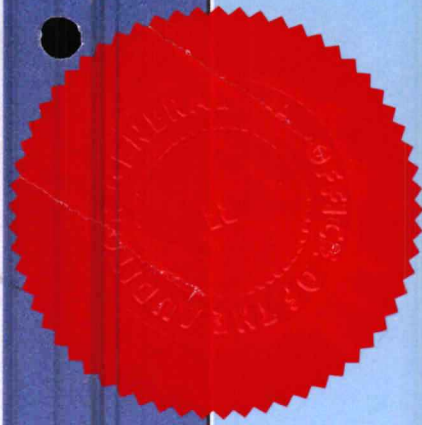


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REPORT

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THE AUDITOR-GENERAL

ON

**NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND -
MASINGA CONSTITUENCY**

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





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NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

MASINGA CONSTITUENCY

ANNUAL REPORT AND FINANCIAL STATEMENTS

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

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

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1. Acronyms and Definition of Key Terms

A. Acronyms

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

B. Definition of Key Terms

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

Comparative Year- Means the prior period.

2. Key Constituency Information and Management

(a) Background information

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

Mandate

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

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

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

Vision

Equitable Socio-economic development countrywide.

Mission

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

Core Values

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

Functions of NG-CDF Committee

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

(b) Key Management

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

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

Fiduciary Management

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

No	Designation	Name
1.	AIE holder	Daniel Mwaluko
2.	National Sub-County Accountant	Joseph Njuki Kimani
3.	Chairman NGCDFC	Stephen Kitonyi
4.	Member NGCDFC	Monicah Kasiva Muluvi
5.	Member NG CDFC	Muteti Richard, Esther Mbaika Muange.

(c) Fiduciary Oversight Arrangements

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

P.O. Box 121-90141,
CDF Office,
Masinga Market,
KENYA.

(e) NGCDF Masinga Constituency Contacts

P.O. Box 121-90141,
Telephone: (254) 707218176
E-mail: cdfmasinga@ngcdf.go.ke
Website: www.ngcdfmasinga.go.ke

(f) NGCDF Masinga Constituency Bankers

- 1. Bank A. (Operations Account).**
Kenya Commercial Bank,
Masinga Constituency NG-CDF
Matuu Branch,
P.O. Box 36, Matuu.
- 2. Bank B. (Deposit account).**
Equity Bank Kenya,
Masinga National Government Constituency Fund
Matuu Branch,
P.O. Box 39, Matuu.
- 3. Bank C. Various (as per annex 2) (PMC Accounts)**
Kenya Commercial Bank,
Masinga Constituency NG-CDF
Matuu Branch,
P.O. Box 36, Matuu.

(g) Independent Auditor

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

(h) Principal Legal Adviser

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

3. NGCDF Committee

Name	Details
 Stephen Kimeu Kitonyi	<p>Date of Birth: 1961 Academic and Professional Qualifications: Diploma in education management, P1 certificate, O level division II. Work Experience: Promoted to Senior approved teacher in 2008, experienced in primary school management, leadership (he was the KEPSHA chairperson Yatta District).</p>
 Monica Kasiva Muluvi	<p>Date of Birth: 1976 Academic and Professional Qualifications: Kenya Certificate of secondary education. Work Experience: Served as a community representative at KENGEN, she also served as a social health promoter.</p>
 Esther Mbaika Muange	<p>Date of Birth: : 1993 Academic and Professional Qualifications: Certificate in Early childhood development and Education, Kenya certificate of secondary education. Work Experience: Served as a member of the NG-CDF committee Masinga constituency since 2017-2022.</p>
 Samuel Mwangangi Mulwa	<p>Date of Birth: 1958 Academic and Professional Qualifications: Honor graduate – United states air force, Certificate of achievement – Keesler Technical Training Center. Work Experience: A retired Air force officer.</p>

 <p>Carolyna Mwikali Nzyimi</p>	<p>Date of Birth: 1982 Academic and Professional Qualifications: Kenya Certificate of secondary education Work Experience: Served as a member of the NG-CDF committee Masinga constituency since 2017-2022.</p>
 <p>Muteti Richard</p>	<p>Date of Birth: 1955 Academic and Professional Qualifications: Kenya Certificate of Secondary Education. Work Experience: Worked as team leader at Nairobi representing people with disabilities. A very hardworking farmer.</p>
 <p>Stephen Muinde Muange</p>	<p>Date of Birth: 1992 Academic and Professional Qualifications: Kenya Certificate of Secondary Education. Work Experience: Previously worked with Utamu millers at Thika. Experienced in community development and bee keeping.</p>
 <p>Rose Mutono Munywoki</p>	<p>Date of Birth: 1972 Academic and Professional Qualifications: Certificate in Computer packages, Kenya Certificate of Secondary education, Work Experience: Experienced in community representation in different organizations including land board, Plan international and solution for nature and enterprise programme.</p>

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



Daniel Mwaluko - FAM

Date of Birth: 1975

Academic and Professional Qualifications: Master of Arts in Project Planning and Management, University of Nairobi, 2012, Bachelor of Education (Arts), University of Nairobi, 1996 – 2000 Kenya Certificate of Secondary Education (KCSE) Kabaa High School, 1990 – 1994.

Work Experience: Fund Manager – NG-CDF Board, 2007 – Present, Teacher – Kabaa High School, January 2004 – November 2007, Kyasioni Secondary School 2002 – December 2003, Experienced in Leadership & Governance.

NG CDFC members who exited during the financial year

S/NO	NAME	PERIOD SERVED
1.	Josephat Mutisya	December 2022 to May 2025
2.	Geoffrey Munyao	December 2022 to May 2025
3.	Raphael Maingi	December 2022 to May 2025
4.	Jacinta Kimongo	December 2022 to May 2025
5.	Janet Muli	December 2022 to May 2025
6.	Jonathan Maina	December 2022 to May 2025

4. NG-CDFC Chairman’s Report



**Stephen Kimeu Kitonyi - Chairman,
NG-CDF Masinga Constituency.**

MASINGA Constituency is in Masinga Subcounty, Machakos County, created in 1988 from the larger Yatta District. The overall population by 2019 census figures were 148,522 with the population expected to grow in the next ten years.

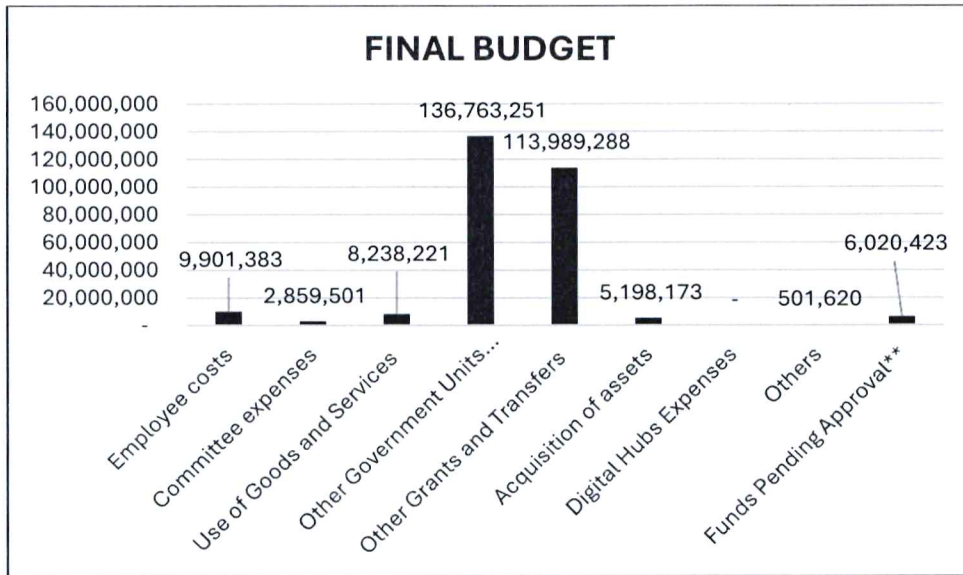
TOTAL POPULATION			NUMBER OF HOUSEHOLDS	AVERAGE HOUSEHOLD SIZE	AREA IN KM2	POPULATION DENSITY
MALE	FEMALE	INTERSEX	36,251	4.1	1405.7	106
73,519	75,001	2				
148,522						

The NG-CDFC Masinga has always dedicated time to ensure prudent allocation of resources received from the NG-CDF board within the five wards of the constituency.

Key achievements

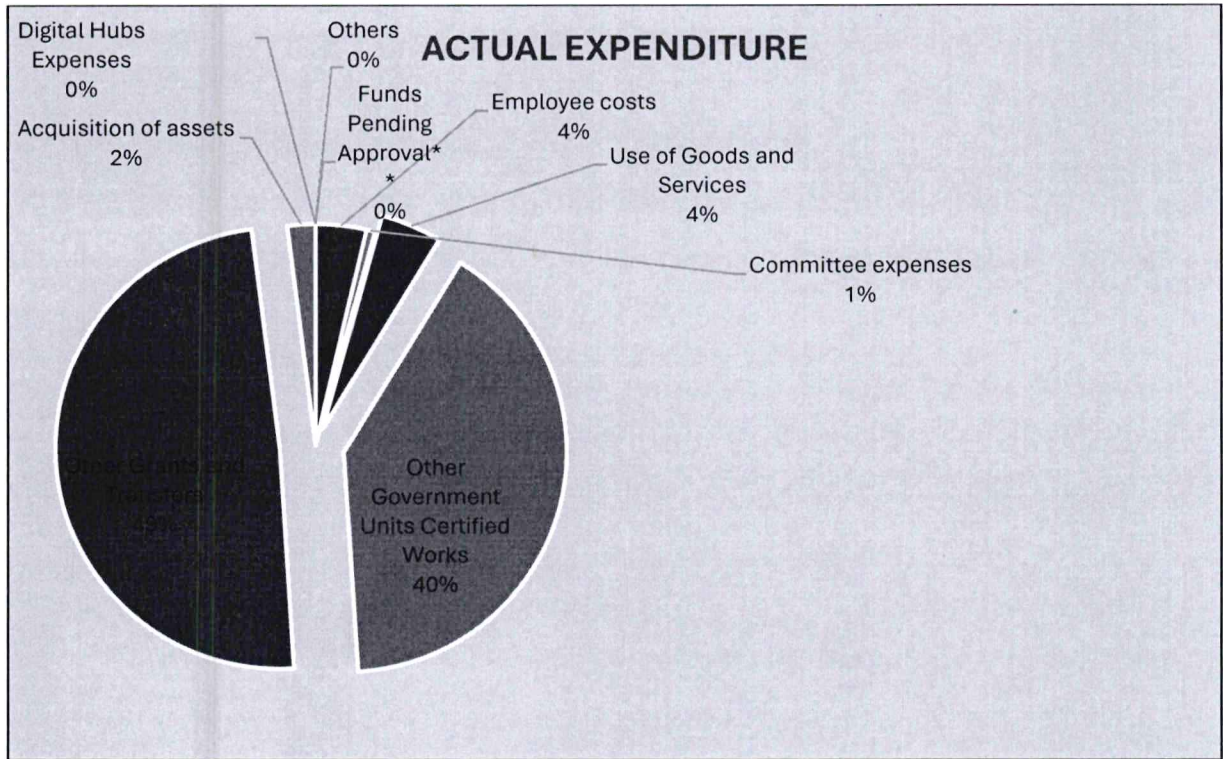
We are pleased to present to you the annual report and financial statements for the financial year 2024-2025 for Masinga Constituency on behalf of the Masinga NG-CDF committee. In the year under review, the constituency received Kshs.**212,844,605** from the board, Ksh.**205,000** from sale of tenders and had an opening cash book balance of Kshs.**47,727,073**. The Constituency spent Kshs.**228,298,779.12** and closed with a cashbook balance of Kshs.**36,836,057.70**. The percentage utilization in the year under review is **64%** compared to **67.1%** for last FYR 2023/2024.

