficiaries at all levels	In FY 2024/25 - we constructed 8 new classrooms in primary schools 4 laboratories, 5 administration block, 2 dinning hall, 4 staff houses and pit latrines in secondary within the constituency. - We issued bursary to approximately 10,000 students in the various levels of studies in both secondary and tertiary institutions.

• **National Government Constituencies Development Fund (NGCDF)**

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Security	Improve the overall security of all residents and reduce crimes.	Enhanced presence of security personnel	% coverage of security personnel and Number of facilities constructed	Security initiatives, including the establishment of more police posts and community policing programs, have led to a notable reduction in crime, as reflected in lower crime statistics and positive community feedback. Daaba Police Post for example is complete and handed over to the users. This will enhance the security of Saku Constituency Residents.
Climate change mitigation activities	Promote sustainable environmental practices and waste management	Cleaner public spaces and increased community participation in environmental conservation.	Number of waste management projects initiated, tree-planting drives, and community awareness programs conducted.	Significant progress has been made in waste management, especially in collaboration with local communities. Tree planting initiatives have also been launched, contributing to environmental sustainability. We budgeted for planting of tree seedlings in 10 institutions within Saku Constituency
Emergency	Address urgent unforeseen challenges within the constituency	The complete projects to ensure smooth provision of services within the various institutions	Number of projects undertaken within the emergency fund	Saku NG-CDF was able to construction 20 door pit latrines across various institutions across the constituency.
Others (Specify)				

6. Governance Statement

Background

The National Government Constituencies Development Fund Act 2015 (Amended 2016) in section 43(1), (2), (3) and 57(1) and its regulations, provides for establishment of National Government Constituency Development Committee (NG-CDFC) for every constituency.

Further, Section 5 (1) of the regulation states that the members of a Constituency Committee provided for Appointment of under section 43(2) (b), (c) and (d) of the Act shall be selected by a members of Constituency selection panel established under paragraph (4) upon an occurrence of a vacancy in the Constituency Committee.

The officer of the board coordinated the process of nomination of the NG CDFC for onward forwarding to the board for appointment through gazette notice.

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

- i. One person nominated by national Government official in charge of Sub County or designated representative who shall chair the panel
- ii. Officer of the Board seconded to the constituency who is be the secretary of the selection panel

Further the NG CDF regulations requires that for one to serve as member of the NGCDF committee he or she must be (a) citizen of Kenya, (b) ordinarily resident voter of the constituency, (c) able to read and write and communicate in English and Kiswahili, (d) meet the chapter six of the constitution, (e) available to participate in the activities of the constituency (f) for youth nominee he or she must have attained age of 18 years but below age of 35yrs and (g) for persons with disability nominee must be nominated by a registered group representing persons with disability within the constituency.

a. NG-CDFC process of appointment

The NGCDF Act 2016 on appointment of NGCDFC members' states;

(1) The members of a Constituency Committee provided for Appointment of under section 43 of the Act shall be selected by a members of Constituency selection panel established under paragraph (4) upon an occurrence of a Committee vacancy in the Constituency Committee. Kenya Subsidiary Legislation, 2016 1951

(2) A vacancy shall occur in Constituency Committee upon commencement of a new parliamentary term; dissolution of a Constituency Committee; removal of a member of a Constituency committee; or the occurrence of a vacancy in a Constituency Committee.

(3) Upon the occurrence of a vacancy in a Constituency Committee, the Board shall within fourteen days, constitute a selection panel.

(4) The selection panel referred to in paragraph (1) shall consist of—

- one person nominated by the national government official in charge of the sub-county or a designated representative, who shall be the chairperson of the selection panel;
- the Officer of the Board seconded to the Constituency who shall be the secretary to the selection panel; and
- Two persons, one of either gender, nominated by the Constituency office.

(5) The officer of the Board seconded to the Constituency shall within fourteen days of the first meeting of the selection panel invite applications from persons who qualify for appointment to a Constituency Committee in accordance with guidelines issued by the Board.

(6) The selection panel shall, within fourteen days of receiving the applications under paragraph (5), consider the applications and shall select five applicants taking into account age, gender, special interest groups and regional balance in accordance with section the Act

(7) The officer of the Board seconded to the Constituency shall within seven days of the selection process referred to in paragraph (6) submit to the Board the names of the selected candidates together with the report of the selection panel.

(8) The Board shall co-opt the person referred to in the Act to ensure equitable representation in the membership of a Constituency Committee.

(9) The Board shall, in writing, request the clerk of the National Assembly to notify the Constituency Office to nominate two persons of either gender, pursuant to section 43(2)(e) of the Act and to forward the names to the Office of the Board seconded to the Constituency.

(10) The Board shall submit the names of the seven persons selected from each Constituency in accordance with the Act to the National Assembly for Approval.

(11) The Board shall, within fourteen days after receipt of the names approved by the National Assembly, appoint the members of a Constituency Committee by notice in the Gazette. 1952 Kenya Subsidiary Legislation, 2016

To facilitate this, the selection panel invited interested and qualified members of the public for appointment to the NGCDF committee. The panel invited through advertisement publicized in churches, public offices notice boards and other public areas in the constituency. The selection panel developed a shortlisting criterion which enabled picking of the nominees. Two additional nominees were proposed from Saku Constituency Office as per section 43 of the NG-CDF Act, 2015.

Five best NG-CDF applicants were selected taking into account age, gender, special interest groups and regional balance in accordance with section 43(2)(b)(c) and (d) of the Act

S/N	Name	Category representation	Ward
1.	Boru Adhi Jattani	Male(Adult)	Central
2.	Guyo Bonaya Dida	Male(Youth)	Sagante/Jaldesa
3.	Marian Lengalen	Female (Adult)	Karare
4.	Eve Bahati	Female (youth)	Central
5.	Arbe Galgallo	Female (Youth)	Sagante

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Nominee of the person representing persons with disability

S/N	Name	Nominating Organization	Nature of physical Impairment	Ward
1.	Julius Kinoti M'ringera	National Council Of People Living With Disability	Crippled- both legs/walks with crutches	Central

Upon further consultation with the panel and the constituency office, members agreed to recommend for co-option by the NG-CDF Board as per section 43 subsection 2(g) as

S/N	Name	Gender	Ward
1.	Sarah Dambi Wario	Female(Adult)	Central

The list of the selected and recommended members was forwarded to the NG_CDF Board
The Saku NG_CDFC Members selected and recommended as follows:

S/N	Name	Category	Statutory Provision Under NG-CDF Act
1.	Boru Adhi Jattani	Male Adult Representative	Appointment, pursuant to Sec. 43 (2) (b)
2.	Guyo Huka	Male Adult Representative	Appointment, pursuant to Sec. 43 (2) (b)
3.	Eve Bahati	Female Youth Representative	Appointment, pursuant to Sec. 43 (2) (c))
4.	Marian Lengalen	Female Adult Representative	Appointment, pursuant to Sec. 43 (2) (c)
5.	Julius Kinoti M'ringera	Representative of Persons Living with Disability	Appointment, pursuant to Sec. 43 (2) (d)
6.	Guyo Bonaya Dida	Male Youth Representative	Appointment Pursuant to Sect. 43 (2)(e)
7.	Sarah Dambi Wario	Female Adult Representative	Appointment Pursuant to Sect. 43 (2)(e)

NG-CDF Regulations Section 7(6) & (7) requires that the first meeting, a Constituency Committee shall establish two sub-committees necessary for the proper performance of its functions in accordance with the guidelines issued by the Board and in establishing sub-committees. Under paragraph 5, constituency Committee shall ensure that there is equitable representation

The Committees were constituted as follows;

1. Bursary Sub-committee

	NAME	POSITION
1.	Guyo Bonaya Dida	Chairperson
2.	Boru Adhi Jattani	Secretary
3.	Marian Lengalen	Member
4.	Guyo Huka	Member
5.	Eve Bahati	Member

2. Complaint Handling & Resolution Sub-Committee

	NAME	POSITION
1.	Guyo Bonaya	Chairperson
2.	Boru Adhi	Secretary
3.	Sarah Dambi	Member
4.	Arbe Galgallo	Member

b. NG-CDFC Tenure

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

c. The Role of the Constituency Committee

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

- i. Convene public meetings in every ward in the constituency to deliberate to on development matters.
- ii. Deliberate on project proposals and any other projects considers beneficial to constituency.
- iii. List of projects to be submitted in accordance with the Act to be submitted to the Board and ensure that all proposed projects that are approved for funding meet the requirements of section 24 of the Act.

