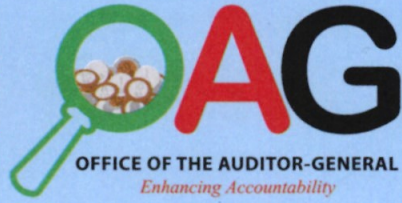


REPUBLIC OF KENYA



**REPORT**

PARLIAMENT  
OF KENYA  
LIBRARY

**OF**

**THE AUDITOR-GENERAL**

**ON**

**NATIONAL GOVERNMENT CONSTITUENCIES  
DEVELOPMENT FUND – BOMET EAST  
CONSTITUENCY**

**FOR THE YEAR ENDED**

**30 JUNE, 2025**  
THE NATIONAL ASSEMBLY  
PAPERS LAID

DATE: 17 FEB 2026

DAY

TUESDAY

TABLED  
BY:

DEPUTY MAJORITY  
LEADER

CLERK-AT  
THE TABLE:

FINLATI



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**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND**

**BOMET EAST CONSTITUENCY**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

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

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



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1. Acronyms and Definition of Key Terms

A. Acronyms

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

- **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.

## **1. 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:

1. Recognize the constituency as a platform for the identification, performance, and implementation of national government functions.
2. Facilitate the performance and implementation of national government functions in all parts of the Republic pursuant to Article 6 (3) of the Constitution;
3. 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;
4. 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;
5. Provide for the sustainable development of all parts of the Republic pursuant to Article 10(2)(d) of the Constitution;
6. Provide a legislative and policy framework pursuant to Article 21(2) of the Constitution for the progressive realisation of the economic and social rights guaranteed under Article 43 of the Constitution;

7. 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;
8. Authorize withdrawal of money from the Consolidated Fund as provided under Article 206(2)(c) of the Constitution;
9. 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;
10. Provide a framework for citizens-led development to assist the national government in planning and prioritizing the use of its resources;
11. Create a harmonious relationship between citizens and the national government and its officers in local development;
12. Provide a platform for citizens' participation in service delivery;
13. Build local accountability and transparency in the use of resources; and
14. 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**

- (a)* Transparency and Accountability
- (b)* Professionalism and Integrity
- (c)* Commitment and Teamwork
- (d)* Neutrality and Objectivity
- (e)* Timeliness and Excellence
- (f)* 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 Bomet East Constituency's day-to-day management is under the following key organs:

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

### Fiduciary Management

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

#### Operation account

No	Designation	Name
1.	AIE holder	Esau Kemboi
2.	National Sub-County Accountant	Andrew Sang
3.	Chairman NGCDFC	John Ruto
4.	Member NGCDFC	Mary Sigilai

#### Deposit account

No	Designation	Name
1.	AIE holder	Esau Kemboi
2.	National Sub-County Accountant	Andrew Sang
3.	Chairman NG CDFC	John Ruto

**c) Fiduciary Oversight Arrangements**

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

NGCDF Building  
Bomet East Sub County Headquarters  
off Bomet – Narok Road,  
Longisa , KENYA

**e) NGCDF Bomet East Constituency Contacts**

P.O. Box 130, 20402  
Telephone:  
E-mail: [cdfbometEast@ngcdf.go.ke](mailto:cdfbometEast@ngcdf.go.ke)  
Website: [www.BometEastcdf.go.ke](http://www.BometEastcdf.go.ke)

**f) NGCDF Bomet East Constituency Bankers**

**1. Operations accounts**

Equity Bank, Bomet Branch.  
A/C No. 1220261114718  
P.O. Box 130-20500  
Bomet-Kenya

**2. Deposit account**

Equity Bank Kenya Limited.  
Bomet Branch  
A/C No. 1220285416732 (Deposit Account)  
P.O. Box 130-20500  
Bomet-Kenya

**3. Project Management Committee Bankers**

Equity Bank, Bomet Branch.  
P.O. Box 130-20500  
Bomet-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

2. NGCDF Committee

(provide details for all the NG CDFC members in the format below)

Name	Details
 <p>John Ruto NGCDFC-Chairman</p>	<p>Date of Birth 01/01/1957                      John Ruto has chaired the NG-CDF since May 2025, providing strategic leadership, presiding over meetings, engaging stakeholders, facilitating training, and overseeing project reporting. A resident of Merigi Ward, he holds Bachelor of education(Science), and is active in community organizations. He facilitates forums, supports proposal development, oversees PMCs, and promotes ethics, bursary allocation, and evaluation for inclusive constituency growth.                      Bachelor of education</p>
 <p>Mercy Cherotich Secretary</p>	<p>Date of Birth 20/03/1986                      Mercy Cherotich, She has served as Secretary of the Bomet East NG-CDF Committee since May 2025, representing Female Youths and serving on the Monitoring and Evaluation Sub-Committee. A resident of Kembu Ward, she holds Diploma in Social Works Degree. Her duties include coordinating meetings, maintaining records, and supporting project development, compliance, and stakeholder engagement.</p>
 <p>Gilbert Kirui Member</p>	<p>Date of Birth 02/12/1996                      Gilbert Kirui has represented Male Youth since 2022, serving on the Bursary Sub-Committee and the Constituency Roads Committee. He resides in Longisa Ward, he holds KCSE qualifications. Through youth initiatives and volunteer teaching, he contributes to ward forums, proposal submissions, PMC operations, and the delivery of bursary and road projects that promote youth empowerment and constituency growth.</p>

	<p>Date of Birth 00/00/1986          Appointed in 2022, Mary Sigilai represents Female Adults and serves on the Bursary Sub-Committee. She lives in Chemaner Ward, she holds a KCPE Certificate and actively promotes women's empowerment. She participates in community engagement for project identification, proposal preparation, PMC support, and ensures bursary programs address educational needs aligned with national priorities</p>
<p>Mary Sigilai Member</p>	<p>Date of Birth 06/07/1996          Diana Chelangat has represented Female Youth since 2022, serving on the Monitoring and Evaluation and Bursary Sub-Committees. She lives in Merigi Ward, she holds KCSE qualifications. She advocates for youth leadership, supports community priority setting, assists in proposal development, and ensures effective bursary program delivery.</p>
	<p>Date of Birth 05/08/1990          Since 2022, Joyce Chelangat has represented Persons with Disability, She chairs the Ethics and Complaints Committee and a member of Bursary Sub-Committee. she holds a certificate in Computer applications. She resides in Longisa Ward, and holds a Certificate in Computer Application. She champions inclusive planning, ethical compliance, PMC support, and equitable bursary allocation to meet diverse community needs.</p>
<p>Diana Chelangat Member</p>	<p>Joyce Chelangat Member</p>

	<p>Date of Birth 05/03/1989</p> <p>As the Fund Account Manager for the Bomet East NG-CDF, Esau Kemboi oversees financial stewardship, ensuring compliance, prudent resource use, and timely disbursement to priority projects. With over 8 years' experience in public sector project administration, budgeting, and capacity building, he directs planning, procurement, monitoring, and reporting to guarantee accountability. He holds Bachelor of Commerce in Banking and Finance, and is pursuing a Master's in Public Policy and Administration.</p>
<p>Esau Kemboi Fund Account Manager</p>	<p>Date of Birth 01/01/1967</p> <p>Deputy County Commissioner for Bomet East and an Ex-Officio Member of the Committee. He has served under the office of the president for over 20 Years. He is a holder of degree in governance and public administration and Master degree in Business Administration from JKUAT.</p>
	
<p>Reuben Ratemo</p>	

**NGCDFC Members who exited during the year**

1. Zacharia Langat

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



**JOHN RUTO**

**Chairman,  
Bomet East NGCDF**

#### Executive Summary

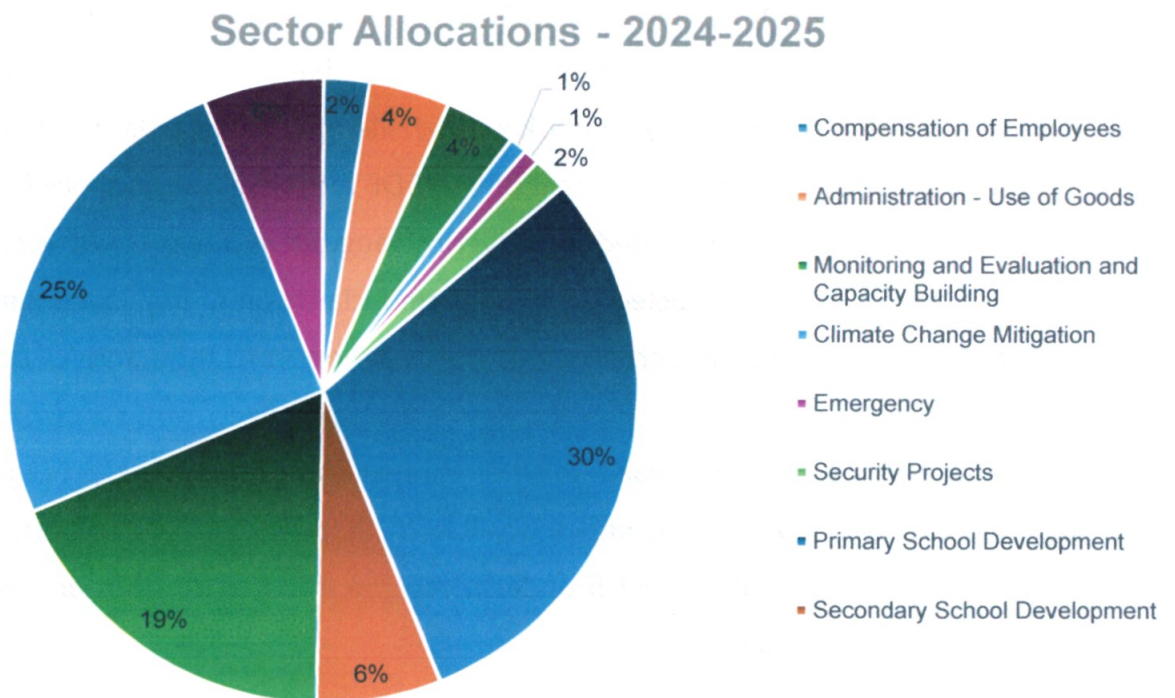
The 2024/2025 financial year was one of resilience, determination, and measurable progress for Bomet East Constituency. Guided by our Five-Year Strategic Plan, we maintained a clear focus on development priorities that directly address community needs, with the greatest attention devoted to education infrastructure, equitable bursary support, and the early stages of digital transformation. In a year marked by challenges that were largely beyond our control, most notably the delayed disbursement of NG-CDF funds the Constituency Development Fund Committee nonetheless succeeded in delivering tangible results that will serve our people for years to come. We constructed and renovated classrooms, improved sanitation facilities, secured school compounds, and provided bursary support to thousands of deserving students.

These achievements took place in the context of inflationary pressures, procurement complexities, the evolving Competency-Based Curriculum requirements, and heightened compliance demands, all of which underscored the importance of improved resourcing and the timely release of funds.

This Committee remains dedicated to overcoming these challenges, advocating for Bomet East equitable share, and ensuring transformative development through NG-CDF. We extend gratitude to the NG-CDF Board, the community, and our partners for their support

### Sector allocation and performance

The allocation across sectors reflected a deliberate bias towards education and skills development, with over 73 percent of resources directed towards primary and secondary school infrastructure, bursaries for secondary and tertiary learners, and other education-related interventions. Primary School Development received Ksh 45.3 million, or 29 percent of the total, followed by bursaries for secondary schools at Ksh 27.6million (17 percent), and bursaries for tertiary institutions at Ksh 37.7 million (24 percent). Significant but smaller allocations included Ksh 9.3 million (6 percent) for the establishment of digital hubs, Ksh 1.2 million (1 percent) for the emergency fund, and Ksh 2.7 million (2 percent) for security projects. Administration, monitoring and evaluation, employee compensation, and secondary school development each accounted for around 2–3 percent of the budget, while asset acquisition and climate change mitigation received less than one percent combined

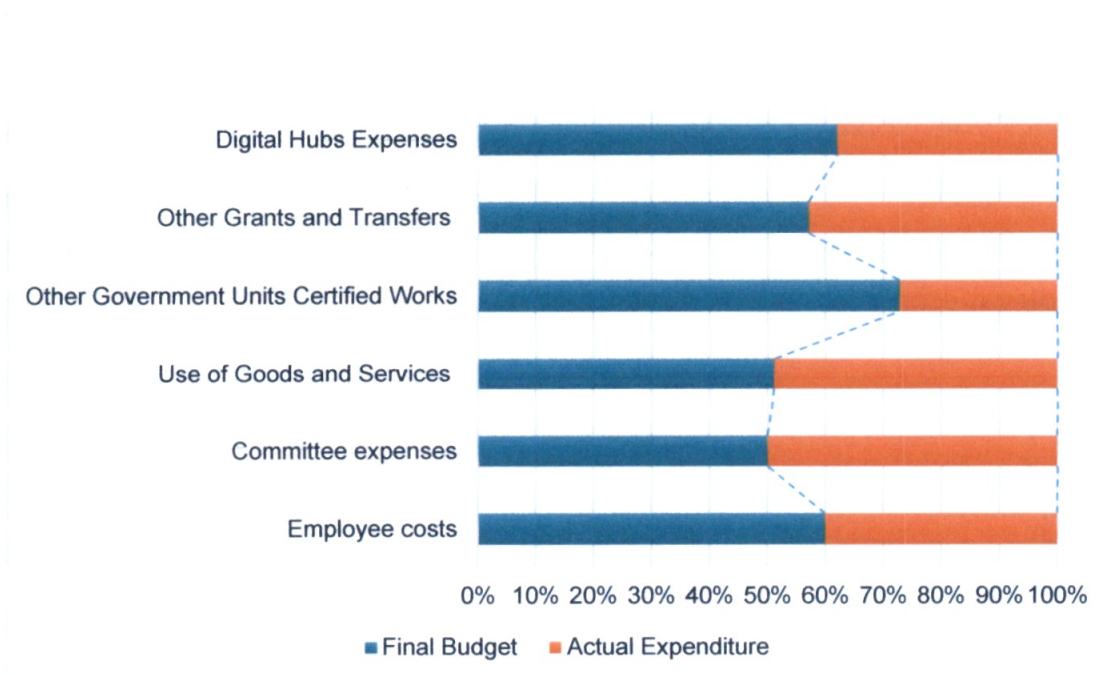


### Financial Performance & Budget Utilization

Bomet East was allocated Ksh 279,154,543 for the year, comprising Ksh 179,441,954 from the 2024/2025 allocation, Ksh 2,263,173 in opening balances, and Ksh 66,679,383 in outstanding

disbursements from the NG-CDF Board. of this total, the constituency received Ksh 179,441,954 representing 82 percent of the approved budget. The overall utilization stood at Ksh 156,484,337 or 55 percent, with unutilized funds amounting to Ksh 125,846,353. These comprised Ksh 51,441,955 still undisbursed by the Board and Ksh 88,126,944 already received but unspent, having been committed to ongoing projects for which works had been procured but not yet paid due to contractual obligations.

The constituency’s financial performance, as detailed in the budget utilization table, reflects a mixed outcome across various sectors, with a total budget of Ksh 279,154,543 and an actual expenditure of Ksh 156,484,337 resulting in an overall utilization rate of 55%. The primary revenue source, transfers from the NGCDF Board, amounted to Ksh 227,712,588, of which Ksh 153,308,190 was utilized, achieving an 55% utilization rate. This shortfall stemmed largely from delays in fund disbursements from the NGCDF Board, a recurring challenge that impacted several sectors. The figure below illustrated the sectorial allocation and



**Fig1: Final Budget Vs Actual Expenditure**

Employee costs, budgeted at Ksh 5,239,238, saw only Ksh 4,370,405 spent, yielding a 67% utilization rate. This low expenditure was due to provisions set aside for employee gratuities, payable at the end of their contracts. Committee expenses, with a budget of Ksh 5,456,598, recorded Ksh 7,053,800 in spending, achieving a 100% utilization rate.

