

REPUBLIC OF KENYA



THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 03 DEC 2025	DAY: WEDNESDAY
TABLED BY:	DEPUTY LEADER OF MAJORITY Hon. OWEN BAYA, MP
CLERK-AT-THE-TABLE:	HALIMA SULEIMAN

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**REPORT**

**OF**

**THE AUDITOR-GENERAL**

**ON**

**NATIONAL GOVERNMENT CONSTITUENCIES  
DEVELOPMENT FUND – MBEERE NORTH  
CONSTITUENCY**

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

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



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NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

MBEERE NORTH CONSTITUENCY

ANNUAL REPORT AND FINANCIAL STATEMENTS

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

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



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## 1. Acronyms and Definition of Key Terms

### A. Acronyms

AIE	Authority to Incur Expenditure
AC	Audit Committee
DCC	Deputy County Commissioner
IPSAS	International Public Sector Accounting Standards.
FAM	Fund Account Manager
NG-CDFB	National Government Constituencies Development Fund Board
NG-CDF	National Government Constituencies Development Fund
NG-CDFC	National Government Constituency Development Fund Committee
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 realisation of the economic and social rights guaranteed under Article 43 of the Constitution;
- g) Provide mechanisms for the National Assembly to exercise oversight over the performance of exclusive national government functions at the constituency level as provided for under Article 95 of the Constitution;

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

#### **Vision**

Equitable Socio-economic development countrywide.

#### **Mission**

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

#### **Core Values**

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

## Functions of NG-CDF Committee

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

### (b) Key Management

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

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

### Fiduciary Management

The key management personnel who held office during the financial year ended 30<sup>th</sup> June 20XX and who had direct fiduciary responsibility were:

No	Designation	Name
1.	AIE holder	Richard M. Maingi
2.	National Sub-County Accountant	Alvan Mugo Nyaga
3.	Chairman NGCDFC	Jervasius Nyombyekothe
4.	Member NGCDFC	Anastasio P. N. Muthathai (operations bank account)
5.	Member NG CDFC	Alice Njeri Njoroge (deposit bank account)

### (c) Fiduciary Oversight Arrangements

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

Mbeere North NGCDF Offices  
Mbeere North Sub-County Headquarters  
Siakago, Embu  
KENYA.

**(e) NGCDF Mbeere North Constituency Contacts**

Telephone: (254) 700 014 587  
E-mail: [cdfmbeerenorth@ngcdf.go.ke](mailto:cdfmbeerenorth@ngcdf.go.ke)  
Website: [www.mbeere-north.ngcdf.go.ke](http://www.mbeere-north.ngcdf.go.ke)

**(f) NGCDF Mbeere North Constituency Bankers**

1. Bank A. (Operations Account).

Cooperative Bank of Kenya  
Siakago Branch  
P.O. Box 193-60104  
Siakago.

2. Bank B. (Deposit account).

Cooperative Bank of Kenya  
Siakago Branch  
P.O. Box 193-60104  
Siakago.

3. Bank C. (PMC Accounts)

Cooperative Bank of Kenya  
Siakago Branch  
P.O. Box 193-60104  
Siakago.

4. Bank C. (PMC Accounts)

Sidian Bank  
Embu Branch  
P.O. Box 46-60100  
Embu.

**(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**

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

Name	Details
 <p>Jervasius Nyombyekothe Chairman NGCDF</p>	<p>DoB: 1955 ID No. 1322398</p> <p><b>Academic Qualifications;</b> Form 4 graduate, did EACE certificate Professional qualification: Trained primary school teacher, but rose through to become senior approved teacher 1</p> <p><b>Work Experience:</b></p> <ul style="list-style-type: none"> <li>● Taught for 2 yrs, become a headteacher for 4 yrs and through CSO, Inspector of school and finally AEO (Area education officer) before retirement in 2015.</li> <li>● A seasoned administrator in the Ministry of Education, he possesses immerse hands on experience working with diverse clientele in community service and support organizations. Through these engagements, he has contributed significantly to grassroots development initiatives, demonstrating a strong commitment to social welfare, capacity building, and inclusive growth. His hands-on involvement in various projects reflects his dedication to service, leadership, and the ability to work collaboratively for positive community impact.</li> <li>● Community involvement- He is the National vice chairman Miraa formula pricing committee, Chairman Mbeerembu miraa farmers co-op Union, Chairman Kune water project</li> <li>● Joined NGCDF committee in April, 2023 as male representative currently serving NG-CDFC Chairman</li> </ul>

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	<p>DoB: 1986. ID No. 27732577</p> <p><b>Academic Qualifications;</b> Kenya Certificate Of Secondary Education -Form Four</p> <p><b>Professional Qualifications:</b> Diploma in Business Management</p> <p><b>Work Experience;</b></p> <ul style="list-style-type: none"> <li>● Involved in Person living with Disability (PWDS) initiatives in the community, by empowering them with the knowledge en skills I have,</li> </ul> <p>Current Role: Joined the Mbeere North NGCDF Committee in December, 2022 representing PWDS.</p>
<p>James Njoka Njeru Member</p>	
	<p>DoB: 1994. ID No. 33208788</p> <p><b>Academic Qualification:</b> Diploma from Kenya Water Institute</p> <p><b>Work Experience:</b></p> <ul style="list-style-type: none"> <li>● Church Leader</li> <li>● Worked as a casual at Embu Water Company</li> <li>● Work business woman</li> <li>● Community organizer</li> <li>● Joined NGCDF committee in December, 2022 as female youth representative</li> </ul>
<p>Anisia Karimi Ngari Youth Member</p>	
	<p>DoB: 1965. ID 7910109.</p> <p><b>Academic Qualification:</b> Form four graduate</p> <p><b>Work Experience:</b></p> <ul style="list-style-type: none"> <li>● Work as a business woman.</li> <li>● Community organizer</li> <li>● Joined the NGCDF Committee in December, 2022 as a female Adult Representative</li> </ul>
<p>Alice Njeri Njoroge</p>	

Member	
	<p>DoB: 1967 ID No. 10059526  <b>Academic Qualification:</b>            Bachelor of Education, BED, Kenyatta University  <b>Work Experience:</b></p> <ul style="list-style-type: none"> <li>• CECM Education, Embu County</li> <li>• Former high school teacher/ principal</li> <li>• Joined NGCDF committee in December, 2022 as Board Co-opted member</li> </ul>
	<p>DoB: 1953 ID No. 0394791  <b>Academic Qualification:</b>            Bachelor's degree in Public Administration, Punjab university  <b>Work Experience:</b></p> <ul style="list-style-type: none"> <li>• Worked for Kenya Industrial Estates as personnel officer for 20 years</li> <li>• Electoral Commission of Kenya ECK later IEBC for 4 years as Assistant Registration officer.</li> <li>• Constituency Manager Siakago Constituency for five years</li> <li>• Joined NGCDF committee in December, 2022 as the Constituency Male Nominee representative</li> </ul>
<p>Anastasio P. N. Muthathai NGCDFC Secretary</p>	



Brian Muteti  
Youth Member

DoB: 1996 ID No. 32930399

**Academic Qualification:**

- Master's student at the University of Nairobi pursuing an MBA
- Bachelor's degree in Anthropology University of Nairobi.

**Work Experience:**

- Currently doing consultancy in finance and insurance sector.
- Actively engaged in youth and student empowerment through Mentorship and support.
- Joined NGCDF committee in April, 2023 as male youth representative



Naomi Wanjagi Munene  
Member

DoB: 1983 ID No. 23217836

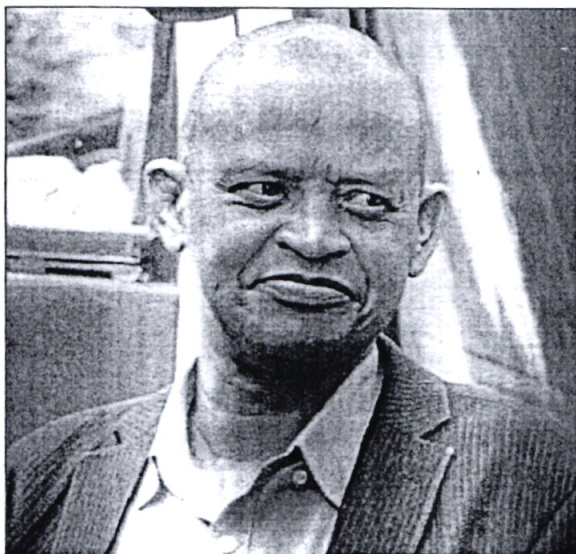
**Academic Qualification:**

Certificate in Catering, Nairobi College of Bread and Confectionery Technology

**Work Experience:**

- Pastoral work
- Event organizer

Current role : joined NGCDF committee in December, 2022 as the Constituency Female Nominee representative



Harrison Ndwili  
DCC

**Administration**

**Work Experience:**

A seasoned public administrator with extensive experience in governance, leadership, conflict resolution, and public service management. He has played a key role in coordinating government functions, implementing national policies, and promoting community development initiatives. His background in leadership and mediation underscores his ability to foster collaboration, resolve disputes, and drive effective service delivery.



Richard M. Maingi  
Fund Account Manager

**DoB:** 1971 **ID No.** 10862000

**Academic Qualification:**

- Master in Economics (Finance) School of Economics, Kenyatta University.
- Bachelor of Arts in Economics, School of Economics, Kenyatta University
- Certified Public Accountant (CPA) V

**Work Experience:**

29 years of progressive financial management at public and private sectors.  
Five years as an auditor with Deloitte & Touché, a leading consultancy firm.  
Seven years as Assistant Finance Manager BRITAM in charge of Disbursements  
Last 15 years serving as Fund Account Manager at the NG-CDF Board at various work stations, currently serving in Mbeere North Constituency, to provide leadership and clarity in both Project and Financial management, to ensure prudent application of tax payers' funds to achieve value for money in project implementation.

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



**Jervasius Nyombyekothe**  
 Chairman, Mbeere North NGCDF

#### Introduction

We are pleased to present the un audited financial statements for the financial year ended 30th June, 2025. During the year, the Constituency got an allocation of Kshs. 161,497,759 normal allocation.

The opening cashbook balance was Kshs. 10,375,524. Unfunded projects opening balances was Kshs. 67,342,462. Realized Appropriation in Aid (AIA) was Kshs. 64,000 mostly from sale of project tender documents.

Below is a table presentation of original budget allocation for the financial year 2023/2024.:

Particulars	Allocation	Adjustments	Final budget
Compensation of Employees	4,236,101	2,465,193	6,701,294
Committee expenses	3,893,340	845,068	4,738,408
Use of goods and services	6,405,358	2,874,354	9,279,712
Transfers to Other Government Units	73,613,977	43,277,028	116,891,005
Other grants and transfers	73,348,983	11,816,792	85,165,775
Acquisition of Assets	0	6,897	6,897
Other Payments	0	8,691,871	8,691,871
<b>TOTAL</b>	<b>161,497,759</b>	<b>69,977,203</b>	<b>231,474,962</b>

#### Key Achievements

1. The funds available for utilization in the implementing of various projects during the financial year 2024/2025 was Kshs. 209,244,040, represented as;

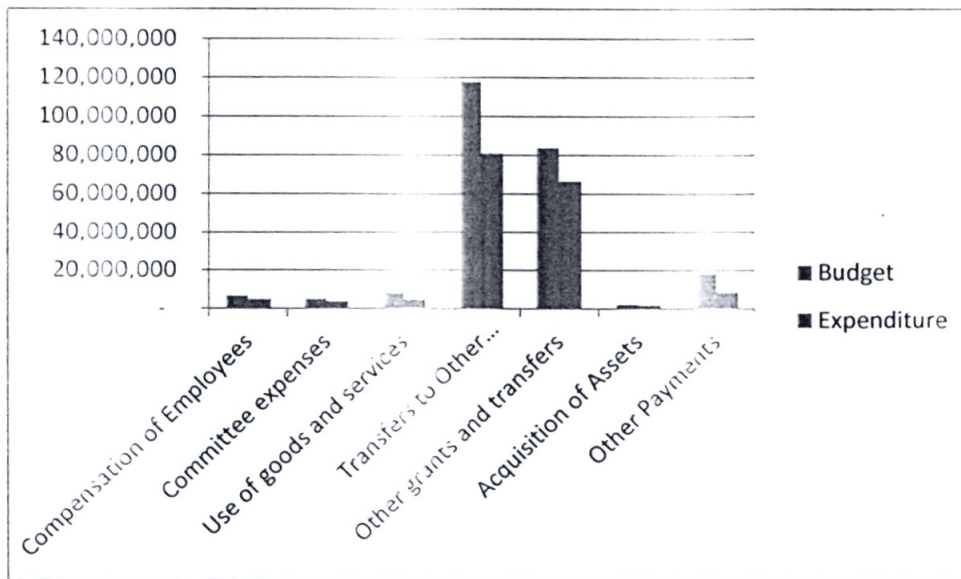
Kshs.

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Opening Cashbook Balance	28,194,921
Receipts from the NGCDF Board	<u>181,049,119</u>
Available funds	<u>209,244,040</u>

The entity managed to utilize Kshs. 163,725,817 out of the available funds, representing an absorption rate of 78%. This was a commendable achievement bearing in mind that bulk of the remittances from the Board were received in the last quarter of the financial year 2024/2025.

Below is a graphical presentation of budget utilization



2. During the current financial year, the entity managed to disburse bursaries worth Kshs. 57M, reaching many deserving and vulnerable cases.
3. The entity has continued the implementation of various projects in earnest. Some of these projects are either on going and others new. The approved activities range from renovations of existing infrastructure to new structures. The NGCDFC, has received immense support from the MNA to ensure strict delivery of quality work and value for money. In doing so, the entity, in liaison with line departments has out sourced the services of an architect and engaged a clerk of works whose fruits are clearly visible. These have clear instructions and guidelines to manage and supervise the contractors and ensure that the PMCs deliver quality work. A total of Kshs. 80M has been disbursed for the implementation of various projects in both education and security sectors.

## Key successful sectorial projects

### **i) Refurbishment of schools**

In line with the constituency's strategic plan and through collaborative engagement with all stakeholders, we have successfully transformed primary education by fully refurbishing schools in each ward, giving it a modern facelift and a hallmark of excellence. During the 2024/2025 financial year we rehabilitated primary schools, setting a new standard for quality learning environments. This initiative not only enhances learning and teaching environment. We remain committed to expanding this program to uplift all schools within the constituency and foster a brighter future for our children.

