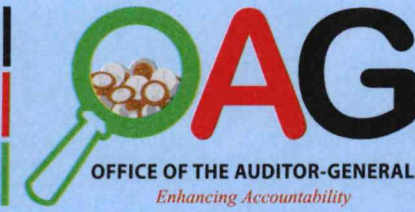


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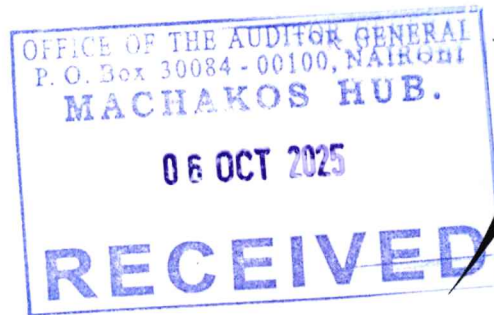
OF

THE AUDITOR-GENERAL

THE NATIONAL ASSEMBLY
PAPERS LAID
DATE: 26 NOV 2025 DAY: WEDNESDAY
ON DEPUTY MAJORITY WHIP
FINLAY
CLERK-AT-THE-TABLE:

NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND –
MATUNGULU CONSTITUENCY

FOR THE YEAR ENDED
30 JUNE, 2025



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

MATUNGULU CONSTITUENCY

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
30th JUNE 2025**

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

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

Mandate

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

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

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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 MATUNGULU 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	John Munyau
2.	National Sub-County Accountant	Purity Ngari
3.	Chairman NGCDFC	Pius Wambua
4.	Member NGCDFC	Simon Ndolo Makau
5.	Member NG CDFC	Thomas Munyao Ndunge

(c) Fiduciary Oversight Arrangements

The Audit Committee of the NGCDF Board provides overall fiduciary oversight on the activities of the NGCDF Matungulu Constituency. The reports and recommendations of the Audit Committee, when adopted by the NGCDF Board, are forwarded to the Constituency Committee for action. The Board forwards any matters that require policy guidance to the Cabinet Secretary and National Assembly Select Committee.

(d) NGCDF Matungulu Constituency Headquarters

P.O. Box 631-90131
 Matungulu NG-CDF office
 Tala
 Kenya

(e) NGCDF Matungulu Constituency Contacts

P.O. Box 631-90131
 Telephone: (254) 712616859

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E-mail: cdfmatungulu@ngcdf.go.ke
Website: www.go.ke

(f) NGCDF Matungulu Constituency Bankers

1. Equity Bank (Operation account)

Account Number: 0900261817477

Tala Branch

P.O. Box 343-90131

Tala, Kenya

2. Equity bank (Deposit account).

Account no: 0900285200963

Tala Branch

P.O. Box 343-90131

Tala, Kenya

3. Equity Bank Account Number: Various(as per annex 2) (PMC)-

Tala Branch

P.O. Box 343-90131

Tala, Kenya




(g) Independent Auditor

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





(h) Principal Legal Adviser

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




3. Matungulu NGCDF Committee

Name	Details
<p>Pius N Wambua Chairman</p> 	<p>Date of Birth: 15/11/1964 Academic and Professional Qualifications: He holds a Diploma of management and leadership from the management university of Africa. Work Experience: Current Matungulu NG-CDFC He worked in Choda Fabricators Ltd as a manager from 1993-2016 and Labh Singh Harnam Sush (LSHS) as the Export Manager.</p>
<p>Fridah Nyiva King'oo</p> 	<p>Date of Birth: 3/9/1978. Academic and Professional Qualifications: She holds a certificate in Computer Application From Thika Computer Consultant. Work Experience: In 2015 she participated in comprehensive water mapping exercise in Machakos County, in 2009 participated in 2009 Kenya population housing and from 2022-2024 as member of Matungulu Ng-cdfc.</p>
 <p>Thomas Munyao</p>	<p>Date of Birth: 9/8/1994. Academic and Professional Qualifications: He holds a certificate of computer application. Work Experience: He has been a member of Matungulu NG-CDFC from 2022 to date.</p>

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<p>Rose Mwikali Ndaka</p> 	<p>Date of Birth: 3/5/1974. Academic and Professional Qualifications: She holds a certificate of secondary education. Work Experience: She has worked at Star Sheikh Academy from 1995-2000 and from 2022 to date as a member of Matungulu NG-CDFC.</p>
<p>Rehema Mwikali Suleiman</p> 	<p>Date of Birth:17/9/1991 Academic and Professional Qualifications: holds a degree of science in agricultural resource management from Pwani University. Work Experience: She has being a committee member from 2022 to date.</p>
<p>Simon Ndolo Makau</p> 	<p>Date of Birth: 30/9/1976. Academic and Professional Qualifications: He holds a certificate of secondary education. Work Experience: He has worked for Nairobi City Council as a Clerical officer 3 from 1999-2003, Nairobi Water and Sewerage Company as a supervisor artisan from 2010-2013, committee.</p>
<p>Titus Mutua Nthuka</p> 	<p>Date of Birth: 17/5/1964. Academic and Professional Qualifications: He holds a certificate in Accounts Clerk National Certificate. Work Experience :He has worked as A Site Clerk Law Zip Construction Company From 1984-1986, Accountant Katelembo, Athiani Muputi Ranching Co-Operative Society LTD From 1988-1989, Accounts Assistant At Karen Technical Institute Of The Deaf, Business Advisor At Christian Children’s Fund Mwala lead facilitator at plan international from 2013-2020 and currently serving as a member of Matungulu Ng-cdfc from 2022.</p>

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<p>Rev. Kennedy Musyoka</p> 	<p>Date of Birth: 5/2/1981. Academic and Professional Qualifications: He holds a diploma in Theology from Yatta College of the Bible. Work Experience: Currently serves as a member of Matungulu NG-CDFC</p>
 <p>Evelyne Wekesa</p>	<p>Date of Birth: 2/10/1971 Academic and Professional Qualifications: She holds a masters degree in Gender and Development from Kenyatta University. Work Experience: She has worked for public service for 22 years. In 2016 she became a DCC a position she holds currently in Matungulu Subcounty.</p>
<p>John Munyau Fund Account Manager</p> 	<p>Date of Birth: 1/7/1967 Academic and Professional Qualifications holds an MBA in Finance from Kenyatta University and a certified Public Accountant. Work Experience: He has been a Fund Account Manager at the NG-CDF Board from 2007 to date.</p>

Bishop Peter Kitoila Ngolo exited the committee and has served for 31 months.

4. NG-CDFC Chairman’s Report



Pius N Wambua
Matungulu NG-CDF
Chairman

Matungulu NG-CDF envisions to economically empower its constituents through transformation of livelihood and creation of self-reliant opportunities. Therefore, 2024/2025 financial year financial statement depicts a clear picture of how the management strives to achieve its mission and vision by distributing the allocated funds in sectors of education, environment and security.

In 2024/2025 financial year Matungulu NG-CDF received an allocation of Kshs. **179,441,954.00** an upward trajectory compared to 2023/2024 FY where we received an allocation of Kshs. **175,631,810.00**. The funds were disbursed to the education, security and climate mitigation sectors and utilized as shown by the figure below.

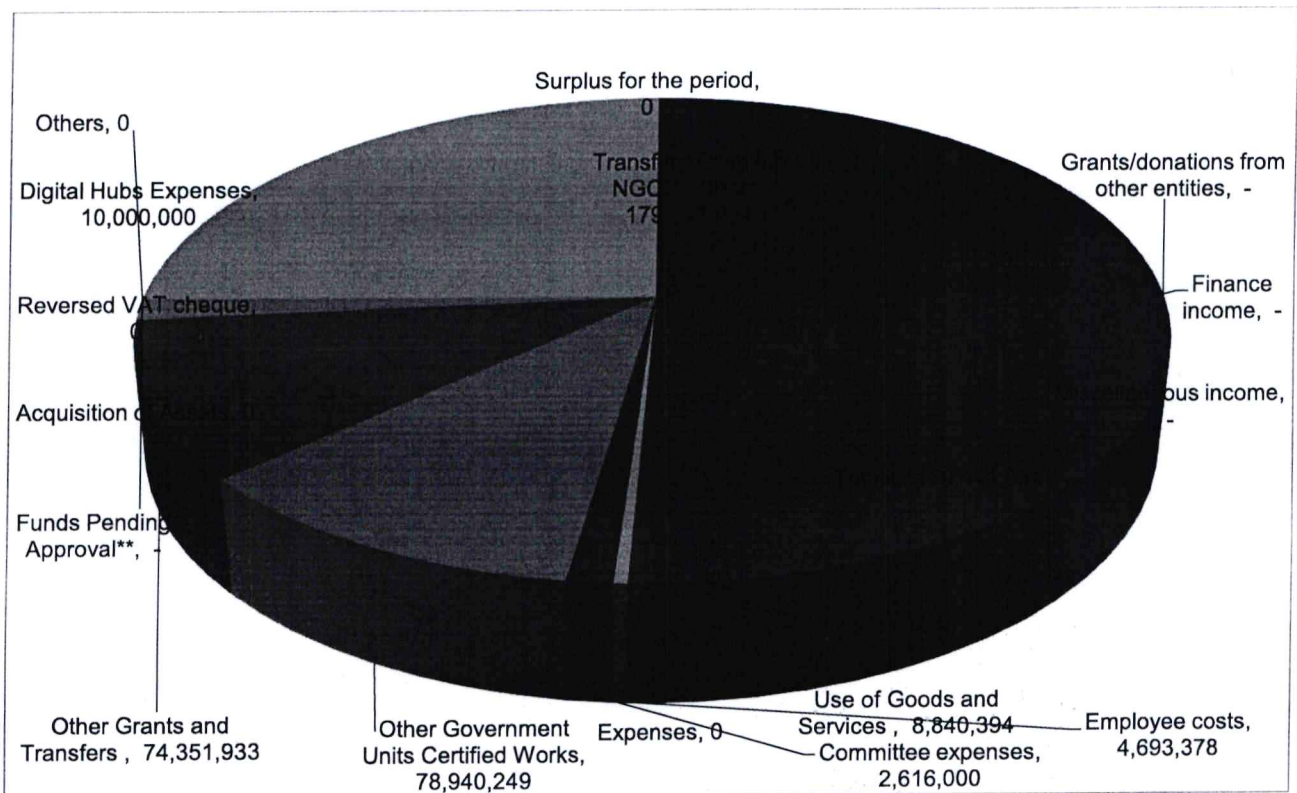


Figure 1 shows the Statement of Comparison of Budget and Actual Amounts for Period Ended June 30, 2025


During the financial year Matungulu NG-CDF implemented major projects such as Katine Technical Training Institute a project that received a disbursement of **Kshs. 15,654,742**; Tala Police Station received **Ksh. 5,000,000** and Tala Girls High School received a disbursement of **Kshs. 8,000,000** during the financial year. Further Matungulu NG-CDF issued bursaries worth **Kshs.54, 826,493** in 2024/2025 financial year.

Despite the success, Matungulu NG-CDF faced the following challenge during the financial year:

- Delayed funding that led to late implementation of projects.
- Local politics within the NG-CDF Committee.
- Unilateral changes in project activities by the PMCs leading to delayed completion of projects.

Proposed solutions to the challenge

- The management made sure the available funds were instantaneously disbursed to the intended sectors and projects.
- The management has emphasized on training of NG-CDFC members on their roles and responsibilities.
- Training of PMCs

.....


Pius N Wambua

Chairman NGCDF Committee

5. Statement of Performance against Predetermined Objectives for FY2024/25

Introduction

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

The key development objectives of the **NGCDF Matungulu Constituency 2023-2027**

Plan is to:

- i. To act as an overarching Constituency development framework for guiding socio-economic transformation between 2023 and 2028.
- ii. To provide a local framework for actualizing the achievement of the Big 4 agenda and the Kenya vision 2030.
- iii. To reduce inequality through equitable distribution of resources across the wards within the constituency.
- iv. To create a firm foundation for socio-economic transformation through education and security infrastructural development.
- v. To enhance local resource mobilization from other development partners and actors within and outside the constituency.