The use of goods and services performed strongly, with Ksh 6,507,001 spent out of Ksh 6,224,320 resulting in a 96% utilization rate, reflecting efficient operational spending. However, infrastructure development under other government units certified works saw a significantly lower utilization rate of 37%, with only Ksh 56,500,963 spent from a Ksh 150,786,718 budget. This was due to delays in fund receipts, procurement challenges, and conflicts with school calendars and national examinations, which disrupted project timelines.

Other grants and transfers, allocated Ksh 95,964,988, had Ksh 70,716,078 spent, achieving a 75% utilization rate. Within this sector, bursary programs excelled with 100% utilization, but climate change mitigation projects stalled due to adverse weather conditions and delayed funds.

The constituency's development strategy is guided by a five-year strategic plan developed in 2022/2023, which shapes its sustainable development goals. Notably, the Ksh 15,200,000 allocated in the 2024/2025 budget for digital hubs underscores the commitment to advancing the national digital economy, despite implementation hurdles caused by funding delays and rising costs.

## Key Achievements

Despite these constraints, the year's achievements were significant. Education infrastructure was strengthened through an investment of Ksh 64.38 million, which delivered 23 new classrooms in seven schools — all designed to meet CBC and Junior Secondary School standards — and the renovation of 48 classrooms in six schools to restore functionality and improve learning conditions. Four six-door toilet blocks were constructed to enhance sanitation, particularly benefiting girls, while six perimeter fences were erected to protect school property and secure learning environments. Alongside this physical infrastructure came the flagship “Gifted & Lifted” bursary and scholarship programme, which disbursed Ksh 65.36 million to 11,682 students across secondary schools, tertiary institutions, and universities. A rigorous vetting process ensured that only registered voters of Bomet East benefited, thereby safeguarding the programme from leakages and ensuring that support reached the most deserving residents.

Our commitment to preparing the constituency for the digital economy was reflected in the allocation of Ksh 15.2 million for two state-of-the-art Digital Hubs. While full implementation was delayed by cost escalations and fund timing, preparatory work was completed, setting the stage for facilities that will serve as centres for ICT training, online job access, and innovation.

Some of the projects that were successfully completed during the year are illustrated below.



Chelemei girls secondary school administration block



Fig 1.1 Construction to completion of 4 classrooms at kmtc bomet



Fig 1.2: Construction to completion of 4 modern classrooms at Magenji Primary and Junior School.



*Fig 1.3: Complete Modern Digital Hub at Togat TVC*



*Fig 1.4 Photo of complete Renovation of 8 classrooms at Siwot Primary School*



Fig 1.5 Photo of Complete 4 Classrooms at Korara Primary School



Fig 1.6: Photo of a Complete 8 Door Toilet at Bukacha Secondary School



*Fig 1.7: Photo of Complete Domintory at Chelemei Girls Secondary School*



*Photo of complete Bomet East Police Headquarters*

## **Implementation Challenges & Mitigation Strategies**

The constituency has faced several implementation challenges during the review period, each requiring targeted mitigation measures to safeguard project delivery and service continuity.

The late disbursement of NG-CDF funds has been a persistent constraint, causing start-up delays and low utilization rates. To address this, the constituency will intensify lobbying of the NG-CDF Board for timely releases while prioritizing “shovel-ready” projects that can begin immediately upon receipt of funds, ensuring no loss of implementation time. Closely related is the mismatch between the NG-CDF funding schedule and the academic calendar. Bursary funds are typically received in January, yet some learners, particularly in colleges and universities, are required to report as early as September of the preceding year. This misalignment forces families to find alternative means to meet initial fees, creating financial strain.

Bursary demand has also risen sharply following the introduction of the Higher Education Funding Model (NHEFM), which has increased out-of-pocket expenses for many households. This has placed significant pressure on the bursary allocation, requiring the constituency to stretch limited resources across a growing pool of applicants. Further uncertainty has been introduced by the recent court ruling declaring the NG-CDF Act unconstitutional, with operations mandated to cease by 30 June 2026. This has generated anxiety among community members, staff, and contractors and complicated the planning of multi-year projects.

Delays in procurement, often stemming from compliance requirements and lengthy approval cycles, have slowed project initiation and completion. Inflation and exchange rate fluctuations have compounded the challenge, inflating construction costs and in some cases necessitating scope adjustments or re-tendering. The transition to the electronic Government Procurement System (e-GPS), while enhancing transparency and accountability, has exposed capacity gaps among Committee members, staff, and contractors. Without sufficient training, the system risks becoming a bottleneck to procurement efficiency.

In bursary administration, inconsistent collection of signed acknowledgement receipts from institutions has hampered full accountability during audits and limited the ability to track fund

utilization. Inflation and market cost variations have further strained budgets, leading to overruns and stalled works. To mitigate this, budgeting will be based on up-to-date market rates, and phased implementation will be adopted for large or cost-sensitive projects, providing flexibility to adapt to changing prices while maintaining project momentum.

### **Way Forward**

Looking ahead, our strategy for the 2025/2026 financial year and beyond is anchored on sustaining momentum, safeguarding past gains, and positioning the Fund for maximum impact despite emerging uncertainties. A key priority will be advocating for timely disbursements by engaging the NG-CDF Board and other relevant authorities to align bursary release schedules with the academic calendar. This will ensure funds reach students before reporting dates, easing financial strain on families. In response to the rising demand under the NHEFM, we will pursue supplementary funding partnerships with the county government, corporate sponsors, and development partners to expand bursary and scholarship coverage, thereby increasing the pool of available resources for learners in need.

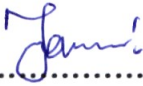
In light of the recent court ruling, we will strengthen legal preparedness by participating actively in national policy dialogues on the future of constituency-based development funding while ensuring the completion of all ongoing projects within the current operational framework. Simultaneously, we will build capacity for seamless adoption of the e-GPS platform through targeted training for NG-CDFC members, staff, and contractors, thereby reducing procurement delays and enhancing compliance.

To accelerate delivery, we will maintain a robust pipeline of fully designed, costed, and approved projects ready for immediate implementation once funds are released, ensuring full absorption of allocations within the financial year. Our accountability systems will be reinforced through stricter bursary monitoring mechanisms, requiring all disbursing institutions to provide signed acknowledgement receipts as verifiable proof of impact. Finally, we will safeguard hard-earned development gains by prioritizing projects with both immediate and long-term benefits, particularly in education, health, and ICT, ensuring that the constituency continues to progress even in a shifting policy and fiscal environment.

## Conclusion

The 2024/2025 year tested our resilience, but it also showcased the resourcefulness and dedication of the Bomet East NG-CDFC. Our classrooms, toilets, fences, bursary support, and digital readiness initiatives are more than just statistics — they represent hope, opportunity, and progress for thousands of residents.

We remain committed to our mission of delivering inclusive, people-centred development. With the continued support of the NG-CDF Board, community members, and our partners, Bomet East will continue to be a model constituency in transparent, impactful, and needs-driven use of public resources.



.....  
**JOHN RUTO**  
Chairman NGCDF Committee

#### 4. 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 Bomet East *Constituency* 2023-2027 plan are to:

- a) Improve education quality and access by constructing or renovating classrooms, laboratories, libraries, dormitories, toilets, and staff houses.
- b) Provide essential infrastructure and resources including access roads, desks, electricity, and bursaries.
- c) Organize education days, counselling sessions, water harvesting projects, and fencing of school compounds.
- d) Empower youth through campaigns on drug abuse and HIV/AIDS awareness, support for youth groups, and provision of technical training.
- e) Offer entrepreneurship training for youth and women, and establish ICT hubs.
- f) Implement emergency response measures to address unforeseen challenges in education, security, and administration.
- g) Promote environmental sustainability through tree planting, nursery establishment, and water harvesting in schools and offices.
- h) Enhance security by upgrading offices and housing for chiefs, commissioners, and police officers.
- i) Strengthen performance monitoring through training of NG-CDFC and Project Management Committees, continuous project monitoring, and periodic review of the strategic plan.

- j) Strengthen the NGCDF office by equipping it with necessary resources, organizing staff bonding activities, and sensitizing teachers for improved collaboration and service delivery.

**Progress on the attainment of Strategic development objectives**

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

Sector	Objective	Outcome	Indicator	Performance
Education	To have all children of school going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	number of usable physical infrastructure build in primary, secondary, and tertiary institutions number of bursary's beneficiaries at all levels	In FY 2024/25 .The constituency put in place funds towards <ul style="list-style-type: none"> <li>• 4 laboratories constructed in secondary school</li> <li>• -Constructed a total of 23 new classrooms in 7 schools</li> <li>• -Renovated a total of 48 classrooms from 6 schools.</li> <li>• Constructed a total of 18 doors toilets in Orinde Primary and Mbotto Sunrise Primary School</li> <li>• Completion of 1 administration blocks in Tiengre Secondary School</li> <li>• - Bursary to a total of Kshs 75,103,726 to 11,682 beneficiaries at all levels.</li> </ul>

Sector	Objective	Outcome	Indicator	Performance
Security	-To improve access to security services	-Improved service delivery to wananchi	-To improve access to security services	<ul style="list-style-type: none"> <li>- Additional funds were allocated for construction of 40 roomed police divisional headquarters</li> <li>- Equipped 3 administration blocks for are chiefs/ assistant chief offices with furniture</li> </ul>
Climate change mitigation activities	-To increase forest cover and clean trading centres	<ul style="list-style-type: none"> <li>-Reduced erosion and flood control</li> <li>-clean environment to for constituents</li> </ul>	<ul style="list-style-type: none"> <li>-purchase and plantation of seedlings</li> <li>-purchase of desks</li> <li>-Repair and installation of water catchment tanks</li> </ul>	<ul style="list-style-type: none"> <li>• In liaison with KCB bank planted total of 40,000 tree seedlings in 30 schools within the constituency.</li> </ul> <p>Ensured all projects have a component of planting trees and installation of water tank with three hand washing points.</p>
Emergency	To Mitigate on unexpected occurrences that affects the welfare of constituents within the national government facilities	Availing of Funds to mitigate on the negative effects occasioned by unexpected occurrences	Support the re-construction of damaged National Government Projects Provide Funds for the provision of urgently needed facilities in National Government Facilities	Allocated funds towards the reconstruction of ablution blocks in Usari and Mkendwa Primary Schools

Sector	Objective	Outcome	Indicator	Performance
Sports	To harness talent and empower youth	Active participation of youth in sports and advocacy activities	Number of sporting field rehabilitated	Field grading and pitch enhancement
Intuitional strengthening	To promote performance of management and smooth running of NGCDF operations	<ul style="list-style-type: none"> <li>- Quality of work from motivated staff</li> <li>- Effective and active NGCDF Committee and harmonized governance body</li> <li>- Reflective and dynamic committee and staff able to adjust to changing operation</li> </ul>	<ul style="list-style-type: none"> <li>- Work plans, reports, accountabilitys, Board minutes, resolutions, evaluation report</li> </ul>	<ul style="list-style-type: none"> <li>- 10 staff employed and well enumerated.</li> <li>- File of all management resolutions well kept.</li> <li>- All reports due to the board submitted within the given timelines.</li> </ul> <p>Developed work plans and submitted to the board</p>

Sector	Objective	Outcome	Indicator	Performance
		al circumstan ces.		
Tracking of results	To improve on tracking of implementa tion of NGCDF projects	1.Strengths and Weakness es in project implement ation identified and addressed Audit report, enhance and improved standards in financial management	2. Reports, Success and case stories Audit report, Financial report	3. Quarterly and annual reports submitted with the timelines Audit reports responded to and advice on the same adhered to.

## 5. Governance Statement

The Bomet East National Government Constituency Development Fund Committee has made a firm commitment to upholding a high standard of corporate governance, as evidenced by the performance contract signed for the 2023/2024 financial year. The committee has established mechanisms to ensure compliance with all applicable laws and regulations in the management of the fund and its interactions with the public.

Our unwavering dedication to the utmost levels of corporate governance and ethical business practices remains steadfast. Strong corporate governance practices are indispensable for delivering sustainable value to our stakeholders and shareholders over the long term.

We continually evaluate our governance operational framework to ensure the presence of robust internal governing bodies and effective systems and processes that support the Board and management in driving change, setting strategic direction, and formulating high-level objectives and policies. The governance of the organization falls under the purview of the Bomet East National Government Constituency Development Fund Committee. Committee members are deeply committed to fulfilling their fiduciary responsibilities and have implemented a range of principles essential for ensuring that good governance is adhered to in all interactions with the organization's constituents, customers, and other pertinent stakeholders.

### a) Organizational Structure:

- i) **The National Treasury and Planning** is responsible for allocating budgetary provisions and providing policy guidance on development matters to the fund. It also funds the NGCDF budgets and offers financial directives for the effective and efficient management of the Fund.
- ii) **The NG-CDF Board** operates as a corporate board under the jurisdiction of the National Treasury and Planning. Its primary role is to ensure the efficient management of funds within constituencies. The board has a secretariat located in Nairobi, led by the Chief Executive officer.

- iii) **The NG-CDF Committee (NG-CDFC)** is tasked with formulating project proposals in consultation with the local community through periodic ward-level forums. These proposals are then submitted to the NG-CDF Board for approval, and the committee facilitates Project Management Committees (PMCs) in the planning, implementation, and sustainability of projects at the constituency level.
  
- iv) **The Project Management Committee (PMC)** is responsible for executing projects on behalf of the local community. They collaborate with relevant government departments and prepare reports for submission to the NG-CDF Committee.
  
- v) **The NGCDFC staff** comprises key personnel responsible for managing the affairs of the constituency. Key positions within the current staffing include the Clerk of Works, Accountant, Account Assistant, Records officer, ICT officer, Receptionist/Tea Girl, Driver and Grounds man.

#### **b) NG-CDFC process of appointment**

Section 43(1) to (4) of the National Government Constituencies Development Fund (NG-CDF) Act provides for the establishment and composition of the National Government Constituency Development Fund Committee (NGCDFC) in every constituency.

The Committee comprises several categories of members, including the national government official responsible for coordinating national government functions; three men nominated in accordance with subsection (3), one of whom must be a youth at the date of appointment; and three women similarly nominated, one of whom must also be a youth. In addition, one person with a disability, nominated by a registered group representing persons with disabilities in the constituency, is included, alongside two persons nominated by the constituency office established under Regulations made pursuant to the

Parliamentary Service Act. The officer of the Board seconded to the Committee serves as an ex official member without voting rights, and the Board may also co-opt one member in line with its regulations.

The seven individuals referred to in subsection (2)(b), (d), and (e) are selected in a manner and with qualifications prescribed by the Board through regulations. Their names are then submitted to the National Assembly for approval before appointment and gazettment by the Board. In Bomet East Constituency, the current NGCDFC members were formally appointed through Gazette Notice Vol. CXXIV, No. 254 of 8th April 2025, while the previous committee had been appointed and gazetted on 29th November 2022 under Gazette Notice Vol. CXXII, No. 154.

#### **c) Constitution of Sub Committee**

Sub Committees include Bursary, Monitoring and Evaluation, Ethics and Complaints Committee, Constituency Roads Committee and Other Sub Committees appointed on a need basis.

Members are appointed to the subcommittee via a minute resolutions of the main committee, members appointed, serve for a term of 2 years.

Bursary subcommittee members are appointed vide a circular and guidelines from the NGCDF board

**d) Composition of NGCDFC**

The persons appointed are drawn from different groupings as follows:

No	Name	Category	Ward	Position
1.	John Ruto	Male (Adult)	Merigi	Chairperson
3.	Mercy Cherotich	Female (Adult)	Kembu	Secretary
2.	Gilbert Kirui	Male (Youth)	Longisa	Member
4.	Diana Chelangat	Female(Youth)	Merigi	Member
5.	Joyce Chelangat	Representative of Persons with Disability	Longisa	Member
6.	Mary Sigilai	Female (Adult)	Chemaner	Member
7.	Paul Tangus	NGCDF Board Coopted	Kembu	Member
8.	Reuben Ratemo	Deputy County Commissioner	Dcc Bomet East	Member
9.	Esau Kemboi	Fund Account Manager		Member

**e) NG-CDFC Tenure**

Section 43(8) of the NGCDF Act 2015 provides that the term of office of the members of the Constituency Committee shall be two years and shall be renewable but shall expire upon the appointment of a new Constituency Committee in the manner provided for in the Act, or as may be approved by the Board. The committee appointed vide Gazette Notice Vol. CXXII, No. 154 dated November 29, 2022 served until November 28, 2024 and a new committee appointed on April 8, 2025. The term of the new committee will expire on April 7, 2027.