### **ii) Science Laboratories Projects in Secondary Schools**

The construction of science laboratories has created a conducive environment for practical lessons, enabling students to engage in hands-on experiments and apply scientific concepts in real world contexts. These well-equipped facilities enhance learning by fostering cognitive understanding, technical skills, and a deeper appreciation for science, ultimately supporting students' academic growth and inspiring future innovators. This initiative underscores our commitment to quality education and equipping learners with the tools they need to excel in STEM fields.

### **iii) Scholarship Program and NG-CDF Bursary Support**

To promote academic excellence and equity, our constituency annually sponsors bright but needy students from each of the locations, selected through a rigorous vetting process by the Constituency Education Committee. The NG-CDF bursary program has played a pivotal role in retaining learners from low-income families, significantly reducing school dropouts and fostering inclusive access to quality education.

### **iii) Security Projects**

To strengthen community safety and administrative efficiency, our constituency has invested in the construction and refurbishment of chiefs' and assistant chiefs' offices, providing a conducive working environment for security personnel. These upgraded facilities have enabled faster response times to emergencies, improved coordination with local law enforcement, and enhanced service delivery to residents. We ensure they can perform their duties effectively, fostering security, order, and public trust across the constituency.

## Emerging issues related to the entity

Currently there are a number of emerging issues that the office needs to put into consideration as we implement and prepare budget proposals for the projects. They include;

1. Strict adherence to regional balancing while allocating projects.
2. Matters dealing with gender mainstreaming and special groups in our operations.
3. The constituency is the second producer of miraa in the country, this posing big challenge in school dropouts and substance abuse.
4. Matters of climate change and mitigation has posed a major challenge due to the hefty budgets necessary for any meaningful impact/ or output..
5. Proper guidance and adherence to the presidential directives especially procurement on the e-platform.

**Implementation challenges and recommended way forward;-**

**Challenges;-**

1. Changes in the NGCDF Act capping bursaries to a maximum ceiling of 40% of normal allocation. The NGCDFC had gotten used to allocating 48% of the allocated funds to bursaries and had set its bursary award criterion based on 48%. To adjust this reduction requires quite some intensive sensitization to the constituents.
2. Inadequate administrative funds to properly vet and administer bursary.
3. Over reliance on NGCDF funds by the community especially in bursaries and schools' infrastructure.
4. Delayed disbursement of project funds leads to proposed projects not being implemented within the financial year, hence delays which in turn lead to rise in project costs.
5. Uncertainty of the existence of the kitty in the near future.

**Way forward;-**

1. The NGCDF Board should device ways of increasing bursary allocations back to 48% at the policy making level.
2. The NGCDF Board to consider having its own accredited technical departments especially for public works and procurement who can support the NGCDFC to ensure timely implementation of projects.

3. Treat Bursary funds as a project with a PMC and be able to charge 5% administrative costs to safe guard pressure on 6% administration and recurrent costs vote.
4. National treasury to ensure timely release of NGCDF funds.

#### Closing

I take this opportunity to sincerely thank the MNA, NGCDF Board, FAM, NGCDFC members, the staff, PMCs and other stake holders for the cooperation and support accorded so far. Going forward, the Committee envisions achieving greater developmental milestone as we embark on meeting our performance targets for FY 2025/2026, 100%.

  
Jervasiu Mwendyekothe  
Chairman NGCDF Committee

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

### Introduction

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

The key development objectives of the NGCDF Mbeere North Constituency 2022-2027 Strategic plan are to:

- a) Ensure that systems are established to ensure equality of all users of public services is achieved.
- b) Ensure that systems are established for equality for all users of public services;
- c) Ensure impartiality and fairness in the process of delivery of public services;
- d) Ensure promotion of National Cohesion and National Values;
- e) Ensure continuity of public services under all circumstances;
- f) Establish systems to enable innovativeness and adaptability of public services to the needs of users;
- g) Ensure professionalism and ethics in Public Service is achieved and maintained;
- h) Establish systems to ensure promotion and protection of rights of users of public services and public servants as enshrined in the Bill of Rights;
- i) Institutionalize a culture of accountability, integrity, transparency and promotion of values and principles of public service;
- j) Ensure a corruption free public service;
- k) Ensure effective, efficient and responsible use of public resources, and
- l) Ensure responsiveness by NG-CDF staff in delivery of public services.
- m)

### 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 2024/2025:- --Expansion of schools through rehabilitation/ renovation/construction of new classrooms in various primary and secondary schools in the constituency e.g at Kaungu, Gitii, Karigiri primary Schools  -Construction and completion of modern administration blocks e.g at Kwanduambogo, Makunguru, Karimari, primary School, Muchonoke, Gitiburi, Karangare, Kambaru Secondary school  -Completion of multipurpose halls e.g at Ciangera secondary School  -Completion of computer labs/classes e.g at Kavui and Kirie Primary Schools  - Completion of dormitories in secondary schools e.g Riandu and Gitiburi Secondary Schools  -Construction of toilet blocks / or and exhaustible pit latrines in both primary and secondary schools e.g at Kaungu, Ngoce,

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				<p>Karambari and Ngariwaireri Primary Schools</p> <p>Provision of bursary to needy and bright secondary school/tertiary institutions' students</p> <p>- Bursary beneficiaries at all levels were as per the attached schedules</p>
Security	To enhance security in the constituency	Increased functional security installations in the constituency	Number of functional security physical infrastructure	Completion of ACCs offices and residential houses e.g at Kirie ACC compound
Environment	To promote environmental sustainability in the constituency	Supporting schools and public institution to acquire water tanks	Not considered for funding during current year as there is an NGO by the name Fair climate doing tree planting in the constituency	Not provided for to avoid duplication of activities with Fair Climate.
Emergency	To cater for any unforeseen occurrences in the constituency	Mitigating emergencies on time	Funding for the reconstruction of infrastructure damaged during emergency occurrences.	The NGCDFC responded to emergencies at Kanyueri, Kirie, Gangara primary schools and Iriaitune chiefs office pit latrines and wind incidence at Kamigua primary school dormitory by providing funds for reconstruction.

National Government Constituencies Development Fund (NGCDF)

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Tracking of results	To improve tracking of implementation of NGCDF programmes	<ul style="list-style-type: none"> <li>-Monitoring and Capacity Building of NGCDFC's, NGCDFC Staff and PMC's</li> <li>-Organizing regular projects monitoring field visits</li> <li>-Synthesis of PMC reports into quarterly PIS</li> </ul>	<ul style="list-style-type: none"> <li>-Conduct at least one training session for NGCDFC, staff, HODs and PMCs</li> <li>-Ensure close monitoring and evaluation of projects during implementation.</li> <li>-Ensure recommendations by technical teams are followed up and implemented on time</li> </ul>	<p>In FY 2024/2025;</p> <ul style="list-style-type: none"> <li>-There was training for the NGCDFCs and the HODs</li> <li>-There has been enhanced M&amp;E by the technical team comprising of public works, clerk of works and an outsourced architect on projects during their implementation.</li> <li>-Administration follows up on above recommendations and ensures compliance.</li> </ul>
Institutional Strengthening	To promote performance management and smooth running of the NGCDF office	<ul style="list-style-type: none"> <li>-Preparation of Constituency Strategic Plan</li> <li>-NGCDFC Staff training</li> <li>-Purchase of working tools and equipment</li> </ul>	<ul style="list-style-type: none"> <li>-A working strategic plan in place</li> <li>-Trained NGCDFC Staff</li> <li>-Equipped work force</li> </ul>	<ul style="list-style-type: none"> <li>-The NGCDFC bases project proposal on strategic plan for 2022-2027 and public participation report of 2024</li> <li>-There has been continuous on job training for NGCDFC Staff</li> <li>-The NGCDFC spent 324k to acquire working tools and equipment for staff.</li> </ul>

## 6. Governance Statement

### a. NG-CDFC Process of Appointment

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

1. There is established a National Government Constituency Development Fund Committee for every constituency.
2. Constituency Committee Shall comprise of;
  - a) The national government official responsible for co-ordination of national government functions.
  - b) Three men each nominated in accordance with subsection (3), one of whom shall be a youth at the date of appointment
  - c) Three women nominated in accordance with subsection (3) one of Whom shall be a youth at the date of appointment;
  - d) One person with disability nominated by a registered group representing persons with disabilities in the constituency in accordance with subsection (3);
  - e) The officer of the Board seconded to the Constituency Committee by the Board who shall be an *ex officio* member without a vote.
  - f) One member co-opted by the Board in accordance with regulations made by the Board
3. The seven persons referred to in sub-section (2) (b), (d) and (e) shall be selected in such manner and shall have such qualifications as the Board may, by Regulations, prescribe.

The names of the persons selected under sub-section (3) shall be submitted by the Board to the National Assembly for approval before appointment and gazettment by the board.

The persons appointed were drawn from different groupings as follows:

No.	Name of NGCDFC Members	Category	Designation
1.	Jervasius Nyombyekothe	Male Adult Representative	Chairman
2.	Anastasio P. N. Muthathai	Male Adult Representative	Secretary
3.	Richard M. Maingi	Ex Officio	Fund Account Manager
4.	Harrison Ndwili	DCC	Member
5.	Alice Njeri Njoroge	Female Adult Representative	Member
6.	Naomi Wanjagi Munene	Female Adult Representative	Member
7.	Brian Muteti	Male Youth Representative	Member
8.	Anisia Karimi Ngari	Female Youth Representative	Member
9.	James Njoka Njeru	Physical Impairment	Member

No.	Name of NGCDFC Members	Category	Designation
10.	John Kiamati	Co-opted Member	Member

### **Roles and Functions of the NG-CDFC**

The NG-CDFC plays a central role in the planning, implementation, and oversight of NG-CDF activities within Mbeere North Constituency. Its functions include:

- Identifying and prioritizing projects in line with constituency needs and the NG-CDF Act.
- Ensuring effective and timely implementation of approved projects.
- Supervising the bursary allocation process to ensure fairness and inclusivity.
- Monitoring and evaluating the progress of ongoing projects.
- Promoting accountability and transparency in the use of public resources.
- Advising the Fund Account Manager on constituency development matters.

### **Gazettement, Induction, and Training**

Section 43(8) states that the tenure of office of members of the constituency committee shall be two years and shall be renewable, but shall expire upon the appointment of a new constituency committee in the manner provided in the Act or as may be approved by the Board. The current Members of the The Mbeere North NG-CDFC were officially gazetted by the NG-CDF Board on 21st May, 2025. Following their appointment, all Members underwent induction and training facilitated by the NG-CDF Board. The training covered areas such as project management, public finance management, ethical conduct, conflict of interest, and community engagement.

#### **b. NG-CDFC Tenure**

Section 43(8) states that the tenure of office of members of the constituency committee shall be two years and shall be renewable, but shall expire upon the appointment of a new constituency committee in the manner provided in the Act or as may be approved by the Board.

The current NGCDFC members were gazetted through a gazette notice Vol.CXXVII-No 98 dated 21<sup>st</sup> May, 2025 and the tenure of the committee is for a period of two years

#### **c. Removal of NG-CDFC Members**

The term of office of the members of the Constituency Committee shall be two years and shall be renewable but shall expire upon the appointment of a new Constituency Committee in the manner provided for in the Act, or as may be approved by the Board.

A member of the Constituency Committee may be removed from office on any one or more of the following grounds

- (a) Lack of integrity
- (b) Gross misconduct
- (c) Embezzlement of public funds
- (d) Bringing the committee into disrepute through unbecoming personal public conduct
- (e) Promoting unethical practices

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(f) Causing disharmony within the committee

Physical or mental infirmity

**Meetings of the NG-CDFC**

During the Financial Year 2024/2025, the Committee convened twelve (24) meetings to deliberate on constituency development matters. These meetings focused on project approvals, monitoring progress, bursary allocations, and addressing emerging issues.

Fifteen NGCDFC regular meetings

No	Name of Committee Member	Regular Meetings Held														
		19.7.24	22.8.24	16.9.24	22.10.24	08.11.24	27.11.24	19.12.24	23.1.25	12.2.25	11.3.25	12.3.25	10.4.25	16.5.25	21.5.25	04.6.25
1.	Jervasius Nyombyeko the Chairman	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√
2.	Anastasio P. N. Muthathai Secretary	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√
3.	John Kiamati Member	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√
4.	James Njoka Njeru Member	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√
5.	Alice Njeri Njoroge Member	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√
6.	Naomi Wanjagi Munene Member	√	√	√	√	√	√	√	X	√	√	√	√	√	√	√
7.	Brian Muteti Member	√	√	√	√	√	√	√	X	√	√	√	√	√	√	√
8.	Anisia Karimi Ngari Member	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√
9.	Harrison Ndwili DCC	X	X	√	√	X	X	X	X	√	√	√	√	√	√	√

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10.	Richard M. Maingi FAM	√	√	√	√	√	√	√	√	√	√	√	√	√	√
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Nine bursary committee meetings held

N o.	Name of Committee Member	Bursary Meetings Held								
		13.7.24	14.7.24	17.7.24	14.12.24	15.12.24	18.12.24	12.3.25	13.3.25	14.3.25
1.	Jervasius Nyombyekothe Chairman	√	√	√	√	√	√	√	√	√
2.	Anastasio P. N. Muthathai Secretary	√	√	√	√	√	√	√	√	√
3.	John Kiamati Member	√	√	√	√	√	√	√	√	√
4.	James Njoka Njeru Member	√	√	√	√	√	√	√	√	√
5.	Alice Njeri Njoroge Member	√	√	√	√	√	√	√	√	√
6.	Naomi Wanjagi Munene Member	√	√	√	√	√	√	√	√	√
7.	Brian Muteti Member	√	√	√	√	√	√	√	√	√
8.	Anisia Karimi Ngari Member	√	√	√	√	√	√	√	√	√
9.	Harrison Ndwili DCC	√	√	√	√	√	√	√	√	√
10.	Richard M. Maingi FAM	√	√	√	√	√	√	√	√	√

### Remuneration Rates

Members of the NGCDF Committee receive compensation in accordance with the directives established by both the NGCDF board and the Salaries and Remuneration Commission (SRC). Presently, committee members are eligible to receiving a sitting allowance of Kshs. 5000 per session while the chairperson is entitled to Kshs. 7000 per session

### **Disclose the Policy on Conflict of Interest**

The Mbeere North NG-CDFC members disclose any conflict of interest in any activity being carried out. The disclosure process is intended to help the work force be transparent and accountable for (explain or justify) their actions and decisions.