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- iv. Ensure formation of project management committees, opening of project accounts, project implementation and closure of projects build the capacity of project management committees and sensitize the Community on the operations of the Fund.
- v. Ensure that all projects receive adequate funding and are completed within three years.
- vi. Monitor the implementation of projects in accordance with the monitoring and evaluation framework prescribed by the Board.
- vii. Submit financial statements to the Board within sixty days of the end of the financial year to enable the Board comply with section 39(4) of the Act.
- viii. Recommend to the Board the removal of a committee member in accordance with section 43(13) and (14) of the Act.
- ix. Enter into performance contracting with the Board on an annual basis.

d. Removal of a member

Section 43(13) of the Act provides that a member of the Constituency Committee may be removed from office on any one or more of the following grounds-

- (a) Lack of integrity;
- (b) Gross misconduct;
- (c) Embezzlement of public funds;
- (d) Bringing the committee into disrepute through unbecoming personal public conduct;
- (e) Promoting unethical practices;
- (f) causing disharmony within the committee;
- (g) Physical or mental infirmity.

A decision to remove a member under subsection (13) is made through a resolution of at least five members of the Committee and the member sought to be removed shall be given a fair hearing before the resolution is made. In Saku the NGCDFC has not found any member to have contravened the laid down regulations and law to warrant removal.

Handing Over

The handing over of the office by the outgoing NG-CDFC Committee to the Incoming committee was not carried out. This is because the official gazettment has not been released from the Government printer.

e. NG-CDFC Induction and training

In the financial year 2024/2025 the Saku NG-CDF had an existing committee and has conducted training on critical areas such as public finance, project planning, procurement, complaint management, performance management were covered to equip them with the prerequisite knowledge and skills to ensure effective and efficient management of NG-CDF Saku.

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f. Number of meetings:

The committee sat a maximum of 24 meetings during the year.

Schedule of meetings held during the FY 2024/2025

S.No	Name of committee member	12/07/2024	26/07/2024	16/08/2024	31/08/2024	12/09/2024	29/09/2024	17/10/2024	11/11/2024	21/11/2024	07/12/2024	19/12/2025	18/01/2025	13/02/2025	26/02/2025	25/03/2025	04/04/2025	29/04/2025	13/05/2025	27/05/2025	25/06/2025
1	Guyo Bonaya	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
2	Boru Adhi	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
3	Eve Bahati	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
4	Guyo Huka	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
5	Marian Lengalen	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
6	Sarah Dambi	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
7	Arbe Galgallo	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
8	Julius Kinoti	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
9	Ibrahim Tawane	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
10	David Saruni	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

g. Remuneration Rates

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

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

h. Disclose the policy on conflict of interest

A member who has an interest in any contract, or other matter present at a meeting shall at the meeting and as soon as reasonably practicable after the commencement, disclose the fact thereof and shall not take part in the consideration or discussion of, or vote on, any questions with respect to the contract or other matter, or be counted in the quorum of the meeting

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during consideration of the matter. A disclosure of interest made shall be recorded in the minutes of the meeting at which it is made. In the financial year 2024/2025 no member of NGCDFC Saku contravened conflict of interest policy.

i. Succession plan

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

j. Ethics and code of conduct

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

k. Risk Management

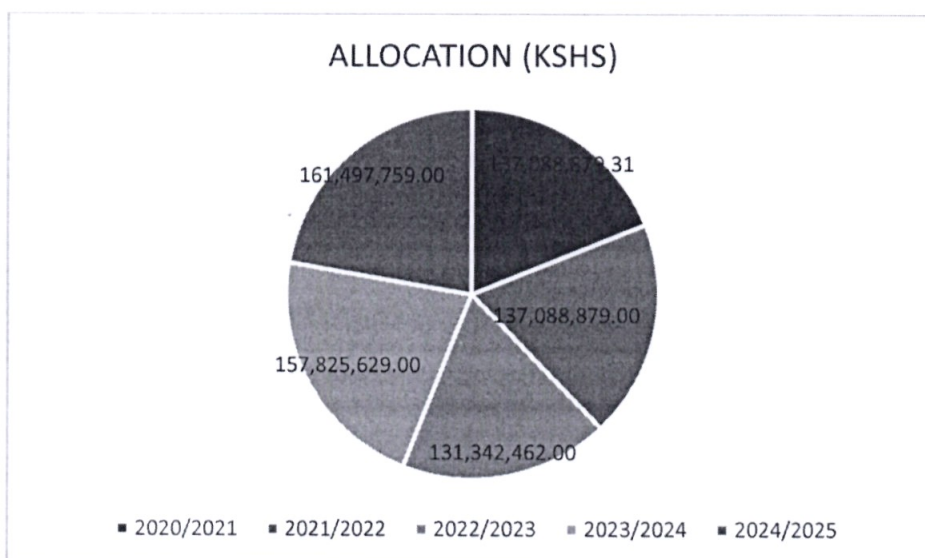
Risk management has been integrated in the constituency operations through the following; training of the NGCDF staff in their respective technical areas of service to ensure they carry out their roles efficiently, training of the NGCDFCs and the PMCs to equip them with additional knowledge to carry out their duties efficiently within their mandates and regulations. Embracing the Enterprise Risk Management system and attesting to monthly, quarterly bi-annually and annually compliance and key risk indicators questions, implementing audit findings and recommendations, adherence and compliance with NGCDF act 2015 and other laws and regulations to ensure an effective and efficient control system, ensuring that NGCDFC members are actively engaged in the projects implementations and overall fund utilization in the constituency, ensuring that the staff responsible for statutory deductions are well aware of the due dates of remittance, allocating insurance fund in the constituency budget, preparation of procurement plan, budget and Monitoring & evaluation plan for the financial year. Conducting public participation within the prescribed time lines to ensure the constituents are involved in project identification

7. Management Discussion and Analysis

The review covers five financial years (2020/2021 through to 2024/2025). During this period, the Saku National Government Constituency Developed Committee received a total of Kenya Shillings **724.84 million** towards the implementation of various projects, with 2023/2024 recording the highest allocation of Kenya Shillings **161.5 million**, followed by 2024/2025 with Kenya Shillings **151.83 million** as shown below:

FINANCIAL YEAR	ALLOCATION (KSHS)
2020/2021	137,088,879.31
2021/2022	137,088,879.00
2022/2023	131,342,462.00
2023/2024	157,825,629.00
2024/2025	161,497,759.00
	724,843,608.31

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



a) Key Projects

In the financial year the saku NGCDF has successfully implemented various key projects. Some of those projects were allocated funds in the prior year while others were budgeted for

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in the financial year 2023-2024. Some of the notable implemented projects include the following:

S/NO.	Project Name	Project Activity	Amount Allocated
1.	GADAMOJI HIGH SCHOOL	Purchase and delivery of school Bus	12,482,000.00
2.	MOUNTAIN CHIEF OFFICE	Construction to completion of chief office with two office rooms and a boardroom	3,000,000
3.	DAABA POLICE POST	Construction to completion of Daaba police office consisting of officer incharge Armory and reception, and two roomed staff houses.	4,000,000
4.	KUBI QALLO PRIMARY SCHOOL	Construction to completion of an administration block	4,500,000
5.	DIBAYU HIGH SCHOOL	Construction to completion of dinning hall	6,000,000
6.	MOI GIRLS HIGH SCHOOL	Construction to completion of Dormitory	6,500,000
7.	LAKARTINYA PRIMARY SCHOOL	Construction to completion of administration block	4,500,000
8.	PARKISHON PRIMARY SCHOOL	Construction to completion of two staff houses.	1,600,000
9.	LEYAI PRIMARY SCHOOL	Renovation of two classrooms	800,000
10.	MARSABIT PRIMARY SCHOOL	Renovation of two classrooms	800,000