Fig 1. Bar Graph of Final Budget for FYR 2024/2025.



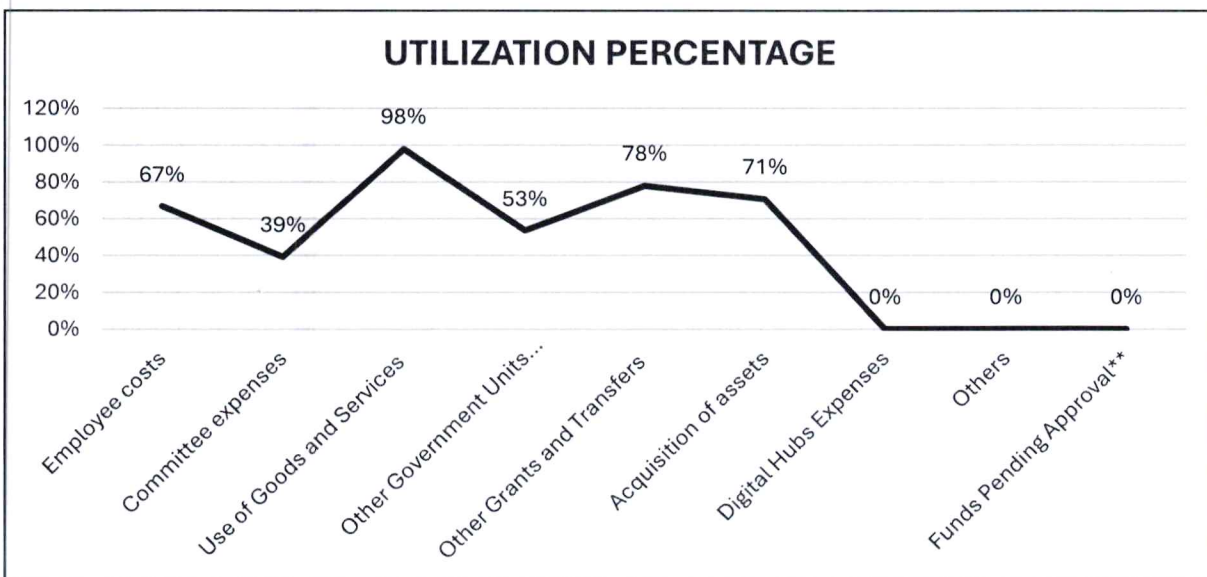
More money was allocated to transfers to other government units to finance infrastructure in Primary, Secondary and Tertiary institutions and transfer to other grants and transfers to finance bursary, social security program, environment and emergency projects.

Fig 2. Pie Chart of Actual utilization for FYR 2024/2025



More money was spent on other grants and transfers in payment for bursary, Security, climate change and emergency projects.

Fig 3. Percentage Utilization for FYR 2024/2025.



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

We utilized higher percentage of money allocated for the use of goods and services and other grants and transfers.

Masinga NG-CDF in the Financial Year 2024/2025 has been able to achieve the following. 25 Primary Schools and 10 Secondary School received funding to improve infrastructure in their institutions, 8 primary schools and 3 Secondary schools benefitted from the climate change mitigation projects, 9 Primary schools, 3 secondary schools, 1 security project and 1 tertiary institution were funded from the emergency kitty to address urgent and unforeseen occurrences and improve their infrastructure. Needy students in Secondary Schools and needy students in Tertiary institutions benefited from the Bursary Kitty.

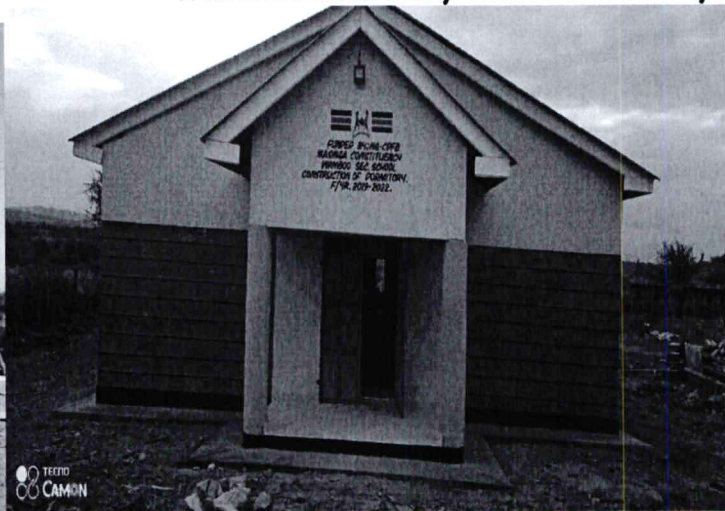
The Masinga Staff and all the Project Management Committees underwent training to perfect their knowledge in NG-CDF operations.

The following are sample projects funded by Masinga NG-CDF:

Kikumini police post



Wambo secondary school Dormitory.



Kikumini police post.

Construction of Kikumini police post to completion led to increase in the number of police officers deployed leading to improved security in the area and the reported theft cases reduced.

Wambo secondary school.

Construction of girls' dormitory at Wambo secondary school which accommodates 80 students creating more room for the students to stay in the school, hence improving their performance.

Challenges faced during the financial year 2024/2025.

The major challenges experienced during the financial year 2024-2025 included:

- The lack of sewer drainage/laterals within the constituency means the use of septic tanks which pushes the cost of building modern toilets high.
- Inadequate funds for capacity building, Monitoring and Evaluation of NG-CDF funded projects.
- Inadequate funds to finance Projects proposed by constituencies.
- The residents lack the know-how of what the reconstituted NG-CDF does and hence require civic education.

The following are the recommendations and what the committee is doing to overcome them.

- The committee agreed to ensure that as time goes by, they will implement ways to acquire sewer drainage upon given permission from the necessary authority so as to lower the use of septic tanks.
- On political interference we have been able to educate society on effect of politicizing projects. We have also ensured transparency in our implementation process from inception to completion.
- NG-CDF Board should increase funds allocated for Monitoring and Evaluation.

We look forward to improved efficiency in project implementation.



.....

Stephen Kimeu Kitonyi.
Chairman NGCDF Committee

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

Introduction

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

The key development objectives of the **NG-CDF Masinga Constituency 2022-2026** plan are:

1. Improve access to education.
2. Improve learning environment.
3. Enhance security infrastructure.
4. Enhance Environmental Conservation.
5. Enhance youth talents through sports.
6. Increase access to ICT infrastructure.
7. Improve organizational performance.

Progress on the attainment of Strategic development objectives

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

Sector	Objective	Outcome	Indicator	Performance
Education	To have all children of school going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	number of usable physical infrastructure build in primary, secondary, and tertiary institutions number of bursary's beneficiaries at all levels	In FY 2024/25 -we increased number of classrooms in primary schools from 135 to 157, in secondary schools from 99 to 108, dormitories from 19 to 20, 41 laboratories, 7 Dining halls and 49 Administration blocks in primary and secondary institutions The number of secondary bursary beneficiaries increased from 10,000 to 13,000 and tertiary bursary beneficiaries increased from 5,000 to 6,000.

				- Bursary beneficiaries at all levels were as per the attached schedules
Security	To improve the working and living conditions of security personnel	Increased number of housing units and offices for security personnel	Increase of number of housing/office units built/refurbished for security personnel	In FY 2024/2025 The number of security projects increased from 43 to 51. Security projects were funded to improve their infrastructure
Climate change mitigation activities	To enhance environmental conservation	Increased environmental activities such as control of soil erosion through construction of gabions and planting of trees.	Number of trees planted, and gabions constructed	In FY 2024/2025 We funded the purchase of 10,000 liters water tank in primary school to collect enough water for tree planting; we further planted 10,000 trees to conserve the environment.
Emergency	To cater for any unforeseen occurrences within the constituency	Ensure that the constituency is conducive to the people especially in times of emergency occurrences	Increase in the number of schools and security projects that benefited from the emergency kit.	In FY 2024/25 the number of schools that benefitted from emergency kitty increased from 95 to 105.

6. Governance Statement

Process of appointment of NG-CDFC committee

NG-CDFC is appointed pursuant to section 43(1), (2), (3) (4) and (5) of the National constituency's development fund (NG-CDF) Act as follows: -

1. In case of the person living with disability, the fund account manager shall write to a registered group representing people with disabilities in the constituency requesting of one person with disability to sit in the NG-CDF committee. The nominating organization shall be required to provide specific description of the kind of disability and provide necessary support to facilitate full participation of the nominee in the various activities of the fund.
2. Members of the public are invited to tender applications to be appointed as an NG-CDFC committee with requisite qualifications as per the NG-CDF Act.
3. The selection panel shall sit and analyze applications based on age, gender, special interest groups and regional balance.
4. Obtain from the constituency office manager via formal written communication names of two nominees to the NG-CDF committee, one being of either gender.
5. Ensure that the original report of the selection panel duly signed by all members of the panel, original letter from the constituency office manager forwarding two nominees to the NG-CDF committee one being of either gender, original letter and copies of minutes of the meeting of the meeting of the body nominating person with disability to NG-CDF committee ,copies of national identity cards of all the nominees, the long list and short listing criteria ,and three color passport size photographs of each of the respective nominees are attached to the list submitted to the board.
7. For avoidance of doubt the two people nominated by the constituency office to sit in the selection panel and the two people nominated by the same office to sit in the NG-CDF committee shall be drawn from community and not serving public offices.

The Masinga NG-CDF fund manager constituted a selection panel by writing to the deputy county commissioner to appoint a representative to chair the meeting and the constituency officer to appoint two members of either gender to sit in selection panel with the fund manager being the secretary.

The selection panel invited interested members of the public to apply for the positions and wrote to the constituency office manager to nominate two people of either gender and the umbrella body of persons living with disability to nominate one person. Shortlisting was done and interview conducted. Five members were recommended for membership to the NG-CDF committee, two nominees received from the constituency office and one member from the umbrella body of people living with disability. The fund manager forwarded the list of nominees to the board to be forwarded for gazettment of the NG-CDFC members which was done on 16th December 2022 with inaugural meeting held on 29th December 2022 where chairman and secretary were elected.

Removal NG-CDFC members

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

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

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

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

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

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

In the financial year 2023/2024, no member was removed from the committee.

Functions of committee.

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

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

Date of gazette

All the members of the NG-CDF Committee Masinga Constituency were gazetted on 21st May 2025 gazette Vol CXXVII - No. 98.

Induction/training

Upon appointment of the new members of the committee, training shall be conducted by the relevant government departments for the committee to know and understand the NG-CDF act and their roles in the fund.