The office has carried out awareness of the circumstances in which conflicts can arise and built capacities on how to prevent conflict of interest through training on effective procedures to resolve conflict-of-interest situations

### **Succession Plan**

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

### **Ethics and Code of Conduct**

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

## 7. Management Discussion and Analysis

### Operational and Financial Performance (Past Five Years)

Over the past five financial years, Mbeere North Constituency NGCDF has steadily implemented its mandate in bursary disbursement, project construction, and emergency interventions. The Fund has consistently allocated resources in line with the NGCDF Act, with education support and infrastructure development taking priority.

**Table 1: Summary of Financial Performance (FY 2020/21 – 2024/25)**

Financial Year	Total Allocation (Ksh)	Disbursement (Ksh)	Percentage Utilization
2020/2021	137,088,879.31	137,088,879.31	100%
2021/2022	137,088,879	137,088,879	100%
2022/2023	131,342,462	129,342,462	98%
2023/2024	157,825,629	152,825,629	97%
2024/2025	161,497,759.02	139,047,759.02	86%

### Key Projects Implemented / Ongoing

- Education: Construction and renovation of classrooms, administration blocks, multi-purpose halls, laboratories, pit latrines and dormitories; bursary disbursement to needy students at all levels.
- Security & Administration: Completion of Kirie ACCs' housing unit. to improve and enhance security and service delivery.
- Emergency Projects: Timely interventions for unforeseen needs, including natural disasters and urgent community priorities.
- 

### Compliance with Statutory Requirements

The Fund has complied with the Public Finance Management Act, 2012, the NGCDF Act, 2015, and guidelines issued by the NGCDF Board. Statutory obligations including tax remittances and audit requirements have been observed. No material arrears were recorded during the period under review.

### Major Risks and Mitigation

- Delayed disbursements – mitigated through prioritization of critical projects.
- Inflationary pressures on construction costs – addressed by revising budgets and strict contract management.
- Compliance risks – minimized through regular staff training and adherence to procurement and ethics laws.
- Community disputes in project prioritization – mitigated through structured public participation forums.

**Table 2: Summary of Key Risks and Mitigation Measures**

Risk	Mitigation Strategy
Delayed disbursements	Project prioritization, phased

	implementation
Rising construction costs	Budget adjustments, close contract oversight
Compliance gaps	Regular training, audits, monitoring
Community disputes	Public participation, stakeholder dialogue

### **Review of the Economy**

The national economy continues to face inflationary pressures, fluctuating exchange rates, and high unemployment. These factors have increased construction costs and demand for bursary support. Despite these challenges, NGCDF remains a critical enabler of social and economic development at the constituency level.

### **Review of the Sector**

Within the education sector, Mbeere North NGCDF has supported learning through bursaries and infrastructure. In security and administration, the Fund has enhanced service delivery by investing in government facilities. Community empowerment projects have strengthened social cohesion, while emergency interventions have built resilience in times of crisis.

### **Future Developments**

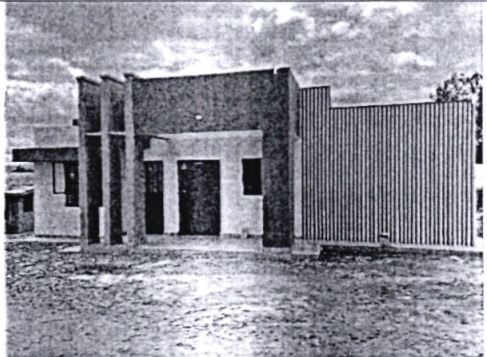
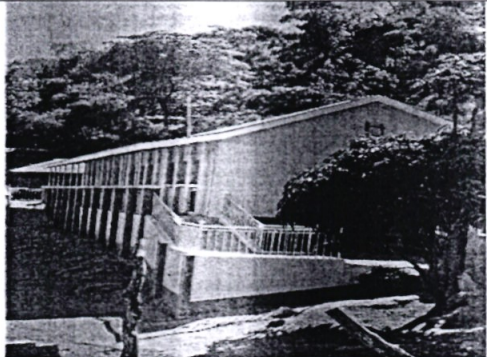

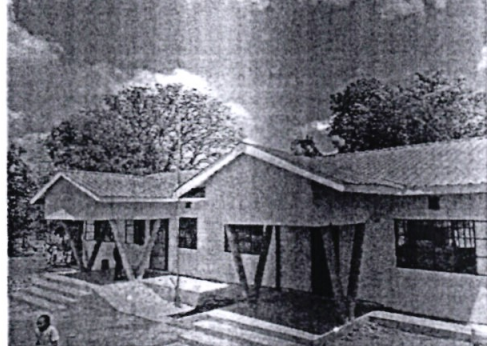
The Constituency intends to:

- Scale up investment in education through bursary digitization and improved infrastructure.
- Expand security projects to underserved regions.
- Strengthen stakeholder participation in project identification and monitoring.
- Institutionalize risk management and succession planning within NGCDFC operations.

### **Key Projects Implemented / Ongoing**

- **Education:** Construction and renovation of classrooms, laboratories, and libraries; bursary disbursement to needy students at all levels.
- **Security & Administration:** Construction of police posts and chiefs' offices to improve security and service delivery.
- **Emergency Projects:** Timely interventions for unforeseen needs, including natural disasters and urgent community priorities.


Projects photos

	<p>Administration block at Makunguru Primary School almost complete. Funded 2023/2024 Kshs. 2.5M and 2024/2025 Kshs. 700,000</p>
	<p>A block of four classrooms constructed at Rwangori Primary School Kshs. 2.4M in F/Y 2023/2024 and Kshs. 3,250,000 plus a variation of Kshs. 850,000 during F/Y 2024/2025, almost complete</p>
	<p>The interior of a complete classroom at Mianjiatiri Primary School implemented during 2024/2025 Kshs. 6.4M for construction of six classrooms and upgrade of the administration block</p>
	<p>Renovations and extension works at Kirie Primary School administration block under implementation in 2024/2025 Kshs. 5M for renovation of 8 classrooms and the administration block</p>

**Conclusion**

Mbeere North NGCDF continues to uphold accountability, inclusivity, and transparency in fulfilling its mandate. Despite economic and operational challenges, the Fund has delivered

tangible results that have improved livelihoods and strengthened service delivery in the constituency.

A handwritten signature in black ink is written over a circular stamp. The stamp is partially obscured by the signature and contains the text "FUND ACCOUNT MANAGER" and "MBEERE NORTH NG-CDF".

Richard M. Maingi  
Fund Account Manager

## 8. Environmental and Sustainability Reporting

Mbeere North 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 Mbeere North Constituency, the committee funds the following key sectors with the following sustainable priorities.

- a. **Education and Training:** Mbeere North 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 NGCDF has allocated part of its budget to climate change mitigation activities such as afforestation, reforestation, grassroots sensitization, and tree seedling production.

## 2. Environmental performance

### Environment Policy and Action Plan

Protection of the environment in which we live and operate is part of Mbeere North NGCDF initiatives .

Care for the environment is one of our key responsibilities and an important aspect in the way in which carry out our operations.

### Our Environmental Policy

Mbeere North NGCDF commits to:

- Comply with all relevant environmental legislation, regulations and approved codes of practice.
- Protecting the environment by striving to prevent and minimize our contribution to pollution of land, air and water.
- Seeking to keep wastage to a minimum and maximize the efficient use of materials and resources.
- Managing and disposing of all wastage in a responsible manner.
- Providing training for our CDFC and CDFC Staff so that we all work in accordance with this and within an environmentally aware culture.
- Regularly communicating our environmental performance to our employees and other significant stakeholders .
- Developing our management processes to ensure that environmental factors are considered during planning and implementation.
- Monitoring and continuously improving our environmental performance.
- Seeking to leverage our environmental impact by encouraging stakeholders to improve their environmental performance.

### Our Environmental Action Plan

Mbeere North NGCDF has identified four areas in which we as an office have direct or indirect environmental impact, and where we can implement initiatives to manage and reduce these impacts.

These four areas together with our approach and targets for each are as tabulated below:

Impact Area	Approach
Capacity Building	<ul style="list-style-type: none"> <li>• Promote environmental awareness by sensitizing the Mbeere North NGCDF, NGCDFC Staff and PMCs annually on good conservation practices.</li> <li>• Encourage, through regular communication to Mbeere North NGCDF, NGCDFC Staff and other stakeholders changes in individual behaviour to reduce wastage.</li> </ul>
Conservation of	<ul style="list-style-type: none"> <li>• Maximize use of available technologies to remove the need for use paper.</li> </ul>

Impact Area	Approach
Energy and Resources	<ul style="list-style-type: none"><li>• Encourage our clients to engage with us using electronic means where possible .</li><li>• Maximize on rain water harvesting.</li><li>• Make energy efficiency a key factor in the selection of any new energy devise being purchased.</li><li>• Invest in available energy saving technologies and devices within our existing premises.</li></ul>
Environmental Protection and Conservation	<ul style="list-style-type: none"><li>• Promote rain water harvesting done by installation of water tanks by allocating funds to schools annually.</li><li>• Encourage tree planting in the constituency to improve the forest cover by allocating funds to schools annually.</li><li>• Promote purchase and installation of fire extinguishers to aid in extinguishing and controlling fires.</li></ul>
Pollution Control and Waste Management	<ul style="list-style-type: none"><li>• Ensure that all paper waste is recycled .</li><li>• Ensure segregation of waste.</li><li>• Ensure proper human waste disposal.</li></ul>

### 3. Employee welfare

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

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

Mbeere North 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 honouring all contracts and settling payments promptly.

Mbeere North NGCDF has put in efforts to ensure:

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

#### 5. Community Engagements-

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

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

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

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

The NGCDFC 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.

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

Richard M. Maingi  
Fund Account Manager.

FUND ACCOUNT MANAGER  
MBEERE NORTH NG-CDF

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


The Accounting Officer in charge of the NGCDF Mbeere North 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.

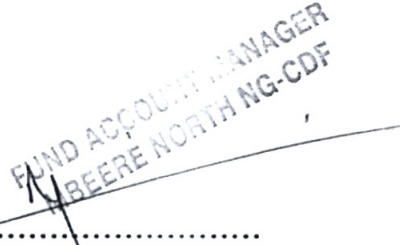
In preparing the financial statements, the Committee has assessed the Fund's ability to continue as a going concern and disclosed as applicable. Nothing has come to the attention of the Committee that the Fund will not remain a going concern for at least the next twelve months from the date of this statement.

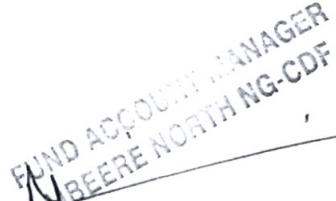
#### Approval of the financial statements

The NGCDF- Mbeere North Constituency financial statements were approved and signed by the Accounting Officer on 29<sup>th</sup> August, 2025.

  
.....  
Jervasius Nyombyekoti  
Chairman – NGCDF Committee



  
.....  
Richard M. Maingi  
Fund Account Manager



# REPUBLIC OF KENYA

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

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### PREAMBLE

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

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

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

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

### REPORT ON THE FINANCIAL STATEMENTS

#### Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund – Mbeere North Constituency set out on pages 1 to

84, 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, Mbeere North Constituency as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the National Government Constituencies Development Act, 2015 (Amended 2022) and the Public Finance Management Act, 2012.

## **Basis for Opinion**

### **1. Inaccuracies in Financial Statements**

The statement of financial position and as disclosed in Note 21 to the financial statements disclosed receivables from non-exchange transactions of Kshs.28,750,000. However, the statement of financial performance indicates transfers from the National Government Constituencies Development Fund Board amount of Kshs.161,497,759 against then actual receipts of Kshs.181,049,119. This results in over realization by an amount of Kshs.19,551,360 which was not disclosed as a receivable in the previous reporting period.

In the circumstances, the accuracy and completeness of the statement of financial position could not be confirmed.

### **2. Tax Arrears Due to Kenya Revenue Authority**

The financial statements for Fund as at 30 June, 2025 reflects nil closing balance for trade and other payables whereas the feedback to the Decentralized Funds Accounts Committee of the National Assembly on enforcement of outstanding taxes owed by National Government Constituency Development Funds (NG-CDFs) dated 17 June, 2025 referenced KRA/5/1002/26(12508), the Kenya Revenue Authority (KRA) report on tax arrears owed by the Constituencies reflected a balance of Kshs.551,902 for Mbeere North Constituency which has been disputed by the Fund.

In the circumstances, the accuracy and completeness of the Nil payables balance as reflected in the financial statements could not be confirmed.

## **2. Unsupported Bursary Allocations**

Note 14 to the financial statements reflects other grants and transfers actual expenditure amount of Kshs.66,460,324 which includes Kshs.56,959,315 in respect to Bursary – secondary schools out of which an expenditure amount of Kshs.7,072,995.00 was not supported.

In the circumstances, the accuracy, authenticity and fairness of the bursary issuance 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 – Mbeere North 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 summary statement of comparison of budget and actual amounts reflects final revenue budget and actual on comparable basis of Kshs.262,395,512 and Kshs.233,645,512 respectively resulting to a budget surplus of Kshs.28,750,000 or 11% of the budget. Similarly, the Fund spent Kshs.118,964,712 against actual receipts of Kshs.233,645,512 resulting to annual under-expenditure of Kshs.114,680,800 or 48% of the actual receipts.

The under-funding and under-utilization affected the planned activities and may have impacted negatively on service delivery to the public.

My opinion is not modified in respect of this matter.

### **Key Audit Matters**

Key audit matters are those matters that, in my professional judgment, 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 of my report, I have determined that there are no other key audit matters to communicate in my report.

### **Other Matter**

#### **Unresolved Prior Year Audit Matters**

In the audit report of the previous year, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public

Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, Management had not resolved the issues or given any explanations for failure to implement the recommendations as shown below;

**i. Unaccounted Payment to Rural Electrification and Renewable Energy Corporation**

An amount of Kshs.5,000,000 in respect to transfers to Rural Electrification and Renewable Energy Corporation (RREC) for electricity distribution projects within the constituency was not supported.

**ii. Awarding of Bursaries to Ineligible Persons**

Bursary expenditure of Kshs.15,000 paid for NG-CDF Clerk of works driving school course which did not qualify as bursary to tertiary institutions.

**iii. Double Allocation of Bursaries in a Single Financial Year**

One hundred and forty-four (144 No.) of students were awarded bursary amount totalling Ksh.849,200 twice within the same financial year.

