REPUBLIC OF KENYA

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OFFICE OF THE AUDITOR-GENERAL
Enhancing Accountability

THE NATIONAL ASSEMBLY
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REPORT

OF

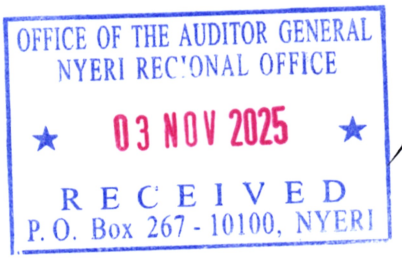
THE AUDITOR-GENERAL

ON

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – GICHUGU CONSTITUENCY

FOR THE YEAR ENDED 30 JUNE, 2025







NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

GICHUGU CONSTITUENCY

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
30th JUNE 2025

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

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1. Acronyms and Definition of Key Terms

A. Acronyms

AIE	Authority to Incur Expenditure
AC	Audit Committee
DCC	Deputy County Commissioner
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
KMTC	Kenya Medical Training College

B. Definition of Key Terms

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

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 and2013. 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 Gichugu Constituency's day-to-day management is under the following key organs:

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

Fiduciary Management

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

No	Designation	Name
1.	AIE holder	Henry Wanjiku
2.	National Sub-County Accountant	Jamleck Mutembei Mbuba
3.	Chairman NGCDFC	Geoffrey K. Nduru
4.	Member NGCDFC	James Mwendia
5	Member NGCDFC	Fridah Murage

(c) Fiduciary Oversight Arrangements

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

P.O. Box 234-10301,

NGCDF Building,

NEXT TO DCC OFFCIE.

KIANYAGA, KENYA.

(e) NGCDF Gichugu Constituency Contacts

Telephone: (254) 0728379287
E-mail: cdfGichugu@ngcdf.go.ke

Website: www.ngcdfgichugu.go.ke

(f) NGCDF Gichugu Constituency Bankers

1. Bank A. (Operations Account).
   ACCOUNT NUMBER: 020000002893

   FAMILY BANK

   KUTUS BRANCH
   P.O. Box 74145-00200
   KUTUS

2. Bank B. (Deposit account)

   ACCOUNT NUMBER: 0200000011411
   FAMILY BANK
   KUTUS BRANCH
   P.O. BOX 74145-00200
   KUTUS

3. Bank C. (PMC Accounts)
   FAMILY BANK
   KUTUS BRANCH
   P.O. BOX 74145-00200
   KUTUS

(g) Independent Auditor

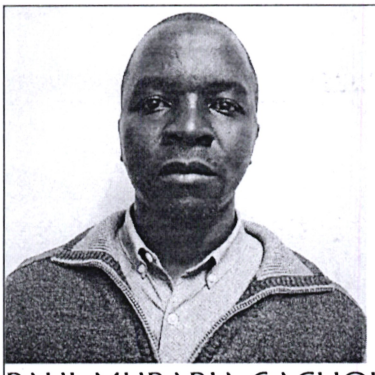
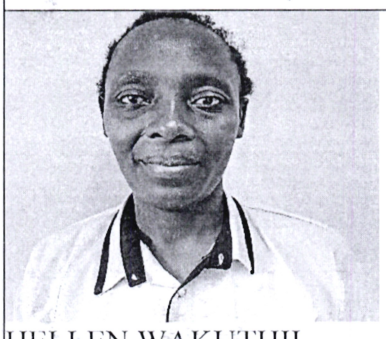
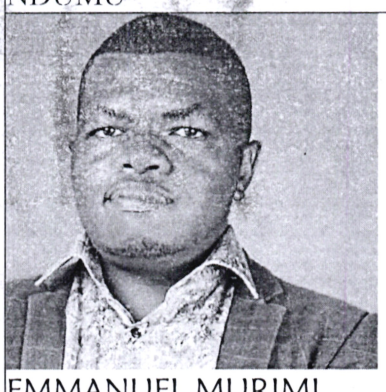
Auditor General
Office of the Auditor General
Anniversary Towers, University Way
P.O. Box 30084
GPO 00100
Nairobi, Kenya

(h) Principal Legal Adviser

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

3. NGCDF Committee

Name	Details
 GEOFREY KARIUKI NDURU Chairman	D.O. B: 1970 ACADEMICS: Secondary Education Work: business man Category: Male Adult Representative
 MARTIN MURIITHI MURAGE	D.O. B: 1972 ACADEMICS: Diploma Work: business man Category: Male Adult Representative
 JAMES MUNENE MWENDIA	D.O. B: 1992 ACADEMICS: Secondary Education Work: business man Category: Male Youth Representative

 PAUL MURARIA GACHOKI Board Nominee	D.O. B: 1982 ACADEMICS: Secondary Education Work: business man Category: Co-opted member
 HELLEN WAKUTHII NDUMU	D.O. B: 1980 ACADEMICS: Secondary Education Work: business man Category: Female Adult Representative
 EMMANUEL MURIMI KITHAKA	D.O. B: 1999 ACADEMICS: Secondary Education Work: business man Representative of persons living with disability
 MONICAH WANJIRA NJAGI	D.O. B: 1980 ACADEMICS: Secondary Education Work: business lady Female Adult Representative

 JAMES MAINA	D.O. B: 1971 ACADEMICS: Bachelor's Degree Work: Deputy County Commissioner National Government Representative
 FRIDAH WAKUTHII MURAGE	D.O. B: 2000 ACADEMICS: Diploma Work: Business Lady Female Youth Representative
 Henry Wanjiku FAM	D.O. B: 1987 ACADEMICS: Bachelors Degree, CPA Work: Fund Account Manager, NGCDF Board