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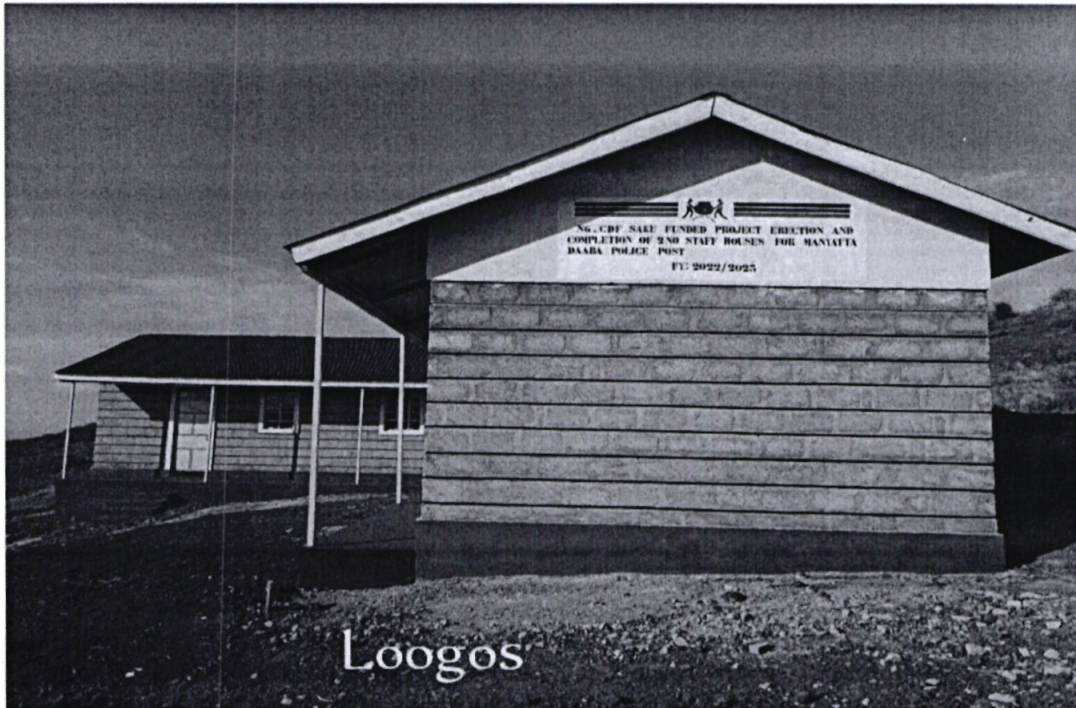


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b) Compliance with statutory requirements.

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 Saku 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 Saku 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.

c) Sector Performance

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

Financial Year	Allocation	Amount Disbursed	Percentage
2020-2021	137,088,879.31	137,088,879.31	100%
2021-2022	137,088,879.00	137,088,879.00	100%
2022-2023	131,342,462.00	131,342,462.00	100%
2023-2024	157,825,629.00	157,825,629.00	100%
2024-2025	161,497,759.00	127,000,000	79%
Total	724,843,608.31	690,345,849.31	

From the above data, Saku NG-CDF has been able to receive a total of Ksh 690,345,849.31 as at 30.06.2025 for the last five financial years. The resources has been utilized to improve the various sectors in terms of infrastructure and provision of bursaries to needy students in secondary and tertiary institutions.

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

Financial Year	Sector	Budget	Expenditure
2024-2025	Education-Projects	22,500,000	20,216,316.55
	Education-Bursary	55,638,970	49,987,029
	Security Projects	3,970,000	0
2023-2024	Education-Projects	60,352,866	31,349,055
	Education-Bursary	55,238,790	53,601,719
	Security Projects	12,700,000	13,529,770
	Total	210,400,626	168,683,889.55

Sector	Sector Budget	Percentage
Education	193,730,626	60.7%

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Security	16,670,000	5.2%

Based on the above information for the last two financial years; the key consumer of the resources is Education sector with an average of 61% of the entire allocation and secondly the security sector with average of 5%. This is an indicator that the Fund has put more efforts in improving the academic standards of Saku constituency through both the infrastructure and bursaries to needy students studying in various institutions.

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

d) Review of the Economy, Sector and Future Developments

The Kenyan Economy has not been doing well in the past years due to the many factors such as the Covid-19 that reduce the business growth and hence revenue collection. NG-CDF as a fund was equally affected by the same whereby the cost of implementing projects increased hence affecting completion timelines and even the budget process.

In the last three years there has been improvement in the revenue growth which has led to increased budgetary allocation of the Fund even at the constituency level. This has been elaborated in the above table.

With the intention to entrench the Fund in the Kenyan Constitution, there is a good chance that in the future the Fund will grow and be able to spur more economic growth at the constituency level. Saku NG-CDF has put in place mechanisms through its strategic plan to ensure more projects are implemented within the next three years.



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Ibrahim Tawane
Fund Account Manager

8. Environmental and Sustainability Reporting

Environmental matters relates to mitigation of the climate change effects that has been put forward as a government agenda. The recent amendment of NGCDF Act 2015 to increase the allocation to climate change mitigation activities from 2% to 5% has ensured this objective is achieved through the NGCDF Fund. Saku NG-CDF in its budget for Financial year 2024-2025 allocated Ksh 3,960,000 towards purchase of tree seedlings to be planted in six institutions across the constituency.

1. Sustainability strategy and profile -

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

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

2. Environmental performance

During the Financial year, Saku Ng-CDFC budgeted to plant tree seedlings in 10 institutions as a way of mitigating the climate change effects.

Sensitization of youth/ community on the impact of drugs after by construction of police stations supported NG-CDF for example the complete DAABA Police Station

3. Employee welfare

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

The constituency promotes a healthy lifestyle and provides all employees with health insurance coverage through a reliable insurance Scheme. Employees are encouraged and supported to build on their skills and knowledge continually. Saku 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-

Saku 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-

Saku 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

Saku 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

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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.

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


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Ibrahim Tawane
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-Saku 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-Saku 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- Saku 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 Saku 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- Saku Constituency financial statements were approved and signed by the Accounting Officer on 18.11. 2025.



.....
Name: Guyo Bonaya
Chairman – NGCDF Committee



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Name: Ibrahim Tawane
Fund Account Manager

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

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

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

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

1 to 67, which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial performance, statement of cash flows, statement of changes in net assets and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the transitional IPSAS financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund - Saku Constituency as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) including the transitional provisions permitted under IPSAS 33 and comply with the National Government Constituencies Development Fund Act, 2015 (Amended 2022), 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. Unsupported Project Management Committee Balances

The statement of financial position and Note 19 to the financial statements reflect cash and cash equivalents balance of Kshs.105,915,856, which includes Project Management Committee's (PMC) bank balances of Kshs.2,111,054. However, the relevant certificates of bank balances, cash books and bank reconciliations statements supporting the PMC bank balances were not provided for audit.

Further, the PMC bank balances of Kshs.2,111,054 includes Kshs.291,738 held in twelve (12) dormant bank accounts and had not been returned to the NGCDF bank account, as at 30 June, 2025 contrary to Section 12(8) of the National Government Constituencies Development Fund Act, 2015, which stipulates that all unutilized funds of the Project Management Committee shall be returned to the Constituency main account.

In the circumstances, the accuracy and completeness of the PMC bank balances of Kshs.2,111,054 could not be confirmed.

2. Non-Disclosure of Outstanding Tax Arrears

The statement of financial position and Note 26 to the financial statements reflect a nil balance under trade and other payables. However, review of records and correspondences revealed that the Fund had outstanding tax arrears amounting to Kshs.1,066,956 as indicated in the Kenya Revenue Authority (KRA) Enforcement Letter Ref. KRA/5/1002/26(12508) dated 17 June, 2025. The liability was not disclosed in the financial statements as required.

In the circumstances, the accuracy and completeness of the trade and other payables nil balance 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 - Saku 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

1. Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual amounts on comparable basis of Kshs.303,494,474 and Kshs.268,996,715 respectively, resulting to a shortfall of Kshs.34,497,759, or 11% of the budget. Similarly, the Fund spent Kshs.163,080,860 against the actual receipts of Kshs.268,996,715, resulting to under-absorption of Kshs.105,915,856, or 39% of the actual receipts.

The shortfall in receipts and under-absorption affected the Fund's planned activities and may have impacted negatively on service delivery to the public.

2. Late Disbursement of Funds

The statement of financial performance and Note 6 to the financial statements reflect transfers from the NGCDF Board balance of Kshs.161,497,759, which includes an amount of Kshs.34,497,759, or 21% of the transfers from the Board which had not been received by 30 June, 2025.

The lack of disbursement affected the Fund's operations and negatively impacted on its cash flow.

My opinion is not modified in respect of these matters.