**iv. Irregular Variation of Contracts**

The project initially approved for the renovation of eight (8) classrooms was irregularly varied to involve the construction of new classrooms without proper authorization, documentation, or justification. The project changed to renovation of 3 (three) classrooms and completion of (two) 2 classrooms which had stalled.

**v. Nugatory Expenditure on a Failed Project**

Amount of Kshs.2,776,849 in respect to environment projects used to procure tree seedlings for each of the selected schools in the constituency. However, project verification conducted in the month of November, 2024 revealed that the tree planting was executed without proper project management.

**Other Information**

The National Government Constituencies Development Fund Committee is responsible for the Other Information set out on page ii to xxxviii which comprise of Fund Information and Management, NGCDF Committee, NG-CDF Chairman's Report, Project Information and Overall Performance, Statement of Performance against the National Government Constituencies Development Fund Predetermined Objectives, Environmental and Sustainability Reporting , Management discussion Analysis and Statement of the National Government Constituencies Development Fund Management Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit of 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 and I am required to report that fact. I have nothing to report in this regard.

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

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

### Conclusion

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

### Basis for Conclusion

#### 1. Project Implementation Status

The project implementation status report as at 30 June, 2025 provided for audit review indicated that fifty-three (53) projects worth Kshs.74,618,258 were budgeted to be implemented during the year under review. However, thirteen (13) projects worth Kshs.18,738,258 were completed, five (5) projects worth Kshs.5,210,000 were ongoing, twenty-nine (26) projects worth Kshs.31,220,000 had not started.

In view of the foregoing, the Constituents did not get the expected services. This is an indication of inappropriate project implementation mechanism. Therefore, there is need for Constituency Development Fund Management to review its project planning mechanism with a view to prioritizing those projects which will be implemented during the year resulting to higher impact into improving service delivery to the citizens.

In the circumstances, value for money for the incomplete projects totalling Kshs.74,618,258 could not be confirmed.

#### 2. Failure to Deduct and Remit Public Procurement Capacity Building Levy

Review of records revealed that the Fund entered into contracts but no documentary evidence has been provided to confirm that the County Executive complied with paragraph 3(1) of the Public Procurement Capacity Building Levy, Order 2023 which states that there shall be paid a levy by a supplier on all procurement contracts signed between the supplier and a procuring entity, at the rate of zero point zero three per centum (0.03%) of the value of the signed contract, exclusive of applicable taxes. In addition,

Public Procurement Regulatory Authority (PPRA) circular No. 01/2024 dated 30 August which requires procurement entities to remit the levy to the Authority through the e-Citizen payment platform by the 20<sup>th</sup> day of the subsequent month and also file monthly returns.

In the circumstances, Management was in breach of law.

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

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

### **Conclusion**

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

### **Basis for Conclusion**

#### **Lack of Disaster Recovery Plan**

Review of the Fund Information Communication Technology (ICT) environment revealed that there was no ICT disaster recovery plan in place that would reduce negative impact on operations in case of outage or disruption to ICT systems in the event they occur. Further, the Fund's operations may not recover or restore critical infrastructure services and systems which may affect all operations that rely on the ICT systems.

In the circumstances, the security and reliability of the Fund's management information system and data could not be confirmed.

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

### **Responsibilities of the Management and the National Government Constituencies Development Fund Committee**

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.

National Government Constituencies Development Fund Committee is 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**

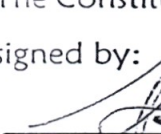
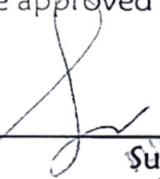

**21 November, 2025**

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

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

	Note	Period ended June, 2025
		Kshs
Revenue from non-exchange transactions		
Transfers from the NGCDF Board	6	161,497,759
Grants/donations from other entities	7	-
Revenue from exchange transactions		
Finance income	8	-
Miscellaneous income	9	-
<b>Total revenue</b>		<b>161,497,759</b>
Expenses		
Employee costs	10	4,204,660
Committee expenses	11	4,877,510
Use of Goods and Services	12	6,569,826
Other Government Units Actual expenditure	13	37,227,748
Other Grants and Transfers Actual expenditure	14	66,460,324
Depreciation and amortization expense	15	321,253
Digital Hubs Actual expenditure	16	-
<b>Total expenses</b>		<b>119,661,321</b>
Other gains/(losses)		
Gain/Loss on Sale of Assets	17	-
Impairment loss	18	-
<b>Surplus/(Deficit) for the year</b>		<b>41,836,438</b>

The Constituency financial statements were approved by the NGCDFC on 25<sup>th</sup> August, 2025 and signed by:

Chairman of the Constituency Development Fund Committee  
 Jervasio Nyombyeko

National Accountant  
 Alvan Mugo Nyaga  
 ICPAK M/No:

Sub-County Fund Account Manager  
 Richard M. Maingi

*National Government Constituencies Development Fund (NGCDF)*  
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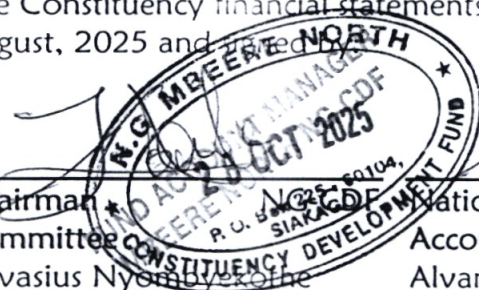
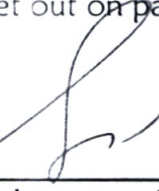

12. Statement Of Financial Position As At 30th June, 2025

	No te	Period as at June 2025	Opening Statement 1st July 2024
		Kshs	Kshs
<b>Assets</b>			
<b>Current Assets</b>			
Cash And Cash Equivalents	19	114,680,803	52,596,392.95
Receivables from Exchange Transactions	20	-	-
Receivables from Non-Exchange Transactions	21	28,750,000	-
Prepayments	22	-	-
<b>Total Current Assets</b>		<b>143,430,803</b>	<b>52,596,392.95</b>
<b>Non-Current Assets</b>			
Property, Plant and Equipment	23	1,794,052	1,790,505.50
Intangible Assets	24	-	-
Right-of-use assets	25	-	-
<b>Total Non- Current Assets</b>		<b>1,794,052</b>	<b>1,790,505.50</b>
<b>Total Assets (A)</b>		<b>145,224,855</b>	<b>54,386,898.45</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and Other Payables	26	-	-
Third-Party Deposits	27	-	-
Lease Liabilities	28	-	-
Gratuity provision	29	1,849,588	1,149,431.50

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Total Current Liabilities		1,849,588	1,149,431.50
Non-Current Liabilities			
Lease Liabilities	28	-	-
Total Liabilities (B)		1,849,588	1,149,431.50
Net Assets (A-B)		143,375,268	53,237,466.95
Represented by:			
Revaluation Reserves		143,375,265	101,538,826.95
Accumulated Surplus			
Total Net Assets		143,375,265	101,538,826.95

The Constituency financial statements set out on pages 1 to 39 approved by NG CDFC on 25<sup>th</sup> August, 2025 and signed by

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Chairman, National Accountant, Sub-County Fund Account Manager  
 Committee, Alvan Mugo Nyaga, Richard M. Maingi  
 Jervasius Nyombya, ICPAK M/No:

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

Description	Reserves	Accumulated surplus/Deficit	Total
	Kshs	Kshs	Kshs
As at 30 <sup>th</sup> June 2024 (cash basis)	25,565,974	-	25,565,974
Adjustments: (to recognize assets and liabilities)			
Add Assets	77,122,284		77,122,284
Less Liabilities	1,149,432		1,149,432
As at July 1, 2024	101,538,827		101,538,827
Surplus/(Deficit) For the Period	41,836,438		41,836,438
Revaluation Gain/Loss	-	-	-
As at 30 <sup>th</sup> June (current year)	143,375,265	-	143,375,265

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

	Notes	Period ended June 2025 Kshs
<b>Cash flows from operating activities</b>		
<b>Receipts</b>		
Transfers from the NGCDF Board		181,049,119
Grants/donations from other entities		-
Finance income		-
Miscellaneous income		-
<b>Total Receipts</b>		<b>181,049,119</b>
<b>Payments</b>		
Employee costs		3,504,504
Committee expenses		4,877,510
Use of Goods and Services		6,569,826
Other Government Units Certified Works		37,227,748
Other Grants and Transfers		66,460,324
Digital Hubs Expenses		-
<b>Total Payments</b>		<b>118,639,912</b>
<b>Net Cash Flows from/ (used in) Operating Activities</b>	30	<b>62,409,207</b>
<b>Cash flows From Investing Activities</b>		
Purchase of PPE		324,800
Purchase of Intangible assets		-
Proceeds From Sale of PPE		-
<b>Net Cash Flows from Investing Activities</b>		<b>324,800</b>
<b>Net increase/(decrease) in cash &amp; Cash equivalents</b>		<b>62,084,407</b>
<b>Cash Flows from Financing Activities</b>		
Lease payment		-
<b>Net Cash Flows from Financing Activities</b>		<b>62,084,407</b>
Cash and cash equivalents at Period Start	19	52,596,393
Cash and cash equivalents at Period End	19	114,680,800

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

National Government Constituencies Development Fund (NGCDF)  
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15. Statement of Comparison of Budget and Actual Amounts for the Year ended 30 June 2025

	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilization
	Kshs	Kshs		Kshs	Kshs	Kshs	
	a	b		C=(a+b)	d	e=(c-d)	f=d/c*100
	2024/2025	Opening Balance (operational, deposit and PMCs and AIA)	Previous Years' Outstanding disbursements	2024/2025	2024/2025		
<b>Revenue</b>							
Transfers From the NGCDF Board	161,497,759	52,596,393	48,301,360	262,395,512	233,645,512	28,750,000	89%
Grants/donations from other entities	-	-	-	-	-	-	
Finance income	-	-	-	-	-	-	
Miscellaneous income	-	-	-	-	-	-	
<b>Totals</b>							<b>89%</b>

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	161,497,759	52,596,393	48,301,360	262,395,512	233,645,512	28,750,000	
Expenses							
Employee costs	4,236,101	4,909,488	-	9,145,589	3,504,504	5,641,085	38%
Committee expenses	4,393,340	924,760	-	5,318,100	4,877,510	440,590	92%
Use of Goods and Services	5,905,358	1,614,802	-	7,520,160	6,569,826	950,334	87%
Other Government Units Certified Works	73,613,977	24,889,198	36,498,258	135,001,433	37,227,748	97,773,685	28%
Other Grants and Transfers	73,348,983	20,194,683	4,510,081	98,053,747	66,460,324	31,593,423	68%
12.0 Acquisition of assets	-	6,654	993,021	999,675	324,800	674,875	32%
Digital Hubs Expenses	-	-	-	-	-	-	
Others	-	56,808	-	56,808		56,808	0%
Funds Pending Approval**	-	-	6,300,000	6,300,000	-	6,300,000	0%
Total Expenditure	161,497,759	52,596,393	48,301,360	262,395,512	118,964,712	143,430,800	45%
Surplus for the period	-	(0)	-	(0)	114,680,800		

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

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

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

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilization difference totals	143,430,800
Less undisbursed funds receivable from the Board as at period 30 <sup>th</sup> June 2025	28,750,000
Cash and Cash Equivalents at the end of the 30 <sup>th</sup> June 2025	114,680,800

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Constituency financial statements were approved by NG-CDFC on 25<sup>th</sup> August, 2025 and signed by:

Fund Account Manager

Richard M. Maingi

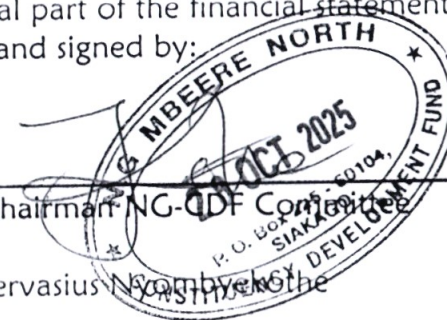
FUND ACCOUNT MANAGER  
MBEERE NORTH NG-CDF

National Sub-County Accountant

Alvan Mugo Nyaga  
ICPAK M/No:

Chairman NG-CDF Constituency

Jervasio Nyamboko



*National Government Constituencies Development Fund (NGCDF)*  
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16. Budget Execution by Sectors And Projects For The Year Ended 30<sup>th</sup> June 2025

Programme/Sub-programme	Original Budget			Final Budget	Actual on	Budget utilization difference
					comparable basis	
		Adjustments				
		Opening Balance (operational, deposit and PMCs and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
<b>1.0 Administration and Recurrent</b>						
1.1 Compensation of employees	4,236,101	4,909,488		9,145,589	3,504,504	5,641,085
1.2 Committee allowances	1,748,000	924,760		2,672,760	2,632,170	40,590
1.3 Use of goods and services	3,705,765	1,590,382		5,296,147	5,284,913	11,234
Sub-total	9,689,866	7,424,630	-	17,114,496	11,421,587	5,692,909
<b>2.0 Monitoring and evaluation</b>				-		-
2.1 Capacity building	1,945,340			1,945,340	1,945,340	-
2.2 Committee allowances	700,000			700,000	300,000	400,000
2.3 Use of goods and services	2,199,593			2,199,593	1,284,913	914,680
Sub-total	4,844,933	-	-	4,844,933	3,530,253	1,314,680
<b>4.0 Emergency</b>				-		-
unutilized	8,499,879	5,579,750		14,079,629	8,951,926	5,127,703
Sub-total	8,499,879	5,579,750	-	14,079,629	8,951,926	5,127,703
<b>5.0 Bursary and Social Security</b>				-		-
5.1 Primary Schools				-		-
5.2 Secondary Schools	50,599,104	5,623,734	1,540,081	57,762,919	56,959,315	803,604
5.3 Tertiary Institutions	14,000,000	3,967,202		17,967,202	-	17,967,202