4. NG-CDFC Chairman's Report



Mr. GEOFREY KARIUKI NDURU
Gichugu NG-CDFC Chairman

1.0 NGCDF ALLOCATION FY 2024/2025

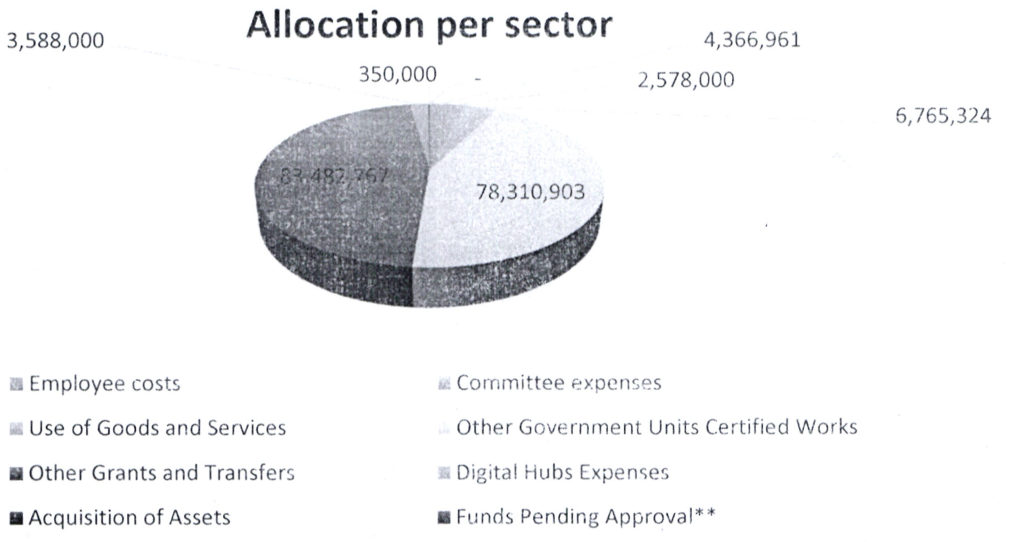
I am pleased to present the unaudited financial statements for Gichugu Constituency for the financial year 2024/2025 as at 30th June 2025. During the year, the Constituency was allocated a total of **Ksh179,441,954**. During the financial year 2023-2024, the constituency was allocated ksh **182,842,343.** This was decrease of ksh 3,400,389 as compared to the F/Y 2024-2025. During the financial year 2023/2024ksh 67,845,378 had not been disbursed by the NGCDF Board as at 30th June 2024. This hampered project implementation in that financial year. The total receipts from the Board amounted to ksh 195,035,378 as compared to ksh **226,179,405** last financial year against the projected budget of ksh 294,024,783.00.

2.0CONSTITUENCY SECTOR PRIORITIES FY 2024/2025

Gichugu NGCDF, during the FY 2024-2025 just like the previous financial years focused on the education and security sectors due to the dire needs of the two sectors. Transfers to other Government Units which consist of transfers to primary schools were allocated ksh 78,310,903. The committee gave priority to primary schools funding to improve on their infrastructure and make them learner friendly. The Committee also disbursed Kshs 61,493,000 for Bursary in secondary, tertiary and special schools which was instrumental in retaining learners in the levels of their learning. Other allocation during the period includes Kshs 13,710,284.80 towards administrative costs, committee expenses and staff costs.

3.0 SECTOR FUNDING ANALYSIS

The Gichugu NGCDF Committee prioritized the funds in line with the NGCDF Act and the strategic plan as represented by the pie chart below:



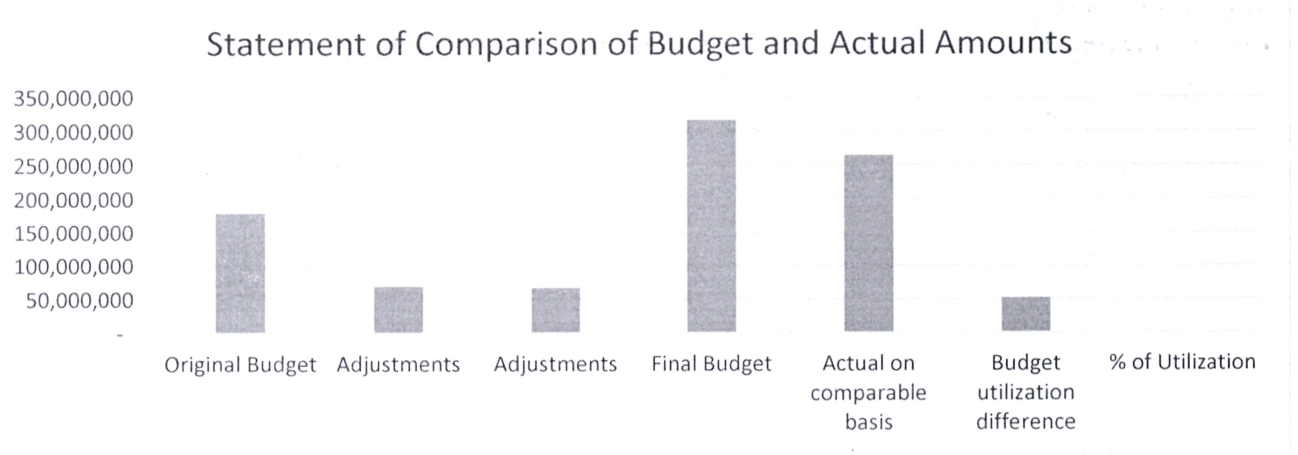
Source: Gichugu NGCDF Records (2025)