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	Increased enrolment in primary schools and	Increased number of usable physical	In FY 2024/25 we allocated more funds to the primary education sector to

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	attending school and sustained in school through bursary awarding. To improve learning environment and infrastructure by adopting modern construction techniques.	improved transition to secondary schools and tertiary institutions	infrastructure build in primary, secondary, and tertiary institutions Increased number of bursary's beneficiaries at all levels. Increased transition rate from primary to secondary schools.	increase the number of JSS classrooms and laboratories to ensure proper learning structures and environment. Primary school projects received a total of Kshs 39,100,000 . For further structural construction and renovations. This includes Kshs. 7,800,000 allocated to construct Six (6) more JSS classes. -further the Bursary kitty received an allocation of Kshs. 52,678,382 where more than 12,000 beneficiaries benefited with bursary awards in both secondary and tertiary institutions.
Security	To increase infrastructure in the security sector To improve security in Matungulu	Increased number of chiefs offices, police posts and stations	Increased security in the constituency.	In 2024/2025 Matungulu NG-CDF allocated Kshs. 8,626,238 to the sector a clear commitment to ensure growth in the security sector.
Climate change mitigation activities	To take care of the environment and mitigate global warming.	Reforestation	Increased tree planting	In 2024/25 FY Matungulu NG-CDF increased the amount allocated to climate mitigation activities from Kshs. 2,000,000 to Kshs. 3,600,000 i.e. increased tree planting in learning institutions from 20 schools to 36 schools. This shows

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				that Matungulu NG-CDF values the environment and actively contributes to climate change mitigations and reduction of global warming.
Emergency	To cater for unforeseen occurrences	Fast response to emergency occurrences.	Quick response to emergency infrastructural construction or renovations in learning institutions.	The fund allocated 9,444,313 to the emergency kitty in 2024/25 FY where 7 schools received emergency funding for infrastructural development from the kitty.
Others(Specify) Digital Hub	To increase technical training and knowledge	Increased technological knowledge and literacy	Increased innovation and economic growth.	Matungulu Ng-cdf allocated Kshs. 10,000,000 for construction of a digital hub to create a space for digital learning and access to technology. The hub will contribute to digital transformation in the constituency as well as the entire country increasing the number of usable and quality manpower.

6. Governance Statement

The NG-CDF ACT part 7 section 43 states how National Government Constituency Development Fund Committee shall be established.

Each Constituency Committee shall comprise of—

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

Matungulu NGCDF is managed by a team of ten (10) NGCDFC members appointed in accordance with the NGCDF act 2015 as amended in 2022 read with NGCDF regulations 2016. The ten members comprise of seven gazetted members, a member co-opted by the NGCDF Board, the deputy County commissioner and an officer of the board at the constituency level who is an ex-officio member.

The gazetted members are appointed in accordance with the Provisions of section 5 Of the NGCDF Act 2015 which states that:

- (1) The members of a Constituency Committee provided for Appointment of under section 43 of the Act shall be selected by members of Constituency selection panel established under paragraph (4) upon an occurrence of a Committee vacancy in the Constituency Committee. The committee shall comprise of two female members one of whom must be a youth at the time of appointment and two male members one of whom must be a youth at the time of

***National Government Constituencies Development Fund (NGCDF)
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appointment and one member who is a person living with disabilities and two nominees of the Constituency office. Five members are selected by a selection panel chaired by the Deputy County Commissioner or his nominee and the Officer of the board is the secretary. The Officer of the board invites applications from persons who qualify for appointment within fourteen of the first meeting of the selection panel. The panel considers all applications and selects five applicants considering age, gender social interest and regional balance, the officer of the board submits the five qualified applicants to the board for appointment. The board co-opts one person to ensure equity in representation in the committee. Through the national assembly the constituency office nominates two persons of either gender to and forward he names to the officer of the board at the constituency. All the names of the seven appointees are presented to parliament for approval and subsequent gazettelement.

The selection panel in Matungulu constituency committee appointment consisted of the following members.

S/NO	NAME	DESIGNATION	GENDER
1	Caroline Kimoti	Chairperson	Female
2	John Munyau	Secretary	Male
3	Grace Wayua David	Member	Female
4	John Kyalo	Member	Male

The above panel was tasked with the recruitment process where they advertised the posts of NGCDFC members, applications done and short listing conducted in the month of December 2024.

The appointed and gazetted members are categorized as tabulated below

Categories of Selected/ gazetted Members.

(a) Picked by the selection panel

S/NO	NAME	CATEGORY	POSITION
1	Pius N Wambua	Male Adult	Chairman
2	Rose Ndaka	Female Adult	Member
3	Thomas Munyao	Male Youth	Member
4	Rehema Suleiman	Female Youth	Member

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(b) Constituency office nominees

S/NO	NAME	CATEGORY	POSITION
1	Simon M Ndolo	Constituency office Nominee	Member
2	Fridah King'oo	Constituency office nominee	Member

S/NO	Name	Category	Position
1	Titus M Nthuka	PLWD	Member

List of Matungulu Constituency Committee Members

S/NO	NAME	POSITION	WARD
1	Pius Wambua	Chairman	Matungulu west
2	Simon Ndolo	Secretary	Tala
3	Rev Kennedy Musyoka	Member	Matungulu West
4	Rehema Suleiman	Member	Kyeleni
5	Fridah N King'oo	Member	Matungulu North
6	Rose Ndaka	Member	Matungulu West
7	Thomas Munyao	Member	Matungulu East
8	Titus M Nthuka	Member	Tala
9	Evelyne Wekesa	DCC	Tala
10	John Munyau	FAM	Tala

Removal of NG-CDF Committee

A member of the NGCDF may be removed from office due to any of the following reasons:

- 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.

Roles and Functions of NGCDF Committee

1. Capacity building of the Project management committees and create awareness to the community on the functions of the fund
2. Consider and approve all the qualifying project proposals from all the wards and submit the same to the NGCDF Board
3. Consultation with relevant government departments to ensure all project cost estimates are reasonable
4. Negotiating with other constituencies when undertaking joint project implementation
5. Rank projects proposals in order of priority or urgency with priority given to ongoing projects.
6. Ensure adequate funding for completion of projects within three years
7. In collaboration with the officer of the board to maintain proper account records of the fund.
8. Recommend to the board removal of a committee member
9. Preparation and submission of reports to the board
10. Enter into performance contracting with the board annually
11. Record the names of the signatories to PMCs
12. Receive and address all complaints pertaining to projects and collectively address audit queries concerning the fund at the constituency level
13. Ensure project branding in accordance with the board guidelines

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Induction and Training of NGCDF Committee Members

In the 2024/2025 financial year Matungulu NG-CDFC was not trained due to delayed funding and delayed gazettelement of the NG-CDF Committee that was done on 21st May 2025 few days to the closure of the financial year.

Number of Meetings Held During the Financial Year 2024/2025

mem bers	8/ 7/ 20 24	26 /7 /2 02 4	2/ 8/ 20 24	7/ 8/ 20 24	4/ 9/ 20 24	9/ 9/ 20 24	26 /9/ 20 24	7/1 0/ 20 24	17/ 10/ 20 24	5/ 11/ 20 24	7/ 11/ 20 24	26 /11 /2 02 4	10/ 12/ 20 24	23/ 12/ 20 24	22 /1/ 20 25	25 /2/ 20 25	17/ 3/ 20 25	24 /3/ 20 25	11/ 4/ 20 25	24 /4/ 20 25	19/ 5/ 20 25	11/ 6/ 20 25	13 /6 /2 02 5
Pius Wambua-chairman	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Simon Ndolo-Secretary	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Peter Kitoila-member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Rehema Suleiman-youth representative	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Fridah Mwakamember	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Rose Ndaka-member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Titus Nthuka-PWD	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Thomas Muniyao-youth representative	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
John Muniyau-FAM	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Evelyn Wekesa-ACC	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Purity Ngari																							✓

Policy on Conflict of Interest

Matungulu NGCDF Committee has made it a policy that there should be no conflict of interest and any member with any interest on a matter should declare his/ her interests and excuse him/herself. Consequently, there is always an agenda of Declaration of interest in every meeting.

Members Remuneration

NGCDF Committee members are not salaried but are paid allowances for meetings attended in accordance with the provisions of the NGCDF act and regulations. The chairman is entitled to an allowance of Ksh 7,000 for every meeting attended while the other members are entitled to an allowance of Ksh 5,000 for meeting attended.

Ethics and Conduct

NGCDF Committee is bound by the cord of conduct of public officers, them being gazetted officers.

- i. Confidentiality-the NGCDFC members have an obligation to ensure secrecy unless in other circumstances as required by law.
- ii. Honesty and integrity-NGCDFC members have a responsibility to declare any cloistered interest relating to their public obligations and to take steps to resolve any conflict arising in a way that shields the public interest.
- iii. Leadership- NGCDFC members should encourage good and eminence leadership in the constituency.

Risk Management

Risk management has been joined in the constituency operations through the following; training of the NGCDF staff in their respective routine areas of service to warrant efficient and effective delivery on their mandate.

The risk mitigation policies that NGCDFC Matungulu has applied include the following: Executing audit findings and recommendations, Monthly, Quarterly and annual Risk Management attestations, observance and compliance with NGCDF act 2015 and additional laws and guidelines to ensure smooth operations. The constituency has also ensured projects are well implemented and overall fund utilization. The NG-CDFC staffs is also required to ensure adherence to statutory requirements such as deductions and

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timely remittance, 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

Matungulu NG-CDF mainly engages in infrastructural development in the education, security, and climate mitigation as well as financing education through bursary awards. The entity is also mandated to administer the fund and carry out monitoring and evaluation of projects. Through bursary awards the NG-CDFC has significantly influenced transition rate from primary to secondary.

In the past 5 years Matungulu NG-CDF has been allocated a total of Kshs. **787,365,453.47** including Ksh.12, 747,483 funding for Junior Secondary School (JSS) projects funded by the ministry of education but implemented through the NG-CDF structure. All these funds have been received and disbursed for projects implantation except Kshs. 51,118,742.00 owed by the board at the end of 2024/2025 FY.

The figures below show Matungulu NG-CDF Funds allocation and disbursement for the past 5 years.

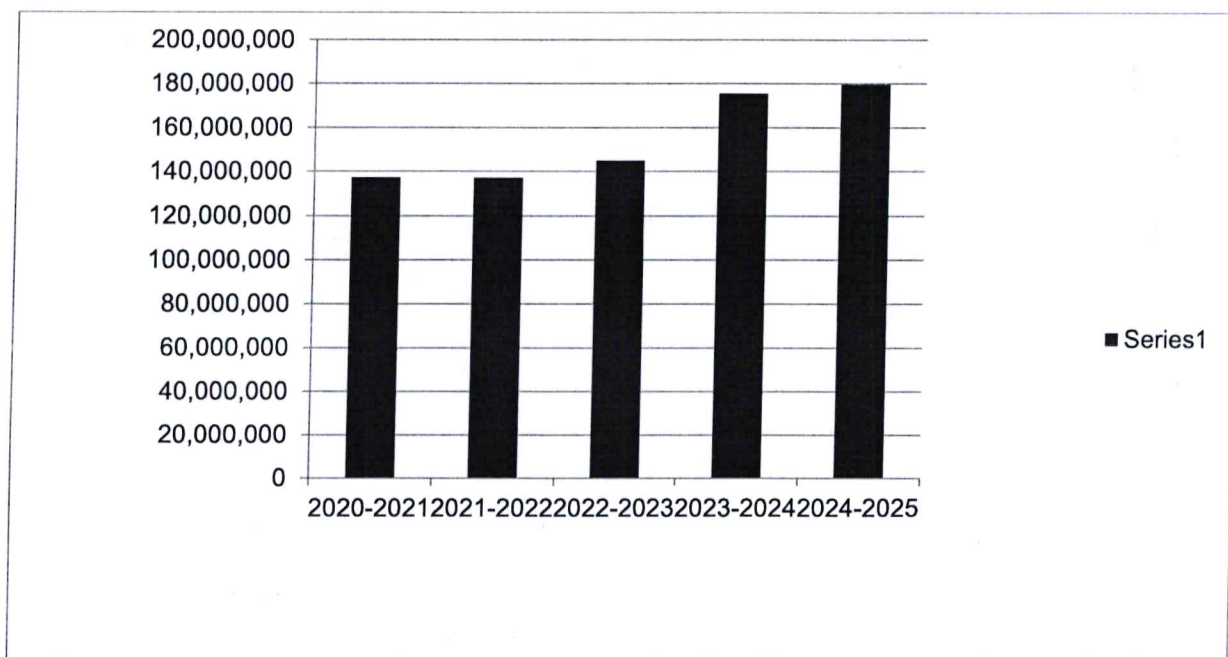


Fig 2 shows funds allocation to Matungulu NG-CDF for the past 5 years.