**f) The Role of the Constituency Committee**

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

The roles and functions of NG-CDFC are as follows; -

- (a)* Build the capacity of project management committees and Committee.
- (b)* Sensitize the Community on the operations of the Fund;
- (c)* Consider all project proposals from all wards in the constituency and any other projects which a constituency committee considers beneficial to the Constituency;

- (d) Ensure that all proposed projects that are approved for funding meet the requirements of section 24 of the Act; 1956 - Kenya Subsidiary Legislation, 2016
- (e) Ensure that project proposals submitted to the Board include detailed budget proposals, procurement plans and work plans; in approving a project and before submitting the project to the Board for consideration, satisfy itself and make a declaration to the effect that such project (works and services) fall within the functions of the National Government under the Constitution;
- (f) Rank projects proposals in order of priority while ensuring that on-going projects take precedence;
- (g) Ensure that all projects receive adequate funding and are completed within three years;
- (h) where a project involves purchase of a parcel of land or a building, ensure that the ownership thereof is duly verified and ownership documents authenticated with relevant government agencies;

#### **g) Removal of NG-CDFC Members**

A member holding a position within the NG-CDFC can be relieved of their duties for any of the subsequent reasons, either individually or in combination: Absence of integrity, Severe misconduct, misappropriation of public funds, tarnishing the committee's reputation through inappropriate personal behavior in public, advocating unethical behaviors, creating discord within the committee, suffering from a physical or mental ailment, Misusing funds, or any other valid and justifiable cause.

#### **h) Succession plan**

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

#### **i) Induction and Training of NG-CDFC Members:**

In the year 2024/2025, the NGCDF Committee were trained by the NGCDF Board. The training focused on enhancing committee's knowledge in key areas critical to effective fund management, governance, and operational efficiency. Key topics included an overview of the

NGCDF Act and its regulations, construction management, project cycle management, financial management under the PFM Act, and performance contracting.

The training emphasized the importance of gender mainstreaming, environmental and disaster management, audits and risk management, quality management systems, and compliance with procurement laws. Additionally, the program addressed human resource management, taxation and statutory requirements, governance, integrity, corruption prevention, communication linkages with stakeholders, and safeguarding NGCDF funds. The comprehensive training aimed to equip committee members with the skills necessary to manage NGCDF projects effectively while ensuring transparency, accountability, and adherence to statutory guidelines.

**j) Number of meetings;**

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

In Bomet East Constituency, the NG-CDF Committee conducted 12 meetings and 6 sub-committee meetings.

a. NGCDF Meetings

Sn			Meetings Attended											
			NGCDF Meetings											
		Date	10-Jul-	26-Aug-	20-Sep-	14-Oct-	10-Dec-	16-Dec-	13-Jan-	25-Feb-	12-Mar-	17-Mar-	28-May-	05-Jun-
	Name of Committee Member	Position												
1.	John Ruto	Chairman	√	√	√	√	√	√	√	√	√	√	√	√
2.	Mercy Cherotich	Secretary	√	√	√	√	√	√	√	√	√	√	√	√
3.	Gilbert Kirui	Member	√	√	√	√	√	√	√	√	√	√	√	√
4.	Diana Chelangat	Member	√	√	√	√	√	√	√	√	√	√	√	√
5.	Mary Sigilai	Member	√	√	√	√	√	√	√	√	√	√	√	√
6.	Paul Tangus	Member	√	√	√	√	√	√	√	√	√	√	√	√
7.	Joyce Chelangat	Member	√	√	√	√	√	√	√	√	√	√	√	√
8.	Reuben Ratemo	DCC	√	√	×	√	√	√	×	√	√	×	√	√
9.	Esau Kemboi	FAM	×	×	×	√	√	√	√	√	√	√	√	√

**b. Sub Committee Meetings**

	Date	Sub Committee Meetings				NGCDF Committee Selection Panel	
		11-Sep-24	03-Dec-24	27-Mar-25	26-Jun-25	05-Dec-24	19-Dec-24
Sn	Name of Committee Member						
1.	Mercy Cherotich	√	√	√	√	×	×
2.	Gilbert Kirui	√	√	√	√	×	×
3.	Diana Chelangat	√	√	√	√	×	×
4.	Mary Sigilai	√	√	√	√	×	×
5.	Paul Tangus	√	√	√	√	×	×
6.	Joyce Chelangat	√	√	√	√	×	×
7.	Mercy Cherotich	×	×	×	×	√	√
8.	Esau Kemboi	×	×	×	×	√	√

**k) Remuneration Rates**

Members of the NG-CDF Committee receive compensation in accordance with the directives established by both the NGCDF Board and the Salaries and Remuneration Commission (SRC). Presently, committee members are eligible to receive a sitting allowance of Ksh 5,000 per session, while the chairperson is entitled to Ksh 7,000 per session.

**l) Ethics and Conduct**

During the training, members were also taken through chapter six of the constitution on ethical issues and how they are supposed to conduct themselves during the process of management of fund.

**m) Risk Management:**

As part of the training organized by the NG-CDF Board, committee members were educated on the intricacies of risk management, equipping them with the skills necessary to address risks at the constituency level. Recognizing that risk management is an essential component of sound governance and exemplary management practices within the constituency.

Moreover, the committee was informed that the Risk Policy underscores NG-CDF's commitment to cultivating a risk-aware culture that promotes deliberate and proactive risk management, aligned with NG-CDF's strategic objectives. Specific examples of identified risks and their corresponding management responses were also provided.

**n) Conflict of Interest and Ethical Practice**

Bomet East NGCDF requires all individuals associated with our organization to promptly and openly disclose any conflicts of interest that may arise in the course of their duties. Such disclosures are crucial to maintaining the integrity and impartiality of our decision-making processes, ensuring transparency, and upholding the highest standards of ethics and accountability. All disclosures shall be to the Fund Account Manager and the Chairman of the Committee.

In line with our dedication to transparency, integrity, and the highest ethical standards, it is essential that all committee members and staff within our organization disclose any potential conflicts of interest that may arise during the course of their responsibilities. This act of disclosure is crucial to guarantee that our decision-making processes remain impartial, equitable, and in the best interests of our constituents and stakeholders. By promptly identifying and addressing conflicts of interest, we demonstrate our commitment to preserving the trust vested in us by the community we serve and upholding our organization's credibility.

Moreover, ethical conduct stands as a fundamental pillar of our organization's mission, and we anticipate all committee members and staff to strictly adhere to a code of ethics in the

execution of their professional duties. This commitment encompasses the preservation of confidentiality, avoidance of any actions that could jeopardize our organization's integrity, and the enactment of behaviors that align with our core values. Our unwavering dedication to ethical behavior not only reinforces our standing but also ensures that our actions consistently conform to the principles of equity, accountability, and responsibility that serve as the foundation of our work.

#### **O) Succession plan**

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

## 6. Management Discussion and Analysis

### Overview

The Bomet East National Government Constituency Development Fund (NG-CDF) has, over the past five financial years, pursued an ambitious vision to transform the lives of its constituents through strategic, community-centered, and sustainable development initiatives. Guided by the 2022/2023–2026/2027 Strategic Plan, the Fund has prioritized investments in education, infrastructure, security, information and communication technology (ICT), and environmental sustainability. This period has been characterized by remarkable achievements, navigated through significant challenges, and underpinned by a steadfast commitment to fostering equitable growth and improving quality of life across the constituency. The following discussion provides a comprehensive overview of the Fund's performance, detailing key successes, challenges encountered, financial trends, and the strategic roadmap for the future.

### Effects of Economy and Politics on NGCDF (2020-2025)

The National Government Constituencies Development Fund (NGCDF), allocating funds for local projects in constituencies under the purview of national government functions, has been pivotal for grassroots economic transformation, aligning with national agendas like the Bottom-Up Economic Transformation and empowering communities for inclusive growth. However, economic and political dynamics have significantly influenced its operations and future.

Amid fiscal fragility, high debt, and slowed growth, NGCDF faced disbursement delays and budget constraints. This risked stalling local projects, exacerbating inequalities in a context of weak revenue growth and cost-of-living pressures, though the fund's role in uplifting education standards, has bolstered local economies and aligned with recovery efforts.

## Financial Performance

The financial performance of Bomet East NG-CDF over the five-year period reveals both strengths and areas for improvement. The following analysis highlights key trends in revenue, expenditure, and budget utilization:

Year	Final Budget	Actual Receipts	Receipts Utilization %	Actual Expenditure	Expenditure Utilization %
2020/21	209,070,676	209,070,675	100%	199,860,062	95%
2021/22	210,055,220	209,361,145	99.7%	197,826,712	94%
2022/23	155,282,757	97,878,897	63%	66,903,109	43%
2023/24	272,835,731	207,550,688	76%	206,156,348	75%
2024/25	279,154,543	227,712,588	82%	156,484,337	55%

*Table : Comparative Summary Table*

Between the fiscal years 2020/21 and 2021/22, robust financial discipline was evident, characterized by high expenditure utilization rates of 95% and 94%, respectively. During these years, actual receipts aligned closely with the final budgets, achieving near-perfect receipts utilization of 100% and 99%. This reflected efficient fund disbursement processes by the NG-CDF Board, ensuring minimal discrepancies and effective use of allocated resources.

However, the 2022/23 fiscal year marked a notable downturn. Receipts utilization fell sharply to 63%, driven by a significant shortfall of KSh 57.4 million between the final budget of KSh 155.28 million and actual receipts of KSh 97.88 million. Expenditure utilization also dropped to a low of 43%, signaling substantial unspent balances and challenges in project implementation, which hindered the effective deployment of funds.

In 2023/24, there was a partial recovery in utilization rates. Receipts utilization improved to 76%, and expenditure utilization reached 75%. Despite this progress, a KSh 45.1 million gap persisted between the final budget of KSh 272.8 million and actual receipts of KSh 227.7

million, indicating ongoing challenges in securing timely disbursements from the NG-CDF Board.

The 2024/25 fiscal year saw the highest budgeted receipts in the period, totaling KSh 279.2 million. However, receipts utilization stood at 82%, and expenditure utilization was only 55%, with actual expenditure amounting to KSh 156.4 million well below the budgeted amount. This significant shortfall points to operational bottlenecks, particularly in executing capital-intensive projects, which likely impeded the full realization of planned activities.

Expenditure patterns have shifted over time. Early years focused heavily on transfers and grants, while later years saw increased allocations to committee expenses, goods and services, and asset acquisition. Notably, transfers to other government units peaked in 2023/24 (KSh 145.6 million) but declined sharply in 2024/25 (KSh 56.5 million actual against KSh 162.8 million budgeted). Employee costs remained relatively small but fluctuated, with utilization ranging from 44% (2021/22) to 79% (2020/21), before dropping to 52% in 2024/25. Certain budget lines, such as digital hubs in 2024/25, recorded zero expenditure despite a KSh 13.25 million allocation, pointing to procurement or planning inefficiencies.

The persistent underutilization in categories like asset acquisition and digital hubs, coupled with large unspent balances in capital-intensive projects, underscores the need for improved project planning and execution to maximize the impact of available funds.

## FINAL BUDGET VS ACTUAL EXPENDITURE

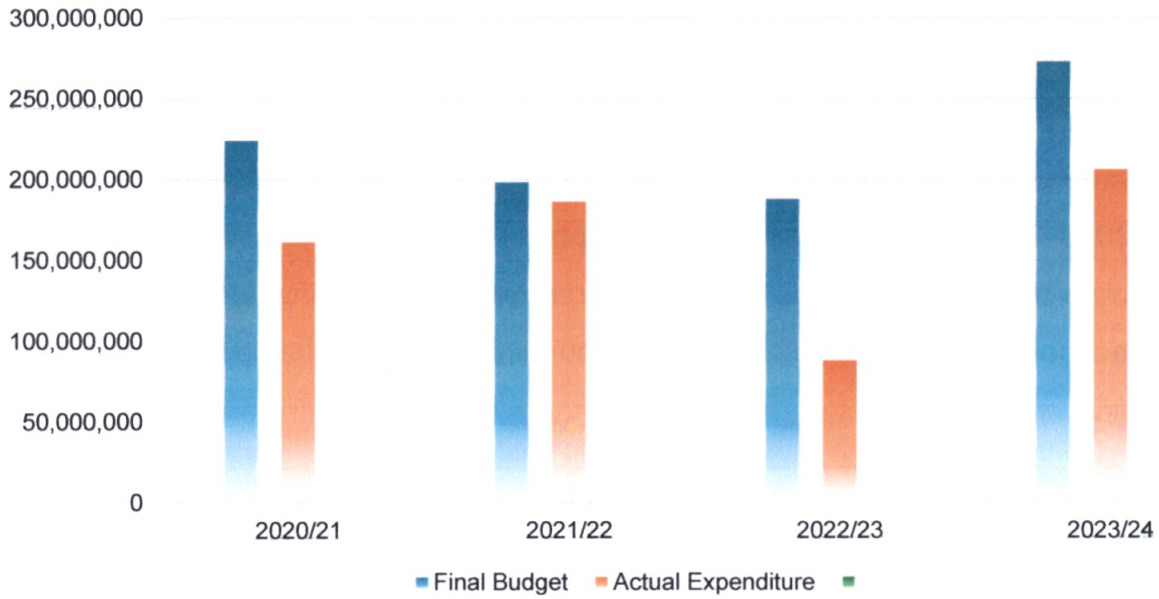


Figure 1: Final Budget vs Actual Expenditure (2020/21 -2024/24)

### 'Budget Utilization Trends'

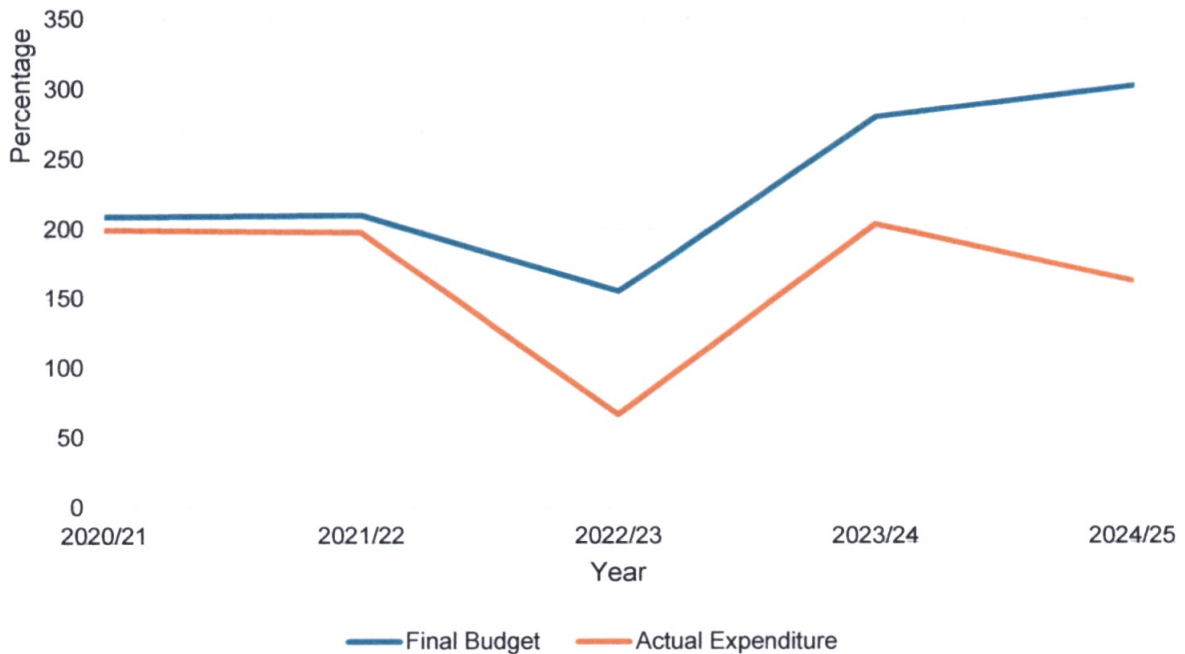


Figure 2: Receipts and Expenditure Utilization Trends

## Achievements

### Education: Building Foundations for the Future

Education remains the cornerstone of Bomet East NG-CDF's transformative agenda, reflecting a deep commitment to empowering the next generation through access to quality learning environments and opportunities. The Fund's strategic approach to education, as outlined in its 2022/2023–2026/2027 Strategic Plan, adopts a balanced, four-pronged framework that emphasizes the construction of laboratories, renovation of existing facilities, development of new classrooms, and fencing of school compounds to ensure equitable development across all wards.