4.0FUNDS ABSORPTION

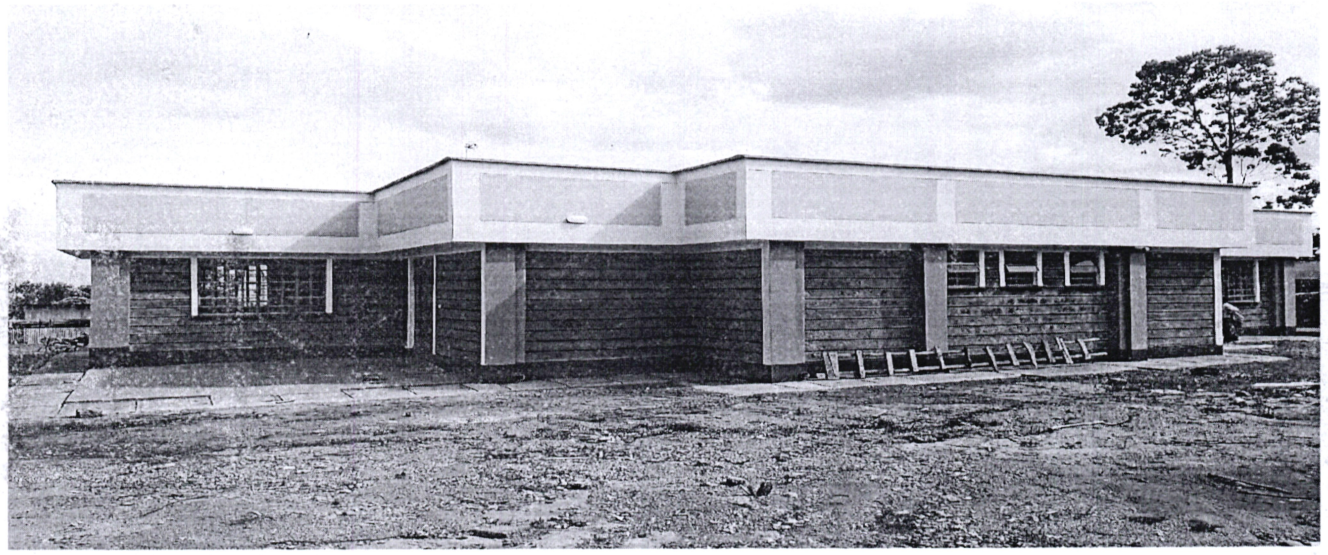
It is worth noting that during the FY 2024/2025, the Committee undertook to expedite the disbursement of funds received from the NGCDF Board. These funds were released to earmarked projects in accordance with the provisions of the NGCDF Act, 2015 amended 2022, and the requirements of the Annual Performance Contract. As at the close of the fiscal year 2024/2025 on 30th June 2025, the overall funds utilization and absorption rate stood at 57% considering the funds disbursed to the PMCs. The absorption rate of 100 percent was not realized due to factors beyond our controls among them the non-disbursements from the NG-CDF Board amounting to ksh52,251,955 approximately 16 %.

5.0 ACHIEVEMENTS FY 2024/2025

NGCDF Committee disbursed funds that were utilized to construct various infrastructural facilities such as renovation of classrooms, digital hubs, police stations and toilets amongst other critical infrastructure. The continued funding towards the education sector in the Constituency has contributed to increased access to education, improved transition, enrolment, and retention and completion rates in the Constituency hence also affecting the overall literacy levels. I wish to indicate that the NGCDF Committee in conjunction with the NG CDF Board was trained on the most critical areas of project implementations which enhanced their skills in management of the funds at the constituency level. The Project Management Committees (PMCs) were trained and issued with guidelines on effective management of funds and this assisted greatly in ensuring efficiency and effectiveness in project implementation. The staffs were also trained on key issues to improve on the issues of reporting and other related issues on project implementation. The pie chart below represents the overall percentage expenditure per sector:



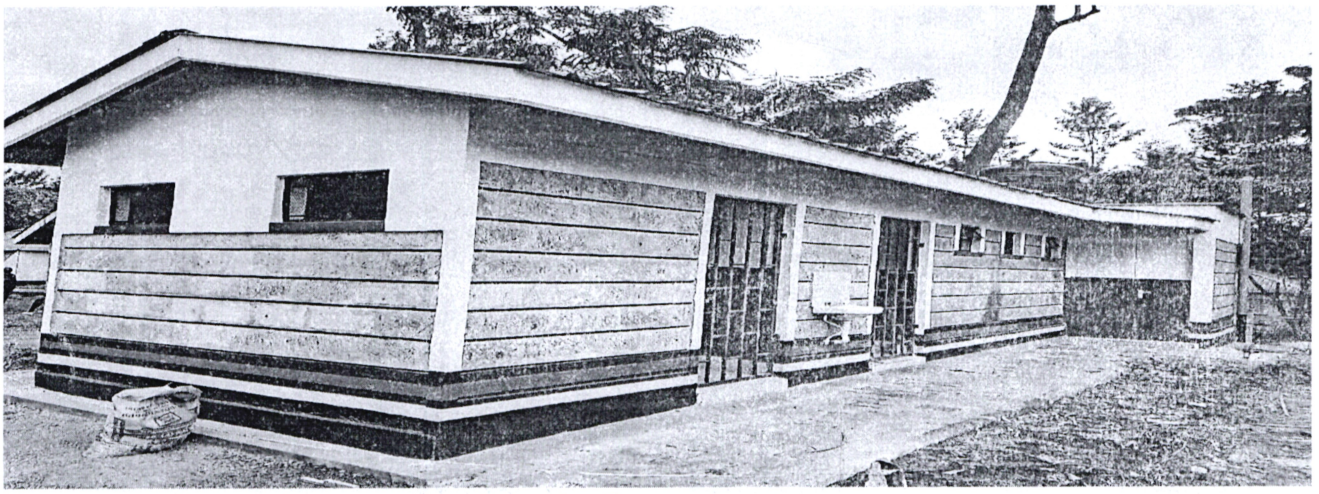
Below are some of the implemented projects:



Gatugura digital hub



Nyagithuci primary school- classroom renovation



Kianyaga police station - construction of toilets

5.0 Development Planning

The Constituency Development Funds continue to draw interest of beneficiaries and communities alike. This has seen the receipt of many proposals from communities spanning various sectors. To ensure focus and expedite Constituency development, the Committee developed its five-year strategic plan which formalized the road map that spells out where the Constituency is going over the next five years in project identification, implementation and management taking cognizance of the global Sustainable Development Goals, Kenya Vision 2030 and related County Integrated Development Plans. The NGCDF Committee is convinced that the strategic plan shall help the Constituency in setting priorities, focusing energy and resources, strengthening operations and ensuring that the Committee, its employees and other stakeholders are working towards a common goal and results.

6.0 CHALLENGES DURING THE PERIOD UNDER REVIEW

Despite the above impressive performance and plans, the Committee has noted various challenges in project implementation and management during the FY 2024/2025. These among many include:

1. Inadequate record keeping by project management committees despite many capacity building by the NGCDF Committee.
2. Limited numbers of Government technical officers needed to provide the requisite technical advice in project implementation and management.
3. Many schools are in dire need of infrastructure development and improvements.

To minimize the risks, the committee:

- Project Management Committees and staff on various aspects of NGCDF projects management.
- These programmes contributed to minimizing the challenges and improving overall performance by Project Management Committees monitoring and evaluation.