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

The NG-CDF Board organized training for the NG-CDF committee which was held on 11th to 15th June 2025 to educate them on their duties and responsibilities and their code of conduct.

Number meetings in a year

The Act stipulates that NG-CDFC shall have a maximum of twenty-four meetings per year and not less than twelve including sub-committee meetings. In the financial year 2024/2025, the Masinga NG-CDF committee held 1 meeting as tabulated below.

S/NO	Name	24/06/2025
1.	Stephen Kimeu Kitonyi	√
2.	Monicah Kasiva Muluvi	√
3.	Esther Mbaika	√
4.	Carolyna Nzyimi	√
5.	Stephen Muinde Muange	√
6.	Richard Muteti	√
7.	Rose Mutono Munywoki	√
8.	Samuel Mwangangi Mulwa	√
9.	Daniel Mwaluko	√
10.	Richard Ogwoka	√

Policy on conflict of interest

NG-CDF Act specifies clearly the any member with an interest in the fund shall not participate in a meeting deliberation on the fund is made and shall withdraw in such a meeting or resign from being a committee member. In the financial year 2023/2024, Masinga NG-CDF committee had no issues on conflict of interest.

Members remuneration.

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

Each member shall receive an allowance of ksh.5, 000 and the chair of the constituency fund will receive ksh.7, 000 per sitting. Each member of Masinga NG-CDFC received allowance of Ksh.5,000 with the chair receiving sitting allowances of Ksh.7,000.

Succession plan

Section 43 (10) of the NG-CDF act specifies that whenever a vacancy occurs in the Constituency Committee by reason of resignation, incapacitation or demise of a member the vacancy shall be filled from the same category of persons where the vacancy has occurred within a period of one hundred and twenty days. Masinga NG-CDF committee remained

intact and operational, meaning the succession plan though not activated was inherently compliant with the law.

Member's ethics and conduct

The Act stipulates that members shall be of good conduct and adhere to chapter six of the constitution and shall not have any trial of criminal record. Members shall not indulge in any act in contravention of the act and PFM act which can lead to the loss of funds. The Masinga NG-CDFC members code of conduct was good in the 2023/2024 financial year.

Risk management

It is the responsibility of the members of the committee to be extra vigilant to ensure that risks likely to cause loss of funds are mitigated and proper controls are put in place in the process of implementation of the NG-CDF projects. When implementing projects, Masinga NG-CDF committee ensured that risks likely to cause loss of funds were avoided.

7. Management Discussion and Analysis

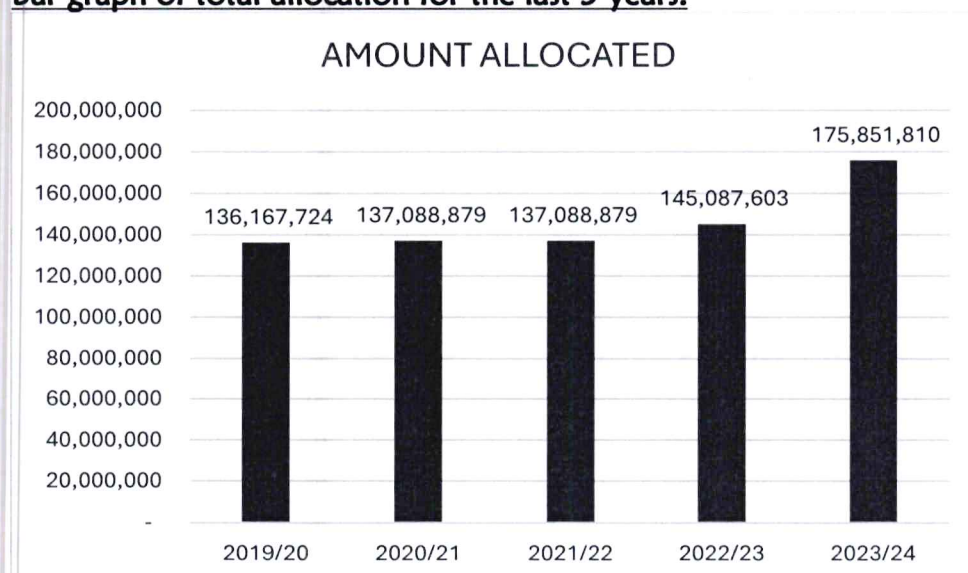
This report presents the operational and financial performance of the Masinga NG-CDF over the past five financial years, key projects undertaken, compliance with statutory requirements, major risks, material arrears, and a review of both the economy and sector. It also outlines future development plans and other relevant information for stakeholders.

Financial Performance

The table below shows the annual allocations received from the National Treasury over the last five years.

No.	FINANCIAL YEAR	AMOUNT ALLOCATED	Percentage of Total
1.	2019/20	136,167,724.14	18.62%
2.	2020/21	137,088,879.00	18.75%
3.	2021/22	137,088,879.00	18.75%
4.	2022/23	145,087,603.00	19.84%
5.	2023/24	175,851,810.00	24.05%
	TOTAL	731,284,895.14	

Bar graph of total allocation for the last 5 years.



Sectoral Allocation

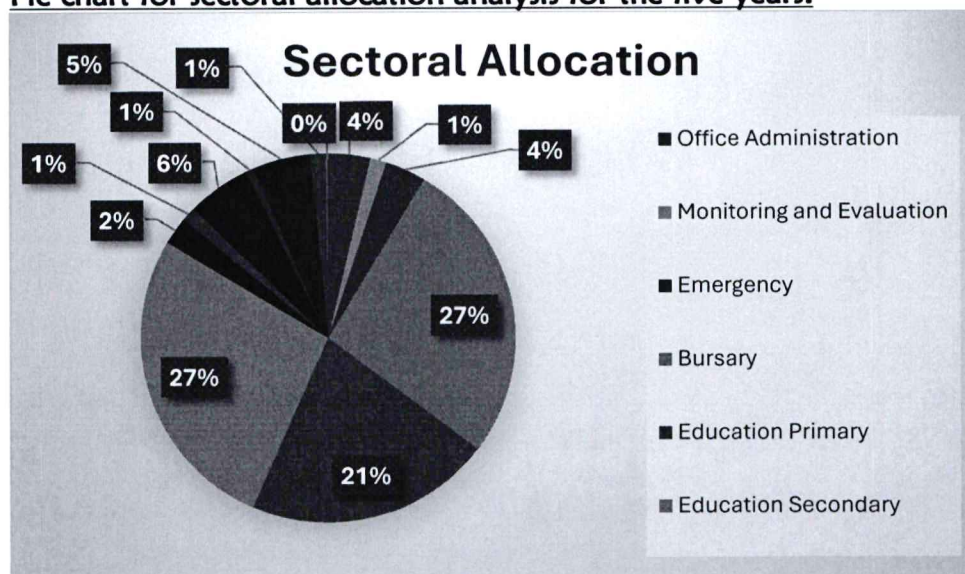
The analysis of sectoral funding indicates that the education sector received the highest allocation, accounting for over 50% of the total funding.

SECTOR	TOTAL FUNDING
Office Administration	26,860,275
Monitoring and Evaluation	10,278,130

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

Emergency	25,756,218
Bursary	195,392,990
Education Primary	155,045,805
Education Secondary	198,578,733
Education Tertiary	17,750,000
Environment	9,187,283
Security	40,493,250
Sports	4,850,679
Others	36,375,264
NHIF Social Security Program	9,684,000
Oversight Committee	1,032,268
TOTAL	731,284,895

Pie chart for sectoral allocation analysis for the five years.



Key Projects Implemented or Ongoing

- ✓ Construction and renovation of classrooms in multiple primary and secondary schools.
- ✓ Provision of bursaries to over 15,000 students over the years.
- ✓ Construction of police posts at Kikumini.
- ✓ Over 100 schools have benefited from the emergency kitty.
- ✓ Construction of dormitories in secondary schools to enhance smooth learning and safety of students.
- ✓ Installation of water tanks and borehole rehabilitation.
- ✓ Sports facilities improvement and youth empowerment programs.

Compliance with Statutory Requirements

The Fund has complied with the Public Finance Management Act and all procurement processes have followed PPRA guidelines. Annual financial statements were submitted to the NG-CDF Board and the Auditor-General within the stipulated timelines. Statutory deductions (NHIF, NSSF, PAYE) were remitted promptly.

Major Risks Facing the Fund

Risk	Potential Impact	Mitigation Measures
Delayed disbursements from National Treasury	Project delays	Early planning and phased implementation
Inflation and rising costs	Budget overruns	Cost control and value engineering
Political interference	Priority shift	Stakeholder engagement
Natural disasters (floods/drought)	Damage to infrastructure	Disaster preparedness measures

Material Arrears in Statutory and Other Financial Obligations

As of 30th June 2024, the Fund had no outstanding statutory arrears.

Review of the Economy

The Kenyan economy recorded average GDP growth of 5% over the review period, with a slowdown during the COVID-19 pandemic. Inflation peaked at 9% in 2022 due to global supply chain disruptions, impacting construction costs. The depreciation of the shilling also contributed to increased import costs for building materials.

Review of the Sector

The education sector experienced significant growth in demand for infrastructure due to the transition to the Competency-Based Curriculum (CBC). Security sector improvements have been prioritized in rural and border areas. The digitization of public procurement processes has enhanced transparency.

Future Developments

- Establishment of ICT centers in four wards.
- Expansion of scholarship programs for vulnerable Secondary and Tertiary students.
- Increase sensitization of the constituents to create awareness on the functions and the impact of NG-CDF.

Conclusion

Masinga NG-CDF has demonstrated consistent performance in both operational and financial management, delivering impactful projects while maintaining statutory compliance. Future initiatives will continue to focus on education, infrastructure, and socio-economic empowerment of the constituency.



.....
Daniel Mwaluko,
Fund Account Manager.

8. Environmental and Sustainability Reporting

Masinga NG-CDF exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, which is founded on social sector, namely, Education & Training, Security Sector Support and Environment. This pillar also makes special provisions for Kenyans with various disabilities and previously marginalized communities.

1. Sustainability strategy and profile -

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

- a. **Education and Training:** Masinga 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

- As part of Environmental Conservation activity and in implementing the Masinga Constituency NG-CDF strategic plan 2022-2026 we embarked on drilling borehole and purchasing ten thousand liters tanks in different primary schools and constructing the tank bases and metallic gutters which will be used in irrigation.
- The NG-CDF staff also participated in planting trees in the financial year 2024/2025 to better the environment and encouraged the members of society to plant more trees.
- The community and the youth were sensitized on the impact of drugs during the public meetings and informed that the security projects constructed are aimed to protect the society from bad character and ensure that the youths are not involved in drug abuse or bad behavior.
- Masinga NG-CDF has constructed many police stations including Kikumini police post and allocated funds for construction of chiefs and sub chiefs' offices including Kyondoni, Nzukini and Milaani. We have also renovated the Deputy County Commissioner's office.

3. Employee welfare

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

Masinga Constituency is committed to fair and ethical market practices.

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

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

NGCDF has put in efforts to ensure:

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

5. Community Engagements-

Masinga 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 in the community through community projects.

Public Participation in Project Identification, Implementation, and Monitoring

Masinga 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 stakeholders concerned 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.

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


.....
Daniel Mwaluko,
Fund Account Manager.