Over the review period, the Fund has made substantial strides in upgrading educational infrastructure. More than 40 new classrooms have been constructed and fully furnished with desks, chairs, and other essential learning resources. These modern facilities have replaced outdated structures, many of which previously suffered from leaking roofs, cracked walls, and inadequate sanitation systems. Additionally, over 20 schools have undergone comprehensive renovations, resulting in what the Fund proudly refers to as “model schools.” These institutions now boast tiled floors, durable roofing, efficient water systems, and enhanced safety provisions, creating environments that inspire learning and academic excellence.

The introduction of Junior Secondary School (JSS) facilities has been a landmark achievement, aligning with the national rollout of the Competency-Based Curriculum (CBC). In 2023/2024, the Fund invested KSh 30.6 million in a pioneering “shilling-for-shilling” partnership with the Ministry of Education to construct and equip 26 JSS classrooms across the constituency. These classrooms are not merely physical structures but fully equipped learning hubs, complete with desks, chairs, and teaching aids tailored to the CBC's hands-on, skills-based approach. This initiative has ensured that Bomet East's young learners are well-prepared to thrive in the evolving educational landscape.

Science education has also received significant attention, with nine laboratories either constructed or renovated to modern standards. Five schools have been equipped with state-

of-the-art laboratory apparatus and safety systems, enabling students to engage in practical science experiments in safe and well-resourced environments. These investments underscore the Fund's commitment to fostering innovation and critical thinking among learners.

Beyond infrastructure, the Fund's social investment in education through bursaries and scholarships has been transformative. Since 2022, approximately 29,300 students have benefited from bursary support, with a deliberate policy to allocate 25% of annual funds to support needy learners. The **Gifted and Lifted** scholarship programme, launched to nurture high-potential but disadvantaged students, awards 10 scholarships annually based on performance contracts, ensuring that talent is not stifled by financial constraints. Additionally, the Fund has sustained legacy programmes such as **Wings to Fly**, albeit on a smaller scale, to continue supporting earlier beneficiaries and maintain continuity in its commitment to educational equity.

### **Infrastructure and Security**

In the realm of infrastructure and security, Bomet East NG-CDF has made significant strides to enhance safety and administrative efficiency. A flagship achievement is the completion of the **Bomet East Police sub county Headquarters**, a project brought to fruition through effective resource mobilization. The Fund secured KSh 9.5 million in external funding to construct and equip this facility with modern offices, secure cells, perimeter, and sanitation systems. This development has significantly strengthened law enforcement capacity in the region, fostering a safer environment for residents.

Across the constituency, chiefs' offices have either been constructed or upgraded to improve grassroots governance and service delivery. These facilities serve as critical hubs for administrative functions, dispute resolution, and community engagement. Plans are underway to extend similar upgrades to additional wards in the coming year, ensuring that every corner of Bomet East benefits from accessible and effective local governance.



Fig 2; Bomet East Police sub county Headquarters – Implemented in collaboration with Parliamentary Budget Committee

### Digital Access: Bridging the Digital Divide

Recognizing the transformative power of technology, the Fund has prioritized investments in ICT to enhance access to digital services and opportunities. The establishment of the Tegat **Digital Hub** stands out as a groundbreaking achievement, being the only sub-county-level facility of its kind in Bomet County outside the main headquarters. This center has brought essential government services closer to residents, significantly reducing travel time and costs for accessing critical documents and services.

Complementing this effort is the creation of the constituency's first ICT hub, a facility designed to serve as a gateway to e-learning, online business opportunities, and digital literacy for youth and community members. Three additional ICT hubs have been approved for Chemaner ,Kipreres and Sot TTI , with plans to operationalize them in the near future. These hubs are envisioned as catalysts for innovation, enabling young people to acquire digital skills, access online education, and explore entrepreneurial opportunities in an increasingly digital world.

## **Environmental Sustainability: Greening the Future**

Environmental stewardship has been a consistent priority for Bomet East NG-CDF, reflecting a commitment to sustainable development and climate change mitigation. Each year, the Fund has allocated resources to establish tree nurseries and implement school greening projects, with over ten educational institutions participating to date. These initiatives have not only enhanced the aesthetic appeal of school compounds but also provided shade and contributed to the constituency's long-term goal of increasing tree cover. By fostering a culture of environmental responsibility, these efforts are laying the groundwork for a greener, more sustainable Bomet East.

## **Challenges**

Despite its impressive achievements, Bomet East NG-CDF has faced several challenges that have tested its resilience and adaptability. Funding constraints and prolonged procurement processes have delayed the completion of some projects, particularly in the security and education infrastructure sectors. The public bursary vetting process, while improving fairness and transparency, has significantly expanded the beneficiary pool, stretching available resources to the point of threatening the programme's long-term sustainability.

The ambition to establish a Kenya Medical Training College (KMTTC) in the constituency has been stalled due to the absence of a qualifying health facility, a prerequisite for approval. This setback has delayed a critical opportunity to enhance healthcare training and service delivery in the region. Similarly, the implementation of the CBC has exposed persistent infrastructure gaps in Junior Secondary Schools, particularly in the availability of specialized rooms and equipment needed to fully support the curriculum's requirements.

Inflationary pressures have further complicated the Fund's efforts, with rising construction costs eroding the purchasing power of allocated budgets. This has resulted in fewer project units being delivered for the same financial outlay, slowing the pace of development and forcing difficult trade-offs in project prioritization.

## **Future Developments**

Looking ahead, Bomet East NG-CDF is committed to consolidating its gains, addressing challenges, and positioning the constituency for sustained, inclusive growth. The immediate priority is to complete ongoing projects before embarking on new large-scale capital commitments. To this end, Project Management Committees will receive targeted training to enhance oversight, ensure procurement compliance, and accelerate delivery timelines. This will help mitigate delays and improve budget absorption rates.

Environmental sustainability efforts will be scaled up, with a target of establishing at least one active tree nursery in every ward by 2026. These nurseries will support school greening initiatives and contribute to broader climate change mitigation goals. Security and administrative infrastructure will continue to receive attention, with additional chiefs' offices planned to strengthen grassroots governance and ensure that law enforcement is both visible and effective across the constituency. The vision for a Kenya Medical Training College will be revisited through a partnership-driven approach to upgrade local health facilities, addressing the prerequisite for KMTTC approval. By fostering collaboration with relevant stakeholders, the Fund aims to unlock this transformative project, which promises to enhance healthcare training and service delivery in Bomet East. By aligning resources, strengthening partnerships, and leveraging strategic foresight, Bomet East NG-CDF is poised to deliver a constituency that is safer, smarter, greener, and more inclusive, ensuring that every resident benefit from the transformative power of community-driven development.

## **Compliance with statutory requirements**

Bomet East NG-CDF is an entity that is fully guided by the constitution of Kenya 2010, NG-CDF Act 2015, NGCDF (R) 2016, PFM Act 2012, PFM(R) 2015 PPADA 2015, PPADA (R) 2020 and Presidential directives, Treasury circulars, NG-CDF Board Policy, and has been in full compliance of the same.

For instance, schedule four of the constitution 2010 has outlined the roles of National Government and County Government and in no instance has Bomet East NGCDF been cited for non-compliance.

Bomet East NG-CDF has been able to equally meet its legal obligations for instance payment of taxes like VAT withholding tax from contractors, Income tax, Housing Levy, NSSF, SHIF and Withholding Tax as required and further commits to operate within the law even to the future.

### **Risks facing the fund**

NG-CDF Bomet East is compliant with NG-CDF Board risk management policy by developing a constituency risk register and the fund manager does regular attestation.

NG-CDFC Bomet East faces the following risks:

Major litigation and courts battle at the national level.

Political interference.

NGOs interference

Competition from county governments

The constituency has tried mitigating risks by doing public participation when doing project proposal, building with CCTV installation to mitigate physical risks,

### **Material arrears in Statutory and other financial obligations**

The constituency does not have material arrears in statutory and other financial obligations.

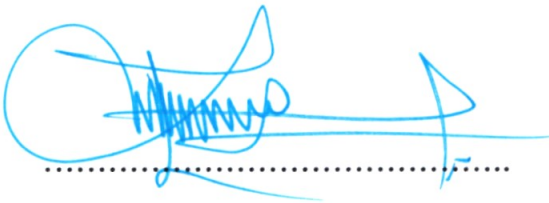
The constituency has complied with statutory requirements by remitting statutory requirements to relevant authorities and in no instance has Bomet East have been cited for non-compliance.

## Review of the Economy, Sector and Future Developments

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

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

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

A handwritten signature in blue ink, consisting of several loops and a long horizontal stroke, positioned above a dotted line.

**Esau Kemboi**  
**Fund Account Manager**

## **7. Environmental and Sustainability Reporting**

Environmental concerns, with an emphasis on climate change mitigation, are central to the government's agenda. The recent amendment to the NG-CDF Act 2022, which raised the allocation for climate change activities from 2% to 5%, reinforces the commitment to addressing these issues through the NG-CDF Fund. In the 2023-2024 financial year, Bomet East NG-CDF allocated Kshs. 3,500,000 for tree planting projects in three institutions within the constituency. These efforts aim to enhance sustainability and contribute to environmental conservation, aligning with the government's broader strategy to combat climate change.

### **1. Sustainability strategy and profile -**

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

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

NG-CDF has allocated part of its budget to climate change mitigation activities such as afforestation, reforestation, grassroots sensitization, and tree seedling production.

## **2. Environmental performance**

- i. The constituency has ensured that its projects supported environment conservation by making it mandatory that all construction projects must have water harvesting component in the bill of quantities, this includes provision of water tank (10,000 liter), gutters and hand washing points. All contracts have a tree planting where contractors are supposed to plant a minimum of 100 trees. Tend to them while on site and handover during commissioning of projects. we also build eco-friendly toilets in schools
- ii. The constituency has allocated funds for construction of Police Headquarters that will be fully equipped with personnel and unit to deal with alcohol and drug abuse. During trainings of PMC the constituency emphasizes on need of sensitizing the community on effects of drug abuse in the community.

## **3. Employee welfare**

We invest in providing the best working environment for our employees. Bomet East 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. Bomet East 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-**

Bomet East 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:

- i. Responsible competition practice by encouraging fair competition and zero tolerance to corruption.
- ii. Good business practices, including cordial Supply chain and supplier relations, by honoring contracts and respecting payment practices.
- iii. Responsible marketing and advertisement
- iv. Product stewardship by safeguarding consumer rights and interests.

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

Bomet East 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.

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

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

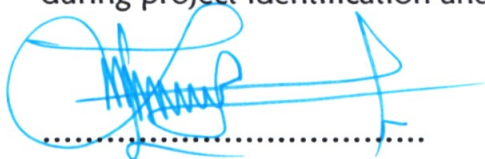
**Public participation** is a process that directly engages the concerned stakeholders in decision-making and fully considers public input.

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

### **Public Awareness**

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

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



**Esau Kemboi**

**Fund Account Manager.**

## 8. 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 Bomet East 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-Bomet East 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 Fund's financial statements give a true and fair view of the state of Bomet East NGCDF 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-Bomet East 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 Bomet-East Constituency confirms that the constituency has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further, the Accounting officer confirms that the constituency's financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

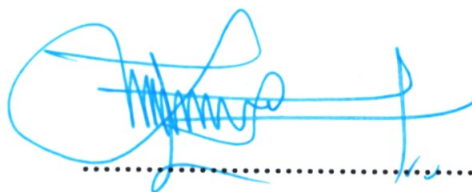
In preparing the financial statements, the Committee has assessed the Fund's ability to continue as a going concern and disclosed as applicable. Nothing has come to the attention of the Committee that the Fund will not remain a going concern for at least the next twelve months from the date of this statement.

#### Approval of the financial statements

The NGCDF- Bomet East Constituency financial statements were approved and signed by the Accounting officer on 25/11 2025.



.....  
John Ruto  
Chairman – NGCDF Committee



.....  
Esau Kemboi  
Fund Account Manager

# REPUBLIC OF KENYA

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E-mail: info@oagkenya.go.ke  
Website: www.oagkenya.go.ke



HEADQUARTERS  
Anniversary Towers  
Monrovia Street  
P.O. Box 30084-00100  
NAIROBI

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

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### PREAMBLE

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

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

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

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

### REPORT ON THE FINANCIAL STATEMENTS

#### Qualified Opinion

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

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

In my opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of my report, the transitional IPSAS financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund - Bomet East Constituency as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards Accrual Basis (including the transitional provisions permitted under IPSAS 33, as disclosed in Note 2 to the financial statements) and comply with the National Government Constituencies Development Fund Act, 2015 and the Public Finance Management Act, 2012 and The National Treasury and Economic Planning Circular No.3 of 14 April, 2025.

### **Basis for Qualified Opinion**

#### **1. Unsupported Opening Balances**

The statement of financial position reflects opening total assets and liabilities amounting to Kshs.105,622,515 and Kshs.868,833, respectively, resulting in net assets balance of Kshs.104,753,682. However, these balances were not supported by transition Project Co-ordination Committee report. The total assets opening balance do not include property, plant and equipment opening balance of Kshs.39,848,687 reflected in Annex 1 of the financial statements.

In the circumstance, the accuracy and completeness of the opening assets totalling Kshs.105,622,515 and liabilities totalling Kshs.868,833 could not be confirmed.

#### **2. Inaccuracy of Other Grants Transfers Actual Expenditure**

The statement of financial performance reflects other grants and transfers actual expenditure amounting to Kshs.70,716,078. However, the amount differs with other grants and transfers actual expenditure of Kshs.70,716 reflected in Note 14 to the financial statements resulting in unexplained variance of Kshs.70,645,362 .

In the circumstances, the accuracy and completeness of other grants and transfers actual expenditure amounting to Kshs.70,716,078 could not be confirmed.

#### **3. Inaccuracy of Accumulated Surplus**

The statement of financial position reflects accumulated surplus totalling Kshs.127,711,299. However, the amount differs with the recomputed statement of changes in net assets accumulated surplus totalling Kshs.127,731,558 resulting to unexplained variance of Kshs.20,259.

changes in net assets accumulated surplus totalling Kshs.127,731,558 resulting to unexplained variance of Kshs.20,259.

Further, the amount includes adjustments to recognize assets amounting to Kshs.103,359,342 as reflected in the statement of changes in net assets. However, the amount differs with the total opening assets balance of Kshs.105,622,515 reflected in the opening statement resulting in unreconciled variance of Kshs.2,263,173.

In addition, the statement of changes in net assets reflects Nil adjustments in respect of recognition of liabilities. However, the Nil amount differs with the total opening liabilities balance of Kshs.868,833 reflected in the opening statement resulting in unreconciled variance of Kshs.868,833.

In the circumstance, the accuracy and completeness of the accumulated surplus totalling Kshs.127,711,299 could not be confirmed.

#### **4. Inaccuracies in the Statement of Cashflows**

The statement of cash flows reflects net cash flows from operating activities amounting to Kshs.39,976,853 as further disclosed in Note 30 to the financial statements. Review of Note 30 indicated surplus for the period of Kshs.22,957,618. However, the amount differs with surplus for the year amounting to Kshs.22,977,696 reflected in the statement of financial performance resulting in an unexplained variance of Kshs.20,078.