- Scaled up its capacity building programmes for NGCDF Committee

I wish to sincerely thank the Member of National Assembly Hon. Robert Gichimu, NG-CDF Committee, Office of the Auditor General, NG-CDFC staff, Project Management Committees, the Sub County Accountant, and other stakeholders for the cooperation. Without them we could not achieve our mandate to the people of Gichugu Constituency.

6.0 RECOMMENDATIONS:

Virtually all the citizens have heard about NGCDF as witnessed during the public participation exercise held recently to entrench the fund into the constitution of Kenya. However, the citizens should be enlightened more on the areas the NGCDF fund is used in. Public participation should be carried out thoroughly to avoid complaints about the projects. Local committees should be involved in bursary vetting since they know the students in dire need of the bursary. The NGCDF committee should employ staff in line with the NGCDF staff guidelines and their capacity enhanced together with that of the committee.

.....

Name: Geoffrey K. Nduru
Chairman NG-CDF 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 Gichugu Constituency 2022-2027* plan are to:

I. To facilitate and support access to quality, inclusive and affordable primary, Junior school, and Secondary education.
II. To facilitate and support the creation of conducive environment that enhances peace, stability, efficiency and effectiveness in public administration.
III. To empower and develop youth and special groups to reduce dependency by nurturing talent and sports.

IV. To mainstream environment conservation in the constituency through organized community groups driven environment programme.
V. To facilitate and employ strategies for proactive building of capacity and capability to identify, respond to and manage and manage disaster risk.
VI. To increase capacity for management of the NG-CDF projects and programmes.

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*	*In FY 2024/25 -we increased number of classrooms, dormitories, laboratories etc from 25 to 40 in the following schools/institutions Nyagithusi primary*

			number of bursary's beneficiaries at all levels	*-Bursary beneficiaries at all levels were as per the attached schedules 1*
Security	Enhance security infrastructure, housing for security/ administration staff	Increased security for the residents of the constituency.	-Usable physical infrastructure build in the constituency.	In the FY 24/25 the Gichugu NG-CDF completed 1 office for the area Chiefs and Assistant chiefs in the constituency aimed at improving service delivery to our constituents in matters of security and administration. 25 -we have completed constructing modern toilets for kianyaga police station
Climate change mitigation activities	Enhanced environmental activities in the constituency to keep the environment safe	Improvement of the environment	Number of trees and tank supplied.	In FY 24/25 -the committee prioritized on purchase of energy saving Jikos to 5 secondary schools. - purchased seedlings and tanks to at least 3 schools
Emergency	To carry out emergency interventions in institutions funded by NG-CDF	Improvement of school facilities	Number of projects done by NG-CDF using emergency funds	In FY 24/25, the committee allocated ksh 9444313.39 which was utilized to fund emergency projects in the projects as tabulated in the budget execution. -Toilets were constructed at schools where they had collapsed

6. Governance Statement

Section 43 of the National Government Constituency Development Fund Committee Act 2015 amended 2022 states that, there is established a National Government Constituency Development Fund Committee for every constituency.

V.I PROCESS OF APPOINTMENT

Section 43 of the National Government Constituency Development Fund Committee Act 2015 amended 2022 states that, there is established a National Government Constituency Development Fund Committee for every constituency.

The seven persons shall be selected in such manner and shall have such qualifications as the Board may, by Regulations, prescribe. The names of the persons selected shall be submitted by the Board to the National Assembly for approval before appointment and gazzetement by the Board. 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. Whenever a vacancy occurs in the Constituency Committee by reason of resignation, incapacitation or demise of a member the vacancy shall be filled from the same category of persons where the vacancy has occurred within a period of one hundred and twenty days. The first meeting of the Constituency Committee shall be convened within sixty days of the commencement of a new term of Parliament or the date of the holding of a by-election, by the national government official at the constituency or in his or her absence, by an officer of the Board seconded to the constituency by the Board. The quorum of the Constituency Committee shall be one half of the total membership.

V. II REMOVAL OF NGCDFC MEMBERS,

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 practises; (f) causing disharmony within the committee; (g) physical or mental infirmity. A decision to remove a member shall be made through a resolution of at least five members of the Committee and the member sought to be removed shall be given a fair hearing before the resolution is made. A vacancy arising as a result of the removal of a member under subsection shall be filled in the manner set and minutes of the meeting shall indicate the fact of the removal or appointment of a member.

V. III ROLES AND FUNCTIONS OF THE COMMITTEE

1. Capacity builds Project Management Committees.
2. Consider all project proposals from all wards.
3. Ensure that all projects proposed and approved for funding meets the requirements of Section 24 of the Act.

4. Ensure Project proposals submitted to the Board include detailed budget proposal, procurement and work plans
5. Consult with relevant government departments to ensure that cost estimates for the projects are realistic
6. Monitor the implementation of projects as per the Monitoring and Evaluation framework prescribed by the Board;
7. Receive and address complaints concerning the implementation of projects and collectively respond to audit queries concerning the Fund at the Constituency level;
8. Ensure labeling of projects as per guidelines issued by the Board;
9. Recruit staff as per Section 45 of the Act.

V. IV *GAZETTEMENT*

The member after the recruitment process, are gazette after the verification of the Board. They were gazette through a special Kenya Gazette dated 21st May, 2025 Vol CXXVII N0 98.

V. V *INDUCTION, AND TRAINING OF MEMBERS.*

In consultation with the NGCDF Board and the performance contract signed for the F/Y 2024/2025, the Board came up with a comprehensive training program which covered various topics of importance in the daily management of the funds at the constituency level.

V.VI *NO OF MEETINGS HELD & MEMBERS REMUNERATION,*

The Constituency Committee shall meet at least six times in a year but the committee shall not hold more than twenty-four meetings in the same financial year, including sub-committee meetings. The members are remunerated as per the issued guidelines by the SRC and board circular. They are remunerated as follows: chairperson ksh 7,000 per sitting and members' ksh 5,000 per sitting. The sub committees are paid at the same rate.

V. VII *DISCLOSE POLICY ON CONFLICT OF INTEREST*

At the start of every meeting and having the agendas of the meeting circulated before, the members sign the conflict of interest disclosure. This will prevent the member to discuss the agenda or made any contribution towards it.