*National Government Constituencies Development Fund (NGCDF)  
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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on	Budget utilization difference
		Opening Balance (operational, deposit and PMCs and AIA)	Previous Years' Outstanding Disbursements		comparable basis	
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
5.4 special needs		1,200,000		1,200,000	-	1,200,000
5.5 Education Support Programmes				-		-
5.6 Social Security		2,100,000		2,100,000		2,100,000
<b>Sub-total</b>	64,599,104	12,890,936	1,540,081	79,030,121	56,959,315	22,070,806
<b>7.0 Environment</b>				-		-
NGCDF Office		256,513		256,513		256,513
				-		-
<b>Sub-total</b>	-	256,513	-	256,513	-	256,513
<b>8.0 Primary Schools Projects</b>				-		-
Ciaikungugu Primary School		26,250		26,250	480	25,770
Ciangeru Primary School	1,800,000			1,800,000		1,800,000
Ciangeru Primary School		619		619	480	139
Cianthia Primary School		3,080		3,080	480	2,600
Cianyi Primary School		1,807	1,200,000	1,201,807	971,933	229,874
Cieria Primary School	1,500,000	1,849,696		3,349,696	3,703,413	(353,717)
Gacuriri Primary School				-	480	(480)
Gangara Primary School		847,950	1,900,000	2,747,950	2,700,689	47,261
Gangara Primary School		1,001		1,001	-	1,001

*National Government Constituencies Development Fund (NGCDF)*  
*Mbeere North Constituency*  
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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on	Budget utilization difference
		Opening Balance (operational, deposit and PMCs and AIA	Previous Years' Outstanding		comparable basis	
			Disbursements			
Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	
Gataatha Primary School		-	1,200,000	1,200,000	992,112	207,888
Gataatha Primary School		1,075		1,075	-	1,075
Gatorori Primary School	450,000			450,000		450,000
Gatothia Primary School	450,000			450,000		450,000
Gatothia Primary School		75,443		75,443	479	74,964
Gikuyari Primary School	1,600,000	-		1,600,000	972,144	627,856
Gikuyari Primary School		23		23	-	23
Gitiburi Primary School		3,375		3,375	-	3,375
Gitii Primary and JSS		259,669	2,000,000	2,259,669	426,469	1,833,200
Gitii Primary School		1,540		1,540	480	1,060
Gwakaithi Primary School		39,919		39,919		39,919
Gwakaithi Primary School		36,966		36,966	480	36,486
Ibutuka Primary School	450,000			450,000		450,000
Ibutuka Primary School		1,501		1,501	480	1,021
Iri Primary School		29,855		29,855	-	29,855
Itiira Primary School		825		825	-	825
Itururi Primary School	2,600,000			2,600,000		2,600,000

*National Government Constituencies Development Fund (NGCDF)*  
*Mbeere North Constituency*  
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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on	Budget utilization difference
		Opening Balance (operational, deposit and PMCs and AIA)	Previous Years' Outstanding Disbursements		comparable basis	
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Itururi Primary School		398,975		398,975	-	398,975
Kabachi Primary School		960		960	480	480
Kageri Primary School		2,810		2,810	480	2,330
Kamarindo Primary School	450,000			450,000		450,000
Kamarindo Primary School		24,707		24,707	-	24,707
Kamaua Primary School		1,015		1,015	480	535
Kambaru Primary School	1,200,000			1,200,000		1,200,000
Kambaru Primary School		43		43	-	43
Kambungu Primary School		82,892		82,892	480	82,412
Kamigua Primary School	2,600,000			2,600,000		2,600,000
Kamigua Primary School		1,895		1,895	480	1,415
Kamugu Primary School	450,000			450,000		450,000
Kamukanya Primary School		522		522	480	42
Kamwaa Primary School				-		-
Kanganga Primary School		2,740		2,740	480	2,260
Kanthenge Primary School		5,252		5,252	-	5,252
Kanyangi Primary School		520		520	480	40

*National Government Constituencies Development Fund (NGCDF)*

*Mbeere North Constituency*

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (operational, deposit and PMCs and AIA)	Previous Years' Outstanding Disbursements			
Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	
Kanyuambora Primary School		84,790		84,790	-	84,790
Karambari Primary School	800,000			800,000		800,000
Karambari Primary School		855	1,200,000	1,200,855	972,136	228,719
Karangare Primary School		855		855	-	855
Karigiri Primary School		1,158,106	2,000,000	3,158,106	1,405,650	1,752,456
Karimari Primary School				-		-
Karimari Primary School		12,085		12,085	-	12,085
Karuari Primary School	2,120,000			2,120,000		2,120,000
Karuari Primary School			1,200,000	1,200,000		1,200,000
Kathagutari Primary School		2,540		2,540	-	2,540
Katheru Primary School		228		228	81	148
Kathitu Primary School		615		615	-	615
Kathutheri Primary School	5,000,000			5,000,000		5,000,000
Kathutheri Primary School		17,469		17,469	-	17,469
Kaungu Primary School	1,768,977			1,768,977		1,768,977
Kaungu Primary School	1,500,000	748,785		2,248,785	1,233,954	1,014,831
Kavairi Primary School		21,375		21,375	-	21,375

National Government Constituencies Development Fund (NGCDF)  
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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on	Budget utilization difference
		Opening Balance (operational, deposit and PMCs and AIA)	Previous Years' Outstanding Disbursements		comparable basis	
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Kavengero Primary School	3,000,000		2,098,258	5,098,258		5,098,258
Kavui Primary School		294,810		294,810	-	294,810
Kavui Primary School		437,950		437,950	-	437,950
Kiambere Complex Primary School	450,000			450,000		450,000
Kiamugongo Primary School		455,766		455,766	-	455,766
Kiamugongo Primary School		1,935		1,935	-	1,935
Kianamu Primary School	450,000			450,000		450,000
Kianamu Primary School		1,270		1,270	-	1,270
Kiangaja Primary School	2,400,000	545		2,400,545	1,944,289	456,256
Kianjeru Primary School		48,095		48,095	-	48,095
Kianjogu Primary School		1,000,000		1,000,000		1,000,000
Kianjogu Primary School		19,350		19,350	-	19,350
Kianjoya Primary School		2,570		2,570	480	2,090
Kianthenge Primary School		76,216		76,216	480	75,736
Kiathambu Primary School	450,000			450,000		450,000
Kienire Primary School	2,600,000			2,600,000		2,600,000
Kigwambiti Primary School	2,600,000			2,600,000		2,600,000

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on	Budget utilization difference
		Opening Balance (operational, deposit and PMCs and AIA)	Previous Years' Outstanding Disbursements		comparable	
					basis	
Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	
Kigwambiti Primary School		-	1,200,000	1,200,000	972,144	227,856
Kirie Primary School		1,287,950		1,287,950	-	1,287,950
Kirie Primary School		22,156		22,156	481	21,676
Kirigo Primary School		1,655		1,655	-	1,655
Kivue Primary School	1,600,000			1,600,000		1,600,000
Kivue Primary School		4,980		4,980	-	4,980
Kogari Primary School	3,200,000			3,200,000		3,200,000
Kwandambogo Primary School	400,000	1,020,919		1,420,919	1,275,718	145,201
Makunguru Primary School	700,000	540	2,500,000	3,200,540	2,247,445	953,095
Mang'ote Primary School		1,900		1,900	480	1,420
Mathai Primary School	450,000			450,000		450,000
Mathai Primary School		3,278		3,278	-	3,278
Mbaci Primary School		33		33	-	33
Mbarwari Primary School		931	717,867	718,798	499,140	219,658
Mianjatiri Primary School		-		-	4,900,640	(4,900,640)
Mianjatiri Primary School		60		60	-	60
Michegethiu Primary School	450,000			450,000		450,000

*National Government Constituencies Development Fund (NGCDF)*  
*Mbeere North Constituency*  
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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on	Budget utilization difference
		Opening Balance (operational, deposit and PMCs and AIA)	Previous Years' Outstanding Disbursements		comparable	
					basis	
Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	
Michegethiu Primary School		24,361		24,361	-	24,361
Muchonoke Primary School		55		55	-	55
Mugwanjogu Primary School		175		175	-	175
Mukororia Primary School		1,575		1,575	-	1,575
Murangu Primary School		55		55	1	54
Muthanthara Primary School				-		-
Muthanthara Primary School			482,133	482,133		482,133
Muthanthara Primary School		1,025		1,025	-	1,025
Mutirieguru Primary School		3,960		3,960	750	3,210
Mwundu Primary School			1,200,000	1,200,000		1,200,000
Mwundu Primary School		1,540		1,540	1,505	35
Ndutori Primary School		2,813		2,813	96	2,717
Ngariwaireri Primary School	800,000			800,000		800,000
Ngarwereri Primary School		777		777	-	777
Ngiiri Primary School	450,000			450,000		450,000
Ngiiri Primary School				-		-
Ngiiri Primary School		40		40	-	40

*National Government Constituencies Development Fund (NGCDF)*  
*Mbeere North Constituency*  
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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on	Budget
		Opening Balance (operational, deposit and PMCs and AIA	Previous Years' Outstanding Disbursements		comparable	utilization
					basis	difference
Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	
Ngoce Primary School	2,645,000			2,645,000		2,645,000
Ngoce Primary School	800,000			800,000		800,000
Ngoce Primary School		649		649	-	649
Ngunyumu Primary School		-	1,200,000	1,200,000	1,179,981	20,019
Nguthi Primary School				-		-
Njarange Primary School	2,600,000			2,600,000		2,600,000
Njarange Primary School		3,023		3,023	-	3,023
Nthigirani Primary School		85		85	-	85
Ovarire Primary School		2,900		2,900	480	2,420
Riandu Primary School	2,600,000			2,600,000		2,600,000
Riandu Primary School	1,200,000			1,200,000		1,200,000
Rwagori Primary School	4,100,000	2,520	1,200,000	5,302,520	5,293,523	8,997
Rwanjeru Primary School	1,600,000			1,600,000		1,600,000
Rwanjeru Primary School		2,850		2,850	-	2,850
Siakago Primary School		27,330		27,330	-	27,330
St. Peter's Upper Primary School		7,133		7,133	-	7,133
Usambara Primary School		2,100		2,100	-	2,100

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Programme/Sub-programme	Original Budget			Final Budget	Actual on	Budget utilization difference
					comparable basis	
		Adjustments				
		Opening Balance (operational, deposit and PMCs and AIA)	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Witwa Primary School	450,000			450,000		450,000
Witwa Primary School		72,233		72,233	480	71,753
Witwa Primary School		46,711		46,711	480	46,231
<b>Sub-total</b>	<b>60,733,977</b>	<b>10,637,447</b>	<b>21,298,258</b>	<b>92,669,682</b>	<b>31,704,854</b>	<b>60,964,828</b>
<b>9.0 Secondary Schools Projects (List all the Projects)</b>				-		-
Ciangeri Secondary School	310,000			310,000		310,000
Ciangeri Secondary School		1,209,040		1,209,040	836,298	372,742
Cianthia Secondary School			500,000	500,000		500,000
Cianthia Secondary School		65,246		65,246	960	64,286
Gangara Secondary School			1,000,000	1,000,000		1,000,000
Gangara Secondary School		1,072,176		1,072,176	459,785	612,391
Gangara Secondary School		80		80	-	80
Gikuyari Secondary School			1,000,000	1,000,000		1,000,000
Gikuyari Secondary School		38,122		38,122	480	37,642
Gikuyari Secondary School		6,403		6,403	-	6,403
Gitiburi Secondary School		1,780		1,780	-	1,780
Gitiburi Secondary School			2,500,000	2,500,000		2,500,000

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (operational, deposit and PMCs and AIA)	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Itiira sec		37,750		37,750		37,750
Itiira Secondary School		131,566		131,566	-	131,566
Kabachi Secondary School			500,000	500,000		500,000
Kabachi Secondary School		289,698		289,698	-	289,698
Kambaru Secondary School	1,200,000			1,200,000		1,200,000
Kambaru Secondary School	1,000,000			1,000,000		1,000,000
Kambaru Secondary School		917,091		917,091	-	917,091
Kamigua Mixed Day Secondary School		1,499,376		1,499,376	1,237,874	261,502
Kamigua Secondary School	1,220,000			1,220,000		1,220,000
Kamutu Secondary School	3,000,000			3,000,000		3,000,000
Kamwaa Secondary School			1,000,000	1,000,000		1,000,000
Kamwaa Secondary School		1,119,643		1,119,643	731,474	388,169
Kanyuambora Secondary School			1,000,000	1,000,000		1,000,000
Kanyuambora Secondary School		97,283		97,283	480	96,803
Kanyueri Secondary School		40		40	1	39
Karambari Secondary School			200,000	200,000		200,000
Karambari Secondary School		1,134		1,134	-	1,134

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on	Budget
		Opening Balance (operational, deposit and PMCs and AIA)	Previous Years' Outstanding Disbursements		comparable	utilization
					basis	difference
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Karangare Secondary School			3,000,000	3,000,000		3,000,000
Karangare Secondary School		160,143		160,143	-	160,143
Karigiri Secondary School		131,486		131,486	480	131,006
Kathiga Gaceru Secondary School		44,442		44,442	480	43,962
Kathiga Gacheru Secondary School			1,500,000	1,500,000		1,500,000
Kavengero Secondary School		17,719		17,719	-	17,719
Kiambere Complex			1,000,000	1,000,000		1,000,000
Kianjeru Secondary School	3,000,000			3,000,000		3,000,000
Kianjeru Secondary School		71,766		71,766	1	71,766
Kiathambu Secondary School		54,487		54,487	450	54,037
Kigwambiti Secondary School		215,606		215,606	477	215,129
Kirie Day Secondary School		4,491		4,491	480	4,011
Kirigo Secondary School		2,805		2,805	-	2,805
Kivue Secondary School		45,617		45,617	480	45,137
Kogari Secondary School		1,533		1,533	-	1,533
Mbaraga Secondary School		8,265		8,265	-	8,265
Muchonoke Secondary School	2,200,000	942,494		3,142,494	1,782,718	1,359,776

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on	Budget utilization difference
		Opening Balance (operational, deposit and PMCs and AIA	Previous Years' Outstanding Disbursements		comparable basis	
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Muthanthara Secondary School	950,000	27,937		977,937	469,017	508,920
Ndutori Secondary School		840		840	480	360
Ngoce Sec School		37,750		37,750		37,750
Ngoce Secondary School		181,318		181,318	-	181,318
Ngunyumu Secondary School		1,255		1,255	-	1,255
Riandu Secondary School			1,000,000	1,000,000		1,000,000
Riandu Secondary School		1,000,000		1,000,000		1,000,000
Riandu Secondary School		1,317,968		1,317,968	480	1,317,488
Siakago Boys Secondary School		246,849		246,849		246,849
Siakago Boys Secondary School		2,184,560		2,184,560	-	2,184,560
Siakago Girls High School		858		858	-	858
Siakago Mixed Secondary School		5,823		5,823	-	5,823
St. Magdalene School for the Deaf Riandu			1,000,000	1,000,000		1,000,000
St. Mary Magdalene High School for The Deaf Riandu		1,059,311		1,059,311	-	1,059,311
Sub-total	12,880,000	14,251,751	15,200,000	42,331,751	5,522,894	36,808,857
				-		-