Administration and Recurrent Expenditure	45,894,347.48
Monitoring And Evaluation	21,522,674.35
Emergency	40,694,485.39
Sports	9,130,841.60
Environment/Climate Mitigation	11,479,832.40
Bursary Secondary School	162,544,439.60
Bursary Tertiary Institutions	52,000,000.00

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Bursary Special Institution	1,367,925.00
Primary Projects	162,862,224.40
Secondary Projects	132,606,784.80
Tertiary Projects	47,566,452.44
Security	52,800,087.04
Office Projects	26,069,067.69
JSS Moe	20,547,483.00

FIG 3: Shows the Sectoral Allocation to different sectors in the past 5 years.

Major projects implemented in 2024/2025FY

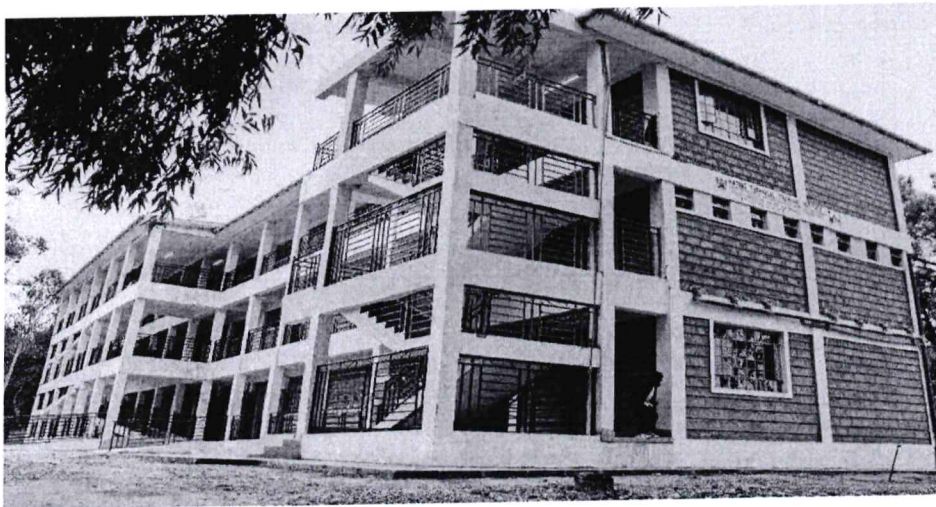


FIG 4: Katine Technical Training Institute: Construction of electrical workshop storey building

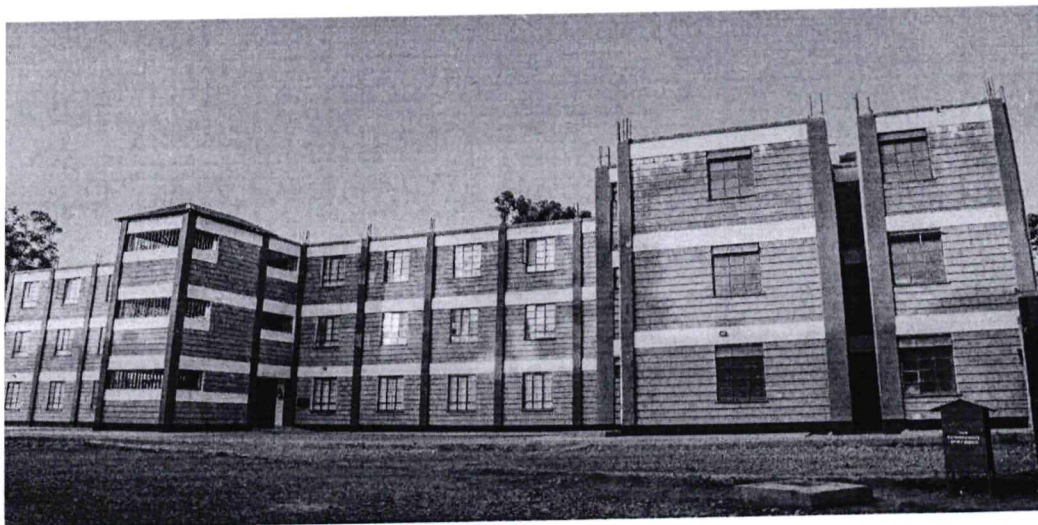


FIG 5: Matungulu Girls School: Construction to completion of a 16 no. classrooms storey building

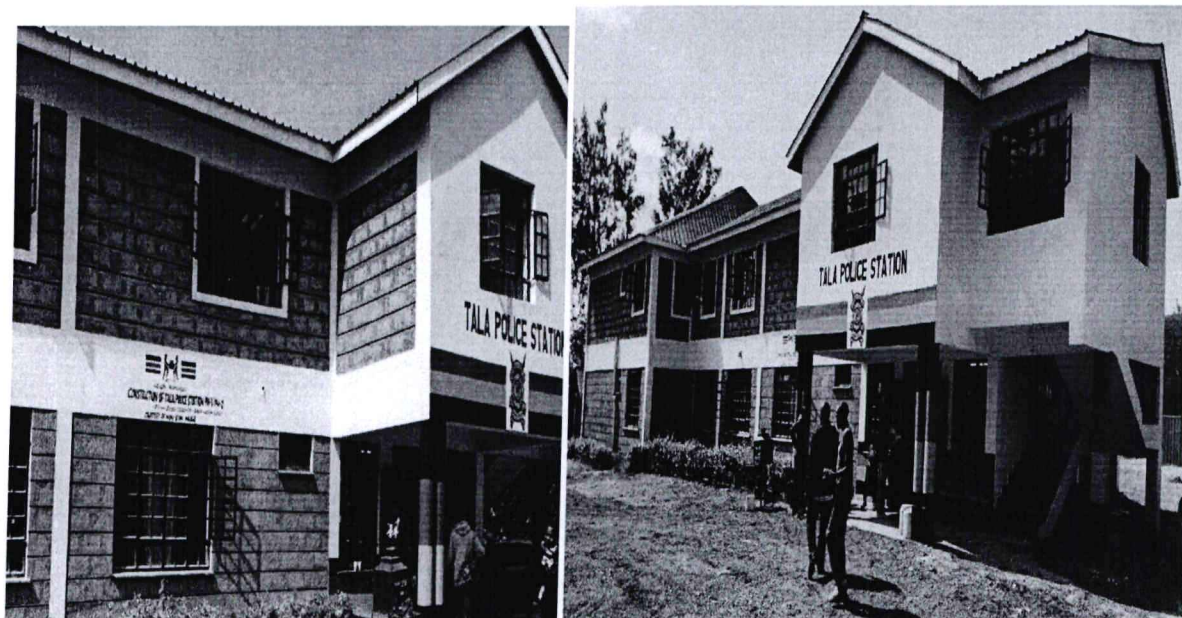


Fig 6: Tala Police Station

Major risks faced by the entity include:

- delayed funding
- the newly introduced e-government procurement system
- uncertainty surrounding the future of the fund
- Change of the education system posing infrastructural challenges in the primary schools where grade 7, 6 & 8 are domicile.

**FUND ACCOUNT MANAGER
NG-CDF MATUNGULU
P. O. BOX 631 - 90131,
TALA**

**John Munyau
Fund Account Manager**

8. Environmental and Sustainability Reporting

1. Sustainability strategy and profile –

Matungulu Ng-cdf commits to taking care of the environment and that's why in its budget climate mitigation activities are factored. To ensure the sustainability of Matungulu Constituency, the committee funds the following key sectors with the following sustainable priorities.

- a. **Education and Training:** Matungulu 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 a forestation, reforestation, grassroots sensitization, and tree seedling production.

2. Environmental performance

- Matungulu Ng-cdf has a policy of facilitating water harvesting in institutions through provision of water tanks and other accessories for water harvesting to reduce the effect of water runoff and flooding in learning institutions.
- Matungulu Ng-cdf has succeeded in implementing the policy by allocating a total of **Kshs. 10,050,000.00** to 3 primary schools for water harvesting and compound leveling.

Further, the NG-CDFC allocated a total of **Kshs.3,600,000.00** for tree planting in 36 learning institutions to militate against climate change.

- During the financial year Matungulu Ng-cdfc has completed the construction of Tala Police Station at a cost of **Kshs. 8,000,000.00**

3. Employee welfare

We invest in providing the best working environment for our employees. Matungulu 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. Matungulu 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-

Matungulu 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-

Matungulu 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

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

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

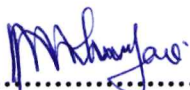
The NG-CDFC engaged the community through community leaders during the bursary program to identify the needy students to be awarded the bursary.

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

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



.....
John Munyau
Fund Account Manager.

**FUND ACCOUNT MANAGER
NG-CDF MATUNGULU
P. O. Box 631 - 9013,
TALA**

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-Matungulu 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-Matungulu 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- Matungulu Constituency further confirms the completeness of the accounting records maintained for the constituency, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

The Accounting Officer in charge of the NGCDF Matungulu 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

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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- Matungulu Constituency financial statements were approved and signed by the Accounting Officer on 19th August 2025.



.....
Pius N Wambua

Chairman – NGCDF Committee



.....
John Munyau

Fund Account Manager

FUND ACCOUNT MANAGER
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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - MATUNGULU 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.

An Unmodified Opinion is issued when the Auditor-General concludes that 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 aim to address the Auditor-General's statutory roles and responsibilities 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

Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Matungulu Constituency set out on pages 1 to 77, which comprise of the statement of financial position as at 30 June, 2025, and the

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

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

In my opinion, the financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund - Matungulu 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) and comply with the National Government Constituencies Development Fund Act, 2015 and the Public Finance Management Act, 2012.

Basis for Opinion

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final revenue budget and actual on comparable basis of Kshs.332,161,838 and Kshs.281,043,095 respectively resulting to underfunding of Kshs.51,118,743 or approximately 15% of the budget. Similarly, the Fund expended Kshs.203,450,521 against actual receipts of Kshs.281,043,095 resulting to under-absorption of Kshs.77,592,574 or approximately 28% of the actual receipts.

The underfunding and the under-absorption affected the implementation of planned activities and programmes and may have negatively impacted on effective service delivery to the public.

My opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

Other Information

Management is responsible for the Other Information set out on pages iii to xxx which comprise of Key Constituency Information and Management, Matungulu National Government Constituencies Development Fund (NGCDF) Committee, NGCDF Chairman's Report, Statement of Performance Against Pre-Determined Objectives, Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting and Statement of Management Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in the Use of Public Resources section of my report, I confirm that nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1.0 Non-Realization of Value for Money on Project Implementation

The statement of financial performance and as disclosed in Note 13 to the financial statements reflect other Government units' actual expenditure totalling Kshs.117,467,555 which includes Kshs.28,587,412 in respect to transfers to secondary schools. However, review of the Project Implementation Status revealed the following anomalies:

1.1 Tala Girls Secondary School

The Fund disbursed Kshs.8,000,0000 to the Project Management Committee of Tala Girls Secondary School for the construction of a multipurpose hall. The Committee awarded the contract at a sum of Kshs.7,854,990 and the contract commenced on

22 November, 2024 which was due for completion by 21 February, 2025. However, site visit in September, 2025 revealed that the project was incomplete. Electrical works were yet to be installed. In addition, floor finishing was in terrazzo instead of the non-slip ceramic tiles as provided for under Element 7 in the Bill of Quantities. The approval for the change of scope of works was not provided for audit review.

1.2 Fr.Heeran Girls High School

The Fund disbursed Kshs.4,000,0000 to the Project Management Committee of Fr. Heeran Girls High School for the construction of a storey library. The contract was awarded at a sum of Kshs.10,963,365 on 23 October, 2024 with a start date of 03 December, 2024 and was due for completion on 02 March, 2025. However, review of the project records and site visit in September, 2025 revealed that the project was incomplete. In addition, there was no evidence provided on extension of the contract period.

1.3 AIC Katwanyaa Secondary School

The Fund disbursed Kshs.11,500,000 to the Project Management Committee for the construction to completion of a tuition block at AIC Katwanyaa Secondary School. The contract was awarded on 09 June, 2023 at a sum of Kshs.19,009,210 with an initial completion date of 24 November, 2023. Physical verification in September, 2025 revealed that the project had stalled and the contractor had terminated the contract on 11 June, 2025 citing financial challenges. A total of Kshs.8,320,588 had been paid to the contractor. However, the tender had not been re-awarded since termination of the contract. Management did not provide documentary evidence to demonstrate any further action taken to commence and complete the project.

In the circumstances, value for money spent on the projects could not be confirmed.