Further, the statement reflects net cash flows used in financing activities totalling Kshs.39,976,853. However, there were no financing activities during the year under review resulting in unexplained variance of Kshs.39,976,853.

In the circumstances, the accuracy and completeness of the statement of cash flows could not be confirmed.

#### **5. Inaccuracies in the Statement of Comparison of Budget and Actual Amounts**

The statement of comparison of budget and actual amounts reflects transfers from the NGCDF Board amounting to Kshs.224,375,442. However, the amount differs with actual transfers totalling Kshs.193,285,043 reported in the statement of cashflows resulting to unexplained and unreconciled variance of Kshs.31,090,399.

Further, the statement reflects Nil budget utilization difference for committee expenses which differs with the recomputed budget utilization difference totalling Kshs.1,597,202 resulting to unexplained variance and unauthorized expenditure of Kshs.1,597,202.

In addition, the statement of comparison of budget and actual amounts reflects adjustments totalling Kshs.34,427,545 in respect of opening cash balance in the Fund's Commercial Bank Account. However, the amount differs with the re-computed opening balance amounting to Kshs.31,090,398 resulting in an unexplained variance of Kshs.3,337,147.

In the circumstances, the accuracy and completeness of the statements of comparison of budget and actual amounts could not be confirmed.

## **6. Non- Matching Notes to the Financial Statements**

The financial statements reflects Notes numbered 17 to 29. However, the notes do not match the actual Notes to the financial statements.

In the circumstance, the accuracy and completeness of the financial statements could not be confirmed.

## **7. Unsupported Project Management Committee Bank Balances**

The statement of financial position and as disclosed in Note 19 to the financial statements reflects cash and cash equivalents totalling Kshs.71,067,252. The balance includes Project Management Committee bank balances amounting to Kshs.66,997,492 in respect of for ninety-five (95) project bank accounts as further disclosed in Annex 2 to the financial statements. However, the respective cash books, bank reconciliation statements, certificates of bank balance and bank statements were not provided for audit.

Further, Project Management Committee (PMC) bank balances were not transferred to the Constituency bank account. This was contrary to Section 12(8) of the National Government Constituencies Development Fund Act, 2015 which requires all unutilized funds of the Project Management Committee to be returned to the Constituency account.

In the circumstances, accuracy and completeness of cash and cash equivalents totalling Kshs.66,997,492 could not be confirmed.

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

### **Emphasis of Matter**

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

The statement of comparison of budget and actual amounts reflects final revenue budget and actual on comparable basis amounting to Kshs.275,817,397 and Kshs.224,375,442 respectively resulting to an under-funding of Kshs.51,441,955 or nineteen percent (19%) of the budget. Further, the statement reflects actual expenditure amounting to Kshs.153,308,190 against actual receipts of Kshs.224,375,442 resulting to under-absorption of Kshs.71,067,252 of the receipts.

## Key Audit Matters

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

## Other Matter

### Unresolved Prior Year Audit Matters

In the audit reports of the previous year, seven (7) issues were raised under the Report on Financial Statements as shown the table below:

Number	Financial Year	Issue
1	2023/2024	Unsupported Project Management Committee Bank Balances
2	2023/2024	Budgetary Control and Performance
3	2023/2024	Unresolved Prior Year Matters
4	2023/2024	Irregular Engagement of Constituency Committee Employees
5	2023/2024	Irregular Reallocation of Project Funds
6	2023/2024	Irregular Emergency Projects Expenditure
7	2023/2024	Lack of Asset Ownership and Valuation Documents

However, Management had not resolved the issues or given any explanations for failure to implement the recommendations.

## Other Information

The Management is responsible for the Other Information set out on page iii to liv which comprise of Key Constituency Information and Management, National Government Constituencies Development Fund (NGCDF) Committee, NGCDFC Chairman's Report, Statement of Performance Against Predetermined Objectives, Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting and Statement of Management's 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 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 the Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

## **Basis for Conclusion**

### **1. Irregular Engagement of Constituency Committee Employees**

The statement of financial performance reflects employee costs amounting to Kshs.4,350,326. Review of the human resource documents including the monthly payrolls revealed that the Constituency Development Fund Committee had engaged thirteen (13) contractual employees during the year under review. This was contrary to the approved maximum establishment of ten (10) resulting in over engagement of three (3) employees or thirty percent (30%) of the approved establishment.

Further, the Constituency Committee did not have a clear organizational structure backed by job description for each employee in place. This was contrary to the NG-CDF Board Circular referenced NG-CDFB/CEO/NG-CDFCIRCULARS VOL II (033) dated 15 December, 2022 which directed the Constituency committees to plan and budget for necessary number of employees based on clear organizational structure backed by job description for each employee to ensure that the committee has pertinent capacity for execution of its mandate.

In the circumstances, the NGCDF Committee may not operate at optimum staffing level hence affecting service delivery, and possibility of unsustainable wage bill.

### **2. Irregular Expenditure on Emergency Projects**

The statement of financial performance reflects other grants and transfers expenditure amounting to Kshs.70,716,078. The amount includes emergency projects totalling Kshs.1,249,800 as disclosed in Note 14 to the financial statements. However, the emergency reserve expenditure was not reported to the National Government Constituencies Development Fund Board within thirty (30) days of occurrence contrary to Regulation 20(2) of the National Government Constituencies Development Fund Regulations, 2016 which states that the utilization of the emergency reserve shall be reported to the Board within thirty days of the occurrence of the emergency, in the format prescribed by the Board.

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

### **3. Failure to Remit Statutory Tax Deductions**

Review of records from Kenya Revenue Authority revealed that the Fund failed to deduct and remit taxes amounting to Kshs.231,593. This was contrary to Section 37(1) of the Income Tax Act, Cap.470 which requires an employer paying emoluments to an employee to deduct therefrom and account for tax thereon to such extent and in such manner as may be prescribed. Failure to make the payments as and when due exposes the Fund to the risk of nugatory expenditure in form of fines and penalties and result to persistent material breach.

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

### **4. Incomplete Construction and Unutilized Digital Hubs**

The statement of financial performance reflects digital hub expenses amounting to Kshs.9,307,003 as further disclosed in Note 16 to the financial statements. Review of documents revealed that during the year under review, four contractors were awarded tenders to construct four (4) digital hubs at Tegat Vocational Training Centre, Chemaner Vocational Training Centre, Kiprerer Chief's Office and Sot Technical Training Institute at a total cost of Kshs.15,200,000. This was under the formal arrangement between the National Government Constituencies Development Fund (NG-CDF) Board in partnership with the Ministry of Information, Communications and the Digital Economy in an effort to provide access to digital skills training, internet connectivity-working space and tools for online work or innovation. However, feasibility studies or approvals on the suitability of selected locations from the ICT Authority prior to the projects' commencement were not provided for audit.

Physical inspection conducted in the month of October, 2025 noted that the construction works were complete in three (3) locations at Kiprerer Chief's Office, Sot Technical Training Institute and Tegat Vocational Training Centre. However, the hubs were not operational due to lack of key components including; network cabling, plumbing works, water connection and deployment of Information Communication and Technology (ICT) trainers or support personnel. The security lights at Kiprerer Chief's Office hub had been vandalized due to lack of a perimeter fence around the premises and the land ownership documents were not provided for audit while the hubs at Sot Technical Training Institute and Tegat Vocational Training Centre were used as examination halls.

In addition, the construction works at Chemaner Vocational Training Centre were incomplete and the contractor was not on site. Outstanding works included external and internal finishes and electrical works valued at Kshs.300,760.

In the circumstances, the objectives of the project may not be realized and the public may not have received value for money from the delayed implementation.

### **5. Unsatisfactorily Implemented Projects**

Review of records revealed that expenditure amounting Kshs.22,702,267 was incurred towards implementation of various projects in ten (10) schools as shown below.

No.	Name of PMC	Project Details	Cost (Kshs.)
1.	Kaptimdui Primary School	Construction of four (4) classrooms	4,799,000
2.	Bukunye Primary School	Construction of two (2) classrooms	2,398,856
3.	Chelemei Primary School	Construction of one (1) classroom	1,271,010
4.	Kiptulwa Primary School	Construction of one (1) classroom	1,275,950
5.	Kalyet Primary School	Construction of one (1) classroom	1,199,000
6.	Ndabibi Primary School	Renovation of three (3) classrooms	1,199,580
7.	Mangoita Primary School	Renovation of six (6) classrooms and construction of one (1) classroom	4,399,619
8.	Kiplabotwa Primary School	Renovation of three (3) classrooms	1,368,900
9.	Tiroto Primary School	Construction of one (1) classroom	1,275,590
10.	Chelemei Secondary	Construction of a dormitory to completion	3,514,762
	<b>Total</b>		<b>22,702,267</b>

Physical inspection of the projects undertaken in the month of October, 2025 revealed incomplete works including failure to install rain water disposal and electrical works as per the bills of quantities, poor workmanship including visible cracked walls and worn-out paint finishes, leakages on ceiling boards and lack of power connection despite electrical installations.

In the circumstances, value for money was not achieved on Kshs.22,702,267 expenditure.

The audit was conducted in accordance with ISSAIs 3000 and ISSAI4000. 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 THE EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

### Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the effects of the matter described in the Basis for Conclusion on the Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

### Basis for Conclusion

#### Grounded Motor Vehicle

The statement of financial position reflects property, plant and equipment totalling Kshs.6,935,305 in respect of motor vehicles as disclosed in Note 22 to the financial

## **Basis for Conclusion**

### **Grounded Motor Vehicle**

The statement of financial position reflects property, plant and equipment totalling Kshs.6,935,305 in respect of motor vehicles as disclosed in Note 22 to the financial statements. Physical verification conducted in the month of October, 2025 revealed that one motor vehicle was not serviceable and had been grounded for over four (4) years. However, Management had not taken steps to dispose of the grounded vehicle to prevent further loss arising from wear and tear. This was contrary to Regulation 176(1) of the Public Procurement and Asset Disposal Regulations, 2020 which requires the Accounting Officer of a procuring entity to ensure that an annual assets disposal plan is prepared for items declared as unserviceable, surplus, or obsolete, obsolescence stores, asset or equipment.

In the circumstance, the effectiveness of the asset management system in place could not be confirmed.

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

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

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

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

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

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

Those charged with governance are responsible for overseeing 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**

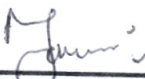
**Nairobi**


**15 December, 2025**


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

	Note	2024-2025
		Kshs
<b>Revenue from non-exchange transactions</b>		
Transfers from the NGCDF Board	6	179,441,954
Transfers from domestic and foreign partners	7	-
<b>Revenue from exchange transactions</b>		
Finance income	8	-
Miscellaneous income	9	-
<b>Total revenue</b>		<b>179,441,954</b>
<b>Expenses</b>		
Employee costs	10	4,350,326
Committee expenses	11	7,053,800
Use of Goods and Services	12	6,224,320
Other Government Units Actual expenditure	13	56,500,963
Other Grants and Transfers Actual expenditure	14	70,716,078
Depreciation and amortization expense	15	2,311,768
Digital Hubs Expenses Actual expenditure	16	9,307,003
<b>Total expenses</b>		<b>156,464,258</b>
<b>Other gains/(losses)</b>		
Gain/Loss on Sale of Assets		-
Impairment loss	17	-
<b>Surplus/(Deficit) for the year</b>		<b>22,977,696</b>

The Constituency financial statements were approved by the NGCDFC on 25/11 2025 and signed by:

  
 Chairman NG-CDF  
 Committee  
 John Ruto

  
 National Sub-County  
 Accountant  
 Andrew Sang  
 ICPAK M/No: 20892

  
 Fund Account Manager  
 Esau Kemboi

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

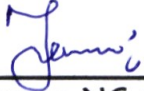
**11. Statement of Financial Position As At 30th June, 2025**


	Not e	Period as at June 2025	Opening Statement 1st July 2024
		Kshs	Kshs
<b>Assets</b>			
<b>Current Assets</b>			
Cash And Cash Equivalents	18	71,067,252	31,090,399
Receivables from Exchange Transactions	19	-	-
Receivables from Non-Exchange Transactions	20	51,441,954	65,285,043
Prepayments	21	-	-
<b>Total Current Assets</b>		<b>122,509,206</b>	<b>96,375,442</b>
<b>Non-Current Assets</b>			
Property, Plant and Equipment	22	6,935,305	9,247,073
Intangible Assets	23	-	-
Right-of-use assets	24	-	-
<b>Total Non- Current Assets</b>		<b>6,935,305</b>	<b>9,247,073</b>
<b>Total Assets (A)</b>		<b>129,444,511</b>	<b>105,622,515</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and Other Payables	25	-	-
Third-Party Deposits	26	-	-
Lease Liabilities	27	-	-
Gratuity provision	28	1,733,212	868,833
<b>Total Current Liabilities</b>		<b>1,733,212</b>	<b>868,833</b>
<b>Non-Current Liabilities</b>			
Lease Liabilities	27	-	-
<b>Total Liabilities (B)</b>		<b>1,733,212</b>	<b>868,833</b>
<b>Net Assets (A-B)</b>		<b>127,711,299</b>	<b>104,753,682</b>
<b>Represented by:</b>			
Accumulated Surplus		127,711,299	104,753,682
Reserves			
<b>Total Net Assets</b>		<b>127,711,299</b>	<b>104,753,682</b>

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

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The Constituency financial statements set out on pages 1 to 142 approved by NG CDFC on 25/11 2025 and signed by:

  
Chairman NG-CDF  
Committee  
John Ruto

  
National Sub-County  
Accountant  
Andrew Sang  
ICPAK M/No: 20892

  
Fund Account Manager  
Esau Kemboi

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

Description	Revaluation Reserves	Accumulated surplus/Deficit	Total
		Kshs	Kshs
Fund Balance as at 30 <sup>th</sup> June 2024		1,394,340	1,394,340
Adjustments			
Recognition of Assets	-	103,359,342	103,359,342
Recognition of Liabilities	-	-	-
As at July 1, 2024		104,753,862	104,753,862
Surplus/(Deficit) For the Period		22,977,696	22,977,696
Revaluation Gain/Loss	-	-	-
As at June 30, 2025		127,711,300	127,711,300

**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.

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

	Notes	2024-2025
		Kshs
<b>Cash flows from operating activities</b>		
<b>Receipts</b>		
Transfers from the NGCDF Board		193,285,043
Transfers from domestic and foreign partners		-
Finance income		-
Miscellaneous income		-
<b>Total Receipts</b>		<b>193,285,043</b>
<b>Payments</b>		
Employee costs		3,506,026
Committee expenses		7,053,800
Use of Goods and Services		6,224,320
Other Government Units Certified Works		56,500,963
Other Grants and Transfers		70,716,078
Digital Hubs Expenses		9,307,003
<b>Total Payments</b>		<b>153,308,190</b>
<b>Net Cash Flows from/ (used in) Operating Activities</b>	29	<b>39,976,853</b>
<b>Cash flows From Investing Activities</b>		
Purchase of PPE		-
Purchase of Intangible assets		-
Proceeds From Sale of PPE		-
<b>Net Cash Flows from Investing Activities</b>		<b>-</b>
<b>Net increase/(decrease) in cash &amp; Cash equivalents</b>		<b>39,976,853</b>
<b>Cash Flows from Financing Activities</b>		
Lease Payment		-
<b>Net Cash Flows from Financing Activities</b>		<b>39,976,853</b>
Cash and cash equivalents at 1 July	18	31,090,399
<b>Cash and cash equivalents at 30 June</b>	18	<b>71,067,252</b>

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

	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilization
	Kshs	Kshs		Kshs	Kshs	Kshs	
	a	b		C=(a+b)	d	e=(c-d)	f=d/c*100
	2024-2025	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements	2024-2025	2024-2025		
<b>Revenue</b>							
Transfers From the NGCDF Board	179,441,954.99	31,090,399	65,285,043	275,817,397	224,375,442	51,441,955	81%
Grants/donations from other entities	-	-	-	-	-	-	-
Finance income	-	-	-	-	-	-	-
Miscellaneous income	-	-	-	-	-	-	-
<b>Totals</b>	<b>179,441,954.99</b>	<b>31,090,399</b>	<b>65,285,043</b>	<b>275,817,397</b>	<b>224,375,442</b>	<b>51,441,955</b>	<b>81%</b>
<b>Expenses</b>							
Employee costs	4,293,724.00	868,833	76,681	5,239,238	3,506,026	1,733,212	67%
Committee expenses	5,456,598.00	-	-	5,456,598	7,053,800	-	100%
Use of Goods and Services	4,605,035.00	180,370	1,721,596	6,507,001	6,224,320	282,681	96%

**National Government Constituencies Development Fund (NGCDF)**  
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Other Government Units Certified Works	87,980,816.88	28,420,722	31,048,032	147,449,571	56,500,963	90,948,608	38%
Other Grants and Transfers	77,105,781.11	1,620,473	17,238,734	95,964,988	70,716,078	23,651,708	75%
Acquisition of Assets	-	-	-	-	-	-	
Digital Hubs Expenses	-	-	15,200,000	15,200,000	9,307,003	5,892,998	61%
Funds Pending Approval**	-	-	-	-	-	-	
<b>Total Expenditure</b>	<b>179,441,954.99</b>	<b>34,427,545</b>	<b>65,285,043</b>	<b>275,817,396</b>	<b>153,308,190</b>	<b>122,509,206</b>	<b>56%</b>
Surplus for the period							

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

**Explanatory Notes.**

- a) The Overall utilization of funds was 56% due to Delay in receipt of funds, delayed procurement and school calendars that delayed commencement of projects
- b) The underutilization in Other Government Units Certified Works (38%) was a result of delay in receipts of funds from the NGCDF board which in turn affected the commencement of projects, additionally the school calendar and national exams delayed implementation.
- c) Underutilization of Other Grants and Transfers (75%) was as result of was a result of delay in receipts of funds from the NGCDF board which in turn affected the commencement of projects. The utilization of bursary was however 100% Utilization of funds under Digital Hub Expenses was as a result of delays in approval of project proposals and lack of clear guidelines on its implementation
- d) Employee cost utilization was 67% because of gratuity and salaries.