9. Statement Of Management Responsibilities

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

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

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The Accounting Officer in charge of the NGCDF Masinga 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- Masinga Constituency financial statements were approved and signed by the Accounting Officer on 19th August 2025.



.....
Stephen Kimeu Kitonyi
Chairman – NGCDF Committee



.....
Daniel Mwaluko
Fund Account Manager

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
Email: 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 - MASINGA CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2025

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Masinga 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 effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund - Masinga 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), the National Government Constituencies Development Fund Act, 2015 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Misclassification of Expenditure

The statement of financial performance and as disclosed in Note 10 to the financial statements reflect employee costs of Kshs.7,724,787 which includes Kshs.4,228,122 in respect to staff basic salaries. However, review of supporting schedules revealed that the expenditure includes Kshs.398,276 which relates to Pay As You Earn (PAYE) erroneously charged to basic salaries.

In the circumstances, the staff basic salaries expenditure totalling Kshs.4,228,122 is overstated in the financial statements.

2. Unsupported Expenditure

The statement of financial performance and as disclosed in Note 12 to the financial statements reflect use of goods and services totalling Kshs.8,048,403. Included in the amount is Kshs.3,485,095 in respect to training expenses which were not supported with work tickets, attendance registers, back-to-office reports and nominations letters to attend the various trainings. Further, the Fund did not have a Training Needs Assessment Plan to guide on the various training needs of its employees.

In the circumstances, the accuracy and completeness of the training expenses totalling Kshs.3,485,095 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 - Masinga 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 total expenditure of Kshs.176,884,425 against actual receipts of Kshs.271,578,883 resulting in underabsorption of Kshs.94,694,458 or approximately 35% of the actual receipts.

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

My opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. 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 Information

Management is responsible for the Other Information set out on pages iii to xxxii which comprise of Key Constituency Information and Management, NGCDF Committee, NG-CDF Chairman's Report, Statement of Performance Against Pre-Determined Objectives, Governance Statement, Environmental and Sustainability Reporting and Statement of Management Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution and based on the audit procedures performed, except for the effects of the matter described in the Basis for Conclusion on Lawfulness and Effectiveness in the Use of Public Resources section, 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

Delay in Project Implementation

Review of the Project Implementation Status report as at 30 June, 2025 revealed that the Fund allocated Kshs.101,487,494 for the implementation of sixty-four (64) projects. Thirty (30) projects worth Kshs.37,699,535 were completed as at the time of the audit in October, 2025, twenty-nine (29) projects worth Kshs.50,827,992 were ongoing while five (5) projects worth Kshs.12,959,967 had not started as analyzed in **Appendix 1**.

In the circumstances, the constituents of Masinga Constituency did not obtained value for money from the thirty-four (34) incomplete projects totalling Kshs.63,787,959.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related

to going concern and using the going concern basis of accounting unless Management is aware of the intention to cease operations.

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

18 November, 2025

Appendix 1: Project Implementation Status

S.No.	Project Name	Approved Activity	Amount (Kshs.)	Status
A	Ongoing Projects			
1	Masinga Primary	Construction of 12 classrooms	1,825,740	Ongoing
2	Ulutya Primary School	Purchase of water tank	300,000	Ongoing
3	Tumutumumu Primary School	Construction of 3 classrooms; phase 2	1,600,000	Ongoing
4	Ndatani Primary School	Construction of one classroom to completion with tiles	556,097	Ongoing
5	Kwasuvu Primary School	Purchase of water tank	430,000	Ongoing
6	Ngukemwe Primary School	Purchase of water tank	430,000	Ongoing
7	Kwa Kyumbo Primary School	purchase of water tank	350,000	Ongoing
8	Kituneni-Kivaa Primary School	Purchase of water tank	430,000	Ongoing
9	Col. Kiluta Primary School	Purchase of water tank	350,000	Ongoing
10	Lulamba Primary School	Construction of 3 door pit latrine	500,000	Ongoing
11	Mananja Secondary School	Construction of 3 door pit latrine to completion.	500,000	Ongoing
12	Ekalakala Secondary School	Completion of Administration Block	2,347,443	Ongoing
13	Masinga Secondary School	Construction of Administration Block	19,462,113	Ongoing
14	Masaku Secondary School	Construction of a dormitory	2,931,867	Ongoing
15	Ngukemwe Secondary School	Construction of a dormitory	4,000,000	Ongoing
16	Iiani Kivaa Primary School	Block of 5 classrooms	867,583	Ongoing
17	Ielanthe Secondary School	Construction of a dormitory	2,000,000	Ongoing
18	Kathukini Secondary School	Construction of dining hall with a capacity of 80 students Substructure works.	3,000,000	Ongoing
19	St. Michael Secondary	3-door pit latrine for girls	47,050	Ongoing
20	Milaani Police Post	3 door toilets	500,000	Ongoing
21	Milaani Secondary School	Purchase of 10,000 liters water tank, construction of a concrete water base and Purchase of tree planting materials	350,000	Ongoing
22	Kivaa Chiefs Office	Construction of Assistant Chiefs' Office	3,309,567	Ongoing


S.No.	Project Name	Approved Activity	Amount (Kshs.)	Status
23	Kithyoko Assistant Chief Office	Purchase and Planting tree seedlings	80,000	Ongoing
24	Nzukini Assistant Chiefs' office	Construction of 3 door toilet	500,000	Ongoing
25	Kyondoni Assistant Chiefs	Construction of Assistant Chiefs' Office	2,000,000	Ongoing
26	Kitangani Assistant Chief's Office	Purchase of water tank and planting of tree seedlings	430,000	Ongoing
27	Masinga Zonal Education office	Purchase of printers	500,000	Ongoing
28	Masinga DCC office	Renovation of DCC'S office	1,000,000	Ongoing
29	Kathukini Assistant Chiefs Office	Construction of 3 block toilet	230,532	Ongoing
Total Ongoing Projects			50,827,992	
B	Projects not Started			
1	Inyanzaa Primary School	Purchase of water tank	430,000	Not started
2	Kivaa Chiefs Office with ICT Hub and two offices	Additional funds for completion of Chiefs office and a hall to accommodate 200 people, Phase 3 Mechanical works, electrical works, purchase of furniture, Substructure variation works amounting to Kshs.789,635.20 due to sandy soils.	3,309,567	Not started
3	Huduma Jitume Digital Centre	Construction of Huduma Jitume Digital Centre Substructure works.	5,000,000	Not started
4	Mukunga Primary School	Cost of land transfer 2 acreages. Processing fees for tile deed	220,000	Not started
5	Kwa Wanzilu Secondary School	Construction of dining hall with a capacity of 900 students' and library block comprising of 156 students Phase 1 Sub-Structure works.	4,000,000	Not started
Total Projects not Started			12,959,567	


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

	Note	2024/2025
		Kshs
Revenue from non-exchange transactions		
Transfers from the NGCDF Board	6	179,441,954
Transfers from domestic and foreign partners	7	-
Revenue from exchange transactions		
Finance income	8	-
Miscellaneous income	9	4,547,309
Total revenue		183,989,263
Expenses		
Employee costs	10	7,724,787
Committee expenses	11	1,118,700
Use of Goods and Services	12	8,048,403
Other Government Units Actual expenditure	13	76,705,523
Other Grants and Transfers Actual expenditure	14	92,370,075
Depreciation and amortization expense	15	-
Digital Hubs Expenses Actual expenditure	16	-
Total expenses		185,967,488
Other gains/losses)		
Gain/Loss on Sale of Assets	17	-
Impairment loss	18	-
Surplus/Deficit) for the year		(1,978,225)

The Constituency financial statements were approved by the NGCDFC on 19th August 2025 and signed by:


Chairman NG-CDF
Committee
Stephen Kitonyi


National Sub-County
Accountant
Joseph Kimani
ICPAK M/No:15376


Fund Account Manager
Daniel Mwaluko

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

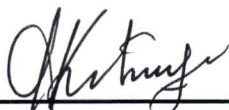
12. Statement Of Financial Position As At 30th June, 2025

	Note	2024/2025	Opening Statement 1st July 2024
		Kshs	Kshs
Assets			
Current Assets			
Cash And Cash Equivalents	19	94,694,458	58,529,278
Receivables from Exchange Transactions	20	-	-
Receivables from Non-Exchange Transactions	21	7,529,567	40,932,218
Prepayments	22	171,646	161,063
Total Current Assets		102,395,672	99,622,559
Non-Current Assets			
Property, Plant and Equipment	23	-	-
Intangible Assets	24	-	-
Right-of-use assets	25	-	-
Total Non- Current Assets		-	-
Total Assets (A)		102,395,672	99,622,559
Liabilities			
Current Liabilities			
Trade and Other Payables	26	-	-
Third Party Deposits	27	6,372,117	2,872,621
Lease Liabilities	28	-	-
Gratuity Provision	29	2,242,633	990,791
Total Current Liabilities		8,614,750	3,863,412
Non-Current Liabilities			
Lease Liabilities	28	-	-
Total Liabilities (B)		8,614,750	3,863,412
Net Assets (A-B)		93,780,922	95,759,147
Represented by:			
Revaluation Reserves		93,780,922	95,759,147

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Accumulated Surplus			
Total Net Assets		93,780,922	95,759,147

The Constituency financial statements set out on pages 1 to 21 approved by NG CDFC on 19th August 2025 and signed by:



Chairman NG-CDF
Committee
Stephen Kimeu



National Sub-County
Accountant
Joseph Kimani
ICPAK M/No:15376



Fund Account Manager
Daniel Mwaluko

National Government Constituencies Development Fund (NGCDF)
Masinga Constituency
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13. Statement of Changes in Net Assets for the year ended 30 June 2025

Description	Revaluation Reserves	Accumulated surplus/Deficit	Total
		Kshs	Kshs
Fund Balance as at 30th June 2024	47,727,073	-	47,727,073
Adjustments			
Recognition of Assets	50,904,695		50,904,695
Recognition of Liabilities	2,872,621		2,872,621
As at July 1, 2024	95,759,147		95,759,147
Surplus/(Deficit) For the Period	(1,978,225)		(1,978,225)
Revaluation Gain/Loss	-	-	-
As at June 30, 2025	93,780,922	-	93,780,922

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

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

	Notes	2024/2025
		Kshs
Cash flows from operating activities		
Receipts		
Transfers from the NGCDF Board		212,844,605
Transfers from domestic and foreign partners		-
Finance income		-
Miscellaneous income		205,000
Total Receipts		213,049,605
Payments		
Employee costs		6,472,945
Committee expenses		1,118,700
Use of Goods and Services		8,058,987
Other Government Units Certified Works		68,666,656
Other Grants and Transfers		88,467,137
Acquisition of assets		4,100,000
Total Payments		176,884,425
Net Cash Flows from/ (used in) Operating Activities	30	36,165,180
Cash flows From Investing Activities		-
Purchase of PPE		-
Purchase of Intangible assets		-
Proceeds From Sale of PPE		-
Net Cash Flows from Investing Activities		-
Net increase/(decrease) in cash & Cash equivalents		
Cash Flows from Financing Activities		
Lease Payment		

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Net Cash Flows from Financing Activities		36,165,180
Cash and cash equivalents at 1 July	19	58,529,278
Cash and cash equivalents at 30 June	19	94,694,458