2.0 Irregularities in Procurement Processes and Project Implementation

The statement of financial performance and as disclosed in Note 14 to the financial statements reflect other grants and transfers of Kshs.71,841,107 which includes Kshs.1,999,000 in respect to climate change mitigation projects. The expenditure relates to purchase and planting of five hundred (500) tree seedlings in twenty (20) schools each. However, supporting documents such as delivery notes and distribution lists were not provided for audit review. In addition, site visit to Kwa Mutu primary school and Katine HGM primary school projects on 4 September, 2025 revealed that the schools received approximately 50–100 seedlings each instead of the approved five hundred (500) tree seedlings. No explanation was provided for the variance.

In the circumstances, value for money on Kshs.1,999,000 incurred on the projects could not be confirmed.

3.0 Failure to Return Unutilized Project Management Committee Funds

Annex 2 reflects Project Management Committee bank account balances totalling Kshs.21,797,288 as at 30 June, 2025. However, comparison of balances between the

current and opening statement balances as at 1 July, 2024 revealed that PMC accounts balance totalling Kshs.1,270,169 had no movement. This is an indication that the projects may have been completed and closed. However, the funds were not returned to the Constituency account contrary to Section 12(8) of the National Government Constituencies Development Fund Act, 2015 which requires that all unutilized funds of the Project Management Committees be returned to the Constituency account. In addition, Management did not provide certificate of bank balances for audit review.

In the circumstances, Management was in breach of law.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of the Management and those Charged with Governance

The 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

31 October, 2025


National Government Constituencies Development Fund (NGCDF)
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12. Statement of Financial Position as At 30th June, 2025


	Note	2024/2025 FY	Opening Statement 1st July 2024
		Kshs	Kshs
Assets			
Current Assets			
Cash And Cash Equivalents	19	77,592,574	88,399,142
Receivables from Exchange Transactions	20	-	-
Receivables from Non-Exchange Transactions	21	51,118,742	64,304,742
Prepayments	22	404,085	-
Total Current Assets		129,115,401	152,703,884
Non-Current Assets			
Property, Plant and Equipment	23	53,900	77,000
Intangible Assets	24	-	-
Right-of-use assets	25	-	-
Total Non- Current Assets		53,900	77,000
Total Assets (A)		129,169,301	152,780,884
Liabilities			
Current Liabilities			
Trade and Other Payables	26	-	-
Third-Party Deposits	27	114,967	-
Lease Liabilities	28	-	-
Gratuity provision	29	1,444,668	685,993
Total Current Liabilities		1,559,635	685,993
Non-Current Liabilities			
Lease Liabilities	28	-	-
Total Liabilities (B)		1,559,635	685,993
NetAssets (A-B)		127,609,667	152,094,891
Represented by:			
Accumulated Surplus		127,609,667	152,094,891
Revaluation Reserves			
Total Net Assets		127,609,667	152,094,891

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

The Constituency financial statements set out on pages 1 to 23 approved by NG CDFC on 19th August 2025 and signed by:


Chairman NG-CDF
Committee
Pius N Wambua


National Sub-County
Accountant
Purity Ngari
ICPAK M/No:20993


Fund Account Manager
John Munyau

FUND ACCOUNT MANAGER
NG-CDF MATUNGULU
P.O. Box 631 - 50131,
TALA

National Government Constituencies Development Fund (NGCDF)
Matungulu 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)		73,649,271	73,649,271
Adjustments: (to recognize assets and liabilities)	-		-
Add Assets	-	79,131,613	79,131,613
Less Liabilities	-	685,993	685,993
As at July 1, 2024	-	152,094,891	152,094,891
	-		-
Surplus/(Deficit) For the Period	-	(24,485,224)	(24,485,224)
Revaluation Gain/Loss	-	-	-
As at 30th June (current year)	-	127,609,667	127,609,667

Note:

1. For items that are not common in the financial statements, the Entity should include a note on what they relate to – either on the face of the statement of changes in equity/net assets or among the notes to the financial statements.
2. Prior year adjustment should have an elaborate note describing what the amounts relate to. In such instances, a restatement of the opening balances needs to be done.

*National Government Constituencies Development Fund (NGCDF)
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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 FY
		Kshs
Cashflowsfromoperatingactivities		
Receipts		
Transfers from the NGCDF Board		192,627,954
Grants/donations from other entities		-
Finance income		-
Miscellaneous income		16,000
Total Receipts		192,643,954
Payments		
Employee costs		3,939,380
Committee expenses		2,162,000
Use of Goods and Services		8,155,446
Other Government Units Certified Works		117,467,555
Other Grants and Transfers		71,726,140
Digital Hubs Expenses		-
Total Payments		203,450,521
Net Cash Flows from/ (used in) Operating Activities	30	(10,806,567)
Cash flows From Investing Activities		
Purchase of PPE		
Purchase of Intangible assets		-
Proceeds From Sale of PPE		-
Net Cash Flows from Investing Activities		-
Netincrease/(decrease)incash& Cash equivalents		(10,806,567)
Cash Flows from Financing Activities		
Lease payment		-
Net Cash Flows from Financing Activities		(10,806,567)
Cash and cash equivalents at Period Start	19	88,399,142
Cash and cash equivalents at Period End	19	77,592,574

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

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15. Statement of Comparison of Budget and Actual Amounts for the Year ended 30 June 2025

	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilization
	Kshs	Kshs		Kshs	Kshs	Kshs	
	a	b		C=(a+b)	d	e=(c-d)	f=d/c*100
	2024/2025 FY	Opening Balance (operational, deposit and PMCs C/Bk) and AIA	Previous Years' Outstanding disbursements	2024/2025 FY	2024/2025 FY		
Revenue							
Transfers From the NGCDF Board	179,441,954	88,399,141	64,304,742	332,145,838	281,027,095	51,118,742	85%
Grants/donations from other entities	-	-	-	-		-	
Finance income		-	-			-	
Miscellaneous income			-	16,000	16,000		
Totals	179,441,954	88,399,141	64,304,742	332,161,838	281,043,095	51,118,742	85%
Expenses							

National Government Constituencies Development Fund (NGCDF)
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Committee expenses	2,616,000	532,000	-	3,148,000	2,162,000	986,000	69%
Use of Goods and Services	8,840,394	4,320,581	80,000	13,240,975	8,155,446	5,085,529	62%
Other Government Units Certified Works	78,940,249	67,470,564	54,304,742	200,715,555	117,467,555	83,248,000	59%
Other Grants and Transfers	74,351,933	11,515,446	7,000,000	92,867,379	71,726,140	21,141,239	77%
Digital Hubs Expenses	10,000,000	-	-	10,000,000	-	10,000,000	0%
AIA	-	1,421,594	-	1,437,594	-	1,437,594	0%
Reversed VAT cheque		6,570	-	6,570	-	6,570	0%
Acquisition of Assets		38,994		38,994	-	38,994	0%
Others		84,229	-	84,229	-	84,229	0%
Total Expenditure	179,441,954	88,399,141	64,304,742	332,161,838	203,450,521	128,711,317	61%
Surplus for the period	-	-	-	-	77,592,574	(77,592,574)	0

Explanatory Notes.

The Board disbursed 85% of the total allocation before the closure of the financial year and this led to the under 90% utilization of the funds in all sectors. Employee costs spent 37%, Matungulu NG-CDF and goods and services utilized 69% and 62% of the monies allocated during the financial year. Transfer to other government units utilized 59%, a performance that is slightly above average

National Government Constituencies Development Fund (NGCDF)

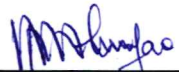
Matungulu Constituency


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

and this is due to late disbursement of funds by the board this also contributed to the 0% utilization of funds allocated to digital hubs expenses. Other grants and transfers utilized 77% of the allocated monies.

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
	Kshs
Budget utilization difference totals	128,711,317
Less undisbursed funds receivable from the Board as at period 30, 2025	51,118,742
Cash and Cash Equivalents at the end of the 30 th June 2025	77,592,574

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 19th August 2025 and signed by:


Fund Account Manager
FUND ACCOUNT MANAGER
NG-CDF MATUNGULU
P. O. Box 631 - 90131,
TALA
John Munyau


National Sub-County Accountant
Purity Ngari
ICPAK M/No: 20993


Chairman NG-CDF Committee
Pius N Wambua

National Government Constituencies Development Fund (NGCDF)
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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 (operational, deposit and PMCs C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
1.0 Administration And Recurrent						
1.1 Compensation Of Employees	4,693,378	3,009,164	2,920,000	10,622,542	3,939,380	6,683,162
1.2 Committee Allowances	1,128,000	14,000		1,142,000	1,076,000	66,000
1.3 Use Of Goods And Services	4,019,139	2,603,795	80,000	6,702,934	5,000,000	1,702,934
Sub-Total	9,840,517	5,626,959	3,000,000	18,467,476	10,015,380	8,452,096
2.0 Monitoring And Evaluation						
2.1 Capacity Building	1,200,000	-		1,200,000	570,200	629,800
2.2 Committee Allowances	1,488,000	518,000		2,006,000	1,086,000	920,000
2.3 Use Of Goods And Services	3,055,255	1,716,786		4,772,041	2,585,246	2,186,795
Sub-Total	5,743,255	2,234,786	-	7,978,041	4,241,446	3,736,595
4.0 Emergency						
Itheuni Primary School	2,100,000	-		2,100,000	2,084,691	15,309
Kituluni Primary School	1,000,000	-		1,000,000	979,560	20,440
Syanthi Primary School	1,000,000	-		1,000,000	955,853	44,147

National Government Constituencies Development Fund (NGCDF)
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Ack Kyamulendu Pri School	1,000,000	-		1,000,000	986,522	13,478
Tala Township Pri School	2,600,000	-		2,600,000	2,337,162	262,838
Muusini Primary School	450,000	-		450,000	445,125	4,875
Kwale Primary School	1,000,000	-		1,000,000	919,372	80,628
Matungulu Estate Primary School Pmc Account		300,000		300,000	279,205	20,795
Unutilized	294,313	34,756		329,069		329,069
Sub-Total	9,444,313	334,756	-	9,779,069	8,987,490	791,579
5.0 Bursary And Social Security						
5.1 Primary Schools				-		-
5.2 Secondary Schools	40,000,000	6,011,597		46,011,597	40,206,950	5,804,647
5.3 Tertiary Institutions	12,000,000	2,490,004		14,490,004	14,430,000	60,004
5.4 Special Needs	678,382	189,543		867,925	189,543	678,382
5.5 Education Support Programmes		1,000,000		1,000,000		1,000,000
5.6 Social Security				-		-
Sub-Total	52,678,382	9,691,144	-	62,369,526	54,826,493	7,543,033
7.0 Environment		722		722		722
Kambusu Primary School	100,000			100,000		100,000
Kyekoyo Primary School	100,000			100,000		100,000
Muumoni Primary School	100,000			100,000		100,000
St.Josephkatheka Secondary School	100,000			100,000		100,000
Kwa Mutu Primary School	100,000			100,000		100,000
Donyo Coffee Primary School	100,000			100,000		100,000
Kayatta Secondary School	100,000			100,000		100,000
Kithuiani Secondary School	100,000			100,000		100,000
Syumbuni Primary School	100,000			100,000		100,000
Kyeleni Secondary School	100,000			100,000		100,000

**National Government Constituencies Developments Fund (NGCDF)
Matungulu Constituency**

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Mililu Primary School	100,000				100,000		100,000
Kitooni Primary School	100,000				100,000		100,000
Matungulu Estate Primary School	100,000				100,000		100,000
Kmtc Matungulu	100,000				100,000		100,000
Komahill Primary School	100,000				100,000		100,000
Tala High School	100,000				100,000		100,000
Tala Boys Primary School	100,000				100,000		100,000
Kyaume Secondary School	100,000				100,000		100,000
Katine	100,000				100,000		100,000
Syanthi HGM Primary School	100,000				100,000		100,000
Uamani DEB Primary School	100,000				100,000		100,000
Mwatati Primary School	100,000				100,000		100,000
Kinyui Primary School	100,000				100,000		100,000
Kitambaase Primary School	100,000				100,000		100,000
Kyumbuni Secondary School	100,000				100,000		100,000
Kianzabe Primary School	100,000				100,000		100,000
Kasioni Primary School	100,000				100,000		100,000
Ngalalya Primary School	100,000				100,000		100,000
Kisekini Primary School	100,000				100,000		100,000
Kakulutuini Primary School	100,000				100,000		100,000
Kikaatini Secondary School	100,000				100,000		100,000
Kikaatini Primary School	100,000				100,000		100,000
St. Paul Kyaume Secondary School	100,000				100,000		100,000
AIC Nguluni Primary School	100,000				100,000		100,000
Nguluni Primary School	100,000				100,000		100,000
Kwa Ngii Primary School	100,000				100,000		100,000
7.1 Kivani Primary School			100,000		100,000	99,000	1,000