Key Audit Matters

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

Other Matter

Unresolved Prior Year's Matters

The following issues raised on National Government Constituencies Development Fund - Saku Constituency in the previous audit report remain unresolved. The matters include;

1. Unsupported Routine Maintenance and Repair of Motor Vehicles
2. Unsupported Training Expenses
3. Insufficient Support for Courier Services

4. Unsupported Committee Subsistent Allowance
5. Irregularities in Fuel Expenditure
6. Over-Allocation and Over-Expenditure on Emergency Fund
7. Anomalies in Procurement of Projects
 - 7.1 Irregularities in Award of Contracts – Marsabit Boys High School
 - 7.2 Variance Between Lockers Approved and Delivered
 - 7.3 Irregular Procurement Procedures
 - 7.4 Non-Adherence to Procurement Procedures – Proposed Erection and Completion of Office and Amory
 - 7.5 Doubtful Delivery of Furniture
8. Unsatisfactory Implementation of Projects
9. Lack of Project Management Committee Reports
10. Lack of a Risk Management Policy
11. Irregular Bursary Disbursements

Other Information

Management is responsible for the Other Information set out on page iii to xxxvi which comprise of Key Constituency Information and Management, NGCDF Committee, NG-CDFC Chairperson'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 if 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. Project Implementation Status

The statement of financial performance and Notes 13 and 14 to the financial statements reflect other government units, and other grants and transfers actual expenditure balances of Kshs.70,400,149 and Kshs.71,733,638 respectively. However, review of the Fund's project files and physical inspection done in the month of November, 2025 for projects implemented with a total contract sum of Kshs.6,850,000 revealed the following anomalies;

1.1 Construction of Offices for Registrar of Persons

The NGCDF incurred an amount of Kshs.2,000,000 on construction of a three (3) rooms Office for Registrar of Persons. However, shelves and kitchen worktop billed at costs of Kshs.88,200 and Kshs.163,000 respectively, had not been done.

1.2 Refurbishment of Social Hall at Marsabit Central

The NGCDF incurred an amount of Kshs.2,000,000 on refurbishment of social hall at Marsabit Central. However, the environmental impact assessment report billed at Kshs.35,250 was not provided for audit review. In addition, the paving slabs and flooring billed at costs of Kshs.30,000 and Kshs.117,000 respectively had visible cracks, a sign of poor workmanship.

1.3 Construction of Science Laboratory Block at Songa Mixed Secondary School

The NGCDF incurred an amount of Kshs.2,850,000 on the second phase of construction of science laboratory block at Songa Mixed Secondary School. However, the floor tiles, curtain rods and two-lever mortise lock billed at costs of Kshs.88,000, Kshs.5,500 and Kshs.35,000 respectively, were not installed.

In the circumstances, the value for money on the implementation of projects with a total contract sum of Kshs.6,850,000 could not be confirmed.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the effects of the matter described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance

section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

Inadequacies in Bursary Management

The statement of financial performance and Note 14 to the financial statements reflect other grants and transfers actual expenditure of Kshs.71,733,638, which includes bursaries for secondary schools and tertiary institutions of Kshs.21,329,531 and Kshs.28,657,498 respectively. However, the award of bursaries was not based on duly established and approved criteria of identifying needy students to ensure community participation, openness, transparency and inclusivity. Further, no records were provided to confirm that the Fund maintained records of contact addresses and telephone numbers of the beneficiaries' education institutions to facilitate communication for enhanced bursary management.

In the circumstances, the efficiency in management of bursaries could not be confirmed.

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

Responsibilities of Management and those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

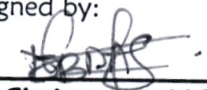
01 December, 2025

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

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

	Note	2024-2025
		Kshs
Revenue from non-exchange transactions		
Transfers from the NGCDF Board	6	161,497,759
Grants/donations from other entities	7	-
Revenue from exchange transactions		
Finance income	8	-
Miscellaneous income	9	-
Total revenue		161,497,759
Expenses		
Employee costs	10	6,056,033
Committee expenses	11	1,758,992
Use of Goods and Services	12	8,291,369
Other Government Units Actual expenditure	13	70,400,149
Other Grants and Transfers Actual expenditure	14	71,733,638
Depreciation and amortization expense	15	803,621
Digital Hubs Actual expenditure	16	-
Total expenses		159,043,802
Other gains/(losses)		
Gain/Loss on Sale of Assets	17	-
Impairment loss	18	-
Surplus/(Deficit) for the year		2,453,957

The Constituency financial statements were approved by the NGCDFC on 18.11. 2025 and signed by:


**Chairperson NG-CDF
 Committee**
Name: Guyo Bonaya


**National Sub-County
 Accountant**
Name: Antony Macharia
ICPAK M/No: 15786


Fund Account Manager
Name: Ibrahim Tawane

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

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

	Note	2024 - 2025	Opening Statement 1st July 2024
		Kshs	Kshs
Assets			
Current Assets			
Cash And Cash Equivalents	19	105,915,856	110,245,653
Receivables from Exchange Transactions	20	-	-
Receivables from Non-Exchange Transactions	21	34,497,759	31,751,062
Prepayments	22	-	-
Total Current Assets		140,413,615	141,996,715
Non-Current Assets			
Property, Plant and Equipment	23	5,208,250	-
Intangible Assets	24	-	-
Right-of-use assets	25	-	-
Total Non- Current Assets		5,208,250	-
Total Assets (A)		145,621,865	141,996,715
Liabilities			
Current Liabilities			
Trade and Other Payables	26	-	-
Third-Party Deposits	27	-	-
Lease Liabilities	28	-	-
Gratuity provision	29	1,171,192	-
Total Current Liabilities		1,171,192	-
Non-Current Liabilities			
Lease Liabilities	28	-	-
Total Liabilities (B)		1,171,192	-
Net Assets (A-B)		144,450,673	141,996,715
Represented by:			
Revaluation Reserves		-	-
Accumulated Surplus		144,450,673	141,996,715
Total Net Assets		144,450,673	141,996,715

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

The Constituency financial statements set out on pages 1 to 68 approved by NG CDFC on
18.11. 2025 and signed by:



**Chairperson NG-CDF
Committee**
Name: Guyo Bonaya



**National Sub-County
Accountant**
Name: Antony Macharia

ICPAK M/No: 15786



Fund Account Manager

Name: Ibrahim Tawane

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

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

Description	Reserves	Accumulated surplus/Deficit	Total
	Kshs	Kshs	Kshs
As at 30th June 2024 (cash basis)		109,845,172	109,845,172
Adjustments: (to recognize assets and liabilities)			
Add Assets		32,151,544	32,151,544
Less Liabilities		-	-
As at July 1, 2024		141,996,715	141,996,715
Surplus/(Deficit) For the Period		2,453,957	2,453,957
Revaluation Gain/Loss		-	-
As at 30th June (current year)		144,450,673	144,450,673

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

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

	Notes	2024 - 2025
		Kshs
Cash flows from operating activities		
Receipts		
Transfers from the NGCDF Board		158,751,062
Grants/donations from other entities		-
Finance income		-
Miscellaneous income		-
Total Receipts		158,751,062
Payments		
Employee costs		4,884,841
Committee expenses		1,758,992
Use of Goods and Services		8,291,369
Other Government Units Certified Works		70,400,149
Other Grants and Transfers		71,733,638
Digital Hubs Expenses		-
Total Payments		157,068,989
Net Cash Flows from/ (used in) Operating Activities	30	1,682,073
Cash flows From Investing Activities		
Purchase of PPE		6,011,871
Purchase of Intangible assets		-
Proceeds From Sale of PPE		-
Net Cash Flows from Investing Activities		6,011,871
Cash Flows from Financing Activities		
Lease payment		-
Net Cash Flows from Financing Activities		-
Net Increase in cash and Cash Equivalents		(4,329,798)
Cash and cash equivalents at 1 July	19	110,245,653
Cash and cash equivalents at 30 June	19	105,915,856

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 (operational, deposit and PMCs C/Bk) and AIA	Previous Years' Outstanding disbursements	2024-2025	2024-2025		
Revenue							
Transfers From the NGCDF Board	161,497,759	110,245,653	31,751,062	303,494,474	268,996,715	34,497,759	88.63
Grants/donations from other entities	-	-	-	-	-	-	
Finance income	-	-	-	-	-	-	
Miscellaneous income	-	-	-	-	-	-	
Totals	161,497,759	110,245,653	31,751,062	303,494,474	268,996,715	34,497,759	88.63
Expenses							
Employee costs	5,798,658	4,593,303	300,000	10,691,961	4,884,841	5,807,120	45.69
Committee expenses	1,758,000	992	-	1,758,992	1,758,992	-	100.00
Use of Goods and Services	6,700,252	349,201	100,000	7,149,453	6,791,369	358,084	94.99
Other Government	33,200,000	71,574,501	25,951,062	130,725,563	70,400,149	60,325,414	53.85

National Government Constituencies Development Fund (NGCDF)

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Annual Report and Financial Statements for The Year Ended June 30, 2025

Units Certified Works							
Other Grants and Transfers	72,068,849	23,166,375	2,400,000	97,635,224	71,733,638	25,901,586	73.47
Digital Hubs Expenses	-	-	-	-	-	-	
Others	11,972,000	10,561,283	3,000,000	25,533,283	7,511,871	18,021,412	29.42
Funds Pending Approval**	30,000,000	-	-	30,000,000	-	30,000,000	0
Total Expenditure	161,497,759	110,245,653	31,751,062	303,494,474	163,080,860	140,413,615	53.73
Surplus for the period	-	-	-		105,915,856	(105,915,856)	

National Government Constituencies Development Fund (NGCDF)
Saku Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025
Explanatory Notes.