7. Management Discussion and Analysis

The operational and financial performance of the Fund

Gichugu NGCDF Fund is a fund that existed since the inception of the fund in the year 2003, when the initial allocation was ksh 6,000,000 and the funding has increased as the government national share increases. However, the fund has made great achievement in the last five years. Some of the areas the fund made great achievement are education (both secondary and primary and tertiary), security and environmental projects. The fund also made great strides in the comparting and responding to emergencies across the constituency. The fund has constructed more than fourty latrines across the constituency in the last five years. In others sectors of the economy the constituency has constructed more than 5 laboratories across major higher learning institutions. The fund has also done more than 10 new administration blocks, built 5 dormitories for girls and boys in both secondary and special schools.

Gichugu NGCDF has constructed more than 30 new classrooms and renovated more than 100old and deliberated structures at all levels of education. The fund constructed more than 26 offices for chiefs and built four police stations, equipped them with furniture and constructed more than 30 police single roomed houses under the same period.

The bursaries run by the constituency have benefited more than 100,000 needy students at the constituency. The fund has supported the, Gichugu TTC with a combined student number of over 500 students. The constituency also supports all the students in the above institutions with bursaries.

Compliance with statutory requirements

Gichugu NGCDF complies with all the legal requirement of the republic of Kenya, i.e. the constitution and all applicable acts, regulations, statutes and circulars as guided by the relevant institutions.

Major risks facing the Fund

Gichugu NGCDF just like any other fund may faces risks or challenges in its operations. However, those risks may not be very unique to this fund alone. However, some of the major risks facing the fund is the delay in disbursement of the fund to the constituency. This delay often lead to underutilization of the funds and subsequent delay in the implementation of very crucial live saving projects in the constituency. Such delays have persisted in the fund for the last five years hampering the operation of the fund. This has denied the citizens of Gichugu the much-needed service delivery.

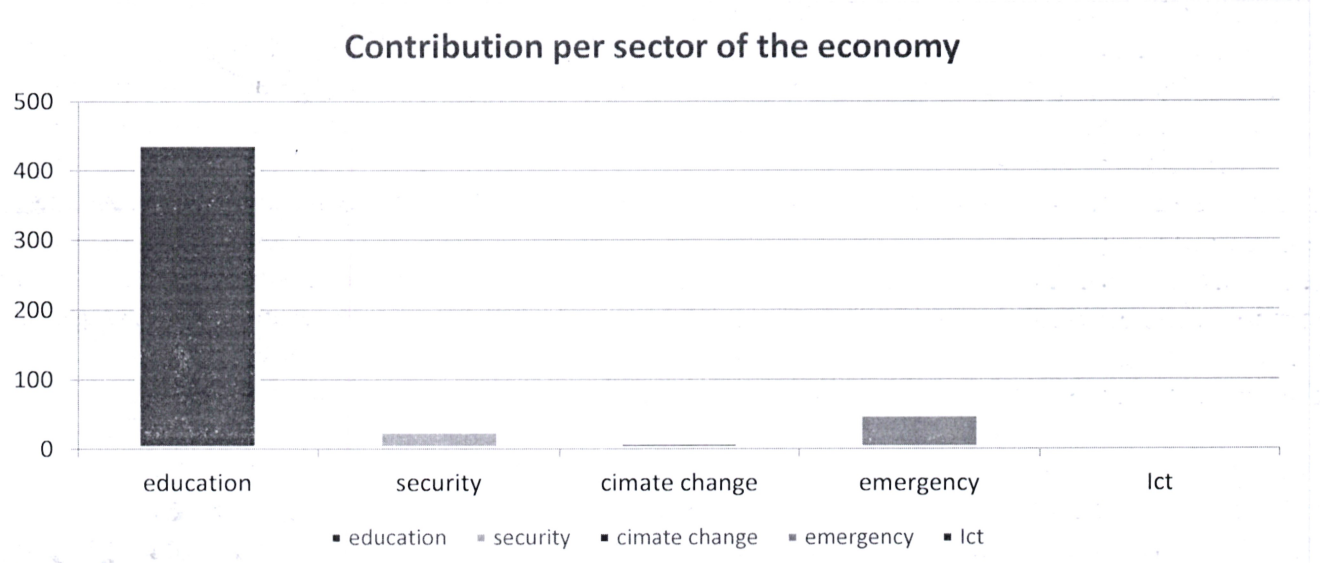
Review of the economy, review of the sector.

Gichugu majorly helped several sectors of the economy. These sectors include;

1. Education
2. Security
3. Bursaries
4. Environment/climate mitigation

5. Sports
6. Emergencies
7. Ict

These sectors greatly benefited from the fund. The Chart below illustrates how the fund greatly contributed to each sector in the constituency for the last five years.



Future developments

The constituency has developed a strategic plan to be fully implemented up to the year 2026/2027. The strategic plan outlays future plans of the constituency and what, how and when they should be implemented. This plan guide in the future development of the constituency in general. The constituency through this auspicious plan will raise the living standards of the constituents. Among the objectives of the strategic plan include:

1. Youth Empowerment
2. Ensure fair distribution of resources
3. Ensure uniform and equal development across the constituency
4. To promote and preserve environment for future Generations

To achieve the above objectives, the management of the constituency has put strategic plans to make the achievement more possible before the end of the current term.

.....

Name: Henry Wanjiku
Fund Account Manager

8. Environmental and Sustainability Reporting

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

1. Sustainability strategy and profile -

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

a. **Education and Training**: Gichugu Constituency's focus on human capital for constituency development is entrenched in its strategy to support needy and bright students from each ward of the constituency. The intention is to empower the constituents such that in years to come, the beneficiaries at secondary school levels would have transitioned to Tertiary institutions while those at tertiary level would have transitioned to the job market as employees or employers, thereby contributing positively to the economic growth of the constituency. This strategy takes care of both marginalized groups, including girls and people living with disabilities.

b. **Security Sector Support:** Among its key pillars, NGCDF has security as a priority area with the intention to provide a better working environment for the security providers within the constituency as well as a secure constituency. The strategy is to have a long-term collaborative working approach that enhances community engagement in security activities. This is aimed at eliminating crime and vices in the long run by providing a better working environment for law enforcement agencies while collaborating with the community in trust on matters of security.

c. **Climate change mitigation:** The Constituency acknowledges that all its operation has an impact on the environment. Cognizant of the Sustainable development goals, the NG-CDF has allocated part of its budget to climate change mitigation activities such as afforestation, re-afforestation, grassroots sensitization, and tree seedling production.