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on	Budget utilization difference
		Opening Balance (operational, deposit and PMCs and AIA)	Previous Years' Outstanding Disbursements		comparable basis	
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
10.0 Tertiary institutions Projects (List all the Projects)				-		-
				-		-
	-	-	-	-	-	-
Sub-total				-		-
11.0 Security Projects	250,000			250,000		250,000
Kirie Assistant County Commissioner.	-		1,300,000	1,300,000		1,300,000
Cieria Chiefs office		377		377		377
Dcc office		2,227		2,227	480	1,747
Iriaitune Chiefs office		25		25	1	24
Itiira Sub-Chief office		25		25	1	24
Kanyuambora Chiefs office		815		815	480	335
Kirie ACC office		597,950		597,950	539,481	58,469
Kirie ACC office		10,585		10,585	480	10,105
Kirie Administration Police Line		719		719		719
Kune Sub Chief office		503		503		503
Muthanu Sub-Chiefs office		15,776		15,776	480	15,296

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (operational, deposit and PMCs and AIA)	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Riandu Police Post		109,662		109,662	1	109,661
Siakago Law Courts		595		595		595
Siakago Police Headquarters		242,018		242,018	6,240	235,778
Kabubua Ka Nyama Police Post		1,017		1,017		1,017
Kamugu Sub Chiefs office		250		250		250
Kanyuambora Police Station		5		5		5
Kathera Assistant Chiefs office		155		155		155
Kiogogo Sub-Chiefs office		735		735		735
Kirie AP Post		847		847		847
Muminji Chiefs office		14,653		14,653		14,653
Kirie ACCs Office PMC		-		-		-
<b>Sub-total</b>	250,000	998,939	1,300,000	2,548,939	547,643	2,001,296
				-		-
<b>12.0 Acquisition of assets</b>		243	-	243		243
NG-CDF Office Motorcycle		6,654		6,654		6,654
NGCDF Office Registry				-		-
<b>12.2 Construction of CDF office</b>				-	-	-

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (operational, deposit and PMCs and AIA)	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
laptops			993,021	993,021		993,021
Sub-total	-	6,654	993,021	999,675		999,675
13.0 Others			-	-		-
NG-CDF Office		468,545	1,670,000	2,138,545	324,800	1,813,745
Sub-total	-	468,545	1,670,000	2,138,545	324,800	1,813,745
Mbeere North NGCDF Strategic Plan		24,420		24,420		24,420
Sub-total	-	24,420	-	24,420	-	24,420
Environment PMC Mbeere North		19,430		19,430	480	18,950
Ishiara Social Hall		1,295		1,295	480	815
Mbeere North Sports		36,083		36,083	480	35,604
SCDE Mbeere North		-		-		-
Sub-total	-	56,808	-	56,808	1,440	55,369
Funds pending approval**				-		-
Unapproved projects			6,300,000	6,300,000		6,300,000
AIA	-			-		-
Sub-total	-	-	6,300,000	6,300,000	-	6,300,000

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (operational, deposit and PMCs and AIA)	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
<b>Grand total</b>	161,497,759	52,596,393	48,301,360	262,395,512	118,964,711	143,430,801

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

## 17. Notes to the Financial Statements

### 1. General information

The National Government Constituencies Development Fund (NG-CDF) formerly Constituencies Development Fund (CDF), is established by and derives its authority and accountability from the NG-CDF Act 2015 (amended 2023). The NG-CDF is wholly owned by the Government of Kenya and is domiciled in Kenya. The NG-CDF - Constituency principal activity is infrastructure improvement in national government Institutions.

### 2. Statement of Compliance and Basis of Preparation

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

*The financial statements have been prepared in accordance with the Public Finance Management (PFM) Act and the International Public Sector Accounting Standards (IPSAS). The NG-CDF [Mbeere North] 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 [Mbeere North] has recognized all financial assets, including cash and cash equivalents held in the operational account, deposit account, and PMC bank accounts; receivables (amounts due from the Board and other parties); prepayments; property, plant, and equipment (PPE); and intangible assets acquired during the financial year 2023/2024 up to the reporting date.*

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

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

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

3. Adoption of New and Revised Standards

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

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

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

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

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

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

*iii. Early adoption of standards*

The Entity did not early – adopt any new or amended standards in the financial year or *the entity adopted the following standards early (state the standards, reason for early adoption, and impact on the entity’s financial statements.)*

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

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

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

**c) Property, plant and equipment**

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

**d) Leases**

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

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

**e) Intangible assets**

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

**f) Financial instruments**

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

**a) Financial assets**

**Classification of financial assets**

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

### **Subsequent measurement**

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

### **Amortized cost**

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

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

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

### **Trade and other receivables**

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

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

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

### **Impairment**

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

### **b) Financial liabilities**

#### **Classification**

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

### **g) Inventories**

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

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

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current

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

#### **h) Provisions**

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

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

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

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

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

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

The Entity does not recognize a contingent asset but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future

events not wholly within the control of the Entity in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

**l) Employee benefits**

**Retirement benefit plans**

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

**m) Foreign currency transactions**

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

n) **Related parties**

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

o) **Cash and Cash Equivalents**

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

p) **Comparative figures**

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

q) **Subsequent events**

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

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

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

#### **Estimates and assumptions.**

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

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

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

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

#### **Provisions**

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

*(include provisions applicable for your organization e.g. provision for bad debts, provisions of obsolete stocks and how management estimates these provisions).*

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6. Transfers from the NGCDF Board

Description	Period ended June 2025
NGCDFB Transfers (Allocation for the FY)	161,497,759
<b>TOTAL</b>	<b>161,497,759</b>

7. Transfers from domestic and foreign partners

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

8. Finance income

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

*(Provide a brief explanation for this revenue)*

9. Miscellaneous income

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

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10. Employees cost

Description	<i>Period ended June 2025</i>
	Kshs
NG-CDFC Basic staff salaries	2,462,783
Personal allowances paid as part of salary	-
House Allowance	425,160
Transport Allowance	387,000
Leave allowance	53,000
Gratuity to contractual employees	700,156
Employer Contributions Compulsory national social security schemes	114,480
Employer Contributions Compulsory Housing levy	62,082
Employer contributions to National Industrial Training Authority	-
Other Specify	-
<b>Total</b>	<b>4,204,660</b>

11. Committee Expenses

Description	<i>Period ended June 2025</i>
	Kshs
Sitting allowance	1,248,100
Other Committee expenses	3,629,410
<b>Total</b>	<b>4,877,510</b>

12. Use of Goods and services

Description	Period ended June 2025
	Kshs
Utilities, supplies and services	29,328
Communication, supplies and services	144,500
Domestic travel and subsistence	200,000
Printing, advertising and information supplies & services	772,940
Office Rent	-
Training expenses	1,046,000
Hospitality supplies and services	914,010
Insurance costs	336,027
Specialized materials and services	152,899
Office and general supplies and services	496,400
Fuel, oil & lubricants	800,000
Bank Charges	296,846
Routine maintenance – vehicles and other transport equipment	900,876
Routine maintenance – other assets	400,000
Strategic plan expenses	-
Other operating expenses	80,000
<b>Total</b>	<b>6,569,826</b>

13. Other Government Units Actual expenditure

Description	Period ended June 2025
	Kshs
Primary Schools Actual expenditure	31,704,854
Secondary Schools Actual Expenditure	5,522,894
Tertiary Institutions Actual Expenditure	-
<b>Total</b>	<b>37,227,748</b>

14. Other Grants and transfers Actual expenditure

Description	Period ended June 2025
	Kshs
Bursary – secondary schools	56,959,315
Bursary – tertiary institutions	-
Bursary – special schools	-
Bursary - Education Support programmes	-
Social Security programmes (SHIF)	-
Security projects Actual Expenditure	547,644
Climate change mitigation projects	-
Emergency projects Actual Expenditure	8,951,926
Roads projects	-
Others specify	1,440
<b>Total</b>	<b>66,460,324</b>

15. Depreciation and Amortization Expenses

Description	Period ended June 2025
	Kshs
Property Plant and Equipment	321,253
Intangible Assets	-
<b>Total</b>	<b>321,253</b>

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)	-
<b>Total</b>	<b>-</b>

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17. Gain/loss on Sale of Assets

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

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

18. Impairment Loss

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

*(Provide brief explanation on assets impairment loss)*

19. Cash and Cash Equivalents

Name Of Bank and Account No.	Period ended June 2025	Opening Statement 1st July 2024
	Kshs	Kshs
<b>Bank Accounts (Cash Book Bank Balance)</b>		
<i>Name Of Bank, Account No. (Operations account)</i>	45,518,222	29,010,017.95
<i>Operations account pending closure (Indicate name &amp; account no.)</i>	-	-
<i>Name of Bank, account No. (Deposit account)</i>	1,849,588	-
<i>Name of Bank, account No. (PMC's account)</i>	67,312,993	23,586,375.00
<b>Total</b>	<b>114,680,803</b>	<b>52,596,393</b>
<b>Cash Balances</b>		
Location 1	-	-
Location 2	-	-
Other Locations <i>(Specify)</i>	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
<i>[Provide Cash Count Certificates for Each]</i>		

20. *(Provide a schedule of all reconciled PMC bank balances as at the end of the period)*

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21. Receivables from Exchange Transactions

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

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

i. Ageing Analysis for Receivables

Description	2024/2025		Opening Statement F July 20XX	
	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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22. Receivables from Non-Exchange Transactions

Description	Period ended June 2025		Opening Statement	
	Kshs		1st July 2024	
	Kshs		Kshs	
Transfers from NGCDFB	28,750,000		48,301,360.00	
Transfers from NGCDFB	-		-	
Outstanding imprest	-		-	
<b>Total</b>	<b>28,750,000</b>		<b>48,301,360</b>	
Ageing Analysis- Receivables from non-exchange transactions	2024/2025	% of the total	Opening Balance	% of the total
Less than 1 year	-	%	-	%
Between 1-2 years	-	%	-	%
Over 3 years	-	%	-	%
<b>Total</b>	-	%	-	%

23. Prepayments

Description	2024/2025	Opening Statement
	Kshs	1st July 20XX Kshs
Prepaid Rent	-	-
Prepaid Insurance	-	-
Prepaid Electricity Costs	-	-
Other Prepayments ( <i>Specify</i> )	-	-
<b>Total</b>	-	-

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**24. Property, Plant and Equipment**

	Land	Buildings	Motor vehicles	Infrastructure assets	Furniture and fittings	Computers & ICT Equipment	Work In progress	Service concession assets	Total
Depreciation Rate		10%	25.00%	20%	12.50%	30.00%			
Cost	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Opening Bal as 1 <sup>st</sup> July 2024	-	-	-	-	2,046,292	-	-	-	2,046,292
Additions	-	-	-	-	-	324,800	-	-	324,800
Disposals	-	-	-	-	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-	-	-	-	-
As At 30 Jun 2025	-	-	-	-	2,046,292	324,800	-	-	2,371,092
Depreciation And Impairment									
Opening bal accumulated depreciation 1 <sup>st</sup> July 2024	-	-	-	-	255,787	-	-	-	255,787
Depreciation	-	-	-	-	223,813	97,440	-	-	321,253
Disposals	-	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-	-	-	-
As At 30 Jun 2025	-	-	-	-	479,600	97,440	-	-	577,040
Net Book Values									
Opening Bal as at 1 <sup>st</sup> July 2024	-	-	-	-	1,790,506	-	-	-	1,790,506
As At 30 Jun, 2025	-	-	-	-	1,566,692	227,360	-	-	1,794,052

**Valuation**

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

**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	N/A	-	-
Buildings	-	-	-
Plant And Machinery	-	-	-
Motor Vehicles, Including Motorcycles	-	-	-
Computers And Related Equipment	-	-	-
Office Equipment, Furniture, And Fittings	-	-	-
<b>Total</b>	-	-	-

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

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

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25. Intangible Assets

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

26. Right-of use assets

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

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As At 30 June 2025 (Current FY)	-	-	-	-
As At 30 June 2024 (Comparative Period)	-	-	-	-

27. Trade and Other Payables

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

28. Third-Party deposits

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

Retentions aging analysis.