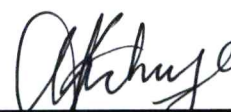
Fund Account Manager

Daniel Mwaluko



National Sub-County
Accountant

Joseph Kimani
ICPAK M/No: 15376



Chairman NG-CDF
Committee

Stephen Kimeu

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

	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilization
	Kshs	Kshs		Kshs	Kshs	Kshs	
	a	b		C=(a+b)	d	e=(c-d)	f=d/c*100
	2024/2025	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements	2024/2025	2024/2025		
Revenue							
Transfers From the NGCDF Board	179,441,954	58,734,278	40,932,318	279,108,550	271,578,883	7,529,667	97%
Transfers from domestic and foreign partners	-	-	-	-	-	-	
Finance income	-	-	-	-	-	-	
Miscellaneous income	-	205,000		205,000		205,000	
Totals	179,441,954	58,939,278	40,932,318	279,313,550	271,578,883	7,734,667	97%
Expenses							
Employee costs	7,386,877	2,514,506	-	9,901,383	6,472,945	3,428,438	65%
Committee expenses	2,859,501	-	-	2,859,501	1,118,700	1,740,801	39%
Use of Goods and Services	4,903,397	3,334,824	-	8,238,221	8,058,987	179,234	98%
Other Government Units Certified Works	70,321,599	29,874,334	36,567,318	136,763,251	76,139,405	60,623,847	56%

National Government Constituencies Development Fund (NGCDF)
Masinga Constituency
Annual Report and Financial Statements for The Year Ended June 30, 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		
Other Grants and Transfers	92,638,564	21,350,723	-	113,989,288	80,994,388	32,994,899	71%
Acquisition of assets	832,016	1,157	4,365,000	5,198,173	4,100,000	1,098,173	79%
Digital Hubs Expenses	-	-	-	-	-	-	
Others	500,000	1,620	-	501,620	-	501,620	
Funds Pending Approval**	-	1,657,114	-	1,657,114	-	1,657,114	
Total Expenditure	179,441,954	58,734,278	40,932,318	279,108,550	176,884,425	102,224,126	63%
Surplus for the period							




Explanatory Notes.

ITEM	PERCENTAGE	REMARKS
TRANSFERFROM NG-CDF BOARD	97%	The underutilized funds forms 3% of funds disbursed from the NG-CDF Board at the closure of the financial year.
COMPENSATION OF EMPLOYEES	65%	The underutilized funds forms 35% of employee's salaries to be paid in the month of July and august.
COMMITTEE EXPENSES	39%	The underutilized funds forms part of 61% of M&E allowances and committee sitting allowances not yet paid.
TRANSFER TO OTHER GOVT UNITS	56%	The underutilized funds form 44% of primary, Junior secondary, secondary schools and Tertiary projects not yet paid due to late disbursement of the fund from the board.
OTHER GRANTS AND TRANSFERS	71%	The underutilized funds form 29% Bursary, security, climate change and emergency funds not yet utilized due to late disbursement of the fund from the board.
ACQUISITION OF ASSETS	79%	The underutilized funds form 21%. of funds for the construction of NG-CDF office store/security room.
OTHER PAYMENTS	0.00%	Funds allocated for the payment of zonal office furniture not yet disbursed.
FUNDS PENDING APPROVAL.	0.0%	Funds as a result of PMC bank balances and sell of tender documents not yet approved by the NG-CDF Board.

*National Government Constituencies Development Fund (NGCDF)
Masinga Constituency
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Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	102,224,126
Less undisbursed funds receivable from the Board as of 30 th June 2025	7,529,667
Cash and Cash Equivalents at the end of the 30 th of June 2025	94,694,458

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Constituency financial statements were approved by NG CDFC on 19th August 2025 and signed by:

 _____	 _____	 _____
Fund Account Manager	National Sub-County Accountant	Chairman NG-CDF Committee
Daniel Mwaluko	Joseph Kimani ICPAK M/No: 15376	Stephen Kimeu

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

Programme/Sub-programme	Original Budget 2024/2025	Adjustments		Final Budget 2024/2025	Actual on comparable basis 2024/2025	Budget utilization difference 2024/2025
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent						
Compensation of employees	7,386,877	1,523,715		8,910,592	6,472,945	2,437,647
Gratuity		990,791		990,791		990,791
Committee allowances	1,184,874			1,184,874	746,000	438,874
Use of goods and services	2,194,766	1,611,786		3,806,552	3,628,540	178,012
Sub-total	10,766,517	4,126,292	-	14,892,809	10,847,485	4,045,324
2.0 Monitoring and evaluation						
Capacity building	1,000,000	-		1,000,000		1,000,000
Committee allowances	674,627			674,627	372,700	301,927
Use of goods and services	2,708,631	1,723,038		4,431,669	4,430,447	1,222
Sub-total	4,383,258	1,723,038	-	6,106,296	4,803,147	1,303,149
3.0 Emergency						
Kathini P.S	225,431	273,554		498,985	491,285	7,700
Tumutumu P.S	500,000			500,000	412,038	87,962
Tumutumu P.S	500,000			500,000	412,153	87,847
Greenhill P.S	500,000			500,000	412,299	87,701

National Government Constituencies Development Fund (NGCDF)
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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	2024/2025			2024/2025	2024/2025	2024/2025
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Kivuthi P.S	950,000			950,000	902,934	47,066
Kivuthi P.S	368,882			368,882	351,579	17,303
Mikuyu PS	500,000			500,000	473,935	26,065
Vondeni PS	500,000			500,000	470,656	29,344
Mikuyu PS	500,000			500,000	474,414	25,586
Masaku Secondary school	500,000			500,000	474,905	25,095
Kithyok Ss	900,000			900,000	810,212	89,788
Musumaa SS	950,000			950,000	902,327	47,673
Masinga TVC	950,000			950,000	903,466	46,534
Masinga TVC	1,100,000			1,100,000	1,045,644	54,356
Kathukini ass. Chief's office	500,000			500,000	243,425	256,576
Sub-total	9,444,313	273,554	-	9,717,867	491,285	936,596
4.0 Bursary and Social Security						
4.2 Secondary Schools	44,804,684	2,500,000		47,304,684	42,816,716	4,487,968
4.3 Tertiary Institutions	23,000,000	10,813,729		33,813,729	32,159,132	1,654,597
Sub-total	67,804,684	13,313,729	-	81,118,413	74,975,848	6,142,565
5.0 Climate Change Mitigation						

National Government Constituencies Development Fund (NGCDF)
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Programme/Sub-programme	Original Budget 2024/2025	Adjustments		Final Budget 2024/2025	Actual on comparable basis 2024/2025	Budget utilization difference 2024/2025
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Masinga NG-CDF Office		80,000		80,000	80,000	-
Musingini Sec		430,000		430,000	430,000	-
Kithyoko Ass chief		80,000		80,000	75,575	4,425
Milaani Secondary School	350,000			350,000	-	350,000
Kitangani Assistant Chief's office	430,000			430,000	-	430,000
Musingini Assistant Chief's office	430,000			430,000	-	430,000
Kithyoko Zonal Education office	430,000			430,000	-	430,000
Inyanzaa primary school	430,000			430,000	-	430,000
Ngukemwe primary school	430,000			430,000	-	430,000
Kavwea Primary School	430,000			430,000	-	430,000
Kwa Kyumbo Primary School	350,000			350,000	-	350,000
Kituneni Kivaa Primary school	430,000			430,000	-	430,000
Col. Kiluta Primary School	350,000			350,000	-	350,000
Kwasuvu Primary School	430,000			430,000	-	430,000
Tulimyumbu Seasonal River	540,000			540,000	-	540,000
Sub-total	5,030,000	590,000	-	5,620,000	585,575	5,034,425

National Government Constituencies Development Fund (NGCDF)
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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	2024/2025			2024/2025	2024/2025	2024/2025
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
6.0 Primary Schools Projects						
Mikuyu Primary school	1,155,719			1,155,719		1,155,719
kwambo primary school		106,182		106,182	106,182	-
Kangonde primary school		14,633		14,633	14,633	-
Kitangani primary school		18,975		18,975	18,975	-
Uvaini primary school		122,997		122,997	122,997	-
katisaa primary school		50,191		50,191	50,191	-
Miangeni primary school		13,419		13,419	12,174	1,245
Kavwea primary school		125,229		125,229	124,933	296
Muambani primary school		126,238		126,238	126,238	-
Kiseuni primary school		44,503		44,503	44,065	438
Kyangosi primary school		27,487		27,487	26,886	601
Mikameni primary school		498,985		498,985	498,347	638
Kawethei primary school		498,985		498,985	452,744	46,241
Kithambioni primary school		498,985		498,985	498,558	427
Wambo P.S		94,020		94,020	92,187	1,833
Kanguu primary school		10		10	10	-
Kanguu primary school		10		10	10	-
Kyuasini primary school		10		10	10	-

National Government Constituencies Development Fund (NGCDF)
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Programme/Sub-programme	Original Budget 2024/2025	Adjustments		Final Budget 2024/2025	Actual on comparable basis 2024/2025	Budget utilization difference 2024/2025
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Kamuthumba primary school		100		100	100	-
Kathui primary school		100		100	100	-
Iiani Kivaa Primary School		100		100	100	-
Ulutya primary		300,000		300,000	286,509	13,491
Kwasuvu Primary		607,152		607,152	582,870	24,282
Utithini Primary		300,000		300,000	287,534	12,466
Tulimyumbu Primary		308,000		308,000	307,000	1,000
Tumutumu primary	1,600,000		2,000,000	3,600,000	2,000,000	1,600,000
St. Michael primary			1,300,000	1,300,000	1,236,729	63,271
Kikule primary			1,300,000	1,300,000	1,170,972	129,028
Tana ranch primary			1,300,000	1,300,000	1,235,673	64,327
Greenhill Primary			1,300,000	1,300,000	1,057,496	242,504
Musumaa Primary			1,300,000	1,300,000	1,171,737	128,263
Katulye Primary			1,300,000	1,300,000	1,104,993	195,007
Eendei Primary			1,300,000	1,300,000	1,012,942	287,058
Kikomba Primary			1,300,000	1,300,000	1,236,180	63,820
Kawethei Primary			1,300,000	1,300,000	1,235,375	64,625
Kyangosi Primary			1,300,000	1,300,000	1,235,341	64,659
Mathauta Primary			1,300,000	1,300,000	1,236,556	63,444

National Government Constituencies Development Fund (NGCDF)
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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	2024/2025			2024/2025	2024/2025	2024/2025
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Mikuyu Primary			1,200,000	1,200,000	1,191,266	8,734
Kasuvilo Primary			1,300,000	1,300,000	1,096,024	203,976
Matema Primary			1,207,583	1,207,583	524,735	682,848
Muambani Primary			1,200,000	1,200,000	1,024,292	175,708
Katisaa Primary			1,200,000	1,200,000	1,081,163	118,837
Ndatani Primary School	2,000,000			2,000,000	-	2,000,000
Kavwea Primary School	1,500,000			1,500,000	-	1,500,000
Mukunga Primary School	220,000			220,000	-	220,000
Katothya Primary School	500,000			500,000	-	500,000
Kiambani Primary School	2,500,000			2,500,000	-	2,500,000
Katulye Primary School	2,500,000			2,500,000	-	2,500,000
Lulamba Primary School	500,000			500,000	-	500,000
Misuuni Primary School	3,000,000			3,000,000	1,025	2,998,975
Wendano Primary school	7,009,230			7,009,230	-	7,009,230
Mwatungo Primary school	1,230,589			1,230,589	-	1,230,589
Iiani- Kivaa Primary School	867,583			867,583	-	867,583
Ekalakala Primary School	2,347,443			2,347,443	-	2,347,443
Kituneni Primary School	2,527,262			2,527,262	-	2,527,262
Kaonyweni Primary School	1,168,524			1,168,524	-	1,168,524