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilization difference totals	122,509,206
Less undisbursed funds receivable from the Board as at period 30 June, 2025	51,441,954
Cash and Cash Equivalents at the end of the 30 <sup>th</sup> June 2025	71,067,252

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.

The Constituency financial statements were approved by NG CDFC on 25/11 2025 and signed by:

Fund Account Manager  
 Esau Kemboi

National Sub-County Accountant  
 Andrew Sang  
 ICPAK M/No: 20892

Chairman NG-CDF Committee  
 John Ruto

15. Budget Execution by Sectors and Projects For The Year Ended 30<sup>th</sup> June 2025

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on	Budget utilization difference
		Opening Balance (operational, deposit and PMCs C/Bk) and AIA	Previous Years' Outstanding Disbursements		comparable basis	
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
<b>1.0 Administration and Recurrent</b>						
1.1 Compensation of employees	4,293,724	868,833	76,681	5,239,238	3,506,026	1,733,212
1.2 Committee allowances	1,096,000	-		1,096,000	1,096,000	-
1.3 Use of goods and services	1,274,862	180,370	1,721,596	3,176,828	2,894,147	282,681
<b>Sub-total</b>	<b>6,664,586</b>	<b>1,049,203</b>	<b>1,798,277</b>	<b>9,512,066</b>	<b>7,496,173</b>	<b>2,015,893</b>
<b>2.0 Monitoring and evaluation</b>						
2.1 Capacity building	1,110,000			1,110,000	1,110,000	-
2.2 Committee allowances	4,360,598			4,360,598	4,360,598	-
2.3 Use of goods and services	2,220,173			2,220,173	2,220,173	-
<b>Sub-total</b>	<b>7,690,771</b>	<b>-</b>	<b>-</b>	<b>7,690,771</b>	<b>7,690,771</b>	<b>-</b>
<b>3.0 Emergency</b>						
Unutilized	9,444,313	56,079	7,535,929	17,036,322	1,249,800	15,786,522
<b>Sub-total</b>	<b>9,444,313</b>	<b>56,079</b>	<b>7,535,929</b>	<b>17,036,322</b>	<b>1,249,800</b>	<b>15,786,522</b>
<b>4.0 Bursary and Social Security</b>						
5.1 Primary Schools	-			-		-
5.2 Secondary Schools	23,289,370	60,000	5,502,805	28,852,175	28,325,891	526,284
5.3 Tertiary Institutions	38,472,098	155,491		38,627,589	38,627,589	(0)
5.4 special needs				-		-

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (operational, deposit and PMCs C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
5.5 Education Support Programmes				-		-
5.6 Social Security				-		-
<b>Sub-total</b>	<b>61,761,468</b>	<b>215,491</b>	<b>5,502,805</b>	<b>67,479,764</b>	<b>66,953,480</b>	<b>526,284</b>
<b>5.0 Climate Change Mitigation</b>						
Chemaner Vocational Training Centre	200,000			200,000		200,000
Kiprerer Chiefs Office	200,000			200,000		200,000
Longisa Police Headquarters	200,000			200,000		200,000
Sot Technical Training Institute	200,000			200,000		200,000
Tegat Vocational Training Centre	200,000			200,000		200,000
Mulot,Simotwet,Siwot...		2,400		2,400		2,400
Bawan Enterprises			1,400,000	1,400,000	1,400,000	-
<b>Sub-total</b>	<b>1,000,000</b>	<b>2,400</b>	<b>1,400,000</b>	<b>2,402,400</b>	<b>1,400,000</b>	<b>1,002,400</b>
<b>6.0 Primary Schools Projects</b>						
Bilega Primary School	500,000			500,000		500,000
Central Primary School	1,200,000	1,210,843		2,410,843	1,209,403	1,201,440
Cheboin Primary School	5,000,000	2,730		5,002,730	-	5,002,730
Cheboror Primary School	5,500,000			5,500,000		5,500,000
Chemaner Primary School	2,000,000	1,824		2,001,824	-	2,001,824

National Government Constituencies Development Fund (NGCDF)

Motet East Constituency

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on	Budget utilization	
		Opening Balance (operational, deposit and PMCs C/Bk) and AIA	Previous		comparable basis		difference
			Years' Outstanding Disbursements				
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	
Kaminjeiwet Primary School	650,000	324		650,324	-	650,324	
Kamoyo Primary School	1,200,000			1,200,000		1,200,000	
Kapsimbiri Primary School	5,000,000	500,000		5,500,000	-	5,500,000	
Kibiwot Primary School	4,800,000	900		4,800,900	-	4,800,900	
Kinyose Primary School	1,200,000	3,116	1,276,658	2,479,774	1,275,115	1,204,659	
Kipkoligo Primary School	4,800,000	380	1,276,658	6,077,038	1,275,938	4,801,100	
Kipkurion Primary School	500,000	1,965		501,965	-	501,965	
Kiromwok Primary School	500,000	538		500,538	-	500,538	
Koibeyon Primary School	650,000	-		650,000	-	650,000	
Kongotik Primary School	5,000,000	2,699		5,002,699	-	5,002,699	
Lebekwet Primary School	1,200,000	1,823		1,201,823	-	1,201,823	
Lelkatet Primary School	1,200,000			1,200,000		1,200,000	
Longisa Primary School	5,000,000			5,000,000		5,000,000	
Masare Primary School	2,400,000			2,400,000		2,400,000	
Mataima Primary School	1,200,000			1,200,000		1,200,000	
Matarmat Primary School	2,400,000	1,517		2,401,517	-	2,401,517	
Mengit Primary School	1,200,000			1,200,000		1,200,000	
Motoimet Primary School	1,200,000	188	724,799	1,924,987	724,115	1,200,872	
Matumboru Primary School	1,200,000	964		1,200,964	-	1,200,964	
Mulot Primary School	650,000	11,038		661,038		661,038	

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on	Budget utilization difference
		Opening Balance (operational, deposit and PMCs C/Bk) and AIA	Previous Years' Outstanding Disbursements		comparable basis	
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Murwongoi Primary School	1,850,000	781,270		2,631,270	779,958	1,851,313
Nderiat Primary School	500,000			500,000		500,000
Nokirwet Primary School	500,000	1,353		501,353	-	501,353
Norera Primary School	1,200,000			1,200,000		1,200,000
Olbobo Primary School	5,000,000	3,220		5,003,220	-	5,003,220
Sonogut Primary School	1,950,000	3,700,488		5,650,488	3,700,245	1,950,243
Tabaita Primary School	1,200,000	809,188		2,009,188	20,058	1,989,130
Tangut Primary School	500,000	50,908	1,276,658	1,827,566	1,323,163	504,403
Tegat Primary School	4,800,000			4,800,000		4,800,000
Toronik Primary School	500,000	1,988		501,988	-	501,988
Tumoiyot Primary School	4,800,000	1,135		4,801,135	-	4,801,135
Wasega Primary School	1,200,000	2,810		1,202,810	-	1,202,810
Mugei Primary School		10,255	650,000	660,255	658,763	1,492
Boreiwek Primary School		363	1,200,000	1,200,363	-	1,200,363
Kiptobit Primary School		1,965	1,926,657	1,928,622	1,924,500	4,122
Irwaga Primary School		6,600	1,276,657	1,283,257	1,275,083	8,175
Kiptulwa Primary School		1,625	1,276,658	1,278,283	1,277,285	998
Changchego Primary School		1,629	1,276,658	1,278,287	1,278,115	172
Koita Primary School		446	600,000	600,446	562,703	37,743
Kibisoronik Primary School		1,705	1,200,000	1,201,705	1,198,628	3,078

National Government Constituencies Development Fund (NGCDF)

Mometa East Constituency

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on	Budget utilization	
		Opening Balance (operational, deposit and PMCs C/Bk) and AIA	Previous Years' Outstanding Disbursements		comparable basis		difference
			Kshs		Kshs		
Belgut Primary School		33,978	650,000	683,978	682,115	1,863	
Kalyet Primary School		8,740	1,200,000	1,208,740	1,197,115	11,625	
Kiplabotwa Primary School		1,966	1,200,000	1,201,966	1,199,673	2,293	
Ndabibi Primary School		-	1,200,000	1,200,000	1,199,580	420	
Tiroto Primary School		2,400	1,276,657	1,279,057	1,277,115	1,942	
Kapcheluch Primary School		2,030	1,276,657	1,278,687	1,275,115	3,572	
Taachasis Primary School		5,700	1,276,658	1,282,358	1,280,230	2,128	
Chelemei Primary School		413	1,276,657	1,277,070	1,275,115	1,955	
Torogonik Primary School		1,558	650,000	651,558	-	651,558	
Siwot Primary School		2,500,850		2,500,850	2,400,000	100,850	
Bilelga Pimary School		4,480		4,480	-	4,480	
Mogoma Primary School		1,855		1,855	-	1,855	
Bukunye Primary School		1,200,860		1,200,860	1,198,615	2,245	
Chepkitwal Primary School		2,603		2,603	-	2,603	
Ndubai Primary School		862		862	-	862	
Kugunoi Primary School		3,725		3,725	-	3,725	
Kiposit Primary School		2,000		2,000	-	2,000	
Lekimbo Primary School		1,729		1,729	-	1,729	
Sonoiya Primary School		8,651		8,651	-	8,651	
Kembu Primary School		3,018		3,018	-	3,018	

**National Government Constituencies Development Fund (NGCDF)**  
**Bomet East Constituency**  
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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on	Budget utilization difference
		Opening Balance (operational, deposit and PMCs C/Bk) and AIA	Previous Years' Outstanding Disbursements		comparable basis	
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Sigowet Primary School		1,544		1,544	-	1,544
Chambori Primary School		74,227		74,227	-	74,227
Kimuchul Primary School		120		120	-	120
Kiprerer Primary School		5,492		5,492	-	5,492
Chepkolon Primary School		610		610	-	610
Chemorut Primary School		804,238		804,238	-	804,238
Mangoita Primary School		4,402,000		4,402,000	4,399,000	3,000
Korara Primary School		6,875		6,875	-	6,875
Magenji Primary School		22,618		22,618	-	22,618
Kakimirai Primary School		1,543		1,543	58	1,485
Saoset Primary School		448,573		448,573	447,058	1,515
Chemomul Primary School		5,000,075		5,000,075	4,999,693	383
Emitiot Primary School		21,580		21,580	20,115	1,465
Kaptimtui Primary School		4,800,703		4,800,703	4,041,485	759,218
Murany Primary School		2,718		2,718	-	2,718
<b>Sub-total</b>	<b>80,150,000</b>	<b>26,498,121</b>	<b>23,968,032</b>	<b>130,616,153</b>	<b>45,375,149</b>	<b>85,241,005</b>
<b>7.0 Secondary Schools Projects</b>						
Kiprerer Secondary School	500,000	843		500,843	-	500,843
Longisa Boys High School	1,200,000	-		1,200,000	-	1,200,000
Murany Secondary School	1,200,000	3,000		1,203,000	-	1,203,000

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on	Budget utilization difference
		Opening Balance (operational, deposit and PMCs C/Bk) and AIA	Previous		comparable basis	
			Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Ndubai Secondary School	1,230,816.88	-		1,230,817	-	1,230,817
Toronik Secondary School	2,500,000.00	-		2,500,000	-	2,500,000
Sigowet Secondary School		3,725	1,200,000	1,203,725	1,199,615	4,110
Chambori Secondary School	1,200,000	700	5,880,000	7,080,700	4,880,575	2,200,126
Chelemei Secondary School		3,699,955		3,699,955	3,515,050	
Bukacha Secondary School		18,538		18,538	-	18,538
Kiplabotwa Secondary School		1,928		1,928	-	1,928
<b>Sub-total</b>	<b>7,830,817</b>	<b>3,728,688</b>	<b>7,080,000</b>	<b>18,639,505</b>	<b>9,595,240</b>	<b>8,859,360</b>
<b>8.0 Tertiary institutions Projects (List all the Projects)</b>						
KMTC Bomet Project Account		1,531,060	-	1,531,060	1,530,575	485
<b>Sub-total</b>	<b>-</b>	<b>1,531,060</b>	<b>-</b>	<b>1,531,060</b>	<b>1,530,575</b>	<b>485</b>
<b>9.0 Security Projects</b>						
Assistant County Commissioner Chemaner DIVISION	500,000	-		500,000	-	500,000
Deputy County Commissioner-Bomet East Office	1,200,000	1,565	-	1,201,565	-	1,201,565
Kichutmo Assistant Chiefs Office	1,200,000	-	-	1,200,000	-	1,200,000
Ndubai Chiefs Office	1,000,000	-	-	1,000,000	-	1,000,000
Olokyin Chiefs Office	1,000,000	-	-	1,000,000	-	1,000,000

**National Government Constituencies Development Fund (NGCDF)**  
**Bomet East Constituency**  
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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on	Budget utilization difference
		Opening Balance (operational, deposit and PMCs C/Bk) and AIA	Previous Years' Outstanding Disbursements		comparable basis	
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Mulot Police Post	-	1,000,000	-	1,000,000	-	1,000,000
Kiromwok Police Station	-	-	2,000,000	2,000,000	1,995,000	5,000
Chemamer Police Station			800,000	800,000	715,000	85,000
OCPD Bomet East Sub County		344,938		344,938	-	344,938
<b>Sub-total</b>	<b>4,900,000</b>	<b>1,346,503</b>	<b>2,800,000</b>	<b>9,046,503</b>	<b>2,710,000</b>	<b>6,336,503</b>
<b>10.0 Acquisition of assets</b>						
12.1 Motor Vehicles (including motorbikes)			-	-		-
12.2 Purchase of furniture and fittings				-		-
12.2 Construction of CDF office				-		-
<b>Sub-total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>11.0 DigitalHub Expenses</b>						
Chemamer VTC Digital Hub Project			3,800,000	3,800,000	3,002,288	797,713
Tegat VTC Digital Hub Project			3,800,000	3,800,000	3,104,715	695,285
Kiprerer Chiefs Office Digital Project			3,800,000	3,800,000	3,200,000	600,000
Sot Technical Training Institute			3,800,000	3,800,000	-	3,800,000
<b>Sub-total</b>	<b>-</b>	<b>-</b>	<b>15,200,000</b>	<b>15,200,000</b>	<b>9,307,003</b>	<b>5,892,998</b>
<b>12.0 Others</b>						

National Government Constituencies Development Fund (NGCDF)

Bomet East Constituency

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on	Budget utilization	
		Opening Balance (operational, deposit and PMCs C/Bk) and AIA	Previous Years' Outstanding Disbursements		comparable basis		difference
			Kshs		Kshs		
Sub County Education Office-Ainamoi		-	-	-		-	
Kericho Vocational Rehabilitation Center		-	-	-		-	
Ainamoi NG-CDF Strategic Plan			-	-		-	
Sub-total	-	-	-	-	-	-	
13.0 Funds pending approval**				-		-	
unapproved projects		-		-		-	
AiA	-			-		-	
PMC Savings							
Sub-total	-	-	-	-	-	-	
<b>Total</b>	<b>179,441,955</b>	<b>31,090,398</b>	<b>65,285,043</b>	<b>275,817,396</b>	<b>153,308,190</b>	<b>122,509,206</b>	

## 16. 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 Bomet East Constituency principal activity is service delivery through improvement of infrastructure and provision of bursaries to needy students within the constituency.