[Provide below a commentary on significant underutilization (below 90% of utilization) and any overutilization (above 100%)]

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount (Kshs.)
Budget utilisation difference totals	140,413,615
Less undisbursed funds receivable from the Board as at 30 th June 2025	34,497,759
Cash and Cash Equivalents at the end of the 30 th June 2025	105,915,856

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.
The Constituency financial statements were approved by NG CDFC on 18.11. 2025 and signed by:



Chairperson NG-CDF Committee

Name: Guyo Bonaya



National Sub-County Accountant

Name: Antony Macharia

ICPAK M/No: 15786



Fund Account Manager

Name: Ibrahim Tawane

National Government Constituencies Development Fund (NGCDF)

Saku Constituency

Annual Report and Financial Statements for The Year Ended June 30, 2025

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent						
1.1 Compensation of employees	5,798,658	4,593,303	300,000	10,691,961	4,884,841	5,807,120
1.2 Committee allowances	1,128,000	-		1,128,000	1,128,000	-
1.3 Use of goods and services	2,562,879	336,201	100,000	2,999,080	2,645,187	353,893
Sub-total	9,489,537	4,929,504	400,000	14,819,041	8,658,028	6,161,013
2.0 Monitoring and evaluation				-		-
2.1 Capacity building	2,380,000	-		2,380,000	2,380,000	-
2.2 Committee allowances	630,000	992		630,992	630,992	-
2.3 Use of goods and services	1,757,373	13,000		1,770,373	1,766,182	4,191
Sub-total	4,767,373	13,992	-	4,781,365	4,777,174	4,191
3.0 Emergency						
unutilized	8,499,879	284,611		8,784,490	6,873,000	1,911,490
Sub-total	8,499,879	284,611	-	8,784,490	6,873,000	1,911,490
4.0 Bursary and Social Security						
4.1 Primary Schools				-		-
4.2 Secondary Schools	20,000,000	1,444,832		21,444,832	21,329,531	115,301
4.3 Tertiary Institutions	35,638,970	26,119		35,665,089	28,657,498	7,007,591
4.4 special needs				-		-

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/8k) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
4.5 Social Security	-	-	-	-	-	-
Sub-total	55,638,970	1,470,951	-	57,109,921	49,987,029	7,122,892
5.0 Climate Change Mitigation						
5.1 Sasura Girls' Secondary School :		90		90		90
5.2 Jaldesa Primary School	360,000			360,000		360,000
5.3 Karare Mixed Day Secondary School	360,000			360,000		360,000
5.4 Kubi Qallo Primary School	360,000			360,000		360,000
5.5 Lakartinya Primary School	360,000			360,000		360,000
5.6 Ioruko primary	360,000			360,000		360,000
5.7 Manyatta Jillo Primary School	360,000			360,000		360,000
5.8 Marsabit Boys Secondary School	360,000			360,000		360,000
5.9 Marsabit Primary School	360,000			360,000		360,000
5.10 Saku High School	360,000			360,000		360,000
5.11 Sasura Girls High School	360,000			360,000		360,000
5.12 Segel Primary School	360,000			360,000		360,000
5.13 St. Peters ACK Secondary School			240,000	240,000	240,000	-
5.14 Leyai Primary School :			240,000	240,000	240,000	-

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
5.15 St. Peters Primary School			240,000	240,000	240,000	-
5.16 Songa Primary School			240,000	240,000	240,000	-
5.17 Ioruko primary			240,000	240,000	240,000	-
5.18 Parkishon Primary School			240,000	240,000	240,000	-
5.19 Boru Haro Primary School			240,000	240,000	240,000	-
5.20 Saku Primary School			240,000	240,000	240,000	-
5.21 Marsabit Boys Secondary School			240,000	240,000	240,000	-
5.22 dakabaricha mixed secondary			240,000	240,000	240,000	-
Sub-total	3,960,000	90	2,400,000	6,360,090	2,400,000	3,960,090
6.0 Primary Schools Projects						
6.1 Saku Primary School		900,000		900,000	900,000	-
6.2 St. Theresa Primary School		800,000		800,000		800,000
6.3 Songa Primary Schoo		140,100		140,100		140,100
6.4 Dirib Gombo Primiry school		1,000,000		1,000,000		1,000,000
6.5 Al-hidaya Primary School		1,000,000		1,000,000	1,000,000	-
6.6 Garqarsa Primary School		1,075,987		1,075,987	999,738	76,249
6.7 Kubi Qallo Primary School	3,000,000	3,000,000		6,000,000	2,248,115	3,751,885
6.8 Kubi Bagasa Primary School		1,300,198		1,300,198	1,300,110	88

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

Programme/Sub-programme		Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
			Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
		Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
6.9	Boru Haro Primary School		800,000	1,675,866	2,475,866	799,993	1,675,873
6.10	Jaldesa Primary School		800,000		800,000	785,600	14,400
6.11	Lag Dima Primary School		2,000,000		2,000,000	799,908	1,200,092
6.12	Badasa Primary School		800,420		800,420	800,035	385
6.13	Dokatu Primary School		1,400,000		1,400,000		1,400,000
6.14	Milima Tatu Primary School		1,000,000		1,000,000	1,000,000	-
6.15	Segel Primary School		2,520,000		2,520,000	2,517,833	2,167
6.16	Marsabit Primary School		2,300,000		2,300,000	2,298,066	1,934
6.17	Songa Primary School		400,000		400,000		400,000
6.18	Lakartinya Primary School	1,500,000	3,500,000		5,000,000	2,815,145	2,184,855
6.19	Hulahula Primary School		1,000,000		1,000,000	999,678	322
6.20	Boru Haro Primary School		6,175,000		6,175,000		6,175,000
6.21	Leyai Primary School :		600,000		600,000	600,000	-
6.22	Gorurukesa Primary School		1,000,000		1,000,000	999,000	1,000
6.23	Mwangaza primary school		661,764		661,764	600,000	61,764
6.24	Kubi Qallo Primary School		1,500,000		1,500,000		1,500,000
6.25	St. Peters Primary School		603,973		603,973	600,115	3,858

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
6.26 Lag Dima Primary School		2,100,000		2,100,000		2,100,000
6.27 Kupi Qallo Primary School		2,850,000		2,850,000		2,850,000
6.28 Dokatu Primary School	1,300,000	1,520,000		2,820,000		2,820,000
6.29 Comboni primary schoo		400,000		400,000		400,000
6.30 Alhidaya Primary School		800,000		800,000	799,908	92
6.31 Kiwanja Ndege Primary School		1,300,035		1,300,035	1,169,560	130,475
6.32 Saku Primary School		1,000,824		1,000,824	999,103	1,721
6.33 Parkishon Primary School		1,605,322		1,605,322	1,600,965	4,357
6.34 Songa Primary School		600,732		600,732	600,000	732
6.35 Ioruko primary		25,844		25,844		25,844
6.36 kituruni primary		2,485	-	2,485		2,485
6.37 karare primary	4,500,000	885	-	4,500,885		4,500,885
6.38 Ipus primary		189	-	189		189
6.39 Gachacha primary		23,554		23,554		23,554
Sub-total	10,300,000	48,507,311	1,675,866	60,483,177	27,232,872	33,250,305
7.0 Secondary Schools Projects						
7.1 Marsabit Boys Secondary School	700,000	2,115		702,115		702,115
7.2 Songa Mixed Day Secondary School		5,907,335		5,907,335	5,265,115	642,220