National Government Constituencies Development Fund (NGCDF)

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Programme/Sub-programme	Original Budget 2024/2025	Adjustments		Final Budget 2024/2025	Actual on comparable basis 2024/2025	Budget utilization difference 2024/2025
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Masinga Primary School	1,825,740			1,825,740	-	1,825,740
Sub-total	31,296,371	3,756,310	22,407,583	57,460,264	23,505,851	35,110,132
7.0 Secondary Schools Projects						
Masaku Secondary School	2,068,133			2,068,133		2,068,133
Ielanthe secondary school		307,073		307,073	307,073	-
Ngukemwe secondary school		49,515		49,515	49,515	-
Musingini secondary school		572,560		572,560	572,465	95
Masaku secondary school		13,379		13,379	13,379	-
Kikule secondary school		15,180		15,180	15,180	-
kasuvilo secondary school		14,397		14,397	14,397	-
Kivaa secondary school		170,707		170,707	170,065	642
Ngukemwe secondary school		49,515		49,515	49,486	29
Iiani secondary school		54,673		54,673	5,857	48,816
ST.Stephen musumaa sec		96		96	-	96
Eendei Secondary School	1,400,000		2,915,746	4,315,746	4,181,173	134,573
Ekalakala Sec		900,000		900,000	898,831	1,169
Mananja Sec		500,000		500,000	387,715	112,285
Kitangani Secondary		4,800,000		4,800,000	4,798,969	1,031

National Government Constituencies Development Fund (NGCDF)
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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	2024/2025			2024/2025	2024/2025	2024/2025
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Kikumini sec			4,963,000	4,963,000	4,467,796	495,204
Kathui sec	1,062,308	6,259,308		7,321,616	5,634,777	1,686,839
Mikuyuni Sec	668,940		2,478,413	3,147,353	1,777,698	1,369,655
Ekalakala sec			2,969,264	2,969,264	2,821,123	148,141
St. Michael Secondary School	500,000			500,000	-	500,000
Masaku Secondary School	2,931,867	66,714		2,998,581	2,001,419	2,998,581
Ngukemwe Secondary School	3,216,262			3,216,262	1,911,468	4,088,542
Kwawanzilu Secondary School	4,000,000			4,000,000	-	4,000,000
Kathukini Secondary School	3,783,738			3,783,738	3,718,447	65,291
Masinga Girls Secondary School	19,462,113	11,932,701		31,394,814	17,591,536	17,393,813
Ielanthi Secondary School	2,000,000			2,000,000	-	2,000,000
Sub-total	39,025,228	25,705,818	13,326,423	78,057,469	51,388,369	37,112,935
8.0 Tertiary institutions Projects						
Masinga Technical and vocational college		412,206	833,312	1,245,518	1,245,185	333
Sub-total	-	412,206	833,312	1,245,518	1,245,185	333
9.0 Security Projects						

National Government Constituencies Development Fund (NGCDF)

Masinga Constituency

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Programme/Sub-programme	Original Budget 2024/2025	Adjustments		Final Budget 2024/2025	Actual on comparable basis 2024/2025	Budget utilization difference 2024/2025
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
kikumini police post		462,200		462,200	462,200	-
Mikuyuni asst chiefs office		188,083		188,083	188,083	-
Deputy County Commissioners Office	1,000,000			1,000,000	-	1,000,000
Kiatineni police post		500,010		500,010	473,921	26,089
Milaani police post		500,000		500,000	-	500,000
Thatha ass. Chief		150,000		150,000	995	149,005
Mananja Chief's office	500,000			500,000	-	500,000
Kivaa Chief's Office with ICT Hub and two offices	3,309,567	3,373,148		6,682,715	1,821,892	1,551,256
Kyondoni Assistant Chief's Office	550,000			550,000	-	550,000
Kyondoni Assistant Chief's Office	2,000,000	1,000,000		3,000,000	999,298	2,000,703
Nzukini Assistant Chief's Office	2,000,000	1,000,000		3,000,000	995,292	2,004,708
Nzukini Assistant Chief's Office	500,000			500,000	-	500,000
Nzukini Assistant Chief's Office	500,000			500,000	-	500,000
Sub-total	10,359,567	7,173,440	-	17,533,007	4,941,680	9,281,761

*National Government Constituencies Development Fund (NGCDF)
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Programme/Sub-programme	Original Budget 2024/2025 Kshs	Adjustments		Final Budget 2024/2025 Kshs	Actual on comparable basis 2024/2025 Kshs	Budget utilization difference 2024/2025 Kshs
		Opening Balance (C/Bk) and AIA Kshs	Previous Years' Outstanding Disbursements Kshs			
10.0 Acquisition of assets						
10.1 Motor Vehicles (including motorbikes)			500,000	500,000	500,000	-
Purchase of furniture		1,157		1,157	-	1,157
10.2 Construction of CDF office	832,016			832,016	-	832,016
NG-CDF Office Notice Board			265,000	265,000		265,000
NG-CDF Office borehole			3,600,000	3,600,000	3,600,000	-
Sub-total	832,016	1,157	4,365,000	5,198,173	4,100,000	1,098,173
11.0 Digital Hubs						
Sub total						
12.0 Others						
Sub County Education Office	500,000.00	-	-	500,000	-	500,000
Strategic Plan		1,620.00	-	1,620	-	1,620
Sub total	500,000	1,620	-	501,620	-	501,620
13.0 Funds pending approval**						
unapproved projects				-		-
PMC Savings		1,452,114		1,452,114		1,452,114

National Government Constituencies Development Fund (NGCDF)

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Programme/Sub-programme	Original Budget 2024/2025	Adjustments		Final Budget 2024/2025	Actual on comparable basis 2024/2025	Budget utilization difference 2024/2025
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
AIA	-	205,000		205,000		205,000
Sub-total	-	1,657,114	-	1,657,114	-	1,657,114
Total	179,441,954	58,734,278	40,932,318	279,108,550	176,884,425	102,224,126

17. Notes to the Financial Statements

1. General information

The National Government Constituencies Development Fund (NG-CDF) formerly Constituencies Development Fund (CDF), is established by and derives its authority and accountability from the NG-CDF Act 2015 (amended 2023). The NG-CDF is wholly owned by the Government of Kenya and is domiciled in Kenya. The NG-CDF Masinga Constituency principal activity is to plan, finance, and implement development projects and programs within Masinga Constituency in line with the NG-CDF Act.

2. Statement of Compliance and Basis of Preparation

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

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

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

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

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

3. Adoption of New and Revised Standards

(When an IPSAS becomes effective on 1st January 2024, it is applicable in Kenya from 1st July 2024)

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

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

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

Standard	Effective date and impact:
IPSAS 43: Leases	<p>Applicable 1st January 2025</p> <p>The standard sets out the principles for 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> <p>The new standard requires entities to recognize, measure and present information on right of use assets and lease liabilities.</p> <p>This IPSAS is not applicable to the constituency this financial year.</p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p>Applicable 1st January 2025</p> <p>The Standard requires,</p> <p>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:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p> <p>This IPSAS is not applicable to the constituency this financial year.</p>
IPSAS 45: Property Plant	<p>Applicable 1st January 2025</p>

and Equipment	<p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p> <p>This IPSAS is applicable from 1st July 2025</p>
IPSAS 46: Measurement	<p>Applicable 1st January 2025</p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS. iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p>This IPSAS is applicable from 1st July 2025</p>
IPSAS 47: Revenue	<p>Applicable 1st January 2026</p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p>

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

iii. Early adoption of standards

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

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Sale of goods

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

Interest income

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

Rental income

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

b) Budget information

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

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

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

c) Property, plant and equipment

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

d) Leases

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

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

e) Intangible assets

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

f) Financial instruments

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

a) Financial assets

Classification of financial assets

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

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

Trade and other receivables

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

Fair value through surplus or deficit

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

Impairment

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

b) Financial liabilities

Classification

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

g) Inventories

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

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

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

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

h) Provisions

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

i) Social Benefits

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

j) Contingent liabilities

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

k) Contingent assets

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

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

l) Employee benefits

Retirement benefit plans

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

m) Foreign currency transactions

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

n) Related parties

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

o) Cash and Cash Equivalents

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

p) Comparative figures

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

q) Subsequent events

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

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

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

Useful lives and residual value

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

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

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. Masinga NG-CDF does not operate any provisions.

6. Transfers from the NGCDF Board

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

7. Transfers from domestic and foreign partners

Description	2024/2025
	Kshs
Grants	-
Total	-

8. Finance income

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

(Provide a brief explanation for this revenue)

9. Miscellaneous income

	2024/2025
	Kshs
Rental Income	-
Income from sale of tenders	205,000
Hire of plant/equipment/facilities	
Other Income Not Classified Elsewhere (Closure of PMC accounts)	4,342,309
Total	4,547,309

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10. Employees cost

	2024/2025
	Kshs
NG-CDFC Basic staff salaries	4,228,122
Personal allowances paid as part of salary	-
House Allowance	744,000
Transport Allowance	648,000
Leave allowance	50,000
Gratuity to contractual employees	1,251,842
Employer Contributions Compulsory national social security schemes	501,468
Employer Contributions Compulsory Housing levy	136,994
Employer contributions to National Industrial Training Authority	7,850
Other Specify (NHIF/SHA)	156,511
Total	7,724,787

11. Committee Expenses

	2024/2025
	Kshs
Sitting allowance	746,000
Other Committee expenses	372,700
Total	1,118,700

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12. Use of Goods and services

	2024/2025
	Kshs
Utilities, supplies and services	87,863
Communication, supplies and services	154,769
Domestic travel and subsistence	2,293,750
Printing, advertising and information supplies & services	21,000
Office Rent	-
Training expenses	3,485,095
Hospitality supplies and services	101,610
Insurance costs	257,155
Specialized materials and services	-
Office and general supplies and services	994,965
Fuel, oil & lubricants	400,000
Bank charges	24,352
Routine maintenance – vehicles and other transport equipment	122,844
Routine maintenance – other assets	-
Strategic plan expenses	-
Other operating expenses	105,000
Total	8,048,403

13. Other Government Units Actual expenditure

Description	2024/2025
	Kshs
Primary Schools Actual expenditure	24,426,029
Secondary Schools Actual expenditure	51,034,309
Tertiary Institutions Actual expenditure	1,245,185
Total	76,705,523

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14. Other Grants and transfers Actual expenditure