2. Environmental performance

- The Gichugu NG-CDF intends to support students in the schools identified for the environment projects to carry out environmental conservation activities e.g. planting trees and nurturing once in an academic calendar
- During the tree planting exercise, the school children will be sensitized on the impact of drugs.

3. Employee welfare

We invest in providing the best working environment for our employees. Gichugu 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. Gichugu constituency invests in capacity-building programs for employees. These include courses on technical competencies relevant to each employee and continuous sensitization on cross-cutting issues.

The committee has a safety policy in compliance with the Occupational Safety and Health Act of 2007 (OSHA) and has ensured the work environment is conducive to everybody's movement and accessibility within the office, including PWDs. The Constituency has also put in place disaster-mitigating measures, including fire extinguishers and accessible escape routes in case of emergency.

4. Marketplace practices-

Gichugu Constituency is committed to fair and ethical market practices.

The Procurement of goods and services is done through a transparent and competitive bidding process that allows equal opportunities to all participants. We support local

vendors drawn from the constituency to lift them economically. Our ethical market practices ensure the fund gets value for money on all goods and services procured.

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

NGCDF has put in efforts to ensure:

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

5. Community Engagements-

Gichugu 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

Gichugu 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 NG CDF Board in accordance with the Act.

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

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

Public Awareness

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

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

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Name: Henry Wanjiku
Fund Account Manager.

9. Statement Of Management Responsibilities

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

The Accounting Officer in charge of the NGCDF-Gichugu Constituency is responsible for the preparation and presentation of Gichugu financial statements, which give a true and fair view of the state of affairs of Gichugu Ngcdf 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 Gichugu ngcdf; 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 Gichugu NGCDF; Selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the NGCDF-Gichugu Constituency accepts responsibility for Gichugu 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 Gichugu NGCDF financial position as at that date. The Accounting Officer charge of the NGCDF-Gichugu Constituency further confirms the completeness of the accounting records maintained for the *constituency,* which have been relied upon in the preparation of Gichugu ngcdf financial statements as well as the adequacy of the systems of internal financial control.

The Accounting Officer in charge of the NGCDF Gichugu Constituency confirms that the *constituency* has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the Gichugu NGCDF 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-Gichugu Constituency financial statements were approved and signed by the Accounting Officer on 30/10/ 2025.



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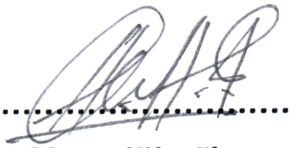
Name: Geoffrey K. Nduru

Chairman – NGCDF Committee



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Name: Henry Wanjiku

Fund Account Manager

REPUBLIC OF KENYA

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REPUBLIC OF KENYA

OFFICE OF THE AUDITOR-GENERAL
Enhancing Accountability

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P.O Box 30084-00100
NAIROBI

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

PREAMBLE

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

A. Report on Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements;

B. Report on Lawfulness and Effectiveness in the Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose; and,

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

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

The three parts of the report aim to address the Auditor-General's statutory roles and responsibilities as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012, and the Public Audit Act, 2015. The three parts of the report when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Gichugu Constituency set out on pages 1 to 71,

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, the financial statements present fairly, in all material respects, the financial position of the National Government Constituencies Development Fund - Gichugu Constituency as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the National Government Constituencies Development Fund Act, 2015 and the Public Finance Management Act, 2012.

Basis for Opinion

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts for the year under review reflects a final revenue budget and actual on comparable basis of Kshs.316,930,155 and Kshs.264,678,201 respectively, resulting to an under-funding of Kshs.52,251,955 or 16% of the budget. Similarly, the Constituency Fund expended Kshs.180,265,908 against actual receipts of Kshs.264,678,201 resulting to an under-performance of Kshs.84,412,293 or 31%.

The underfunding and underperformance 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 judgement, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

Other Matter

Unresolved Prior Year Matters

In the prior years' audit report, several issues were raised under the Report on Financial Statements and Report on Lawfulness and Effectiveness in Use of Public Resources respectively. Review of the status during audit of the Constituency Fund in 2024/2025 revealed that the following matters remained unresolved.

	Financial Year	Audit Issue
1	2023/2024	Unsupported Project Management Committee (PMC) Account Balances.
2	2023/2024	PMC Balances Not Returned to Constituency Account
3	2023/2024	Non-Compliance with Minimum Requirements on Employee Ethnic Composition
4	2023/2024	**Project Management and Implementation Status**
		Transfers to Secondary Schools
		Environment Projects
5	2023/2024	Projects Verification Results

Other Information

The Management is responsible for the Other Information set out on page ii to xxvii which comprise of Key Constituency Information and Management, NG-CDFC Committee, NG-CDFC Chairman's Report, Statement of Performance Against Predetermined Objectives, Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting and Statement of Managements Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on

Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1.0 Staff Ethnic Diversity

The statement of financial performance and as disclosed in Note 10 to the financial statements reflects Kshs.4,398,005 in respect of employee cost. Review of the Constituency Fund's payroll revealed that the entire staff establishment are from the same ethnic community contrary to Section 7(2) of the National Cohesion and Integration Act, 2008 which provides that no public establishment shall have more than one third of its staff from the same ethnic community.

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

2.0 Project Verification Report

The financial statements reflect Kshs.73,643,962 and Kshs.82,688,398 in respect of other government units and other grants and transfers actual expenditure all totalling Kshs.156,332,360 as disclosed in Notes 13 and 14, out of which Kshs.47,309,169, Kshs.3,372,670 and Kshs.11,751,085 are in respect of primary school, tertiary institutions and security projects actual expenditure respectively all totalling to Kshs.62,432,924. Included in this amount is Kshs.19,740,693 spent on various projects as shown below whose physical verification carried out in the month of September, 2025 revealed that though the construction has been completed, the projects has not been labelled contrary to Regulation 15.(1) of the National Government Constituencies Development Fund Regulations, 2016 which provides that there shall be appointed a Project Management Committee for each project in a Constituency in accordance with Section 36 of the Act which shall undertake project closure, labelling and handover upon completion. The lack of unique identification for each project might result into duplication of functions between various arms of government and disputes among the project implementing agencies.