**National Government Constituencies Development Fund (NGCDF)
Matungulu Constituency**

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7.2 St. Jude Kwa Mutu Secondary School			100,000	100,000	100,000	100,000	-
7.3 Mithini Primary School			100,000	100,000	100,000	100,000	-
7.4 Kayatta Primary School			100,000	100,000	100,000	100,000	-
7.5 Komaranch Secondary School			100,000	100,000	100,000	100,000	-
7.6 Kalandini Primary School			100,000	100,000	100,000	100,000	-
7.7 Wendano DEB Primary School			100,000	100,000	100,000	100,000	-
7.8 Mwisyani Primary School			100,000	100,000	100,000	100,000	-
7.9 Kathaka Primary School			100,000	100,000	100,000	100,000	-
7.10 Kambusu Secondary School			100,000	100,000	100,000	100,000	-
7.11 Katwanyaa Primary School			100,000	100,000	100,000	100,000	-
7.12 Kinyui Boys Secondary School			100,000	100,000	100,000	100,000	-
7.13 Mukalwa Primary School			100,000	100,000	100,000	100,000	-
7.14 Kyumulendu Primary School			100,000	100,000	100,000	100,000	-
7.15 Syanathi Primary School			100,000	100,000	100,000	100,000	-
7.16 Tala Girls Secondary School			100,000	100,000	100,000	100,000	-
7.17 Kikuyuni Secondary School			100,000	100,000	100,000	100,000	-
7.18 Kitooni Primary School			100,000	100,000	100,000	100,000	-
7.19 Kyeleni Secondary School			100,000	100,000	100,000	100,000	-
7.20 Kisekini Primary School			100,000	100,000	100,000	100,000	-
Sub-Total	3,600,000	722	2,000,000	5,600,722	1,999,000	3,601,722	
8.0 Primary Schools Projects							
Kituluni Primary School	3,500,000			3,500,000			3,500,000
Kayatta Primary School	1,400,000			1,400,000			1,400,000
Kayatta Primary School	475,000			475,000			475,000
Kyumbuni Primary School	475,000			475,000			475,000
ABC Kambusu Primary School	1,400,000			1,400,000			1,400,000
Uamani Primary School	850,000			850,000			850,000

National Government Constituencies Development Fund (NGCDF)
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Muumoni Primary School	3,350,000			3,350,000	3,318,920	31,080
Kikaatini Primary School	3,350,000			3,350,000	3,318,920	31,080
Kwakisinga Primary School	2,800,000			2,800,000		2,800,000
Ndovoini Primary School	850,000			850,000		850,000
Kwa Syokimanza Primary School	1,300,000			1,300,000		1,300,000
Kwale Primary School	1,300,000			1,300,000		1,300,000
Tala Township Primary School	2,800,000			2,800,000		2,800,000
Tala Boys Primary School	2,800,000			2,800,000		2,800,000
Matungulu Estate Primary School	3,350,000			3,350,000	3,319,000	31,000
Tala SA Primary School	1,300,000			1,300,000		1,300,000
Kiliku Juniour Sec School	1,300,000			1,300,000		1,300,000
St Mary's Tala Boys Juniour Sec School	2,600,000			2,600,000		2,600,000
Koma Ranch Juniour Sec School	2,600,000			2,600,000		2,600,000
Ng'alalyaJuniourSecschool.	1,300,000			1,300,000		1,300,000
Donyo Coffee Primary School		46,281		46,281	-	46,281
Donyo Coffee Primary School		1,274,751		1,274,751	1,220,349	54,402
Kasioni Primary School		1,274,748		1,274,748	1,219,279	55,469
Kasioni Primary School		32,164		32,164	31,221	944
Kayatta Primary School		850,000		850,000	806,193	43,807
Katuluni Sa Primary School		14,945		14,945	10,161	4,784
Katwanyaa Primary School		24,621		24,621	-	24,621
Kiatineni Primary School		1,045		1,045	-	1,045
Kiliku Primary School		28		28	-	28
Kingoti Primary School		796		796	-	796
Kinyui Sa Primary School		668		668	-	668
Kithuani Primary School		2,041		2,041	-	2,041
Kithuiani Primary School		701		701	-	701
Kivani Primary School		142,777		142,777	142,777	(0)
Kivani Primary School		850,000		850,000	849,700	300

National Government Constituencies Development Fund (NGCDF)
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Kikaatini Primary School		1,274,748		1,274,748	1,267,748	7,000
Koma Hill Kiamba Primary School		60		60	-	60
Komaranch Primary School		141		141	-	141
Kwa Kasivi Primary School		10,124		10,124	-	10,124
Kwa Keni Aic Primary School		51		51	100	(50)
Kwa Kisinga Primary School		1,709		1,709	-	1,709
Kwa Ngii Primary School		7,947		7,947	-	7,947
Kwa Syokimanza Primary School		535,611		535,611	533,217	2,394
Kwa Tombe Primary School		14		14	-	14
Kyekoyo Primary School		1,262		1,262	-	1,262
Kyekoyo Primary School		2,400,000		2,400,000	2,239,422	160,578
Kalandini Primary School-Pmc Account		850,000		850,000	848,482	1,518
Kalandini Primary School-Pmc Account		-	2,850,000	2,850,000	2,648,324	201,676
Kalandini Primary School-Pmc Account		817,000		817,000	813,213	3,787
Kantafu Primary School		2,399		2,399	-	2,399
Kantafu Primary School		33,897		33,897	-	33,897
Kantafu Primary School		1,274,748		1,274,748	1,224,280	50,468
Kanzalu Sa Primary School		19,006		19,006	-	19,006
Katheka Primary School		1,042		1,042	-	1,042
Katine Sa Primary School		332,174		332,174	328,543	3,631
Katine Sa Primary School		73,642		73,642	-	73,642
Katine Sa Primary School		2,600,000		2,600,000	2,595,860	4,140
Katine Hgm Primary School		1,274,748		1,274,748	1,273,642	1,106
Katuluni S.A Primary School-Cdf Account		140,945		140,945	136,161	4,784
Kisekini Primary School		33,042		33,042	-	33,042
Kisukioni Primary School		25,720		25,720	-	25,720

National Government Constituencies Development Fund (NGCDF)
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Kithaayoni Hgm Primary School		41,835		41,835	-	41,835
Kithaayoni Primary School		1,274,748		1,274,748	1,148,281	126,467
Kiazabe Primary School		1,200,000		1,200,000	1,200,000	-
Kitooni Primary School		133,306		133,306	99,409	33,897
Kitooni Primary School		850,000		850,000	816,871	33,129
Kitooni Primary School		2,600,000		2,600,000	2,599,917	83
Kitooni Primary School-Pmc Account		103,784		103,784	99,000	4,784
Kituluni Primary School		1,198		1,198	-	1,198
Kisitimani Primary School		1,274,748		1,274,748	1,274,748	-
Kiluluini Primary School		1,274,748		1,274,748	1,197,411	77,337
Kwa Kisinga Primary School-Pmc Account		850,000		850,000	848,482	1,518
Kwa Ken Primary School-Pmc Account		1,070,000		1,070,000	1,022,966	47,034
Kwa Mutu Primary School		22,002		22,002	-	22,002
Kwa Mutu Primary School		2,400,000		2,400,000	2,308,231	91,769
Kwatombe Primary School		3,500,000		3,500,000	3,497,988	2,012
Kwatombe Primary School		3,600,000		3,600,000	3,597,560	2,440
Mithini Community Primary School		1,085,844		1,085,844	1,084,901	943
Mukalwa Primary		10,868		10,868	-	10,868
Muumoni Sa Primary School		17,279		17,279	-	17,279
Mwisyani Primary School		59,489		59,489	-	59,489
Mwisyani Primary School		1,200,000		1,200,000	1,145,629	54,371
Ndovoini Primary School		123,407		123,407	-	123,407
Ngalalya Primary School		1,095		1,095	-	1,095
Ngomeni Sa Primary School		62		62	-	62
Ngomeni Primary School		-	3,350,000	3,350,000	3,349,728	272
Nguluni Aic Primary School		6,567		6,567	-	6,567

National Government Constituencies Development Fund (NGCDF)
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Ngunga Primary School		119		119	-	119
Itetani Primary School		1,283		1,283	-	1,283
Matungulu Estate Primary School Pmc Account		1,200,000		1,200,000	1,200,000	-
Matuu Estate Primary School-Pmc Account		122,696		122,696	90,000	32,695
Mbiiiani Primary School		63,749		63,749	-	63,749
Mbuni Primary School		594		594	-	594
Mbuni Primary School		2,400,000		2,400,000	2,336,800	63,200
Mbuni Primary School		-	3,350,000	3,350,000	3,349,728	272
Mililu Primary School		13,271		13,271	-	13,271
Mililu Primary School		850,000		850,000	803,693	46,307
Mililu Primary School		2,600,000		2,600,000	2,458,939	141,061
Muumoni Primary School		1,274,748		1,274,748	1,239,884	34,864
Nguluni A.I.C. P. School		266,625		266,625	260,058	6,567
Ndonyo Sabuk Primary School		167		167	-	167
Ngunga Primary School		1,070,000		1,070,000	1,068,000	2,000
Ndulya Primary School		1,274,748		1,274,748	1,272,107	2,641
Sengani Primary School		224,236		224,236	156,841	67,395
Sengani Primary School		700,000		700,000	610,583	89,417
Tala Sa Primary School		270,104		270,104	145,922	124,182
Tala Boys Primary -Pmc Account		106,286		106,286	105,285	1,001
Tala Girls Primary -Pmc Account		130,595		130,595	129,142	1,453
Tala Sa Primary School-Cdf Account		389,646		389,646	265,464	124,182
Tala Township Primary School		-	5,000,000	5,000,000	3,697,588	1,302,412
Wendano D.E.B Primary School- Cdf Account		80,773		80,773	79,773	1,000
Wendano D.E.B Primary School- Cdf Account		850,000		850,000	849,758	242

**National Government Constituencies Development Fund (NGCDF)
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Kikuyuni Primary School	915,159	915,159	915,159	915,159
Mithini Primary School	2,400,000	2,400,000	2,400,000	2,400,000
AIC Nguluni Primary School	8	8	8	8
Sub-Total	39,100,000	56,131,382	109,781,382	73,556,197
9.0 Secondary Schools Projects (List All The Projects)		14,550,000		
St Paul Kalandini Secondary School	2,000,000	2,000,000	2,000,000	2,000,000
Kyeleni Secondary School	850,000	850,000	850,000	850,000
Kinyui High School	3,500,000	3,500,000	3,500,000	3,500,000
Kikuyuni Secondary School	1,300,000	1,300,000	1,300,000	1,300,000
Matungulu Girls Secondary	1,050,000	1,050,000	1,050,000	1,050,000
Tala Girls High School	3,400,000	3,400,000	3,400,000	3,400,000
Fr Heeran Girls High School	7,000,000	4,000,000	11,000,000	3,422,399
Tala Girls High School	3,000,000	5,000,000	8,000,000	6,966,530
Aic Mwatati Mixed Secondary Secondary	100,981		100,981	-
Aic Itheuni Sec School	938,963	938,963	938,963	938,678
Abc Kambusu Sec School	3,590	3,590	3,590	-
Kalandini Sec School	47,021	47,021	47,021	-
Kinyui Girls Sec Sch	10,034	10,034	10,034	-
Kyaume Secondary School	3,098	3,098	3,098	-
Kyumbuni Sec School	2,027	2,027	2,027	-
Kyumbuni Sec School	80,220	80,220	80,220	-
Matheini Mixed Sec Sch	12,186	12,186	12,186	-
Matheini Sa Secondary School	12,186	12,186	12,186	-
Mbuni Sa Sec School	113,832	113,832	113,832	-
Sa Nguluni Sec School	194,428	194,428	194,428	42,936
St. Joseph Kikuyuni Sec School	546	546	546	-
				546