### 2 Statement of Compliance and Basis of Preparation

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

The financial statements have been prepared in accordance with the Public Finance Management (PFM) Act and the International Public Sector Accounting Standards (IPSAS). The NG-CDF Bomet East 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 Bomet East has recognized all financial assets, including cash and cash equivalents held in the operational account, deposit account, and PMC bank accounts; receivables (amounts due from the Board and other parties); prepayments; property, plant, and

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

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

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

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the NG-CDF. The financial statements have been prepared in accordance with the PFM Act, the NGCDF Act (*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

1. *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.

2. *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><i>Applicable 1<sup>st</sup> January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p>

	The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.  N/A
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<i>Applicable 1<sup>st</sup> January 2025</i>  The Standard requires,  Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:  Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.  N/A
IPSAS 45: Property Plant and Equipment	<i>Applicable 1<sup>st</sup> January 2025</i>  The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under-maintenance of assets and distinguishing significant parts of infrastructure assets.  N/A
IPSAS 46: Measurement	<i>Applicable 1<sup>st</sup> January 2025</i>  The objective of this standard was to improve measurement guidance across IPSAS by:

	<p>(a) Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.</p> <p>ii. Clarifying transaction costs guidance to enhance consistency across IPSAS.</p> <p>1. 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>N/A</p>
IPSAS 47: Revenue	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></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>N/A</p>
IPSAS 48: Transfer Expenses	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p> <p>N/A</p>

IPSAS 49: Retirement Benefit Plans	<p><i>Applicable 1<sup>st</sup> January 2026</i></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p> <p><i>N/A</i></p>
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<p><i>Applicable 1<sup>st</sup> January 2027</i></p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ul style="list-style-type: none"> <li>i. Limited improvements to existing accounting practices for exploration and evaluation expenditures.</li> <li>ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26.</li> <li>iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.</li> </ul> <p><i>N/A</i></p>

### 3. Early adoption of standards

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

#### 4 Summary of Significant Accounting Policies

##### 1. Revenue recognition

- 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.

- 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.

## **2. Budget information**

The original budget was approved by Parliament on 30 June 2024 for the period 1<sup>st</sup> 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.

## **3. 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.

#### 4. Leases

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

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

#### 5. 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.

## 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.

### 2. Financial assets

#### Classification of financial assets

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

### **Subsequent measurement**

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

### **Amortized cost**

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

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

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

### **Trade and other receivables**

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

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

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

## Impairment

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

## 3. Financial liabilities

### Classification

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

## 6. 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*.

## 7. 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

#### **8. 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.

#### **9. 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.

#### **10. 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.

#### **11. 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.

#### **12. 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.

#### **13. 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.

#### **14. 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.

#### **15. Comparative figures**

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

#### **16. Subsequent events**

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

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

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

### **Estimates and assumptions.**

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

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

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

1. The condition of the asset is based on the assessment of experts employed by the Entity.
2. The nature of the asset, its susceptibility and adaptability to changes in technology and processes.
3. The nature of the processes in which the asset is deployed.
4. Availability of funding to replace the asset.
5. 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
	Kshs
NGCDFB Transfers (Allocation for the FY)	179,441,954
<b>Total</b>	<b>179,441,954</b>

7 Transfers from domestic and foreign partners

Description	2024-2025
	Kshs
Grants	-
<b>Total</b>	<b>-</b>

8 Finance income

Description	2024-2025
	Kshs
Interest Income on Bank Deposits	-
<b>Total</b>	<b>-</b>

9 Miscellaneous income

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

**10 Employees cost**

Description	<i>Period ended June 2025</i>
	Kshs
NG-CDFC Basic staff salaries	3,234,139
Personal allowances paid as part of salary	-
House Allowance	-
Transport Allowance	-
Leave allowance	-
Gratuity to contractual employees	864,379
Employer Contributions Compulsory national social security schemes	195,684
Employer Contributions Compulsory Housing levy	48,924
Employer contributions to National Industrial Training Authority	7,200
Other Specify	-
<b>Total</b>	<b>4,350,326</b>

**11 Committee Expenses**

	<i>2024-2025</i>
	Kshs
Sitting allowance	1,096,000
Other Committee expenses	5,957,800
<b>Total</b>	<b>7,053,800</b>

12 Use of Goods and services

	2024-2025
	Kshs
Utilities, supplies and services	16,747
Communication, supplies and services	294,600
Domestic travel and subsistence	1,918,200
Printing, advertising and information supplies & services	200,000
office Rent	-
Training expenses	1,110,000
Hospitality supplies and services	464,600
Insurance costs	433,473
Specialized materials and services	75,000
office and general supplies and services	1,014,660
Fuel, oil & lubricants	
Bank charges	30
Routine maintenance – vehicles and other transport equipment	402,130
Routine maintenance – other assets	-
Strategic plan expenses	-
Other operating expenses	294,880
<b>Total</b>	<b>6,224,320</b>

13 Other Government Units Actual expenditure

Description	2024-2025
	Kshs
Primary Schools Actual expenditure	45,355,149
Secondary Schools Actual expenditure	9,595,240
Tertiary Institutions Actual expenditure	1,530,575
<b>Total</b>	<b>56,500,963</b>

14 Other Grants and transfers Actual expenditure

	2024-2025
	Kshs
Bursary – secondary schools	27,627,378
Bursary – tertiary institutions	37,728,900
Bursary – special schools	-
Bursary - Education Support programmes	-
Social Security programmes (SHIF)	-
Security projects Actual expenditure	2,710,000
Climate change mitigation projects	1,400,000
Emergency projects Actual expenditure	1,249,800
Roads projects Actual expenditure	-
Others specify	-
<b>Total</b>	<b>70,716,</b>

15 Depreciation and Amortization Expenses

Description	2024-2025
	Kshs
Property Plant and Equipment	2,311,768
Intangible Assets	-
<b>Total</b>	<b>2,311,768</b>

**16 Digital Hubs Expenses**

Description	2024-2025
	Kshs
Construction/ renovation/ Actual expenditure	9,307,003
Digital Hub utility costs Water, Electricity,	-
Maintenance of ICT equipment	-
Maintenance of building	-
Others (specify)	-
<b>Total</b>	<b>9,307,003</b>

**17 Gain/loss on Sale of Assets**

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

**18 Impairment Loss**

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

19 Cash and Cash Equivalents

Name Of Bank and Account No.	Period ended June 2025	Opening Statement
	Kshs	1st July 2024 Kshs
<b>Bank Accounts (Cash Book Bank Balance)</b>		
<i>EQUITY BANK BOMET BRANCH/ BOMET EAST NGCDF (Main Account)- 1220261114718</i>	2,336,548	1,394,340
<i>Operations account pending closure (Indicate name &amp; account no.)</i>	-	-
<i>EQUITY BANK BOMET BRANCH/ BOMET EAST NGCDF (Deposit Account)- 1220285416732</i>	1,733,212	868,833.00
<i>Various Bank Accounts (See Annex 2 PMC Balances)</i>	66,997,492	28,827,226
<b>Total</b>	<b>71,067,252</b>	<b>31,090,399</b>
<b>Cash Balances</b>		
	-	-
	-	-
	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

20 Receivables from Exchange Transactions

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

i. Ageing Analysis for Receivables

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

21 Receivables from Non-Exchange Transactions

Description	2024-2025		Opening Statement 1st July 2024	
	Kshs		Kshs	
Transfers from NGCDFB	51,441,954		65,285,043.00	
Outstanding imprest	-		-	
<b>Total</b>	<b>51,441,954</b>		<b>65,285,043</b>	

Ageing Analysis for Receivables

Description	Period ended June 2025		Opening Statement 1st July 2024	
	Kshs		Kshs	
	Current FY	% of the total	Opening Balance	% of the total
Less than 1 year	-	-	-	-
Between 1- 2 years	51,441,954	100%	61,285,043.00	94%
Between 2-3 years	-	-	4,000,000.00	6%
Over 3 years	-	-	-	-
<b>Total (a+b)</b>	<b>51,441,954</b>	<b>100%</b>	<b>65,285,043.00</b>	<b>100%</b>

**22 Prepayments**

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

23 Property, Plant and Equipment

	Land	Buildings	Motor vehicles	Infrastructure assets	Furniture and fittings	Computers & ICT Equipment	Work in progress	Service concession assets	Total
Depreciation Rate		10%	0.25	20%	12.50%	30.00%			
Cost	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Opening Bal as 1 <sup>st</sup> July 2024	-	-	12,329,431	-	-	-	-	-	12,329,431
Additions	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-	-	-	-	-
As At 30th June, 2025	-	-	12,329,431	-	-	-	-	-	12,329,431
<b>Depreciation And Impairment</b>									
Opening bal accumulated depreciation 1st July 2024	-	-	3,082,357	-	-	-	-	-	3,082,358
Depreciation	-	-	2,311,768	-	-	-	-	-	2,311,768
Disposals	-	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-	-	-	-
As At 30th June, 2025	-	-	5,394,126	-	-	-	-	-	5,394,126
<b>Net Book Values</b>									
Opening Bal as at 1 <sup>st</sup> July 2024	-	-	9,247,073	-	-	-	-	-	9,247,073
As At 30th June, 2025	-	-	6,935,305	-	-	-	-	-	6,935,305

## Valuation

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

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

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

	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land	-	-	-
Buildings	-	-	-
Plant And Machinery	-	-	-
Motor Vehicles, Including Motorcycles	12,329,431	5,394,126	6,935,305
Computers And Related Equipment	-	-	-
office Equipment, Furniture, And Fittings	-	-	-
<b>Total</b>	<b>12,329,431</b>	<b>5,394,126</b>	<b>6,935,305</b>

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

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

24 Intangible Assets

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

25 Right-of use assets

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

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As At 1 July 2024 (Comparative period)	-	-	-	-
Charge for the period				
As At 30 June 2025(Comparative period))				
Charge for the period	-	-	-	-
As At 30 June 2025(Current FY)	-	-	-	-
	-	-	-	-
<b>Carrying Amount</b>	-	-	-	-
As At 30 June 2025(Current FY)	-	-	-	-
As At 30 June 2025 (Comparative Period)	-	-	-	-

**26 Trade and Other Payables**

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

27 Third-Party deposits

	2024-2025	Opening Statement 1st July 2024
	KShs	KShs
Retention as at 1 <sup>st</sup> July 2024 (A)	-	
Retention held during the year (B)	-	-
Retention paid during the Year (C)	-	-
Closing Retention as at 30 <sup>th</sup> June 2025 (D= A+B-C)	-	-

Retentions aging analysis.

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

28 Lease Liabilities

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

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	
	Kshs	
Gratuity at the beginning of the year 1 <sup>st</sup> of July	868,833	-
Gratuity held during the year	864,379	868,833.00
Gratuity paid during the year	-	-
Total Gratuity Provision 30th June (A+B-C)	1,733,212.00	868,833.00

### 30 Cash Generated from Operations

	<i>Period ended June 2025</i>
	Kshs
Surplus for the period before tax	22,957,618
Adjusted for:	
Depreciation	2,311,768
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	13,843,089
Changes in deferred income	-
Changes in Third party deposits	-
Changes in gratuity provision	864,379
Changes in payments received in advance	-
<b>Net cash flow from operating activities</b>	<b>39,976,853</b>

### 31 Financial Risk Management

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

to customers with an established credit history. The Entity's financial risk management objectives and policies are detailed below:

**i. Credit risk**

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

**Financial Risk Management**

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

Description	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
As at 30 <sup>th</sup> June 2025 (Current FY)				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	51,441,954	51,441,954	-	-
Bank balances	71,067,252	71,067,252	-	-
<b>Total</b>	<b>122,509,206</b>	<b>122,509,206</b>	<b>-</b>	<b>-</b>

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As at 30 June 2024(Previous FY)	-	-	-	-
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	65,285,043	65,285,043	-	-
Bank balances	31,090,399	31,090,399	-	-
<b>Total</b>	<b>96,375,442</b>	<b>96,375,442</b>	-	-

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

### Financial Risk Management

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the Entity has recognized in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The Entity has significant concentration of credit risk on amounts due from Bomet East. 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.

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Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
<b>As at 30<sup>th</sup> June 2025 (Current FY)</b>				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Gratuity Provision	-	-	1,733,212	1,733,212
<b>Total</b>	-	-	1,733,212	1,733,212.
<b>As at 30<sup>th</sup> June 2024(Previous FY)</b>	-	-	-	-
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Employee benefit obligation	-	-	868,833	868,833
<b>Total</b>	-	-	-	-

**iii. Market risk**

The Bomet East NGCDF has put in place an internal audit function to assist it in assessing the risk faced by the Entity on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls. Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the Entity's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee. The Entity's Finance Department is responsible for the development of detailed risk management policies (subject to review and approval by Audit

and Risk Management Committee) and for the day-to-day implementation of those policies. There has been no change to the Entity's exposure to market risks or the way it manages and measures the risk.

**a) Foreign currency risk**

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

**Current FY**

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

Foreign currency sensitivity analysis

Current FY

Description	In Kshs	Other currencies	Total
	Kshs	Kshs	Kshs
As at 30 <sup>th</sup> June (Current FY)			
Financial Assets	NA	-	-
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%	NA	NA
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 favourable interest rates.

**Sensitivity analysis**

The Entity analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year. Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as a decrease/increase of Kshs Bomet East (Current FY: Kshs Bomet East). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs Bomet Eastt (Current FY – Kshs Bomet East)

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

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

**iv) Capital Risk Management**

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

Description	2024-2025	<i>Opening Statement 1st July 2024</i>
	Kshs	Kshs
Revaluation Reserve	-	-
Retained Earnings	127,711,299	108,090,828
Capital Reserve	-	-
<b>Total Funds</b>	<b>127,711,299</b>	<b>108,090,828</b>
Total Borrowings	-	-
Less: Cash and Bank Balances	71,067,252	31,090,399
Net Debt/(Excess Cash And Cash Equivalents)	-	-
<b>Gearing</b>	-	-

### 32 Related Party Disclosures

	2024-2025	Opening Statement 1 <sup>st</sup> July 2024
	Kshs	Kshs
Committee Members Remuneration		
Sitting allowance of committee Members during the year	1,096,000	1,768,000
Transaction with the NGCDF Board		
Transfers from the NGCDF Board during the year	193,285,043	197,452,043
<b>Total</b>	<b>194,381,043</b>	<b>199,220,043</b>

### 33 Segment Information

### 34 Contingent Assets and Contingent Liabilities

#### Contingent Assets

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

### Contingent Liabilities

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

### 35 Capital Commitments

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

### 36 Events after the Reporting Period

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

### 37 Ultimate and Holding Entity

The - 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.