	2024/2025
	Kshs
Bursary – secondary schools	42,816,716
Bursary – tertiary institutions	32,159,132
Bursary – special schools	-
Bursary - Education Support programs	-
Social Security programs (SHIF)	-
Security projects Actual expenditure	4,237,000
Climate change mitigation projects	-
Emergency projects Actual expenditure	9,364,465
Roads projects Actual expenditure	-
Others specify	3,792,762
Total	92,370,075

15. Depreciation and Amortization Expenses

Description	2024/2025
	Kshs
Property Plant and Equipment	-
Intangible Assets	-
Total	-

16. Digital Hubs Expenses

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

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17. Gain/loss on Sale of Assets

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

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

18. Impairment Loss

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

(Provide brief explanation on assets impairment loss)

19. Cash and Cash Equivalent

Name Of Bank and Account No.	2024/2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Bank Accounts (Cash Book Bank Balance)		
KCB Bank, Matuu Branch Account No. 1105310906, (Operations account)	36,836,058	47,727,073
Operations account pending closure (Indicate name & account no.)	-	
Equity Bank Kenya, A/C no.0390285315838 Matuu Branch. (Deposit account)	2,242,633	990,791
KCB Bank, Matuu Branch (PMC accounts)	55,615,768	9,811,414
Total	94,694,458	58,529,278
Cash Balances		
Location 1	-	-
Location 2	-	-
Other Locations (Specify)	-	-
Total	-	-
[Provided Cash Count Certificates for Each]		

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

20. Receivables from Exchange Transactions

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

i. Ageing Analysis for Receivables

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

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21. Receivables from Non-Exchange Transactions

Description	2024/2025		Opening Statement 1 st July 2024	
	Kshs		Kshs	
Transfers from NGCDFB	7,529,567		40,932,218	
Outstanding imprest	-		-	
Total	7,529,567		40,932,218	
Ageing Analysis- Receivables from non-exchange transactions	2024/2025	% of the total	Opening Balance	% of the total
Less than 1 year	7,529,567	100%	40,932,218	100%
Between 1-2 years	-	%	-	%
Over 3 years	-	%	-	%
Total	7,529,567	100%	40,932,218	100%

22. Prepayments

Description	2024/2025		Opening Statement 1 st July 2024	
	Kshs		Kshs	
Prepaid Rent	-		-	
Prepaid Insurance	171,646		161,063	
Prepaid Electricity Costs	-		-	
Other Prepayments (Specify)	-		-	
Total	171,646		161,063	

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23. Property, Plant and Equipment

	Land	Buildings	Motor vehicles	Furniture and fittings	Computers & ICT Equipment	Other Assets (specify)	Capital Work in progress	Total
Depreciation Rate(specify)		2%	25%	12.5%	30%	x%		
Cost	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Opening Bal as 1st July 2024	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-	-	-	-
As At 30th June 2025	-	-	-	-	-	-	-	-
Depreciation And Impairment								
Opening Depreciation	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-	-	-
As At 30th June 2025	-	-	-	-	-	-	-	-
Net Book Values								
Opening Bal as at 1st July 2024	-	-	-	-	-	-	-	-
As At 30th June 2025	-	-	-	-	-	-	-	-

Valuation

Land and buildings/ Equipment are yet to be valued in line with the National Assets and Liabilities Management Policy and Guidelines (Issued 30th June 2020). And therefore not recognized in the current years financial statements.

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	19,811,625	-	19,811,625
Plant And Machinery	454,200	-	454,200
Motor Vehicles, Including Motorcycles	10,174,400		10,174,400
Computers And Related Equipment	1,327,504	-	1,327,504
Office Equipment, Furniture, And Fittings	4,812,190		4,812,190
Total	36,579,919	-	36,579,919

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

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

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24. Intangible Assets

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

25. Right-of use assets

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

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26. Trade and Other Payables

Description	2024/2025		Opening Statement 1 st July 2024	
	Kshs		Kshs	
Trade payables	-		-	
Employee payables	2,242,633		990,791	
Other payables	-		-	
Total trade and other payables	2,242,633		990,791	
Aging analysis: (Trade and other payables)	2024/2025	% of the Total	1 st July	% of the Total
Under one year	-	%	-	%
1-2 years	2,242,633	100%	990,791	100%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total (tie to above total)	2,242,633	100	990,791	100

27. Third-Party deposits

	2024/2025
	Kshs
Retention as at 1 st July (A)	2,872,621
Retention held during the year (B)	7,654,975
Retention paid during the Year (C)	(4,155,479)
Closing Retention as at 30th June D= A+B-C	6,372,117

Retentions aging analysis.

	2024/2025	% of the total	2023/2024	% of the total
Less than 1 year	6,372,117	100%	2,872,621	100%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total	6,372,117	100%	2,872,621	100%

28. Lease Liabilities

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

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Maturity Analysis

Period	Amount
Year 1	-

Analysed as:

Description	Amount
Current	-
Non- Current	-
Total	-

29. Gratuity Provision

Description	2024/2025
	Kshs
Gratuity at the beginning of the year 1 st of July 2024	990,791
Gratuity held during the year	1,251,842
Gratuity paid during the year	
Total Gratuity Provision 30th June 2025 (A+B-C)	2,242,633.00

30. Cash Generated from Operations

	2024/2025
	Kshs
Surplus/Deficit for the year	(1,978,225)
Adjusted for:	
Depreciation	-
Impairment	-
Gains and losses on disposal of assets	-
	-
Working capital adjustments	-
Changes in receivables	(33,392,067)
Changes in Third party deposits	(3,499,496)
Changes in gratuity provision	(1,251,842)
	-
Net cash flow from operating activities	36,165,180

31. Financial Risk Management

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

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, 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 of 30th June 2025,				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	7,529,567	7,529,567	-	-
Bank balances	94,694,458	94,694,458	-	-
Total	102,224,025	102,224,025	-	-
As of 30 June 2024,				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	40,932,218	40,932,218	-	-
Bank balances	47,727,073	47,727,073	-	-
Total	88,659,291	88,659,291	-	-

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

ii) Liquidity risk management

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
As of 30th June 2025,				
Trade payables	-	-	-	-
Current proportion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Gratuity Provision	-	-	1,251,842	1,251,842
Total	-	-	1,251,842	1,251,842
As of 30th June 2024				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Gratuity provision	-	-	990,791	990,791
Total	-	-	990,791	990,791

iii) Market risk

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

a) Foreign currency risk

The Entity has no transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid 30 days after the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate. The Entity manages foreign exchange risk form future commercial transactions and recognized assets and liabilities by projecting for expected sales proceeds and matching the same with expected payments.

Financial Risk Management

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

Description	Change in currency rate	Effect on Profit before tax	Effect on Equity/Net assets
	Kshs	Kshs	Kshs
Current FY			
Euro	10%	-	-
USD	10%	-	-
Previous FY			
Euro	10%	-	-
USD	10%	-	-

b) Interest rate risk

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

Management of interest rate risk

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

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

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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.

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	Opening Statement 1 st July 2024
	Kshs	Kshs
Revaluation Reserve	95,759,147	95,759,147
Retained Earnings	(1,978,225)	-
Capital Reserve	-	-
Total Funds	93,780,922	95,759,147
Total Borrowings	-	-
Less: Cash and Bank Balances	94,694,458	58,529,278
Net Debt/(Excess Cash And Cash Equivalents)	(913,536)	37,229,869
Gearing	0%	0%

32. Related Party Disclosures

	2024/2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Committee Members Remuneration		
Sitting allowance of committee Members during the year	1,118,700	-
Transaction with the NGCDF Board		
Transfers from the NGCDF Board during the year	212,844,605	
Total	213,963,305	

33. Contingent Assets and Contingent Liabilities

Contingent Assets

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

Contingent Liabilities

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

34. Capital Commitments

Capital Commitments	2024/2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Authorised for	-	-
Authorised and contracted for	-	-
Total	-	-

35. Events after the Reporting Period

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

36. Ultimate And Holding Entity

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

37. Currency

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

18. Annexes

Annex 1: Summary of Asset Register

Asset class	Historical Cost/valuation cost balance brought forward (Kshs)	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) At Year End
Land	-			-
Buildings and structures	19,811,625			19,811,625.00
Transport equipment	10,174,400			10,174,400.00
Office equipment, furniture, and fittings	4,812,190			4,812,190.00
ICT Equipment and Other ICT Assets	1,327,504			1,327,504.00
Other Machinery and Equipment	454,200			454,200.00
Intangible assets				
Total	36,579,919			36,579,919

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

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

PMC	Bank	Account number	Bank Balance 2024-2025	<i>Opening Statement 1st July 2024</i>
kikumini police post	KCB-Matuu	1285229940		462,200
lelanthi secondary school	KCB-Matuu	1293693154		307,073
Ngukemwe secondary school	KCB-Matuu	1324249536		49,515
musingini secondary school	KCB-Matuu	1293638110		572,560
kwasuvu primary school	KCB-Matuu	1293692956		26,752
kwambo primary school	KCB-Matuu	1285939778		106,182
Kangonde primary school	KCB-Matuu	1317307798		14,633
Masaku secondary school	KCB-Matuu	1317277333		13,379
Kitangani primary school	KCB-Matuu	1318495296		18,975
Kikule secondary school	KCB-Matuu	1317137477		15,180
kasuvilo secondary school	KCB-Matuu	1317016467		14,397
Uvaini primary school	KCB-Matuu	1317137604		122,997
katisaa primary school	KCB-Matuu	1318370361		50,191
Masinga Girls school	KCB-Matuu	1317425170	8,398,649	3,999,415
Mikuyuni asst chiefs office	KCB-Matuu	1285351991		188,083
kivaa chiefs office	KCB-Matuu	1317425146	1,551,256	1,373,148
Miangeni primary school	KCB-Matuu	1317307941		13,419
Kavwea primary school	KCB-Matuu	1319567924		125,245
Muambani primary school	KCB-Matuu	1319528090		126,238
ABC Kathini primary school	KCB-Matuu	1325813451		273,554
Kivaa secondary school	KCB-Matuu	1322366373		170,707

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Ngukemwe secondary school	KCB-Matuu	1324249536		49,515
Iiani secondary school	KCB-Matuu	1324274123		54,759
Wambo primary school	KCB-Matuu	1316666379		94,020
Kiseuni primary school	KCB-Matuu	1324168269		44,503
Kyangosi primary school	KCB-Matuu	1325829617		27,471
Mikameni primary school	KCB-Matuu	1325829528		498,985
Kawethei primary school	KCB-Matuu	1325829366		498,985
Kithamboni primary school	KCB-Matuu	1325829951		498,985
Kanguu primary school	KCB-Matuu	1329246950		10
Kanguu primary school	KCB-Matuu	1328819574		10
Kyusini primary school	KCB-Matuu	1328784126		10
Ngukemwe secondary school	KCB-Matuu	1328820149		10
Kamuthumba primary school	KCB-Matuu	1330150473		100
Kathui primary school	KCB-Matuu	1330150465		100
ST.Stephen musumaa sec	KCB-Matuu	1328819922		10
Iiani Kivaa Primary School	KCB-Matuu	1330256336		100
Greenhill primary school	KCB-Matuu	1331943086	242,504	
Kikomba primary school	KCB-Matuu	1333688385	63,820	
St. Michael primary school	KCB-Matuu	1330501144	63,271	
Kawethei primary school	KCB-Matuu	1330819446	64,625	
Mathauta primary school	KCB-Matuu	1330373987	63,444	
Kyangosi primary school	KCB-Matuu	1330185218	64,659	
Kikule primary school	KCB-Matuu	1330819381	129,028	
Tana Ranch primary school	KCB-Matuu	1331778263	64,327	
Muambani primary school	KCB-Matuu	1331943124	175,708	
Eendei primary school	KCB-Matuu	1332586589	287,058	