National Government Constituencies Development Fund (NGCDF)
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St. Josephs Katheka Sec School		93,281		93,281	-	93,281
Syanthi Sec School		86		86	-	86
Uamani Sec School		244,190		244,190	244,190	-
Aic Itheuni Secondary School-Cdf Account		867,675		867,675	867,390	285
Aic Kiamba Secondary School		1,453,227		1,453,227	1,451,873	1,354
Fr. Heeran Girls High School-Pmc Account		88,641		88,641	13,654	74,987
Katwanyaa Secondary School Pmc Account		23,138	11,500,000	11,523,138	-	11,523,138
Kwa Mutu Secondary School		2,400,000		2,400,000	2,306,537	93,463
Kinyui Sa Girls High School-Pmc Account		1,650,000		1,650,000	1,648,923	1,077
Matheini S.A Mixed Secondary School-Cdf		12,186		12,186	-	12,186
Matungulu Girls Secondary		133	4,000,000	4,000,133	3,999,199	934
Matungulu Girls Secondary		101,596	-	101,596	-	101,596
S.A Nguluni Secondary School Pmc Account		194,428	4,600,000	4,794,428	4,642,936	151,492
The Sa Katine Secondary School		3,631		3,631	-	3,631
St Josephs Katheka Secondary School-Cdf		113,123	2,000,000	2,113,123	2,042,166	70,957
St. Joseph Kikuyuni Mixed Day Sec.Sch-Cdf Acct		1		1	-	1
Sub-Total	22,100,000	8,764,448	31,100,000	61,964,448	28,587,412	33,377,036
10.0 Tertiary Institutions Projects (List All The Projects)						
Kmtc Matungulu	2,600,000			2,600,000		2,600,000

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Kmtc Matungulu	3,201,975			3,201,975		3,201,975
Katine Technical Training Institute	11,938,274		8,654,742	20,593,016	13,052,187	7,540,829
Kmtc Matungulu		2,001		2,001		2,001
Kmtc Matungulu		2,400,000		2,400,000	2,271,760	128,240
Kmtc Matungulu		172,733		172,733		172,733
Sub-Total	17,740,249	2,574,734	8,654,742	28,969,725	15,323,947	13,645,778
11.0 Security Projects						
Matungulu Chiefs Office	450,000			450,000		450,000
Deputy County Commissioner	3,779,238		-	3,779,238		3,779,238
Kwa Mwaura Police Station.	1,400,000			1,400,000		1,400,000
Tala Police Station	3,000,000		5,000,000	8,000,000	4,917,404	3,082,596
Kwa Mwaura Police Station		532		532	-	532
Tala Polce Station-Pmc Account		4,568		4,568	3,571	997
Kingoti Asst Chief'S Office		55,225		55,225	-	55,225
Kwa Mutu Chiefs Office		135,455		135,455	126,000	9,455
Matungulu Dcc Ablution Block		72,885		72,885	19,413	53,472
Matungulu Dcc Ablution Block		600,000		600,000	548,185	51,815
Matungulu Dcc Carshed-Pmc		300,000		300,000	276,734	23,266
Nguluni Chiefs Office - Pmc Acct		157,387		157,387	-	157,387
Tala Chiefs Office-Pmc Account		161,772		161,772	136,816	24,956
Kcb Police Post		1,000		1,000		1,000
Sub-Total	8,629,238	1,488,824	5,000,000	15,118,062	5,913,157	9,204,905
12.0 Acquisition Of Assets						
12.1 Motor Vehicles (Including Motorbikes)			-	-		-
12.2 Purchase Of Furniture And Fitiings	566,000	32,300		598,300		598,300
12.3 Construction Of CDF Office		5,679		5,679		5,679

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 Matungulu Constituency principal activity is project identification, disbursement of funds and oversight of project implementation by project management committees (PMCs).

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 PFM Act, and International Public Sector Accounting Standards (IPSAS) or the entity has taken advantage of the transitional provisions under IPSAS 33 and therefore these 1st/ 2nd/ 3rd/ are transitional 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 Matungulu 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 Matungulu 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

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equipment (PPE); and intangible assets acquired during the financial year 2023/2024 up to the reporting date.

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

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

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the NG-CDF. The financial statements have been prepared in accordance with the PFM Act, the NGCDF Act (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	<p>Applicable 1st January 2025</p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an Entity.</p> <p>The new standard requires entities to recognize, measure and present</p>

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	<p>information on right of use assets and lease liabilities.</p> <p>Not applicable in the constituency this financial year</p>
<p>IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations</p>	<p>Applicable 1st January 2025</p> <p>The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p> <p>Not applicable in the constituency this financial year</p>
<p>IPSAS 45: Property Plant and Equipment</p>	<p>Applicable 1st January 2025</p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognized as assets if they meet the criteria in the standard. IPSAS 45 has additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under-maintenance of assets and distinguishing significant parts of infrastructure assets.</p> <p>Applicable from 1st July 2025</p>
<p>IPSAS 46: Measurement</p>	<p>Applicable 1st January 2025</p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> 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

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	<p>IPSAS.</p> <p>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</p> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p>This IPSAS is Applicable effective 1st July 2025</p>
IPSAS 47: Revenue	<p>Applicable 1st January 2026</p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> <p>This IPSAS is Applicable effective 1st July 2026</p>
IPSAS 48: Transfer Expenses	<p>Applicable 1st January 2026</p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p> <p>Not applicable in the constituency this financial year</p>
IPSAS 49: Retirement Benefit Plans	<p>Applicable 1st January 2026</p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p> <p>Not applicable in the constituency this financial year</p>

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<p>IPSAS 50: Exploration For & Evaluation of Mineral Resources</p>	<p>Applicable 1st January 2027</p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ul style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized. <p>Not applicable in the constituency this financial year</p>
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iii. Early adoption of standards

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

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

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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) Depreciation and Impairment of Property, plant and Equipment

Depreciation refers to a systematic allocation of a depreciable amount of an asset over its useful life. A full year depreciation is charged in the year of acquisition (irrespective of the month of purchase) whereas no depreciation is charged during the year of disposal.

The following depreciation thresholds will be used to depreciate property, plant and equipment on a reducing balance basis as guided by National Assets & Liability Management (NALM):

- Buildings – 10%
- Furniture and fittings - 12.5%
- Office equipment - 12.5%
- Computer equipment - 30 %
- Plant and machinery 30%
- Softwares – 30%
- Motor vehicle 25%
- Motor bikes 25%

e) Leases

Finance leases are leases that transfer substantially the entire 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.

f) 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.

g) Financial instruments

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

a) Financial assets

Classification of financial assets

The entity classifies its financial assets as subsequently measured at amortized cost, fair value through net assets/ equity or fair value through surplus and deficit on the basis of both the entity's management model for financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost when the financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. A financial asset is measured at fair value through net assets/ equity if it is held within the management model whose objective is achieved by both collecting contractual cash flows 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 18.

b) Financial liabilities

Classification

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

h) 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.

i) 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

j) Social Benefits

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

k) 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.

l) 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.

m) 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.

n) 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.

o) 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.

p) 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.

q) Comparative figures

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

r) 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

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

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

Provisions

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

6. Transfers from the NGCDF Board

Description	2024/2025 FY
	Kshs
NGCDFB Transfers (Allocation for the FY)	179,441,954
TOTAL	179,441,954

7. Transfers from domestic and foreign partners

Description	2024/2025FY
	Kshs
Grants	-
Total	-

8. Finance income

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

(Provide a brief explanation for this revenue)

9. Miscellaneous income

Description	2024/2025FY
	Kshs
Rental Income	-
Income from sale of tenders	16,000
Hire of plant/equipment/facilities	-
Other Income Not Classified Elsewhere (specify)	-
Total	16,000

10. Employees cost

Description	2024/2025 Kshs
NG-CDFC Basic staff salaries	2,908,564
Personal allowances paid as part of salary	-
House Allowance	408,750
Transport Allowance	396,000
Leave allowance	-
Gratuity to contractual employees	758,675
Employer Contributions Compulsory national social security schemes	175,831
Employer Contributions Compulsory Housing levy	50,235
Employer contributions to National Industrial Training Authority	-
Other Specify	-
Total	4,698,055

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11. Committee Expenses

Description	2024/2025 FY
	Kshs
Sitting allowance	1,802,000
Other Committee expenses	360,000
Total	2,162,000

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12. Use of Goods and services

Description	2024/2025 Kshs.
	235,448
Utilities, supplies and services	129,600
Communication, supplies and services	454,000
Domestic travel and subsistence	-
Printing, advertising and information supplies & services	-
Office Rent	2,034,857
Training expenses	2,415,619
Hospitality supplies and services	226,218
Insurance costs	-
Specialized materials and services	869,255
Office and general supplies and services	1,000,000
Fuel, oil & lubricants	15,814
Bank Charges	370,550
Routine maintenance – vehicles and other transport equipment	-
Routine maintenance – other assets	-
Strategic plan expenses	-
Other operating expenses	-
Total	7,751,361

13. Other Government Units Actual expenditure

Description	2024/2025 FY Kshs
	73,556,197
Primary Schools Actual expenditure	28,587,412
Secondary Schools Actual Expenditure	15,323,947
Tertiary Institutions Actual Expenditure	117,467,555
Total	

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14. Other Grants and transfers Actual expenditure

Description	2024/2025 FY
	Kshs
Bursary – secondary schools	40,206,950
Bursary – tertiary institutions	14,430,000
Bursary – special schools	189,543
Bursary - Education Support programmes	-
Social Security programmes (SHIF)	-
Security projects Actual Expenditure	6,028,124
Climate change mitigation projects	1,999,000
Emergency projects Actual Expenditure	8,987,490
Roads projects	-
Others specify	-
Total	71,841,107

15. Depreciation and Amortization Expenses

Description	2024/2025 FY
	Kshs
Property Plant and Equipment	23,100
Intangible Assets	-
Total	23,100

16. Digital Hubs Expenses

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

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17. Gain/loss on Sale of Assets

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

18. Impairment Loss

Description	2024/2025 FY
	Kshs
Property, Plant and Equipment	-
Intangible Assets	-
Total Impairment Loss	-

19. Cash and Cash Equivalents

Name Of Bank and Account No.	2024/2025 FY	Opening Statement 1st July 2024
	Kshs	Kshs
Bank Accounts (Cash Book Bank Balance)		
Equity Bank- Tala Branch: Account No:0900261817477 (Operations account)	54,235,651	73,649,271
Operations account pending closure (Indicate name & account no.)		
Equity Bank- Tala Branch: Account No:0900285200963 (Deposit account)	1,559,635	162,638
Equity Bank-Tala Branch various accounts as per Annex 2 (PMC's account)	21,797,288	14,587,233
Total	77,592,574	88,399,142

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20. Receivables from Exchange Transactions

Description	2024/2025 FY	Opening Statement 1st July 2024
	Kshs	Kshs
Total receivables		
Other exchange debtors (Specify)	-	-
Less: impairment allowance	-	-
Totalreceivables	-	-
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	2024/2025FY		Opening Statement 1st July 2024	
	Kshs		Kshs	
	2024/2025	% of the total	Opening Balance	% of the total
Less than 1 year	-	%	-	%
Between 1- 2 years	-	%	-	%
Between 2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total (a+b)	-	%	-	%

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21. Receivables from Non-Exchange Transactions

Description	2024/ 2025 FY	Opening Statement 1st July 2024
	Kshs	Kshs
Transfers from NGCDFB	51,118,742	64,304,742
Outstanding imprest	-	-
Total	51,118,742	64,304,742

Description	2024/2025 FY		Opening Statement 1st July 2024	
	2024/2025	% of the total	Opening Balance	% of the total
Less than 1 year	51,118,742	100	64,304,742	100%
Between 1- 2 years	-	-	-	0%
Between 2-3 years	-	-	-	0%
Over 3 years	-	-	-	0%
Total (a+b)	51,118,742	100	64,304,742	100%

22. Prepayments

Description	2024/2025 FY	Opening Statement 1st July 2024
	Kshs	Kshs
Prepaid Rent	-	-
Prepaid Insurance	404,085	-
Prepaid Electricity Costs	-	-
Other Prepayments (Specify)	-	-
Total	404,085	-

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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)		2%	25%	12.5%	30%	x%		
Cost	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Opening Bal as 1 st July 2024	-	-	-	-	110,000	-	-	110,000
Additions	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-	-	-	-
As At 30 th June 2024	-	-	-	-	110,000	-	-	110,000
Depreciation And Impairment		-	-	-				
Opening Depreciation		-	-	-	33,000	-	-	33,000
Depreciation	-	-	-	-	23,100	-	-	23,100
Disposals	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-	-	-
As At 30 th June 2025		-	-	-	-	-	-	-

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Accumulated Depreciation					56,100			56,100
Opening Bal as at 1 st July 2024	-	-	-	-	77,000	-	-	77,000
Net Book Value As At 30 th June 2025	-	-	-	-	53,900	-	-	53,900