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
7.3 Dibayu High School	3,000,000	926,804	2,673,196	6,600,000	3,258,825	3,341,175
7.4 Karare Mixed Day Secondary School		200,000	600,000	800,000	800,000	-
7.5 St. Peters ACK Secondary School		5,766,821		5,766,821	3,150,552	2,616,269
7.6 Sasura Girls Secondary School		2,543,593	3,350,000	5,893,593	2,500,000	3,393,593
7.7 Badasa Mixed Day Secondary School		1,000,000		1,000,000	999,970	30
7.8 dakabaricha mixed secondary	1,000,000	14,599	1,300,000	2,314,599	1,170,000	1,144,599
7.9 Marsabit Mixed Secondary School	2,000,000		4,000,000	6,000,000	3,516,740	2,483,260
7.10 moi girls high school	3,500,000		3,000,000	6,500,000	6,500,000	-
7.11 Gadamoji High School	2,000,000	6,655,007	9,352,000	18,007,007	16,006,075	2,000,932
7.12 Gorurukesa mixed secondary School		50,915		50,915		50,915
Sub-total	12,200,000	23,067,189	24,275,196	59,542,385	43,167,277	16,375,108
8.0 Tertiary institutions Projects						

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
8.1 Saku Technical and Vocational College	10,700,000			10,700,000		10,700,000
Sub-total	10,700,000	-	-	10,700,000	-	10,700,000
9.0 Security Projects						
9.1 Jaldesa Administration Police Line		1,000,000		1,000,000		1,000,000
9.2 Dakabaricha Chiefs' Office		10,493		10,493		10,493
Sagante Chief Office		500,000		500,000	500,000	-
9.3 Dirib Chiefs Office		900,000		900,000	898,638	1,362
9.4 Mountain Chief office		3,000,000		3,000,000	2,989,350	10,650
9.5 Marsabit central Deputy County Commissioner Official Residence		300,000		300,000		300,000
9.6 Daaba Police Post : Security Projects	1,000,000	4,000,000		5,000,000	3,999,414	1,000,586
9.7 Jirime Chief's Office	2,470,000	1,500,000		3,970,000		3,970,000
9.8 Mountain Chief Office		-		-	-	-
9.9 Badasa Quick Response Unit		1,500,000		1,500,000	1,500,000	-
9.10 Marsabit Police Line		500,000		500,000	500,000	-
9.11 Marsabit office of Registrar of persons		1,000,000		1,000,000		1,000,000
9.12 jaldesa police station		6,700,000		6,700,000		6,700,000

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
9.13 Marsabit Central Police Headquarters		500,000		500,000		500,000
9.14 Marsabit Director of Criminal Investigation Office	500,000			500,000		500,000
9.15 Critical Infrastructure Protection Unit		230		230		230
Sub-total	3,970,000	21,410,723	-	25,380,723	10,387,402	14,993,321
10.0 Acquisition of assets						
10.1 Motor Vehicles (including motorbikes)	-	-	-	-	-	-
10.2 Construction of CDF office	-	-	-	-	-	-
10.3 Purchase of furniture and equipment	-	-	-	-	-	-
10.4 Purchase of ICT Equipment		1,029,926		1,029,926	1,012,169	17,757
10.5 Construction of CDF office		3,000,000	3,000,000	6,000,000	4,999,702	1,000,298
Sub-total	-	4,029,926	3,000,000	7,029,926	6,011,871	1,018,055
11.0 Digital Hubs	-	-	-	-	-	-
Sub total	-	-	-	-	-	-
12.0 Others	-	-	-	-	-	-
12.1 Marsabit office of Registrar of persons		2,000,000		2,000,000	86,207	1,913,793
12.2 Saku Sub-county Director of Education Office		2,000,000	-	2,000,000	2,000,000	-

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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
12.3 marsabit law courts		1,028,307		1,028,307		1,028,307
12.4Huduma Centre	1,500,000.00			1,500,000		1,500,000
12.5Karare Chief office Digital Hub Standard Centre	5,236,000.00			5,236,000		5,236,000
12.6 Mountain Chief office Digital Hub Standard Centre	5,236,000.00			5,236,000		5,236,000
12.7 saku NG-CDF Strategic Plan		1,500,000	-	1,500,000	1,500,000	-
12.8 Constituency Sports Tournaments :		3,049		3,049		3,049
Sub total	11,972,000	6,531,357	-	18,503,357	3,586,207	14,917,150
13.0 Funds pending approval**						
13.1 Unapproved projects	30,000,000	-		30,000,000		30,000,000
13.2 AIA	-		-		-	
Sub-total	30,000,000	-	-	30,000,000	-	30,000,000
Total	161,497,759	110,245,653	31,751,062	303,494,474	163,080,860	140,413,615

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

17. Notes to the Financial Statements

1. General information

The National Government Constituencies Development Fund (NG-CDF) formerly Constituencies Development Fund (CDF), is established by and derives its authority and accountability from the NG-CDF Act 2015 (amended 2023). The NG-CDF is wholly owned by the Government of Kenya and is domiciled in Kenya. The NG-CDF Saku Constituency principal activity is service delivery through improvement of infrastructure and provision of bursaries to needy students within the constituency.

2. Statement of Compliance and Basis of Preparation

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

The financial statements have been prepared in accordance with the Public Finance Management (PFM) Act and the International Public Sector Accounting Standards (IPSAS). The NG-CDF Saku 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 Saku 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.

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

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IPSAS 45: Property Plant and Equipment	Applicable 1st January 2025 The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets. Not Applicable
IPSAS 46: Measurement	Applicable 1st January 2025 The objective of this standard was to improve measurement guidance across IPSAS by: i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS. iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. The standard also introduces a public sector specific measurement bases called the current operational value. Not Applicable
IPSAS 47: Revenue	Applicable 1st January 2026 This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue

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	under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions. Not Applicable
IPSAS 48: Transfer Expenses	<i>Applicable 1st January 2026</i> 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. Not Applicable
IPSAS 49: Retirement Benefit Plans	<i>Applicable 1st January 2026</i> 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. Not Applicable
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<i>Applicable 1st January 2027</i> The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires: - Limited improvements to existing accounting practices for exploration and evaluation expenditures. - 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. - 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. Not Applicable

iii. Early adoption of standards

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

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Sale of goods

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

Interest income

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

Rental income

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

b) Budget information

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

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

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

c) Property, plant and equipment

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

d) Leases

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

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

e) Intangible assets

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

f) Financial instruments

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

a) Financial assets

Classification of financial assets

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

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

Trade and other receivables

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

Fair value through surplus or deficit

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

Impairment

The entity assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The entity recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL) are set out in Note 2

b) Financial liabilities

Classification

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

g) Inventories

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

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

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

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

h) Provisions

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

i) Social Benefits

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

j) Contingent liabilities

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

k) Contingent assets

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

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

l) Employee benefits

Retirement benefit plans

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

m) Foreign currency transactions

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

n) Related parties

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

o) Cash and Cash Equivalents

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

p) Comparative figures

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

q) Subsequent events

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

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

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

Useful lives and residual value

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

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

Provisions

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

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6. Transfers from 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

	<i>2024-2025</i>
	Kshs
NG-CDFC Basic staff salaries	4,105,275
Personal allowances paid as part of salary	-
House Allowance	-
Transport Allowance	-
Leave allowance	-
Gratuity to contractual employees	1,171,192
Employer Contributions Compulsory national social security schemes	559,208
Employer Contributions Compulsory Housing levy	220,358
Employer contributions to National Industrial Training Authority	-
Other Specify	-
Total	6,056,033

11. Committee Expenses

	<i>2024-2025</i>
	Kshs
Sitting allowance	1,168,000
Other Committee expenses	590,992
Total	1,758,992

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12. Use of Goods and services

	2024-2025
	Kshs
Utilities, supplies and services	126,000
Communication, supplies and services	374,000
Domestic travel and subsistence	850,000
Printing, advertising and information supplies & services	201,874
Office Rent	-
Training expenses	2,593,000
Hospitality supplies and services	500,000
Insurance costs	-
Specialized materials and services	-
Office and general supplies and services	317,110
Fuel, oil & lubricants	1,471,089
Bank charges	58,296
Routine maintenance – vehicles and other transport equipment	300,000
Routine maintenance – other assets	-
Strategic plan expenses	1,500,000
Other operating expenses	-
Total	8,291,369

13. Other Government Units Actual expenditure

Description	2024-2025
	Kshs
Primary Schools Actual expenditure	27,232,872
Secondary Schools Actual expenditure	43,167,277
Tertiary Institutions Actual expenditure	-
Total	70,400,149

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14. Other Grants and transfers Actual expenditure