	Insert Current FY	% of the total	Insert Comparative FY	% of the total
Less than 1 year	-	%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total	-		-	

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

29. Lease Liabilities

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

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**Maturity Analysis**

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

**Analysed as:**

Description	Amount
Current	-
Non- Current	-
Total	-

**30. Gratuity Provision**

Description	<i>Period ended June</i>	<i>Opening</i>
	<i>2025</i>	<i>Statement</i>
	Kshs	<i>1st July 2024</i>
	Kshs	Kshs
Gratuity at the beginning of the period (A)	1,149,432	-
Gratuity held during the period (B)	700,156	1,149,431.50
Gratuity paid during the period (C)	-	-
<b>Total Gratuity provision as at period 30th June 2025 D=(A+B-C)</b>	<b>1,849,587.70</b>	<b>1,149,431.50</b>

### 31. Cash Generated from Operations

	<i>Period ended June 2025</i>
	<b>Kshs</b>
Surplus for the period before tax	41,836,438
Adjusted for:	
Depreciation	321,253
Non-cash grants received	-
Contributed assets	-
Impairment	-
Gains and losses on disposal of assets	-
Contribution to provisions	-
Contribution to impairment allowance	-
<b>Working capital adjustments</b>	
Changes in inventory	-
Changes in receivables	(19,551,360)
Changes in deferred income	-
Changes in Third party deposits	(700,156)
Changes in gratuity provision	-
Changes in payments received in advance	-
<b>Net cash flow from operating activities</b>	<b>62,409,207</b>

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

### 32. Financial Risk Management

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

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**i) Credit risk**

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

**Financial Risk Management**

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

Description	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
<b>As at 30<sup>th</sup> June (Current FY)</b>				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	28,750,000	28,750,000	-	-
Bank balances	<u>45,518,222</u>	<u>45,518,222</u>	-	-
<b>Total</b>	<b>74,268,222</b>	<b>74,268,222</b>	-	-
<b>As at 30 June (Previous FY)</b>			-	-
Receivables from exchange transactions	0	0	-	-
Receivables from non-exchange transactions	48,301,360	48,301,360	-	-
Bank balances	<u>28,194,921</u>	<u>28,194,921</u>	-	-
<b>Total</b>	<b>76,496,281</b>	<b>76,496,281</b>	-	-

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

**Financial Risk Management**

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the Entity has recognized in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The Entity has significant concentration of credit risk on amounts due from -. 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	Between 1-3	Over 5	Total
	month	months	months	
	Kshs	Kshs	Kshs	Kshs
<b>As at 30<sup>th</sup> June (Current FY)</b>				
Trade payables	-	-	-	-
Current proportion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Gratuity Provision	-	-	1,849,588	1,849,588
<b>Total</b>	-	-	1,849,588	1,849,588
<b>As at 30<sup>th</sup> June (Previous FY)</b>				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-

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

**iii) Market risk**

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

**a) Foreign currency risk**

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

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Current FY

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

Foreign currency sensitivity analysis

Current FY

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

## Financial Risk Management

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

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

### b) Interest rate risk

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

#### Management of interest rate risk

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

#### Sensitivity analysis

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

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

**Fair value of financial assets and liabilities**

**a) Financial instruments measured at fair value.**

**Determination of fair value and fair values hierarchy**

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

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

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

Description	Level 1 Kshs	Level 2 Kshs	Level 3 Kshs	Total Kshs
As at 30 June (Current FY)				
Financial Assets				
Quoted Equity Investments	-	-	-	-
Non- Financial Assets				
Investment Property	-	-	-	-
Land And Buildings	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

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

**iv) Capital Risk Management**

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

Description	2024/2025	Opening Statement 1 <sup>st</sup> July 20xx
	Kshs	Kshs
Revaluation Reserve	-	-
Retained Earnings	-	-
Capital Reserve	-	-
<b>Total Funds</b>	-	-
Total Borrowings	-	-
Less: Cash and Bank Balances	(-)	(-)
Net Debt/(Excess Cash And Cash Equivalents)	-	-
<b>Gearing</b>	xx%	xx%

### 33. Related Party Disclosures

	2024/2025	Opening Statement 1 July 2024
	Kshs	Kshs
<b>Committee Members Remuneration</b>		
Sitting allowance of committee Members during the year	1,248,100	-
<b>Transaction with the NGCDF Board</b>		
Transfers from the NGCDF Board during the year	181,049,119	-
<b>Total</b>	<b>182,297,219</b>	<b>-</b>

### 34. Segment Information

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

### 35. Contingent Assets and Contingent Liabilities

#### Contingent Assets

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

*(Give details)*

**Contingent Liabilities**

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

**36. Capital Commitments**

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

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

**37. Events after the Reporting Period**

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

**38. Ultimate And Holding Entity**

The Mbeere North 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.

**39. 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	22,205,386	-	-	22,205,386
Transport equipment	7,306,723	-	-	7,306,723
Office equipment, furniture, and fittings	3,441,511	-	-	3,441,511
ICT Equipment and Other ICT Assets	519,469	324,800	-	844,269
Other Machinery and Equipment	-	-	-	-
Intangible assets	-	-	-	-
<b>Total</b>	<b>33,473,089</b>	<b>324,800</b>	<b>-</b>	<b>33,797,889</b>

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

PMC	Bank	Account number	Bank Balance 2024/25	Bank Balance 2023/24
Ciaikungugu Primary School	Co-operative Bank of Kenya Ltd	01139052736603	25,770	26,250
Cianger Primary School	Co-operative Bank of Kenya Ltd	01139052738602	139	619
Cianger Secondary School	Co-operative Bank of Kenya Ltd	01139570010800	175,961	1,209,040
Cianthia Primary School	Co-operative Bank of Kenya Ltd	01139570250100	2,600	3,080
Cianthia Secondary School	Co-operative Bank of Kenya Ltd	01139407773500	64,286	65,246
Cianyi Primary School	Co-operative Bank of Kenya Ltd	01139051832100	1,574	1,807
Cieria Chiefs office	Co-operative Bank of Kenya Ltd	01141570105900	377	377
Cieria Primary School	Co-operative Bank of Kenya Ltd	01100671256001	585,075	847,950
Cieria Primary School	Co-operative Bank of Kenya Ltd	01139570211000	176	656
DCC Office	Co-operative Bank of Kenya Ltd	01141570220900	1,747	2,227
Environment PMC Mbeere North	Co-operative Bank of Kenya Ltd	01100573706001	18,950	19,430
Gacuriri Primary School	Co-operative Bank of Kenya Ltd	01139344451102	610	1,001,090
Gangara Primary School	Sidian Bank	01007030003638	1,001	1,001
Gangara Primary School	Co-operative Bank of Kenya Ltd	01100582908004	199,400	847,950
Gangara Secondary School	Sidian Bank	01007030003598	80	80
Gangara Secondary School	Co-operative Bank of Kenya Ltd	01100607101001	80	1,072,176
Gataatha Primary School	Co-operative Bank of Kenya Ltd	1101411643001	30,411	

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PMC	Bank	Account number	Bank Balance 2024/25	Bank Balance 2023/24
Gatatha Primary School	Sidian Bank	01007030003558	1,075	1,075
Gatothia Primary School	Co-operative Bank of Kenya Ltd	01139344640201	74,964	75,443
Gikuyari Primary School	Sidian Bank	01007030003938	23	23
Gikuyari Primary School	Co-operative Bank of Kenya Ltd	1101349430001	277,170	
Gikuyari Secondary School	Co-operative Bank of Kenya Ltd	01139344108102	37,642	38,122
Gikuyari Secondary School	Sidian Bank	01007030003928	6,403	6,403
Gitiburi Secondary School	Sidian Bank	01007030003708	1,780	1,780
Gitiburi Primary School	Co-operative Bank of Kenya Ltd	1100990173001	98,843	
Gitiburi Primary School	Sidian Bank	01007030003688	3,375	3,375
Gitii Primary and JSS-PMC A/C	Co-operative Bank of Kenya Ltd	01100576459001	266,134	259,669
Gitii Primary School	Co-operative Bank of Kenya Ltd	01139570394700	1,060	1,540
Gwakaithi Primary School	Co-operative Bank of Kenya Ltd	01139570226701	36,486	36,966
Ibutuka Primary School	Co-operative Bank of Kenya Ltd	01139344119801	1,021	1,501
Iriaitune Chiefs office	Co-operative Bank of Kenya Ltd	01141570229200	24	25
Iriri Primary School	Sidian Bank	01007030004526	29,855	29,855
Ishiara KMTC	Sidian Bank	01007030003168	2,112	2,112
Ishiara Social Hall	Co-operative Bank of Kenya Ltd	01141570052700	815	1,295
Itiira Primary School	Sidian Bank	01007030004326	825	825
Itiira Secondary School	Co-operative Bank of Kenya Ltd	01139051604602	125,086	131,566

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PMC	Bank	Account number	Bank Balance 2024/25	Bank Balance 2023/24
Itiira Sub-Chief office	Co-operative Bank of Kenya Ltd	01141570127900	24	25
Itururi Primary School	Sidian Bank	01007030004346	398,975	398,975
Kabachi Primary School	Co-operative Bank of Kenya Ltd	01139052537801	480	960
Kabachi Primary School	Co-operative Bank of Kenya Ltd	1105694031001	1,044,167	
Kabachi Secondary School	Co-operative Bank of Kenya Ltd	01139569163202	286,218	289,698
Kabubua Ka Nyama Police Post	Sidian Bank	01007030003788	1,017	1,017
Kageri Primary School	Co-operative Bank of Kenya Ltd	01139570004400	2,330	2,810
Kamarindo Primary School	Sidian Bank	01007030002561	24,707	24,707
Kamaua Primary School	Co-operative Bank of Kenya Ltd	01139570039400	535	1,015
Kambaru Primary School	Sidian Bank	01007030004356	43	43
Kambaru Secondary School	Sidian Bank	01007030003538	917,091	917,091
Kambungu Primary School	Co-operative Bank of Kenya Ltd	01139052735504	82,412	82,892
Kamigua Mixed Day Secondary School	Co-operative Bank of Kenya Ltd	01139570095300	85,710	1,499,376
Kamigua Primary School	Co-operative Bank of Kenya Ltd	01139570086700	1,415	1,895
Kamugu Sub Chiefs office	Sidian Bank	01007030004296	250	250
Kamukanya Primary School	Co-operative Bank of Kenya Ltd	1139570229700	42	522
Kamwaa Secondary School	Co-operative Bank of Kenya Ltd	01139570226600	426,558	1,119,643
Kanganga Primary School	Co-operative Bank of Kenya Ltd	01139570054001	2,260	2,740

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PMC	Bank	Account number	Bank Balance 2024/25	Bank Balance 2023/24
Kanthenge Primary School	Sidian Bank	01007030002531	5,252	5,252
Kyangi Primary School	Co-operative Bank of Kenya Ltd	01139570237600	40	520
Kanyuambora Chiefs Office	Co-operative Bank of Kenya Ltd	01141570064800	335	815
Kanyuambora Police Station	Sidian Bank	01007030003828	5	5
Kanyuambora Primary School	Sidian Bank	01007030003838	84,790	84,790
Kanyuambora Primary School	Co-operative Bank of Kenya Ltd	1100541241001	117,912	
Kanyuambora Secondary School	Co-operative Bank of Kenya Ltd	01139051033603	96,803	97,283
Kanyueri Secondary School	Co-operative Bank of Kenya Ltd	01139570004800	39	40
Karambari Primary School	Sidian Bank	01007030004576	855	855
Karambari Secondary School	Co-operative Bank of Kenya Ltd	01139344179502	500,655	1,134
Karangare Primary School	Sidian Bank	01007030004566	855	855
Karangare Secondary School	Sidian Bank	01007030004106	160,143	160,143
Karigiri Primary School	Co-operative Bank of Kenya Ltd	01139052737401	308,140	1,158,106
Karigiri Secondary School	Co-operative Bank of Kenya Ltd	01139569250704	131,006	131,486
Karimari Primary School	Sidian Bank	01007030004366	12,085	12,085
Kathagutari Primary School	Co-operative Bank of Kenya Ltd	01139051163901	1,369,778	2,540
Kathangari Primary School	Co-operative Bank of Kenya Ltd	1101415039001	111,226	
Kathera Assistant Chiefs office	Sidian Bank	1007030004586	155	155
Katheru Primary School	Co-operative Bank of Kenya Ltd	01139570005500	148	228

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PMC	Bank	Account number	Bank Balance 2024/25	Bank Balance 2023/24
Kathiga Gaceru Secondary School	Co-operative Bank of Kenya Ltd	01139051697301	43,962	44,442
Kathitu Primary School	Sidian Bank	1007030004546	615	615
Kathutheri Primary School	Sidian Bank	1007030002541	17,469	17,469
Kaungu Primary School-PMC Account	Co-operative Bank of Kenya Ltd	01100572748002	2,694,753	748,785
Kavairi Primary School	Sidian Bank	1007030002551	21,375	21,375
Kavengero Secondary School	Co-operative Bank of Kenya Ltd	01139569475900	17,720	17,719
Kavui Primary School	Co-operative Bank of Kenya Ltd	01139570053900	294,810	294,810
Kavui Primary School	Co-operative Bank of Kenya Ltd	01100594039001	76,056	437,950
Kiamugongo Primary School	Co-operative Bank of Kenya Ltd	01139344523100	39,311	455,766
Kiamugongo Primary School	Sidian Bank	1007030004696	1,935	1,935
Kianamu Primary School	Co-operative Bank of Kenya Ltd	01139570393000	790	1,270
Kiangaja Primary School	Co-operative Bank of Kenya Ltd	1101251326001	27,375	
Kianganja Primary School	Sidian Bank	1007030002791	545	545
Kianjeru Primary School	Co-operative Bank of Kenya Ltd	01139569655600	48,095	48,095
Kianjeru Secondary School	Co-operative Bank of Kenya Ltd	01139570071000	71,766	71,766
Kianjogu Primary School	Co-operative Bank of Kenya Ltd	01139344515000	328,870	19,350
Kianjoya Primary School	Co-operative Bank of Kenya Ltd	01139569750701	2,090	2,570
Kianthenge Primary School	Co-operative Bank of Kenya Ltd	01139344657000	75,736	76,216

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PMC	Bank	Account number	Bank Balance 2024/25	Bank Balance 2023/24
Kiathambu Secondary School	Co-operative Bank of Kenya Ltd	01109569199300	54,037	54,487
Kigwambiti Primary School	Co-operative Bank of Kenya Ltd	1101414530001	16,062	
Kigwambiti Secondary School	Co-operative Bank of Kenya Ltd	01139344561503	215,126	215,606
Kiogogo Sub-Chiefs office	Sidian Bank	01007030004316	735	735
Kirie ACC office	Co-operative Bank of Kenya Ltd	01141570126400	10,105	10,585
Kirie ACC office	Co-operative Bank of Kenya Ltd	01100432936001	58,469	597,950
Kirie Administration Police Line	Co-operative Bank of Kenya Ltd	01141570074900	719	719
Kirie AP Post	Sidian Bank	01007030002571	847	847
Kirie Day Secondary School	Co-operative Bank of Kenya Ltd	01139051129802	4,011	4,491
Kirie Primary School	Co-operative Bank of Kenya Ltd	01139052734902	21,676	22,156
Kirie Primary School	Co-operative Bank of Kenya Ltd	01100577115001	360,610	1,287,950
Kirigo Primary School	Sidian Bank	01007030003798	1,655	1,655
Kirigo Secondary School	Sidian Bank	01007030003808	2,805	2,805
Kivue Primary School	Co-operative Bank of Kenya Ltd	01139052732701	1,204,980	4,980
Kivue Secondary School	Co-operative Bank of Kenya Ltd	01139052929302	45,137	45,617
Kogari Secondary School	Sidian Bank	01007030003498	1,533	1,533
Kune Secondary School	Sidian Bank	01100682052001	1,088,743	
Kune Sub Chief office	Co-operative Bank of Kenya Ltd	01141570052300	23	503
Kwandambogo Primary School	Co-operative Bank of Kenya Ltd	01139570229400	58,220	1,020,919