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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	110,000	56,100	53,900
Office Equipment, Furniture, And Fittings	-	-	-
Total	110,000	56,100	53,900

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

	Cost or valuation Kshs	Normal annual depreciation charge Kshs
Plant and Machinery	-	-
Motor Vehicles including Motorcycles	-	-
Computers and Related Equipment	110,000	56,100
Office Equipment, Furniture and Fittings	-	-
Total	110,000	56,100

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24. Intangible Assets

Description	2024/ 2025FY	Opening Statement 1st July 2024
	Kshs	Kshs
Cost		
Opening balance at the beginning of the Period	-	-
Additions	-	-
Disposal	-	-
At end of the Period	-	-
Additions–internal development	-	-
Disposal	-	-
At end of the Period	-	-
Amortization and impairment		
At beginning of the Period	-	-
Amortization	-	-
At end of the Period	-	-
Impairment loss	-	-
At end of the Period	-	-
NBV	-	-

25. Right-of use assets

Description	Buildings	Motor vehicles	Plant and equipment	Total
	Kshs	Kshs	Kshs	Kshs
Cost				
As at 1 July 2025	-	-	-	-
Additions	-	-	-	-
As at 30 Sept/Dec/ March/June 2025	-	-	-	-
Accumulated Depreciation				
As at 1 July 2025	-	-	-	-
Charge for the year	-	-	-	-
As at 30 Sept/Dec/ March/June 2025	-	-	-	-
Carrying Amount				

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As at 30 Sept/Dec/ March/June 2025	-	-	-	-
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26. Trade and Other Payables

Description	2024/2025 FY	Opening Statement 1st July 2024
	Kshs	Kshs
Trade payables	-	-
Employee payables	-	-
Other payables	-	-
Total trade and other payables	-	-

Aging analysis: (Trade and other payables)	Current FY	% of the Total	1st July	% of the Total
Under one year	0	%		%
1-2 years	0	%	-	%
2-3 years	0	%		%
Over 3 years	0	%		%
Total (tie to above total)	0	0	-	0

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27. Third-Party deposits

	2024/2025 FY	Opening Statement 1st July 2024
	Kshs	Kshs
Retention as at start of the period (A)		-
Retention held during the period (B)	3,834,872	-
Retention paid during the period (C)	3,719,905	-
Closing Retention as at period 30th June 2025 D= A+B-C	114,967	-

Retentions aging analysis.

	2024/2025 FY Kshs	% of the total	2023/2024 FY	% of the total
Less than 1 year	114,967	100 %	0	%
1-2 years	0	%	0	%
2-3 years	0	%	0	%
Over 3 years	0	%	0	%
Total	114,967		0	

28. Lease Liabilities

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

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Maturity Analysis

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

Analysed as:

Description	Amount
Current	-
Non- Current	-
Total	-

29. Gratuity Provision

Description	2024/2025	Opening Statement 1st July 2024
	Kshs	Kshs
Gratuity at the beginning of the period (A)	685,993	685,993
Gratuity held during the period (B)	758,675	
Gratuity paid during the period (C)	-	-
Total Gratuity provision as at period Ended 30th June 2025 D=(A+B-C)	1,444,668	685,993

30. Cash Generated from Operations

	<i>2024/2025</i> <i>Kshs</i>
	(24,485,224)
Surplus for the period before tax	
Adjusted for:	
Depreciation	23,100
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	12,781,915
Changes in Third party deposits	114,967
Changes in gratuity provision	758,675
Changes in payments received in advance	-
Net cash flow from operating activities	(10,806,568)

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 program focuses on unpredictability of changes in the business environment and seeks to minimize 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 no 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	51,118,742	51,118,742		
Bank balances	77,592,574	77,592,574		
Total	128,711,316	128,711,316		
As at 30 June 2024				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	64,304,742	64,304,742		
Bank balances	88,399,142	88,399,142		
Total	152,703,884	152,703,884		

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 recognized in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The Entity has no significant concentration of credit risk on amounts due from NGCDFB. 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 portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Gratuity Provision	-	-	162,638	162,638
Total	-	-	162,638	162,638
As at 30th June 2024				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-

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Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
Gratuity Provision	-	-	1,444,668	1,444,668
Total	-	-	1,444,668	1,444,668

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 optimizing 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 no transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate. The Entity manages foreign exchange risk from future commercial transactions and recognized 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)	-	-	-

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	10%	-	-
USD	10%	-	-
Previous FY			
Euro	10%	-	-
USD	10%	-	-

b) Interest rate risk

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

Management of interest rate risk

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

Sensitivity analysis

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

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

Fair value of financial assets and liabilities

a) Financial instruments measured at fair value.

Determination of fair value and fair values hierarchy

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

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

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

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

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As at 30th June 2024	-	-	-	-
Financial Assets	-	-	-	-
Quoted Equity Investments	-	-	-	-
Non- Financial Assets	-	-	-	-
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 FY	Opening Statement 1 st July 2024
	Kshs	Kshs
Accumulated Surplus	127,609,667	152,094,891
Capital Reserve	-	-
Total Funds	127,609,667	152,094,891
Total Borrowings	-	-
Less: Cash and Bank Balances	(77,592,574)	(88,399,142)
Net Debt/(Excess Cash And Cash Equivalents)	(77,592,574)	(88,399,142)
Gearing	0%	0%

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32. Related Party Disclosures

	2024/2025 FY	Opening Statement 1 st July 2024
	Kshs	Kshs
Committee Members Remuneration		-
Sitting allowance of committee Members during the year	2,162,000	-
		-
Transaction with the NGCDF Board		
Transfers from the NGCDF Board during the year	192,627,954	-
Total	192,627,954	-

33. Segment Information

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

34. Contingent Assets and Contingent Liabilities

Contingent Assets

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

(Give details)

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Contingent Liabilities

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

35. Capital Commitments

Capital Commitments	2024/2025 FY	Opening Statement 1 st July 2024
	Kshs	Kshs
Authorized for	-	-
Authorized ¹ and Contracted for	-	-
Total	-	-

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

36. Events after the Reporting Period

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

37. Ultimate And Holding Entity

The Matungulu 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 30 th June 2025
Land	-			
Buildings and structures	12,487,050	-		12,487,050
Transport equipment	4,200,000	-		4,200,000
Office equipment, furniture, and fittings	1,161,360	-		1,161,360
ICT Equipment and Other ICT Assets	759,488	-	-	759,488
Other Machinery and Equipment	394,798	-		394,798
Intangible assets	-	-		-
Total	19,002,696	-		19,002,696

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

PMC	Bank	Account number	Bank Balance 2024/2025 Kshs	Opening Statement 1 st July 2024 Kshs
Ndonyo Coffee Primary School	Equity- Tala	900262572269	46,281	46,281
Ndonyo Sabuk Primary School	Equity- Tala	900299360506	167	167
Itetani Primary School	Equity- Tala	900293962868	1,283	1,283
Kitooni Primary School	Equity- Tala	900280234763	33,897	133,306
Mililu Primary School	Equity- Tala	900262559064	13,271	13,271
Kisukioni Primary School	Equity- Tala	900262134178	25,720	25,720
Kwa Mutu Primary School	Equity- Tala	900294391004	22,002	22,002
Aic Itheuni Sec School	Equity- Tala	900263728211	285	938,963
Kanzalu Sa Primary School	Equity- Tala	900262599055	19,006	19,006
Kwa Ngii Primary School	Equity- Tala	900296342182	7,947	7,947
Abc Kambusu Sec School	Equity- Tala	900297298331	3,590	3,590
Kinyui Sa Primary School	Equity- Tala	900294542354	668	668
Kwa Tombe Primary School	Equity- Tala	900294525431	14	14
Kiatineni Primary School	Equity- Tala	900262558502	1,045	1,045

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Kwa Keni Aic Primary School	Equity- Tala	900294513812	(50)	51
Koma Hill Kiamba Primary School	Equity- Tala	900271391103	60	60
Katwanyaa Primary School	Equity- Tala	900263155133	24,621	24,621
Kwa Mwaura Police Station	Equity- Tala	900280285641	532	532
St. Joseph Kikuyuni Sec School	Equity- Tala	900262434944	546	546
Komaranch Primary School	Equity- Tala	900266397839	141	141
Kwa Kisinga Primary School	Equity- Tala	900298580610	1,709	1,709
Mukalwa Primary	Equity- Tala	900271104834	10,868	10,868
Muumoni Sa Primary School	Equity- Tala	900265410990	17,279	17,279
Mwisanyi Primary School	Equity- Tala	900262568450	59,489	59,489
Kyumbuni Sec School	Equity- Tala	900279283711	2,027	2,027
Matheini Mixed Sec Sch	Equity- Tala	900266759538	12,186	12,186
Kinyui Girls Sec Sch	Equity- Tala	900297752538	10,034	10,034
Syanthi Sec School	Equity- Tala	900264488156	86	86
Mbuni Sa Sec School	Equity- Tala	900263913013	113,832	113,832
Kingoti Primary School	Equity- Tala	900298671522	796	796
Katuluni Sa Primary School	Equity- Tala	900262589084	4,784	14,945
Kithuiani Primary School	Equity- Tala	900264186783	701	701
Ngomeni Sa Primary School	Equity- Tala	900262599321	62	62

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The Sa Katine Secfondary School	Equity- Tala	900266591868	3,631	3,631
Ngalalya Primary School	Equity- Tala	900294811646	1,095	1,095
Kwa Syokimanza Primary School	Equity- Tala	900262558258	2,394	535,611
Ndovoini Primary School	Equity- Tala	900276813319	123,407	123,407
Kasioni Primary School	Equity- Tala	900263768276	944	32,164
Ngunga Primary School	Equity- Tala	900261942406	119	119
Kiliku Primary School	Equity- Tala	900263617618	28	28
Kivani Primary School	Equity- Tala	900263641552	-	142,777
Kivani Primary School	Equity- Tala	900285593983	300	
Mithini Community Primary School	Equity- Tala	900266397465	943	1,085,844
Kyekoyo Primary School	Equity- Tala	900294425591	1,262	1,262
Uamani Sec School	Equity- Tala	900280295074	-	244,190
Kalandini Sec School	Equity- Tala	900277645366	47,021	47,021
Matheini Sa Secondary School	Equity- Tala	900266759538	12,186	12,186
Kmtc Matungulu	Equity- Tala	900282256559	2,001	2,001
Kyumbuni Sec School	Equity- Tala	900279283711	80,220	80,220
St. Josephs Katheka Sec School	Equity- Tala	900263316929	70,957	93,281
Kwa Kasivi Primary School	Equity- Tala	900266397601	10,124	10,124
Matungulu Hg Sports	Equity- Tala	900277308034	997	997

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Tala Police Station	Equity- Tala	900272923637	997	4,568
Tala Sa Primary School	Equity- Tala	900297374389	124,182	270,104
Nguluni Aic Primary School	Equity- Tala	900297172099	6,567	6,567
Sa Nguluni Sec School	Equity- Tala	900284012644	151,492	194,428
Kisekini Primary School	Equity- Tala	900268794402	33,042	33,042
Sengani Primary School	Equity- Tala	900264186783	67,395	224,236
Katine Sa Primary School	Cooperative -Tala	900266591868	3,631	332,174
Kyaume Secondary School	Cooperative -Tala	1141342155200	3,098	3,098
Aic Mwatati Mixed Secondary	Cooperative -Tala	1141342170300	100,981	100,981
Kantafu Primary School	Kcb-Tala	1141341991400	2,399	2,399
Matungulu Education Office	Kcb-Tala	1280613785	2,753	2,753
Mbiiani Primary School	Kcb-Tala	1112089330	63,749	63,749
Matungulu Girls Secondary	Kcb-Tala	1109688342	934	133
Kithuani Primary School	Kcb-Tala	1109686757	2,041	2,041
Katheka Primary School	Kcb-Tala	1109687419	1,042	1,042
Kithaayoni Hgm Primary School	Kcb-Tala	1280282509	41,835	41,835
Mbuni Primary School	Equity- Tala	1205132724	594	594
Matheini S.A Mixed Secondary School-Cdf	Equity- Tala	900266759538	12,186	12,186