No.	Beneficiary	Project Details	Cost (Kshs.)
1	Gichugu Technical Vocational Centre	Digital Hub	2,584,987
2	Karucho Primary School	Renovation of 6 Classrooms	1,143,915
3	Gatugura Chiefs Office	Ajira Jitume Digital Hub	7,814,061
4	Karumandi Chiefs	Construction of Ajira Jitume Digital Hub	8,197,730
			19,740,693

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

3.0 Unconfirmed Ownership of Assets

The financial statements reflect Kshs.25,432,987 as the total historical cost of assets as disclosed in Annex 1, which includes an amount of Kshs.10,493,138 relating to transport equipment, out of which, Kshs.5,200,000 and Kshs.284,000 is in respect of a motor vehicle and a motor cycle whose registration certificates were not availed for audit.

In the circumstances, the ownership of the motor vehicle and motor cycle could not be confirmed.

4.0 Project Implementation Status

The financial statements reflect Kshs.73,643,962 and Kshs.82,688,398 in respect of other government units and other grants and transfers actual expenditure all totalling Kshs.156,332,360 as disclosed in Notes 13 and 14, out of which the Constituency Fund had budgeted an amount of Kshs.97,549,357 for the Constituency's forty-eight (48) approved projects. However, nine (9) projects worth Kshs.19,424,000 were completed but thirty-nine (39) projects worth Kshs.78,125,357 had not started as at 30 June, 2025.

In the circumstances, the public failed to get the expected benefits from projects equivalent to Kshs.78,125,357 from the budgeted projects that had not been started during the year under review.

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

Failure to Have Internal Audit Arrangements

The Constituency Fund did not have an internal audit arrangement during the year under review. This is contrary to Section 73(1) (a) of the Public Finance Management (PFM) Act, 2012 which stipulates that every national government entity shall ensure that it has appropriate arrangements for conducting internal audit according to the guidelines issued

by the Accounting Standards Board. In addition, although the financial statements indicate the presence of an Audit and Risk Management Committee of the NG-CDF Board, no evidence was adduced to show that this Committee held meetings during the year under review to discuss audit reports and make recommendation on risk mitigation.

In the circumstances, the effectiveness of the Constituency Fund's internal controls, risk management and governance systems 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 those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the

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

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

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

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

FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

14 November, 2025

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

	Note	2023-2024
		Kshs
Revenue from non-exchange transactions		
Transfers from the NGCDF Board	6	179,441,954
Grants/donations from other entities	7	-
Revenue from exchange transactions		
Finance income	8	-
Miscellaneous income	9	-
Total revenue		**179,441,954**
Expenses		
Employee costs	10	4,398,005
Committee expenses	11	3,441,550
Use of Goods and Services	12	4,908,702
Other Government Units Actual expenditure	13	73,643,962
Other Grants and Transfers Actual expenditure	14	82,688,398
Depreciation and amortization expense	15	103,356
Digital Hubs Actual expenditure	16	23,017,743
Total expenses		**192,201,716**
Othergains/(losses)		
Gain/Loss on Sale of Assets	17	-
Impairment loss	18	-
Surplus/(Deficit) for the year		**(12,759,762)**

The Constituency financial statements were approved by the NGCDFC on 30/10/ 2025 and signed by:

Chairman NG-CDF Committee	**National Sub-County Accountant**	**Fund Account Manager**
Name: Geoffrey Nduru	**Name:** Jamleck M. Mbuba	**Name: Henry Wanjiku**
	ICPAK M/No: 17276	

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

	Note	*Period as at June 2025*	*Opening Statement 1st July 2024*
		Kshs	Kshs
Assets			
Current Assets			
Cash And Cash Equivalents	19	84,545,406	69,642,823
Receivables from Exchange Transactions	20	-	-
Receivables from Non-Exchange Transactions	21	52,251,954	67,845,378
Prepayments	22	-	-
Total Current Assets		**136,797,361**	**137,488,201**
Non-Current Assets			
Property, Plant and Equipment	23	241,164	-
Intangible Assets	24	-	-
Right-of-use assets	25	-	-
Total Non- Current Assets		241,164	-
Total Assets (A)		**137,038,525**	**137,488,201**
Liabilities			
Current Liabilities			
Trade and Other Payables	26	9,444,313	-
Third-Party Deposits	27	2,042,684	-
Lease Liabilities	28	-	-
Gratuity provision	29	1,582,860	759,773
Total Current Liabilities		**13,069,857**	**759,773**
Non-Current Liabilities			
Lease Liabilities	28	-	-
Total Liabilities (B)		**13,069,857**	**759,773**
NetAssets (A-B)		**123,968,668**	**136,728,428**
Represented by:			
Revaluation Reserves		-	-
Accumulated Surplus		123,968,668	136,728,427
Total Net Assets		**123,968,668**	**136,728,427**

The Constituency financial statements set out on pages 2 to 5 approved by NG CDFC on 30/10/ 2025 and signed by:

Chairman NG-CDF Committee	National Sub-County Accountant	Fund Account Manager
Name: Geoffrey K. Nduru	Name: Jamleck M. Mbuba	Name: Henry Wanjiku
	ICPAK M/No: 17276	

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

Description	Revaluation Reserves	Accumulated surplus/Deficit	Total
		Kshs	Kshs
As at 30th June 2024 (cash basis)		10,736,547	10,736,547
Adjustments: (to recognize assets and liabilities	-		
Add Assets	-	125,991,880	125,991,880
Less Liabilities	-	-	-
As at July 1, 2024	-	**136,728,427**	**136,728,427**
Surplus/(Deficit) For the Period	-	(12,759,762)	(12,759,762)
Revaluation Gain/Loss	-	-	-
As at 30th June 2025	-	**123,968,668**	**123,968,668**

Note:

1. For items that are not common in the financial statements, Gichugu Ngcdf should include a note on what they relate to – either on the face of the statement of changes in equity/net assets or among the notes to the financial statements.

2. Prior year adjustment should have an elaborate note describing what the amounts relate to. In such instances, a restatement of the opening balances needs to be done.