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PMC	Bank	Account number	Bank Balance 2024/25	Bank Balance 2023/24
Makunguru Primary School	Co-operative Bank of Kenya Ltd	01139570392700	31,740	540
Mang'ote Primary School	Co-operative Bank of Kenya Ltd	01139052739703	1,420	1,900
Mathai Primary School	Co-operative Bank of Kenya Ltd	01139570052600	2,798	3,278
Mbaci Primary School	Sidian Bank	01007030004536	33	33
Mbaraga Secondary School	Co-operative Bank of Kenya Ltd	01139570269900	8,265	8,265
Mbarwari Primary School	Co-operative Bank of Kenya Ltd	01139052736901	51	931
Mbeere North Sports PMC	Co-operative Bank of Kenya Ltd	01100424243001	35,604	36,083
Mianjatiri Primary School	Sidian Bank	01007030003508	60	60
Mianjatiri Primary School	Co-operative Bank of Kenya Ltd	1100575171001	1,055,274	
Michegethiu Primary School	Co-operative Bank of Kenya Ltd	01139570223100	24,461	24,361
Muchonoke Primary School	Sidian Bank	01007030003678	55	55
Muchonoke Secondary School	Co-operative Bank of Kenya Ltd	01100668523001	1,146,886	942,494
Mugwanjogu Primary School	Sidian Bank	01007030003768	175	175
Mukororia Primary School	Co-operative Bank of Kenya Ltd	01139344244401	10,735	1,575
Muminji Chiefs office	Sidian Bank	01007030002841	14,653	14,653
Murangu Primary School	Co-operative Bank of Kenya Ltd	01139407575002	54	55
Muthanthara Secondary School	Co-operative Bank of Kenya Ltd	01139344130502	628,285	27,937
Muthanthara Primary School	Sidian Bank	01007030003648	1,025	1,025
Muthanu Sub-Chiefs office	Co-operative Bank of Kenya Ltd	01141570222700	15,776	15,776

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PMC	Bank	Account number	Bank Balance 2024/25	Bank Balance 2023/24
Mutirieguru Primary School	Co-operative Bank of Kenya Ltd	01139051167201	3,210	3,960
Mwonda Primary School	Co-operative Bank of Kenya Ltd	01139052752901	1,200,035	1,540
Ndutori Primary School	Co-operative Bank of Kenya Ltd	01139052752602	2,717	2,813
Ndutori Secondary School	Co-operative Bank of Kenya Ltd	01139569515002	360	840
Ngarwereri Primary School	Sidian Bank	01007030003438	777	777
Ngiiri Primary School	Co-operative Bank of Kenya Ltd	01139051182401	39	40
Ngoce Primary School	Co-operative Bank of Kenya Ltd	01139570105800	169	649
Ngoce Secondary School	Co-operative Bank of Kenya Ltd	01139344247002		181,318
Ngunyumu Primary School	Co-operative Bank of Kenya Ltd	1101413140001	34,395	
Ngunyumu Secondary School	Sidian Bank	01007030003738	1,255	1,255
Njarange Primary School	Sidian Bank	01007030003548	3,023	3,023
Nthigirani Primary School	Sidian Bank	01007030003848	85	85
Ovarire Primary School	Co-operative Bank of Kenya Ltd	01139052737102	2,420	2,900
Riandu Police Post	Co-operative Bank of Kenya Ltd	01141570066500	109,661	109,662
Riandu Secondary School	Co-operative Bank of Kenya Ltd	01139344739600	2,317,488	1,317,968
Rwagori Primary School	Co-operative Bank of Kenya Ltd	01139344247601	31,465	2,520
Rwanjeru Primary School	Co-operative Bank of Kenya Ltd	01139051167601	852,370	2,850
Siakago Boys Secondary School	Co-operative Bank of Kenya Ltd	01139569021400	2,265,150	2,184,560
Siakago Girls High School	Co-operative Bank of Kenya Ltd	01139344348500	14,378	858

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PMC	Bank	Account number	Bank Balance 2024/25	Bank Balance 2023/24
Siakago Law Courts	Co-operative Bank of Kenya Ltd	01141570256200	595	595
Siakago Mixed Secondary School	Co-operative Bank of Kenya Ltd	01139344430900		5,823
Siakago Police Headquarters	Co-operative Bank of Kenya Ltd	01120570002900	235,778	242,018
Siakago Primary School	Co-operative Bank of Kenya Ltd	01139569762300	1,224,950	27,330
Siakago Technical Training Institute	Sidian Bank	01007030002811	1,589	1,589
St. Mary Magdalene High School for the Deaf Riandu	Co-operative Bank of Kenya Ltd	01139570363700	1,059,311	1,059,311
St. Peter's Upper Primary School	Co-operative Bank of Kenya Ltd	01139570110600	7,133	7,133
Usambara Primary School	Co-operative Bank of Kenya Ltd	01139570143800	2,100	2,100
Witwa Primary School	Co-operative Bank of Kenya Ltd	01100344761400	71,753	72,233
Witwa Primary School	Co-operative Bank of Kenya Ltd	01139344761400	46,231	46,711
<b>Total</b>			<b>27,621,936</b>	<b>23,586,375</b>

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

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1	<b>Awarding of Bursaries to Ineligible Persons</b> Note 8 to the financial statements reflects other grants and other transfers expenditure of Kshs.66,695,582 as at 30 June, 2024. Included in this amount is an expenditure of Kshs.32,269,430 bursary disbursements to secondary schools and Kshs.25,089,350 bursary disbursement to tertiary institutions. Included in the bursary disbursement to tertiary institutions is Kshs.15,000 paid for NG-CDF Clerk of works driving school course which does not qualify as bursary to tertiary institutions. This was contrary to Article 227 (1) of the Constitution of Kenya (2010) states that, when a state organ or any other public entity contracts for goods or services, it shall do so in accordance with a system that is fair, equitable, transparent, competitive and	The committee awarded he clerk of works this benefit as part of capacity building of NGCDFC Staff. The nature of work of the clerk of works is field based and involves monitoring of projects all time round. Hence the requirement to have a valid driving licence for the staff to use the NGDFC motorcycle.	Resolved	N/A

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>cost effective</p> <p>In the circumstances, Management was in breach of the law.</p>			
2	<p><b>Double Allocation of Bursaries in a Single Financial Year</b></p> <p>Review of the bursary award schedule revealed that one hundred and forty-four (144No) students were awarded bursaries totaling Ksh.849,200 twice within the same financial year. No justification was provided to explain the double allocation, even though there are numerous needy cases within the constituency that require financial support. This was contrary to Regulation 26(1) of the National Government Constituencies Development Fund Regulations, 2016 which states that the Constituency Committee shall, in undertaking procurement activities, ensure that the process is fair, equitable, transparent, competitive and cost effective.</p> <p>In the circumstances, Management was in breach of the law</p>	<p>This was not double allocation but rather a single bursary allocation disbursed in two tranches due to limitations of the available bursary funds</p>	Not resolved	Two months
3	<p><b>Irregular Variation of Contracts</b></p> <p>The Fund awarded the contract for the</p>	<p>The perquisite requests for the variations had been send to the</p>	Not resolved	Two months

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved/ Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>renovation of eight (8No) of classrooms at Kathangari Primary school at a contract sum of Kshs.5,000,000. However, field inspection of the project status revealed that the project initially approved for the renovation of 8 classrooms was irregularly varied to involve the construction of new classrooms without proper authorization, documentation, or justification. The project changed to renovation of 3 (three) classrooms and completion of 2 (two) classrooms which had stalled</p>	<p>NGCDF Board for approval</p>		
4	<p><b>Unauthorized Change of Projects with No Branding</b> The Fund Board approved an amount of Kshs.80,774,180 for completion of various projects. Included in this amount is Kshs.41,427,605 worth of projects which were changed from either renovation of existing classrooms to construction of new classrooms and vice versa resulting into additional cost whose source of funding or obligation was not provided. This was contrary to Section 139 (3 and 4) of Public Procurement and Asset Disposal Act 2015 which states that No contract price shall be</p>	<p>The prerequisite requests for the variations had been send to the NGCDF Board for approval Branding of projects is being carried out upon completion</p>	<p>Not Resolved</p>	<p>N/A</p>

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
5	<p>varied upwards within twelve months from the date of the signing of the contract. (4) For the purposes of this section, any variation of a contract shall only be considered after twelve months from the date of signing the contract and shall only be considered if the following are satisfied—the quantity variation for goods and services does not exceed fifteen per cent of the original contract quantity; the quantity variation of works does not exceed twenty per cent of the original contract quantity. The irregular variations led to significant cost overrun exceeding the original contract amount by more than 20%. As at the time of the audit, it was not possible to verify whether the projects the existence of these projects since the projects were not branded to show the source and year of funding. In the circumstances, value for money and benefits from the projects could not be confirmed. Further, Management was in breach of the law.</p>			
1. Irregular Use of Request for Quotation	Note 7 to the financial statements reflects	We wish to respond as; 1. Appointment of PMC	Not Resolved	N/A

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management Comments	Status (Resolved/ Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>an amount of Kshs.80,774,180 which further includes Kshs.64,832,180 being transfers to Primary schools. Included in this transfer to Primary schools was a transfer of Kshs.7,000,000 and Kshs.6,00,000 to Kanyuambora Primary School PMC and Mianjatiri Primary School PMC accounts respectively for the construction of works. However, documents provided for audit revealed that the tenders were irregularly awarded through use of request for quotations method contrary to the second schedule of Public Procurement and Asset Disposal Regulations of 2020 which prescribes that for procurement of works, the maximum level of expenditure under this method is Kshs.5,000,000 per request for quotation. In view of this illegality, the fund was in breach of the procurement law.</p>	<p>members PMC members were appointed to all projects as per the law.</p> <p>2. Procurement threshold exceeded the 5M threshold. Cases of Kanyuambora and Mianjatiri as per the record in offer are less than 5M. Procurement was done in phases.</p> <p>3. Adhoc committee Adhoc committees were appointed for all the projects both for opening and evaluation of tenders and their letters are available.</p> <p>4. Criteria The criteria for evaluation is clearly pointed on the BQ document for easy reference.</p> <p>5. Letter of offer/regret Letters of offer and regret</p>		

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Reference No. on the external audit report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		<p>were issued to the contractors and suppliers and copies are available.</p> <p>6. Transfer of procuring responsibility No transfer of the responsibility only that the PMC members missed in opening and evaluation for the initial project tender opening and evaluation.</p> <p>7. Project implementation committee members meetings The PMC have the minutes which they paid the contractor/supplier with based on engineer's evaluation of actual work done. The clerk of works plus the regional engineer visit the projects frequently during the implementation period.</p> <p>8. Log sheets This has been an oversight, all the</p>		

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		projects will avail the log sheets in all future projects and those done during the year under review.		
6	<p><b>Poor Workmanship on Projects</b></p> <p>Note 7 to the financial statements reflect transfers to other government entities Kshs. 80,774,180. Included in this amount are transfers to primary and secondary schools.</p> <p>However, an audit inspection conducted in the month of November, 2024 revealed the following anomalies:</p> <ul style="list-style-type: none"> <li>i. Kshs.2,650,000 transferred to Cieria Primary School for Construction of 1 administration Block - The administration block is not done, Classes renovated are not branded, painting work not complete and gutters not installed.</li> <li>ii. Kshs.6,400,000 to Mianjatiri Primary School PMC for Construction of 8 classrooms-only 3 classrooms done, tiling work not complete.</li> <li>iii. Kshs.5,000,000 to Kathangutari Primary School PMC for</li> </ul>	<p>For the uncompleted works and branding, the projects are still under implementation and some are being done in phases. Once complete, branding shall be done. Your observations on the pointed anomalies is noted and appreciated. The entity shall not release any moiety before these are checked and corrected.</p>	Not Resolved	Two months

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>Renovation of 8 classrooms-Only 5 classrooms renovated, iron sheets used are of low quality and gauge, painting work poorly done.</p> <p>iv. Kshs. 1,190,000 to Ciangera Secondary School PMC for the Completion of 200 student capacity Multipurpose hall-painting work poorly done, the ramp to the kitchen is not complete and window panes are falling off.</p> <p>v. Kshs.4,000,000 to Kune Secondary School for Construction of a forty-five (45) student capacity Science Laboratory-28-gauge iron sheets was to be used as per the bills of quantities but 32 gauge used.</p> <p>In the circumstances, the quality of workmanship and the value of money paid to the contractors could not be confirmed.</p>			
7	Wastage Of Public Resources on a Failed	The PMC relied heavily on		

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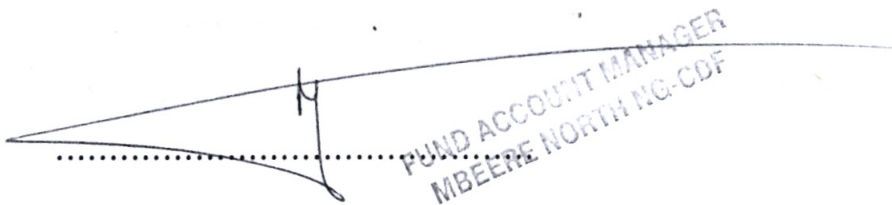
Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p><b>Project</b> Note 8(Other grants and other transfers) to the financial statements, reflects of Kshs.66,695,582 which includes Kshs.2,776,849 in respect to environment projects used to procure tree seedlings for each of the selected schools in the constituency. However, project verification exercise conducted in the month of November, 2024 revealed that the tree planting was executed without proper project management. There was no ongoing maintenance such as watering and protecting the trees resulting into insufficient sustainability measures. As a result, the project failed. The verification exercise could not ascertain the existence of the trees in the selected schools visited. This was contrary to Section 68(2)(e) of the Public Finance Management Act, 2012 which requires the accounting officer to ensure that all applicable accounting and financial controls, systems, standards, laws and procedures are followed when procuring or disposing of goods and services and that, in the case of goods,</p>	<p>information given by Kenya forest Service advisory office located here in Siakago regarding the tree species that are adaptable to the two different ecological zones found locally in Mbeere North as;</p> <ul style="list-style-type: none"> <li>• Northern part which includes Nthawa ward and part of Evurore ward.</li> <li>• Southern part which includes south part of Evurore ward and Muminji ward.</li> </ul> <p>The main reason for the failure was due to poor follow up by receiving/ benefiting institutions. The NGCDFC had received written commitment letters from those Institutions requesting for aid in tree seedlings, to the effect that they shall ensure the plants are taken necessary care to reach stage where they could self-sustain themselves. The NGCDFC shall factor in resources for provision of such care</p>		

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	adequate arrangements are made for their custody, safeguarding and maintenance. In the circumstances, Management was in breach of the law.	necessary to take the seedlings through to maturity in future budgetary proposals.		



FUND ACCOUNT MANAGER  
MBEERE NORTH NG-CDF

Name  
Fund Account Manager.