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S.A Nguluni Secondary School Pmc Account	Equity- Tala	900284012644	151,492	194,428
Katwanyaa Secondary School Pmc Account	Equity- Tala	900284594659	11,523,138	23,138
Fr. Heeran Girls High School-Pmc Account	Equity- Tala	900284409709	74,987	88,641
Aic Itheuni Secondary School-Cdf Account	Equity- Tala	900263728211	285	867,675
Matungulu Estate Primary School Pmc Account	Equity- Tala	900284594233		1,200,000
Matuu Estate Primary School-Pmc Account	Equity- Tala	900285096037	32,695	122,696
Kalandini Primary School-Pmc Account	Equity- Tala	900285098442	3,787	817,000
Matungulu Public Secondary School-Pmc Account	Equity- Tala	900284857114	424	424
Nguluni Chiefs Office - Pmc Account	Equity- Tala	900284427752	157,387	157,387
Kwa Mutu Chiefs Office	Equity- Tala	900284617421	9,455	135,455
Tala Boys Primary -Pmc Account	Equity- Tala	900285098397	1,001	106,286
Wendano D.E.B Primary School- Cdf Account	Equity- Tala	900266150615	1,000	80,773

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Matungulu Public Primary Schools-Pmc Account	Equity- Tala	900284856372	54	54
Kinyui Sa Girls High School-Pmc Account	Equity- Tala	900285118065	1,077	1,650,000
St Josephs Katheka Secondary School-Cdf	Equity- Tala	900263316929	93,281	113,123
Kitooni Primary School-Pmc Account	Equity- Tala	900280234763	4,784	103,784
Tala Sa Primary School-Cdf Account	Equity- Tala	900297374389	124,182	389,646
Nguluni A.I.C. P. School	Equity- Tala	900297172099	6,567	266,625
Tala Girls Primary -Pmc Account	Equity- Tala	900285114955	1,453	130,595
Katuluni S.A Primary School-Cdf Account	Equity- Tala	900262589084	4,784	140,945
Tala Chiefs Office-Pmc Account	Equity- Tala	900284530915	24,956	161,772
Kwa Kisinga Primary School-Pmc Account	Equity- Tala	900285128259	1,518	850,000
St. Joseph Kikuyuni Mixed Day Sec.Sch-Cdf Account	Kcb-Tala	900262575258	1	1
Matungulu Girls Secondary	Equity- Tala	1324544678	101,596	101,596
Aic Kiamba Secondary School	Equity- Tala	900285310890	1,354	1,453,227
Katine Sa Primary School	Equity- Tala	900266565933	73,642	73,642
Kingoti Asst Chief`S Office	Equity- Tala	900284529410	55,225	55,225

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Kituluni Primary School	Equity- Tala	900266565933	1,198	1,198
Matungulu Dcc Ablu Block	Equity- Tala	900284752380	53,472	72,885
Kantafu Primary School	Equity- Tala	900284334803	33,897	33,897
Matungulu Dcc Staff Toilet	Equity- Tala	900285721007	51,815	
Matungulu Dcc Car Shed	Equity- Tala	900285720982	23,266	
Mbuni Primary School	Equity- Tala	900285603223	63,200	
Sengani Primary School	Equity- Tala	900285562502	89,417	
Donyo Coffee Primary School	Equity- Tala	900285559072	54,402	
Mwisyani Primary School	Equity- Tala	900285601405	54,371	
Kwa Tombe Primary School	Equity- Tala	900285559179	2,012	
Kwa Tombe Primary School	Equity- Tala	900285559198	2,440	
Muumoni Sa Primary School	Equity- Tala	900285558986	34,864	
Mililu Primary School	Equity- Tala	900285561265	141,061	
Aic Kikaakitini Primary School	Equity- Tala	900285561251	7,000	
Ndulya Primary School	Equity- Tala	900285563309	2,641	
Kwa Mutu Primary School	Equity- Tala	900285562340	91,769	
Katine Hgm Primary School	Equity- Tala	900285563073	1,106	
Kithaayoni Primary School	Equity- Tala	900285601906	126,467	

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Kalandini Primary School-Pmc Account	Equity- Tala	900285558947	1,518	
Mililu Primary School	Equity- Tala	900285561253	46,307	
Kiluluni Primary School	Equity- Tala	900285558902	77,337	
Kantafu Primary School	Equity- Tala	900285562064	50,468	
Ngunga Primary School	Equity- Tala	900285561708	2,000	
Kasioni Primary School	Equity- Tala	900285559025	55,469	
Kyekoyo Primary School	Equity- Tala	900285561570	160,578	
Tala Township Primary School	Equity- Tala	900285839795	1,302,412	
Tala Township Primary School	Equity- Tala	900286146843	262,838	
Kwa Ken Primary School	Equity- Tala	900285562452	47,034	
Sa Katine Primary School	Equity- Tala	900285561480	4,140	
Mbuni Primary School	Equity- Tala	900285845666	272	
Tala Girls Secondary School	Equity- Tala	900285897222	1,033,470	
Kwa Mutu Secondary School	Equity- Tala	900285592723	93,463	
Kitooni Primary School	Equity- Tala	900285559626	83	
Kitooni Primary School	Equity- Tala	900285559610	33,129	
Wendano Deb Primary School	Equity- Tala	900285561931	241	

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Fr. Heeran Girls High School-Pmc Account	Equity- Tala	900285884923	577,600	
Katine Technical Training Institute	Equity- Tala	900285879118	2,602,555	
Tala Police Station	Equity- Tala	900285884852	82,596	
Ngomeni Primary School	Equity- Tala	900285841055	272	
Matungulu Climate Change Mitigation Activities	Equity- Tala	900285893690	1,000	
Muumoni Sa Primary School	Equity- Tala	900286521085	31,080	
Kikaatini Primary Shool	Equity- Tala	900286494915	31,080	
Matungulu Estate Primary School Pmc Account	Equity- Tala	900286495723	31,000	
Aic Kyamulendu Primary School	Equity- Tala	900286153082	13,477	
Muusini Primary School	Equity- Tala	900286147885	4,875	
Syanthi Primary School	Equity- Tala	900286149549	44,147	
Kwale Primary School	Equity- Tala	900286147315	80,628	
Kituluni Primary School	Equity- Tala	900286145658	20,440	
Kalandini Primary School-Pmc Account	Equity- Tala	900262170665	201,676	
Kayatta Primary School	Equity- Tala	900285600306	43,807	

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Itheuni Primary School	Equity- Tala	900286128525	15,309	
Matungulu Estate Primary School Pmc Account	Equity- Tala	900286495723	20,795	
Kmtc Matungulu	Equity- Tala	900285601651	128,240	
			21,797,288	14,587,233

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)
OAG/MRO/NGCDF/MATUNGULU/2023/2024/09	<p>1.0 Unsupported use of goods and services The statement of receipts and payments and as disclosed in Note 6 to the financial statements reflects use of goods and services amount of Kshs. 6,281,043. Re view of the sampled payment vouchers totaling to 928,632 revealed that various goods and services were procured through a framework contract. However the procurement files were not provided for audit review. In the circumstances the accuracy and completeness of use of goods and services could not be confirmed.</p>	The above motioned procurement files are in the custody of the procurement officer who is out of office for Christmas holiday, however, the files will be availed to the audit team for review early January 2025	Not resolved	In consultation with the auditor general pending appearance before DEFAC
	<p>2.0 Inaccuracies in Bank Balances Statement of assets and liabilities and Note 11A to the financial statements reflect bank balances of Kshs. 73,649,271 and Kshs. 73,811,909 respectively. Further, the bank reconciliation statements reflect un presented cheques amounting to Kshs. 3,828,837 out of which Kshs. 3,525,700 relate to bursary</p>	Matungulu Ng-cdf issued bursaries cheques worth 5,177,500 on may 17 th 2024. These cheques were issued towards the end of the financial year thus making the figure of the	Not resolved	In consultation with the auditor general pending appearance

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>payments. No evidence was provided to confirm follow up by constituency development fund committee (CDFC) on the unrepresented cheques relating to bursaries to ensure needy beneficiaries benefit from the program. In the circumstances the completeness of bank balances could not be confirmed.</p>	<p>unrepresented cheques high. However, parents and beneficiaries continued to collect the cheques even after the financial year ended. The list of the cleared cheques is provided as required. (See attached cleared cheques)</p>		<p>before DEFAC</p>
	<p>3.0 Delayed implementation of Projects During the year under review, a total of Kshs. 50,887,480 was allocated for implementation of thirty three (33) projects. Review of the projects implementation status report as at 30th June 2024 revealed that 21 projects with an allocation of Kshs. 35,438,992 were completed, nine projects with an allocation of Kshs. 13,848,488 were ongoing and 3 projects with an allocation of Kshs. 1,600,000 were yet to commence. In the circumstances, value for money on projects not completed could not be confirmed.</p>	<p>The delayed commencement of the project was as a result of delayed funding, but the projects have commenced and will be fully implemented to benefit Matungulu constituents.</p>	<p>Not resolved</p>	<p>In consultation with the auditor general pending appearance before DEFAC</p>
	<p>4.0 Construction of 16 Door Classroom Tuition Block (Phase 1) The statement of receipts and payments and as disclosed in Note 7 to the financial statement reflect transfers to other government units of Kshs.</p>	<p>The tender was actually closed on 17th may 2023 as indicated in the advert dated on 2nd May 2023 and tender opening was done on the</p>	<p>Not resolved</p>	<p>In consultation with the auditor general</p>

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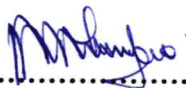
Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>41,520,588, which includes Kshs.19,520,588 being transfer to secondary schools. The transfers to secondary schools further include Kshs. 8,320,588 for the construction of 16 door classroom tuition block (PHASE 1) at Katwanyaa secondary school. The contractor was awarded a contract sum of 18,878,942. Review of the project records revealed the following anomalies.</p> <ul style="list-style-type: none"> i) The tender documents submission date closed on 26th May 2023, while the tender opening meeting was held on 17th May 2023 Nine (9) days before the official closing date. ii) The bidder who won submitted a bid of Kshs. 18,878,942 while the letter of award indicates a contract sum of Kshs 19,,09,210 iii) The letter of award of the contract is dated 8th June 2023, whereas the acceptance letter of award was issued. iv) The contract agreement between Katwanyaa secondary school project management committee and the contractor was signed on 	<p>same day. This is evident from the attached copies of tender advert, miscellaneous receipts and tender opening minutes.</p> <p>Drason ventures were awarded this tender at a sum of Kshs. 19,009,210 which was evaluated tender sum. This was arrived after adjusting bid sum of Kshs.18,878,942 for errors. The discrepancy of Kshs. 130,268 was as a result of arithmetic error, being the difference between bid sum as read out during tender opening and evaluated tender sum. See abstract of evaluation report)</p> <p>The letter of award was issued to Drason Ventures on 8th June 2023 after the expiry of 14 days available for appeal from the date of notification of intention to</p>		<p>pending appearance before DEFAC</p>

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>8th June 2023, the same day the letter of award was issued. This contravenes section 135(3) of the public procurement and asset disposal act 2015, which prescribes a 14 day period between the notification of the award and signing of the contract.</p> <p>v) Physical verification of the project in December 2024 revealed that project had stalled and the contractor left the site in December 2023</p> <p>In the circumstances, the project was irregularly awarded and management was in breach of the law.</p>	<p>award which was issued on 24th may 2023. Drason ventures accepted the notification to award on 25th may 2023. See award letter, notification of intention to award, and acceptance). The contract between Katwanyaa Secondary school and Drason Ventures Limited was signed on 8th June 2023, fourteen (14) days from the notification of award which was issued on 25th may 2023 and therefore, there was no contravention of the p0ublic procurement and asset disposal Act 2015. See contract agreement and notification of award.</p>		
	<p>5.0 Lack of approved information technology security policy Review of the funds information technology systems revealed that the fund did not have an approved IT policy for governance and management of its ICT</p>	<p>Matungulu NG-CDF adapted a Risk appetite and policies, ICT policy and disaster recovery plan from the board futher an ICT</p>	<p>Not resolved</p>	<p>In consultation with the auditor general</p>

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>resources. In addition, there is no ICT steering committee in place to assist in the development of ICT policy framework to enable the fund realize its long term strategic goals. Lack of an approved ICT may result in an unclear direction regarding maintenance of information security across the organization and safeguarding the funds ICT assets. Further, without a sound and approved framework, users do not have any rules and procedures to follow in order to minimize risk of errors, fraud and loss of data confidentiality, integrity and availability. Further, there was no employee with the knowledge on information and communications technology. In the circumstances, the effectiveness of IT internal controls could not be confirmed.</p>	<p>officer will be recruited this financial year</p>		<p>pending appearance before DEFAC</p>



FUND ACCOUNT MANAGER
NGCDF MATUNGULU
P.O. BOX 031 - 90131,
TALA

Name John Munyau
Fund Account Manager.