	<i>2024-2025</i>
	Kshs
Bursary – secondary schools	21,329,531
Bursary – tertiary institutions	28,657,498
Bursary – special schools	-
Bursary - Education Support programmes	-
Social Security programmes (SHIF)	-
Security projects Actual expenditure	10,387,402
Climate change mitigation projects	2,400,000
Emergency projects Actual expenditure	6,873,000
Roads projects Actual expenditure	-
Others specify	2,086,207
Total	71,733,638

15. Depreciation and Amortization Expenses

Description	<i>2024-2025</i>
	Kshs
Property Plant and Equipment	803,621
Intangible Assets	-
Total	803,621

16. Digital Hubs Expenses

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

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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	Opening Statement 1st July 2024
	Kshs	Kshs
Bank Accounts (Cash Book Bank Balance)		
KCB Bank, 1102647977 MARSABIT BRANCH. (Operations account)	100,577,298	109,845,172
Equity Bank, 1010286256346 MARSABIT BRANCH. (Deposit account)	3,227,504	-
PMC accounts-Various Banks Listed in Annex 2	2,111,054	400,482
Total	105,915,856	110,245,653
Cash Balances		
Location 1	-	-
Location 2	-	-
Other Locations <i>(Specify)</i>	-	-
Total	-	-

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20. Receivables from Exchange Transactions

Description	2024-2025	Opening Statement 1st 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)	-	-

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

i. Ageing Analysis for Receivables

Description	2024-2025		Opening Statement 1st 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 1st July 2024	
	Kshs		Kshs	
Transfers from NGCDFB	34,497,759		31,751,062.00	
Outstanding imprest	-		-	
Total	34,497,759		31,751,062	
Ageing Analysis- Receivables from non-exchange transactions	2024 2025	% of the total	Opening Balance	% of the total
Less than 1 year	34,497,759	100%	31,751,062	100%
Between 1-2 years	-	%	-	%
Over 3 years	-	%	-	%
Total	-	%	-	%

22. Prepayments

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

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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)			25%	12.5%	30%	x%		
Cost	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Opening Bal as 1 st July 2024	-	-	-	-	-	-	-	-
Additions	-	4,999,702	-	-	1,012,169		-	6,011,871
Disposals	-	-	-	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-	-	-	-
As At 30 th June 2025	-	4,999,702	-	-	1,012,169		-	6,011,871
Depreciation And Impairment								
Opening Depreciation		-	-	-	-	-	-	-
Depreciation	-	499,970	-	-	303,651		-	803,621
Disposals	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-	-	-
As At 30 th June 2025		499,970	-	-	303,651		-	803,621
Net Book Values								
Opening Bal as at 1 st July 2024	-	-	-	-	-	-	-	-
As At 30 th June 2025	-	4,499,732	-	-	708,518		-	5,208,250

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Valuation

Land and buildings/ Equipment have not been valued by in line with the National Assets and Liabilities Management Policy and Guidelines (Issued 30th June 2020).

23 b) Property, Plant and Equipment at Cost

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

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

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

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

24. Intangible Assets

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

25. Right-of use assets

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

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

26. Trade and Other Payables

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

27. Third-Party deposits

	<i>2024-2025</i>	<i>Opening Statement 1st July 2024</i>
	Kshs	Kshs
Retention as at start of the period (A)		
Retention held during the period (B)		-
Retention paid during the period (C)		-
Closing Retention as at period 30.06.2025 D= A+B-C		

Retentions aging analysis.

	<i>2024-2025</i>	<i>% of the total</i>	<i>2023-2024</i>	<i>% of the total</i>
Less than 1 year	-	%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total	-	-	-	-

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

28. Lease Liabilities

<i>Description</i>	<i>2024-2025</i>	<i>Opening Statement 1st July 2024</i>
	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 1st July 2024
	Kshs	Kshs
Gratuity at the beginning of the period (A)		
Gratuity held during the period (B)	1,171,192	
Gratuity paid during the period (C)	-	-
Total Gratuity provision as at 30.06.2025 D=(A+B-C)	1,171,192	

30. Cash Generated from Operations

	2024-2025
	Kshs
Surplus for the period before tax	2,453,957
Adjusted for:	
Depreciation	803,621
Non-cash grants received	-
Contributed assets	-
Impairment	-
Gains and losses on disposal of assets	-
Contribution to provisions	-
Contribution to impairment allowance	-
Working capital adjustments	
Changes in inventory	-
Changes in receivables	(2,746,697)
Changes in deferred income	-
Changes in Third party deposits	1,171,192
Changes in gratuity provision	-
Changes in payments received in advance	-
Net cash flow from operating activities	1,682,073

(The total of this statement should tie to the cash flow section on net cash flows from/ used in operations)

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
As at 30th June 2025				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	34,497,759	34,497,759	-	-
Bank balances	105,915,856	105,915,856	-	-
Total	140,413,615	140,413,615	-	-
As at 30 June 2024				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	31,751,062	31,751,062	-	-
Bank balances	110,245,653	110,245,653	-	-
Total	141,996,715	141,996,715	-	-

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 2024. The board of directors sets the Entity's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

ii) Liquidity risk management

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
As at 30th June 2025				
Trade payables	-	-	-	-
Current poportion of borrowings	-	-	-	-
Provisions(Retention)	-	-	-	-
Deferred income	-	-		
Gratuity Provision	-	-		-
Total	-	-		
As at 30th June 2024				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions(Retention)	-	-		
Deferred income	-	-	-	-

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Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
Gratuity Provision	-	-	1,171,192	
Total	-	-	1,171,192	

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 after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate. The *Entity* manages foreign exchange risk from future commercial transactions and recognised assets and liabilities by projecting for expected sales proceeds and matching the same with expected payments. The carrying amount of the *Entity's* foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

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2024-2025

Description	In Kshs	Other currencies	Total
	Kshs	Kshs	Kshs
As at 30th 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 30th 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
Current FY			
Euro	NA	-	-
USD	NA	-	-
Previous FY			
Euro	NA	-	-
USD	NA	-	-

b) Interest rate risk

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

Management of interest rate risk

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

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.

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 Kshs	Level 2 Kshs	Level 3 Kshs	Total Kshs
As at 30 June 2025				
Financial Assets				
Quoted Equity Investments	NA	NA	NA	NA
Non- Financial Assets				
Investment Property	NA	NA	NA	NA
Land And Buildings	NA	NA	NA	NA
Total	NA	NA	NA	NA
As at 30th June 2024				
Financial Assets				
Quoted Equity Investments	NA	NA	NA	NA
Non- Financial Assets				

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Investment Property	-	-	-	-
Land And Buildings	-	-	-	-
Total	-	-	-	-

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

iv) Capital Risk Management

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

Description	2024-2025	<i>Opening Statement 1st July 2024</i>
	Kshs	Kshs
Revaluation Reserve	NA	NA
Retained Earnings	NA	NA
Capital Reserve	NA	NA
Total Funds	NA	NA
Total Borrowings	NA	NA
Less: Cash and Bank Balances	NA	NA
Net Debt/(Excess Cash And Cash Equivalents)	-	-
Gearing	NA	NA

32. Related Party Disclosures

	<i>2024- 2025</i>	<i>Opening Statement 1st July 2024</i>
	Kshs	Kshs
Committee Members Remuneration		
Sitting allowance of committee Members during the year	1,168,000	
Transaction with the NGCDF Board		
Transfers from the NGCDF Board during the year	268,596,234	
Total	269,764,234	

33. Segment Information

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

34. Contingent Assets and Contingent Liabilities

Contingent Assets

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

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Contingent Liabilities

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

35. Capital Commitments

Capital Commitments	2024- 2025	Opening Statement 1st July 2024
	Kshs	Kshs
Authorised for	NA	NA
Authorised and Contracted for	NA	NA
Total	NA	NA

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 Saku 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 balance brought forward (Kshs)	Additions during the period (Kshs)	Disposals during the period (Kshs)	Historical Cost (Kshs) At Year/period End
Land	43,510,346			43,510,346.00
Buildings and structures	10,388,580	2,999,702.00		13,388,282.00
Transport equipment	3,383,750			3,383,750.00
Office equipment, furniture, and fittings	259,750			259,750.00
ICT Equipment and Other ICT Assets	1,300	1,012,169.00		1,013,469.00
Other Machinery and Equipment				
Intangible assets				
Total	57,543,726.00	4,011,871.00	-	61,555,597.00