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Kasuvilio Primary School	KCB-Matuu	1326531891	203,976	
TumuTumu Primary School	KCB-Matuu	1328820068	1,600,000	
Matema Primary School	KCB-Matuu	1334197539	682,848	
Musumaa Primary School	KCB-Matuu	1332846734	128,263	
Katulye Primary School	KCB-Matuu	1331820820	195,007	
Katisaa Primary School	KCB-Matuu	1330430174	118,837	
Mikuyu Primary school	KCB-Matuu	1331943116	8,834	
Utithini Primary School	KCB-Matuu	1331302234	12,466	
Tulimyumbu PS	KCB-Matuu	1317307461	1,654	
Ulutya primary school	KCB-Matuu	1332272827	13,491	
Wamboo P.S	KCB-Matuu	1316666379	1,833	
Mutwamwaki PS	KCB-Matuu	1337963305	14,273	
Katulye PS	KCB-Matuu	1341291820	2,500,000	
Misuuni PS	KCB-Matuu	1341624730	2,998,975	
Wendano Ps	KCB-Matuu	1341136426	7,009,230	
Katothya PS	KCB-Matuu	1341528871	500,000	
Mananja Secondary School	KCB-Matuu	1333017553	112,285	
Eendei SS	KCB-Matuu	1330392221	134,573	
Kikumini S.S	KCB-Matuu	1328821250	495,204	
Mikuyuni SS	KCB-Matuu	1328907686	1,369,655	
Kathui S.S	KCB-Matuu	1330184696	1,686,839	
Ekalakala S.S	KCB-Matuu	1331302285	148,141	
Milaani Police Post	KCB-Matuu	1334951721	500,000	
Kiatineni Police Post	KCB-Matuu	1334079447	26,579	
Kithyoko Ass. Chief Office	KCB-Matuu	1334766231	4,425	
Thatha Ass. Ch Office	KCB-Matuu	1334239231	149,005	

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Kyondoni Ass. Ch Office	KCB-Matuu	1334838984	2,000,703	
Kyondoni Ass. Ch Office	KCB-Matuu	1341116662	550,000	
Kathini P.S	KCB-Matuu	1325813451	7,700	
Tumutumu P.S	KCB-Matuu	1338065467	87,847	
Tumutumu P.S	KCB-Matuu	1338060511	87,962	
Greenhill P.S	KCB-Matuu	1337966886	87,701	
Kivuthi P.S	KCB-Matuu	1337966983	47,066	
Kivuthi P.S	KCB-Matuu	1337963879	17,303	
Masaku S.S	KCB-Matuu	1330392221	25,095	
Masinga TVC	KCB-Matuu	1337950807	46,534	
Masinga TVC	KCB-Matuu	1337950890	54,356	
Mikuyu Primary school	KCB-Matuu	1338065327	25,586	
Mikuyu PS	KCB-Matuu	1338036459	26,065	
Vondeni PS	KCB-Matuu	1337966592	29,344	
Kithyok Ss	KCB-Matuu	1338100297	89,147	
Musumaa SS	KCB-Matuu	1337950661	47,673	
Kathukini ass. Chief's office	KCB-Matuu	1337951668	256,576	
Ekalakala Digital Hub	KCB-Matuu	1339290626	37,500	
Masinga Technical	KCB-Matuu	1335553525	333	
Nzukini Ass. Chief office	KCB-Matuu	1333894953	2,004,708	
Tumutumu pri.sch	KCB-Matuu	1328820068	1,600,000	
Musingini ass chiefs office	KCB-Matuu	1341802426	430,000	
Masaku Secondary school	KCB-Matuu	1330359615	2,998,581	
Kavwea Primary School	KCB-Matuu	1341528898	430,000	
Masinga Zonal Education office	KCB-Matuu	1341116786	500,000	
Kwa Kyumbo primary school	KCB-Matuu	1341624455	276,096	

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Ndatani Primary School	KCB-Matuu	1341364747	1,500,000	
Ndatani Primary School	KCB-Matuu	1341435121	500,000	
Tumutumumu Primary School	KCB-Matuu	1338065467	87,847	
Utithini Primary School	KCB-Matuu	1331302234	12,466	
Kituneni Kivaa Primary School	KCB-Matuu	1341624404	430,000	
Col. Kiluta Primary School	KCB-Matuu	1341492508	350,000	
Masinga DCC office	KCB-Matuu	1341799185	1,000,000	
Kiambani Primary School	KCB-Matuu	1341364763	2,500,000	
Kathui S.S	KCB-Matuu	1330184696	1,686,839	
Ielanthi SS	KCB-Matuu	1341364690	2,000,000	
Kavwea PS	KCB-Matuu	1341215199	1,500,000	
Lulamba PS	KCB-Matuu	1341116840	500,000	
Total			55,615,768	9,811,414

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Annex 3: Progress On Follow Up of Auditor Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
OAG/MRO/ NGDF/ MASINGA/ 2023/2024/9	Unsupported use of goods and services. The statement of receipts and payments reflects use of goods and services amount of Kshs.5,789,921 which, as disclosed in Note 5 to the financial statements includes Kshs.78,100 and Kshs.250,161 relating to communication supplies and services and Insurance costs respectively. However, the signed contracts and list of prequalified suppliers were not provided for audit review. In the circumstances, the accuracy and propriety of use of goods and services amounting to Kshs.328,261 could not be confirmed.	Madison suppliers were registered in the list of qualified suppliers as per attached list. Safaricom limited company was chosen for being a well-known supplier of internet connectivity services. Proforma invoice is herewith attached	Not Resolved	Management is in consultation with the OAG waiting appearance before the DFAC..
OAG/MRO/ NGDF/ MASINGA/ 2023/2024/9	Misclassification of Office and General Supplies. The statement of receipts and payments reflects use of goods and services amount of Kshs.5,789,921 which, as disclosed in Note 5 to the financial statements, includes office and general supplies and services amount of Kshs.1,300,527. Review of records relating to the expenditure revealed that an amount of Kshs.217,152 was	The votes for office, general supplies and training expenses are related as they are both under use of goods and services, making	Not Resolved	Management is in consultation with the OAG waiting appearance

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Reference	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
No. on the external audit Report	<p>paid to Kenya School of Government for non- residential conference facility. However, the expenditure was wrongly charged to office and general supplies and services instead of training expenses. Although Management explained that the two sub votes involved can be charged as they fall under use of goods and services vote, no approval for reallocation was provided for audit review.</p> <p>In the circumstances, the accuracy and completeness of use of goods and services amounting to Kshs.5,789,921 could not be confirmed.</p>	<p>it possible to be charged.</p>		<p>before the DFAC.</p>
OAG/MRO/ NGDF/ MASINGA/ 2023/2024/9	<p>Inaccuracies in Cash and Cash Equivalents Balance. The statement of assets and liabilities reflects cash and cash equivalents of Kshs.48,717,864 as disclosed in Note 10 to the financial statements. However, review of the bank reconciliation statement revealed stale cheques amounting to Kshs.89,000 which had not been reversed in the cash book. Although Management indicated that the stale cheques were reversed in the cash book, no evidence was provided to confirm the reversal.</p> <p>In the circumstances, the accuracy of cash and cash equivalents balance of Kshs.48,717,864 could not be confirmed.</p>	<p>The cheques were not stale as at 30th June 2024 but at the time of the audit they were stale thus supposed to be reversed in the cashbook. The reversal has been effected in the month of December 2024.</p>	<p>Not Resolved</p>	<p>Management is in consultation with the OAG waiting appearance before the DFAC.</p>
OAG/MRO/ NGDF/ MASINGA/	<p>Budgetary Control and Performance. The summary statement of appropriation reflects final receipts budget and actual on comparable basis of</p>	<p>The underfunding and underutilization were as a result of</p>	<p>Not Resolved</p>	<p>Management is in consultation</p>

**National Government Constituencies Development Fund (NGCDF)
Masinga Constituency
Annual Report and Financial Statements for The Year Ended June 30, 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)
2023/2024/9	<p>Kshs.269,609,893 and Kshs.228,677,675 respectively resulting to an under-funding of Kshs.40,932,218 or approximately 15% of the budget. Similarly, the Fund spent Kshs.180,970,602 against actual receipts of Kshs.228,677,675, resulting to an under-utilization of Kshs.47,707,073 or approximately 21%. The under-funding and under-utilization affected the planned activities and may have impacted negatively on service delivery to the public.</p>	<p>delayed disbursement of funds from NG-CDF Board.</p>		<p>with the OAG waiting appearance before the DFAC.</p>
OAG/MRO/NGDF/MASINGA/2023/2024/9	<p>Unresolved Prior Year Matters. In the audit report of the previous year, several issues were raised under the Report on Financial Statements and Report on Lawfulness and Effectiveness in Use of Public Resources. However, Management has not resolved the issues or given any explanation for failure to adhere to the provisions of the Public Sector Accounting Standards Board template.</p>	<p>The prior year matters are in the process of being resolved.</p>	<p>Not resolved</p>	<p>Management is in consultation with the OAG waiting appearance before the DFAC.</p>
OAG/MRO/NGDF/MASINGA/2023/2024/9	<p>Project Implementation Status. Review of the project implementation status report as of 30 June 2024 revealed that the Fund was allocated a total of Kshs.159,130,643 for implementation of 100 projects. However, only 69 projects worth Kshs.95,900,869 were completed and put into use, and thirty-one (31) projects worth Kshs.63,229,774 were on-going. Although Management indicated that the delay was due to late</p>	<p>The implementation of projects was as a result of late disbursement of funds from the NG-CDF Board.</p>	<p>Not Resolved</p>	<p>Management is in consultation with the OAG waiting appearance</p>

National Government Constituencies Development Fund (NGCDF)

Masinga Constituency

Annual Report and Financial Statements for The Year Ended June 30, 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>disbursement of funds from the NG-CDF Board, they did not indicate the measures put in place to ensure timely disbursement of funds from the Board.</p> <p>In the circumstances, value for money for the incomplete projects could not be confirmed.</p>			before the DFAC.
<p>OAG/MRO/ NGDF/ MASINGA/ 2023/2024/9</p>	<p>Non-Compliance with Law on Ethnic Composition.</p> <p>During the year under review, the total number of employees of the Fund was thirteen (13), who were all members of the dominant ethnic community in the County. This is contrary to Section 7(1) and (2) of the National Cohesion and Integration Act, 2008 which requires that all public offices shall seek to represent the diversity of the people of Kenya in the employment of staff and that no public institution shall have more than one-third of its staff establishment from the same ethnic community.</p> <p>In the circumstances, Management was in breach of the law.</p>	<p>Ethnic diversity issues are historical in nature, however going forward during new recruitment ethnic diversity shall be put into consideration.</p>	<p>Not Resolved</p>	<p>Management is in consultation with the OAG waiting appearance before the DFAC.</p>


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Daniel Mwaluko.
Fund Account Manager.