17. Annexes

Annex 1: Summary of Asset Register

Asset class	Historical Cost/valuation cost balance brought forward (Kshs)	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) At Year End
Land	4,000,000	-	-	4,000,000
Buildings and structures	17,862,456	-	-	17,862,456
Transport equipment	16,079,431	-	-	16,079,431
office equipment, furniture, and fittings	1,600,000	-	-	1,600,000
ICT Equipment and Other ICT Assets	-	-	-	-
Other Machinery and Equipment	306,800	-	-	306,800
Intangible assets	-	-	-	4,000,000
<b>Total</b>	<b>39,848,687</b>	<b>-</b>	<b>-</b>	<b>39,848,687</b>

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

PMC	Bank	Account number	Bank Balance Current period	Opening Statement 1 <sup>st</sup> July 2024
SIWOT PRIMARY SCHOOL	EQUITY-BOMET	530162157390	100,850	2,500,850
BILEGAA PRIMARY SCHOOL	EQUITY-BOMET	530162157390	4,480	4,480
CHEMANER PRIMARY SCHOOL	EQUITY-BOMET	530199191092	2,001,824	1,824
MOGOMA PRIMARY SCHOOL	EQUITY-BOMET	530271559348	1,855	1,855
BUKUNYE PRIMARY SCHOOL	EQUITY-BOMET	530267605198	2,245	1,200,860
CHEPKITWAL PRIMARY SCHOOL	EQUITY-BOMET	530297472992	2,603	2,603
NDUBAI PRIMARY SCHOOL	EQUITY-BOMET	530286559067	862	862
KOITA PRIMARY SCHOOL	EQUITY-BOMET	530277681578	37,743	446
KUGUNOI PRIMARY SCHOOL	EQUITY-BOMET	530280985732	3,725	3,725
KIPYOSIT PRIMARY SCHOOL	EQUITY-BOMET	530279623562	2,000	2,000
LEKIMBO PRIMARY SCHOOL	EQUITY-BOMET	'0530165579291	1,729	1,729
NOKIRWET PRIMARY SCHOOL	EQUITY-BOMET	530284988940	1,353	1,353
SONOIYA PRIMARY SCHOOL	EQUITY-BOMET	530262218662	8,651	8,651
KEMBU PRIMARY SCHOOL	EQUITY-BOMET	'0530164725107	3,018	3,018
SIGOWET PRIMARY SCHOOL	EQUITY-BOMET	530197539879	1,544	1,544
CHAMBORI PRIMARY SCHOOL	EQUITY-BOMET	530279612169	74,227	74,227
MATUMBORI PRIMARY SCHOOL	EQUITY-BOMET	530284988940	964	964
MULOT PRIMARY SCHOOL	EQUITY-BOMET	530162157390	11,038	11,038
KIMUCHUL PRIMARY SCHOOL	EQUITY-BOMET	530285875052	120	120
KIPRERES PRIMARY SCHOOL	EQUITY-BOMET	530297472992	5,492	5,492
CHEPKOLON PRIMARY SCHOOL	EQUITY-BOMET	530270361422	610	610
KAPSIMBIRI PRIMARY SCHOOL	EQUITY-BOMET	530284623014	5,500,000	500,000
CHEMORUT PRIMARY SCHOOL	EQUITY-BOMET	'0530294393795	804,238	804,238
MANGOITA PRIMARY SCHOOL	EQUITY-BOMET	530197539879	3,000	4,402,000

PMC	Bank	Account number	Bank Balance Current period	Opening Statement 1 <sup>st</sup> July 2024
KORARA PRIMARY SCHOOL	EQUITY-BOMET	530279612169	6,875	6,875
MAGENJI PRIMARY SCHOOL	EQUITY-BOMET	530197720801	22,618	22,618
KAKIMIRAI PRIMARY SCHOOL	EQUITY-BOMET	530271405256	1,485	1,543
KIPKURION PRIMARY SCHOOL	EQUITY-BOMET	530279650166	1,965	1,965
SAOSET PRIMARY SCHOOL	EQUITY-BOMET	'0530277173251	1,515	448,573
CHEMOMUL PRIMARY	EQUITY-BOMET	530167557719	383	5,000,075
EMITIOT PRIMARY SCHOOL	EQUITY-BOMET	530279647903	1,465	21,580
MURWONGOI PRIMARY SCHOOL	EQUITY-BOMET	'0530166049212	1,201,313	781,270
SONOGUT PRIMARY SCHOOL	EQUITY-BOMET	'0530294393759	1,950,243	3,700,488
KAPTIMTUI PRIMARY SCHOOL	EQUITY-BOMET	530162157390	759,218	4,800,703
CENTRAL PRIMARY SCHOOL	EQUITY-BOMET	530162157390	1,440	1,210,843
MURANY PRIMARY SCHOOL	EQUITY-BOMET	530199191092	2,718	2,718
KIPTOBIT PRIMARY SCHOOL	EQUITY-BOMET	530271559348	4,122	1,965
KONGOTIK PRIMARY SCHOOL	EQUITY-BOMET	530267605198	5,002,699	2,699
TORONIK PRIMARY SCHOOL	EQUITY-BOMET	530297472992	1,988	1,988
KIPLOLIGO PRIMARY SCHOOL	EQUITY-BOMET	'0530165579291	1,100	380
MUGEI PRIMARY SCHOOL	EQUITY-BOMET	'0530275028234	1,492	10,255
BOREIWEK PRIMARY SCHOOL	EQUITY-BOMET	'0530277635845	1,200,363	363
MOTOIMET PRIMARY SCHOOL	EQUITY-BOMET	'0530166550018	872	188
IRWAGA PRIMARY SCHOOL	EQUITY-BOMET	530286559067	8,175	6,600
KIPTULWA PRIMARY SCHOOL	EQUITY-BOMET	530277681578	998	1,625
CHANGCHEGO PRIMARY SCHOOL	EQUITY-BOMET	530280985732	172	1,629
KIBISORONIK PRIMARY SCHOOL	EQUITY-BOMET	530279623562	3,078	1,705
TANGUT PRIMARY SCHOOL	EQUITY-BOMET	'0530165579291	4,403	50,908
BELGUT PRIMARY SCHOOL	EQUITY-BOMET	530284988940	1,863	33,978
KALYET PRIMARY SCHOOL	EQUITY-BOMET	530262218662	11,625	8,740

PMC	Bank	Account number	Bank Balance Current period	Opening Statement 1 <sup>st</sup> July 2024
KIPLABOTWA PRIMARY SCHOOL	EQUITY-BOMET	'0530164725107	2,293	1,966
NDABIBI PRIMARY SCHOOL	EQUITY-BOMET	530267016194	420	-
TIROTO PRIMARY SCHOOL	EQUITY-BOMET	530277701850	1,942	2,400
KAPCHELUCH PRIMARY SCHOOL	EQUITY-BOMET	530196916121	3,572	2,030
KINYOSE PRIMARY SCHOOL	EQUITY-BOMET	530285813110	1,204,659	3,116
TAACHASIS PRIMARY SCHOOL	EQUITY-BOMET	530164468234	2,128	5,700
CHELEMEI PRIMARY SCHOOL	EQUITY-BOMET	530279718364	1,955	413
TOROGONIK PRIMARY SCHOOL	EQUITY-BOMET	530277633473	651,558	1,558
CHEBOIN PRIMARY SCHOOL	EQUITY-BOMET	530277645384	5,002,730	2,730
KIBIWOT PRIMARY SCHOOL	EQUITY-BOMET	530193798429	4,800,900	900
LEBEKWET PRIMARY SCHOOL	EQUITY-BOMET	530277685602	1,201,823	1,823
WASEGA PRIMARY SCHOOL	EQUITY-BOMET	530271410298	1,202,810	2,810
KIROMWOK PRIMARY SCHOOL	EQUITY-BOMET	530277645384	538	538
KAMINJEIWET PRIMARY SCHOOL	EQUITY-BOMET	530193692486	650,324	324
TUMOIYOT PRIMARY SCHOOL	EQUITY-BOMET	530277645384	4,801,135	1,135
KOIBEIYON PRIMARY SCHOOL	EQUITY-BOMET	530195538456	650,000	-
OLBOBO PRIMARY SCHOOL	EQUITY-BOMET	530272403400	5,003,220	3,220
MATARMAT PRIMARY SCHOOL	EQUITY-BOMET	530277645384	2,401,517	1,517
TABAITA PRIMARY SCHOOL	EQUITY-BOMET	'0530294393759	1,989,130	809,188
CHAMBORI SECONDARY SCHOOL	EQUITY-BOMET	530166650236	2,200,126	700
SIGOWET SECONDARY SCHOOL	EQUITY-BOMET	530277645384	4,110	3,725
MURANY SECONDARY SCHOOL	EQUITY-BOMET	530277645384	1,203,000	3,000
TORONIK SECONDARY SCHOOL	EQUITY-BOMET	'0530279665722	2,500,000	-
KIPLABOTWA SECONDARY SCHOOL	EQUITY-BOMET	530286032091	1,928	1,928
CHELEMEI SECONDARY SCHOOL	EQUITY-BOMET	530286011490	184,905	3,699,955
BUKACHA SECONDARY SCHOOL	EQUITY-BOMET	1288448295.00	18,538	18,538

PMC	Bank	Account number	Bank Balance Current period	Opening Statement 1 <sup>st</sup> July 2024
KIPRERES SECONDARY SCHOOL	EQUITY-BOMET	1288446381.00	500,843	843
KMTC BOMET PROJECT ACCOUNT	EQUITY-BOMET	1297850823.00	485	1,531,060
CHEMANER VTC DIGITAL HUB PROJECT	EQUITY-BOMET	1293938882.00	797,713	
TEGAT VTC DIGITAL PROJECT	EQUITY-BOMET	290262147463.00	695,285	
KIPRERES CHIEFS OFFICE DIGITAL HUB PROJECT	EQUITY-BOMET	290264433412.00	600,000	
SOT TECHNICAL TRAINING INSTITUTE	EQUITY-BOMET	1294815164.00	3,800,000	
KIROMWOK POLICE STATION	EQUITY-BOMET	530267016194	5,000	
CHEMANER POLICE STATION	EQUITY-BOMET	530277701850	85,000	
DCC BOMET EAST OFFICE	EQUITY-BOMET	530196916121	1,201,565	1,565
OCPD BOMET EAST SUB COUNTY	EQUITY-BOMET	530285813110	344,938	344,938
KIPKOLIGO PRIMARY SCHOOL	EQUITY-BOMET	530164468234	200	
NOKIRWET PRIMARY SCHOOL	EQUITY-BOMET	530279718364	900,000	
BUKACHA SECONDARY SCHOOL	EQUITY-BOMET	530277633473	900,000	
KIROMWOK PRIMARY SCHOOL	EQUITY-BOMET	'0530277635845	900,000	
MANGOITA PRIMARY SCHOOL	EQUITY-BOMET	'0530166550018	900,000	
KMTC BOMET PROJECT A/C	EQUITY-BOMET	530267016194	1,800,000	
OCPD BOMET EAST SUB COUNTY	EQUITY-BOMET	530277701850	500,000	
KIPLABOTWA SECONDARY SCHOOL	EQUITY-BOMET	530196916121	650,000	
CHELEMEI SECONDARY SCHOOL	EQUITY-BOMET	530285813110	1,300,000	
<b>Total</b>			<b>66,997,492</b>	<b>28,827,226</b>

Annex 3: Progress On Follow Up of Auditor Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
	<p><b>Unsupported Project Management Committee Bank Balances</b></p> <p>Note 19.4 to the financial statements reflects Project Management Committees (PMC) account balances totalling Kshs.28,827,226 held in seventy-five (75) PMC bank accounts as further disclosed in Annex 5 to the financial statements. However, cash books, certificate of bank balances and bank reconciliation statements in support of Project Management Committees (PMC) account balances were not provided for audit review.</p> <p>Further, the PMC bank balances have not been transferred to the Constituency account. This was contrary to Section 12 (8) of the National Government Constituencies Development Fund Act, 2015 which states that all unutilized funds of the Project Management Committee shall be returned to the Constituency account.</p>	<p>The PMC documents have been availed</p>	<p>Not Resolved</p>	<p>December 2025</p>

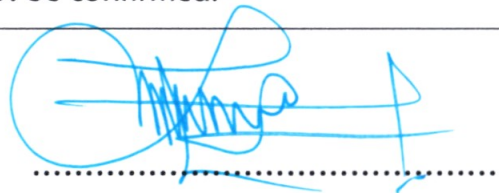
Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
	In the circumstance, the accuracy, completeness and existence of Project Management Committees (PMC) account balances totalling Kshs.28,827,226 could not be confirmed			
	<p><b>1. Irregular Engagement of Constituency Committee Employees</b>                      The statement of receipts and payments reflects compensation of employees amounting to Kshs.3,889,274. Review of the human resource records revealed that thirteen (13) contractual employees were engaged during the year under review against an approved maximum establishment of ten (10) resulting in unauthorized engagement of three (3) employees. This was contrary to National Government Constituencies Development Fund Board circular referenced NG-CDFB/CEO/NG-CDFCIRCULARS VOL II (033) dated 15 December, 2022.</p> <p>In the circumstance, Management was in breach of the law.</p>	The NGCDFC engaged the staff because there was need for more staff in the constituency	Not Resolved	December 2025

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
	<p><b>2. Irregular Reallocation of Project Funds</b></p> <p>The statement of receipts and payments reflects transfers to other Government units amounting to Kshs.112,643,233. The amount includes transfers to primary schools totalling Kshs. 102,943,233 as disclosed in Note 7 to the financial statements. Review of records revealed that the Constituency Development Fund Committee transferred Kshs. 10,000,000 to Lekimbo and Kipyosit Primary Schools with each school receiving an amount of Kshs.5,000,000 for renovation of eight classrooms.</p> <p>However, physical verification revealed that the funds had been reallocated for the construction of four (4) classrooms to completion by the respective Project Management Committees before approval by the National Government Constituencies Development Fund Board. This was contrary to Section 6 (2) of the National Government Constituencies Development Fund Act, 2015 which states that once funds are allocated for a particular project, they shall remain allocated for that project and may only be reallocated for any</p>	Approval for change of activity has been availed	Not Resolved	December 2025

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>other purpose during the financial year with the approval of the Board.</p> <p>In the circumstances, Management was in breach of the Law.</p>			
	<p><b>3. Irregular Emergency Projects Expenditure</b></p> <p>The statement of receipts and payments reflects other grants and other transfers amounting to Kshs.60,559,434. The amount includes emergency projects expenditure totalling Kshs.4,523,636 as disclosed in Note 8 to the financial statements. However, the utilization of the emergency reserves was not reported to the National Government Constituencies Development Fund Board within thirty (30) days of the occurrence as required by Regulation 20(2) of the National Government Constituencies Development Fund Regulations, 2016.</p> <p>In the circumstances, Management was in breach of the law.</p> <p>The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require that I comply with ethical requirements</p>	<p>After approval by the committee the NGCDF Board has been notified accordingly.</p>	<p>Not Resolved</p>	<p>December 2025</p>

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>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.</p>			
	<p><b>Lack of Asset Ownership and Valuation Documents</b>                      Annex 4 to the financial statements reflects historical cost of assets totaling Kshs.39,848,687. The amount includes cost of land amounting to Kshs.4,000,000, cost of buildings and structures amounting to Kshs.17,862,456, and transport equipment amounting to Kshs.16,079,431 all totalling Kshs.37,941,887. However, the ownership and valuation documents for the land, buildings and structures and transport equipment were not provided.                      In addition, physical verification conducted in the month of November, 2024 revealed that one of the vehicles had been</p>	<p>Valuation documents has been availed for verification</p>	<p>Not Resolved</p>	<p>December 2025</p>

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
	<p>grounded and unserviceable for a period of more than three years with no indication of repair or disposal. However, Management had not instituted proper control systems to eliminate theft, security threats, losses and wastage including inspection and valuation by the Chief Mechanical &amp; Transport Engineer (C.M.T.E) and subsequent bonding and disposed accordingly.</p> <p>In the circumstances, the effectiveness of internal controls on management of assets could not be confirmed.</p>			



Esau Kemboi  
 Fund Account Manager.  
 Bomet East Constituency