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

PMC	Bank	Account number	Bank Balance 2024-2025	Opening Statement 1st July 2024
PRIMARY SCH. PROJECTS				
1. Loruko Primary School	KCB	1257846566	25,844.00	25,844.00
2. Kiwanja Ndege Primary School	KCB	1291838651	475.00	35.00
3. Mwangaza Primary School	Equity	1010282696829	61,764.00	61,764.00
4. KITURUNI PRIMARY SCHOOL	KCB	1107807220	2,485.00	2,485.00
5. PARKISHON PRIMARY SCHOOL	KCB	1102173762	4,356.70	5,321.70
6. KARARE PRIMARY SCHOOL	KCB	1291249257	885.00	885.00
7. ILPUS PRIMARY SCHOOL	KCB	1290108420	189.00	189.00
8. Gachacha Primary School			23,554.25	23,554.25
9. SONGA PRIMARYSCHOOL			732.00	732.00
10. Goro Rukesa PrimarySCHOOL	KCB	1102174025	1,000.00	-
11. SKM Primary School			-	
12. Saku Primary school project	KCB	1288648944	1,721.00	824.00
13. Al-hidaya Muslim Primary School	KCB	1107813239	92.00	-
14. BADASSA PRIMARY SCHOOL	Equity	1010284150328	385.00	420.00
15. GARQARSA PRIMARY SCH	KCB	1289302561	76,069.00	75,987.00
16. HULAHULA PRIMARY SCH	Equity	1010285854731	322.00	
17. JALDESA PRIMARY SCHOOL	KCB	1332233856	607.00	

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PMC	Bank	Account number	Bank Balance 2024-2025	Opening Statement 1st July 2024
18. KUBI BAGASA PRY SCHOOL	Equity	1010282507580	87.50	197.50
19. LAG DIMA PRIMARY SCH	KCB	1331872057	92.00	
20.LAKARTINYA PRIMARY SCHOOL	KCB	1333050917	653.00	
21. MARSABIT PRY SCHOOL	KCB	1102167169	1,387.00	
22.MILIMA MITATU PRY SCH	KCB	1102291617	-	
23.SEGEL PRIMARY SCH	KCB	1331266033	2,167.00	
24.LEYAI PRIMARY SCHOOL-PMC	KCB	1102169145	-	
25.BORU HARO PRIMARY SCHOOL	KCB	1102168327	7.00	
26.MARSABIT PRIMARY SCHOOL	KCB	1102167169	517.00	
27.ACK ST. PETERS SAGANTE PRIMARY SCHOOL	KCB	1288747489	3,858.00	3,973.00
28.KUBI QALLO PRIMARY SCHOOL	KCB	1290892393	1,885.00	
SECONDARY PROJECTS				
1. Dakabaricha Secondary School	KCB	1240119739	14,599.00	14,599.00
2. SONGA MIXED SECONDARY SCHOOL	KCB	1302410210	57,220.00	57,335.00
3. Gadamoji High School	Equity	1010281255279	932.00	25,007.00
4. Goro Rukesa Secondary School	Equity	1010281410975	50,915.00	50,915.00
5. BADASSA MIXED SEC SCH	EQUITY	1010277011228	-	
6. KARARE MIXED SEC SCH	KCB	1142991709	2 -	

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PMC	Bank	Account number	Bank Balance 2024-2025	Opening Statement 1st July 2024
7. MOI GIRLS HIGH SCHOOL	KCB	1136689141	-	
8. SASURA GIRLS SECONDARY SCHOOL	KCB	1150536722	43,593.25	43,593.25
9. DIBAYU HIGH SCHOOL	KCB	1132664179	-	
10. ACK ST PETER'S SEC SCHOOL	KCB	1288251394	6,269.00	6,821.00
11. MARSABIT MIXED SEC SCHOOL	KCB	1124829113	-	
12. DAKABARICHA MIXED SEC SCHOOL	KCB	1240119739	-	
SECURITY PROJECTS				
1. DAABA POLICE POST	EQUITY	1010285796378	586.00	
2. DIRIB CHIEF OFFICE	KCB	1300187875	1,362.00	
3. MOUNTAIN CHIEF OFFICE	Equity	1010275532810	10,650.00	
OTHER PROJECTS				
1. SAKU SUB-COUNTY DIRECTOR OF EDUCATION	KCB	1116991810		
2. OFFICE FOR REGISTRAR OF PERSONS			1,713,793.00	
GRANT TOTAL			2,111,053.7	400,481.7

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.	Unsupported Routine Maintenance and Repairs of Motor Vehicles Kshs.554,948	Pre-inspection reports has been attached Work tickets has been attached to the vouchers for perusal.	Not resolved	December 20, 2025
2.	Unsupported Training Expenses Kshs.1,737,000	Minutes supporting payment of ksh 5,000 has been attached Transport receipt could not be attached as the said person used CDF official transport to the venue Attendance register for trainees has been attached for perusal	Not resolved	December 20, 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)
3.	Insufficient Support of Courier Services Kshs.345,000	The expenditure incurred for courier services provided by Meiso Sacco did not meet the threshold to enter into an agreement but were instead incurred at different dates on a need basis as evidenced by attached receipts and were in respect to delivery of bursary cheques. The courier costs were mainly calculated on the basis of weight of the package and the distance	Not resolved	December 20, 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)
4.	Unsupported Committee Subsistence Allowances	- Voucher no. 12 allowances – the staff used their own means to travel. they were only paid allowances and were not re-imbursed their travel costs because of budget constraints. Voucher 12 - missing attendance registers have been attached. - Voucher 127- the sitting allowance was for meetings	Not resolved	December 20, 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)
		attended as per the minute file. The subsistence allowance was for projects visited on September 2023 as per the signed field visit report. The report detailed the projects visited.		
5.	Irregularities on Fuel Expenses Kshs.1,539,347	- The suppliers are in the list of approved suppliers for that financial year. - Fuel statements from the suppliers are attached for audit review. - The work tickets have been	Not resolved	December 20, 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)
		attached for audit review		
6.	Over-ALLOCATION AND EXPENDITURE OF EMERGENCY FUND Kshs.1,811,388	The computation of 5% on the project code list total is inaccurate. it should be based on the grand total allocated to the constituency. The project code-list is incomplete because there were project proposals that were unapproved pending additional information to the CDF board. Hence no over-allocation of 865,452. Saku CDF had an emergency fund opening balance at the beginning of the year 2023/24 of Ksh 2,089,603.6 for the previous financial years. Hence there cannot be over-expenditure because there were unspent funds at the beginning of the year 2023/24	Not resolved	December 20, 2025
7.	Irregularity in Award of Contract – Marsabit Boys	The regret letters have been attached to the	Not resolved	December 20, 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)
	High School Kshs.3,197,885	project file. Copies are made available for audit inspection. Evidence of similar jobs for the last 3 years is attached for audit inspection Last 3 years financial statements is attached for audit inspection.		
8.	Variance Between Lockers Approved and Delivered Kshs.800,000	The minutes have been attached to the project file and are available for audit	Not resolved	December 20, 2025
9.	Irregular Procurement Procedures Kshs.719,995	- The request for quotations are attached for audit inspection - The contract document is now dated, signed and stamped A certificate of practical completion has been attached to the project file	Not resolved	December 20, 2025
10.	Non-Adherence to Procurement Procedures – Proposed Erection and	Contract document has	Not resolved	December 20, 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)
	Completion of Office and Armory Kshs.2,699,838	been attached to the project file • The evaluation report has been signed and attached to the project file • The completion certificate has been attached to the project file • Project monitoring report and handover report has been attached to the project file		
11.	Doubtful Delivery of Furniture Kshs.380,000	Project committee received the furniture and recommended payment to the supplier through minutes filed in the PMC file	Not resolved	December 20, 2025
12.	Unsatisfactory Implementation of Projects	The contractors involved have been instructed to implement the audit findings as soon as possible to ensure proper utilization of funds.	Not resolved	December 20, 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)
13.	Lack of Project Management Committees Reports	Efforts have been made to train PMCs on the need for ensuring accountability for funds they receive. Such anomalies will not be witnessed in future. We have instructed the PMCs to attached the required documents in their returns to the CDFC.	Not resolved	December 20, 2025
14.	Lack of a Risk Management Policy	The Saku Constituency risk management policy is attached for audit inspection	Not resolved	December 20, 2025
15.	Irregular Disbursements Kshs.1,534,000	Bursary Efforts are being made to get the student admission numbers for the 77 students.	Not resolved	December 20, 2025



Ibrahim Tawane
Fund Account Manager.