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

	Notes	*2024-2025*
		Kshs
Cashflows from operating activities		
Receipts		
Transfers from the NGCDF Board		195,035,378
Grants/donations from other entities		
Finance income		-
Miscellaneous income		-
Total Receipts		**195,035,378**
Payments		
Employee costs		3,574,918
Committee expenses		3,441,550
Use of Goods and Services		4,908,702
Other Government Units Certified Works		94,619,020
Other Grants and Transfers		73,244,085
Digital Hubs Expenses		
Total Payments		**179,788,274**
Net Cash Flows from/ (used in) Operating Activities	30	**15,247,104**
Cash flows From Investing Activities		
Purchase of PPE		(344,520)
Purchase of Intangible assets		-
Proceeds From Sale of PPE		-
Net Cash Flows from Investing Activities		**(344,520)**
Cash Flows from Financing Activities		
Lease payment		
Net Cash Flows from Financing Activities		
Net increase /(decrease)in cash & Cash equivalents		14,902,584
Cash and cash equivalents at Period Start	17	69,642,823
Cash and cash equivalents at Period End	17	84,545,406

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

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

	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilization
	Kshs	Kshs		Kshs	Kshs	Kshs	
	a	b		C=(a+b)	d	e=(c-d)	f=d/c*100
	2024-2025	Opening Balance (operational, deposit and PMCs C/Bk) and AIA	Previous Years' Outstanding disbursements	*2024-2025*	*2024-2025*		
Revenue							
Transfers From the NGCDF Board	179,441,955	69,642,823	67,845,378	316,930,155	264,678,201	52,251,955	84%
Grants/donations from other entities	-	-	-	-	-	-	
Finance income	-	-	-	-	-	-	
Miscellaneous income	-	133,114	-	133,114	133,114	-	100%
Totals	**179,441,955**	**69,775,937**	**67,845,378**	**317,063,269**	**264,811,315**	**52,251,955**	**84%**
Expenses							
Employee costs	4,366,961	2,962,912	-	7,329,873	3,574,918	3,754,955	49%
Committee expenses	2,578,000	1,623,462	-	4,201,462	3,441,550	759,912	82%
Use of Goods and Services	6,765,324	3,926,097	88,993	10,780,414	4,908,702	5,871,713	46%

	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilization
	Kshs	Kshs		Kshs	Kshs	Kshs	
	a	b		C=(a+b)	d	e=(c-d)	f=d/c*100
	2024-2025	Opening Balance (operational, deposit and PMCs C/Bk) and AIA	Previous Years' Outstanding disbursements	*2024-2025*	*2024-2025*		
Other Government Units Certified Works	78,310,903	47,708,793	34,060,102	160,079,798	94,619,020	65,460,778	59%
Other Grants and Transfers	83,482,767	4,525,995	32,886,283	120,895,045	73,244,085	47,650,960	61%
Digital Hubs Expenses	3,588,000	8,757,564	-	12,345,564	-	12,345,564	0%
Acquisition of assets	350,000	-	-	350,000	344,520	5,480	98%
Others -strategic plan	-	-	-	-	-	-	-
Funds Pending Approval**	-	271,114	810,000	1,081,114	133,114	948,000	12%
Total Expenditure	**179,441,955**	**69,775,936**	**67,845,378**	**317,063,269**	**180,265,908**	**136,797,361**	**57%**
Surplus for the period					**84,545,407**		

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

Explanatory Notes.

i. *The budget utilization for the 2024-2025 financial year shows mixed performance against the required 90% utilization threshold. Employee costs achieved only 49% utilization, falling short by 41 percentage points due to late disbursements from the NGCDF Board throughout the financial year. Additionally, the budget execution was affected by the provision for gratuity amounting to Kshs 1,582,860 which was not factored into the original budget allocation.*
ii. *Committee expenses performed relatively well at 82% utilization, missing the target by 8 percentage points as some planned committee meetings and activities were not conducted as scheduled.*
iii. *Use of Goods and Services recorded poor performance at 46% utilization, falling 44 percentage points below the required threshold due to late disbursements affecting procurement timelines, procurement delays and conservative spending on operational requirements.*
iv. *Other Government Units Certified Works achieved 59% utilization, missing the target by 31 percentage points as several certified works experienced late disbursements from the NGCDF Board, implementation delays and certification bottlenecks.*
v. *Other Grants and Transfers reached 61% utilization, falling short by 29 percentage points due to late disbursements affecting transfer schedules, delayed transfer processes and administrative challenges in grant disbursement.*
vi. *Digital Hubs Expenses recorded zero utilization, falling 90 percentage points below the required threshold as the digital hubs project did not commence during the financial year due to late disbursements and project implementation challenges.*
vii. *Acquisition of Assets performed exceptionally well at 98% utilization, exceeding the 90% threshold by 8 percentage points, demonstrating effective asset procurement within budget allocations.*
viii. *Funds Pending Approval achieved only 12% utilization, falling 78 percentage points below the required threshold as these funds remain subject to formal approval processes.*

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	**Amount**
Budget utilization difference totals	136,797,361
Less undisbursed funds receivable from the Board as at period 30TH June, 2025	52,251,955
Cash and Cash Equivalents at the end of the 30th June 2025	84,545,407

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 30/10/ 2025 and signed by:

Fund Account Manager	National Sub-County Accountant	Chairman NG-CDF Committee
Name: Henry Wanjiku	Name: Jamleck M. Mbuba ICPAK M/No: 17276	Name: Geoffrey Nduru

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent						
1.1 Compensation of employees	4,366,961	2,962,912		7,329,873	3,574,918	3,754,955
1.2 Committee allowances	1,128,000	297,182		1,425,182	1,237,450	187,732
1.3 Use of goods and services	3,870,520	2,783,536		6,654,056	4,125,802	2,528,255
Sub-total	**9,365,481**	**6,043,630**	**-**	**15,409,111**	**8,938,170**	**6,470,941**
2.0 Monitoring and evaluation						
2.1 Capacity building	1,430,341	537,335	-	1,967,676	338,900	1,628,776
2.2 Committee allowances	1,450,000	1,326,280	-	2,776,280	1,686,830	1,089,450
2.3 Use of goods and services	1,464,463	605,226	88,993	2,158,682	961,270	1,197,412
Sub-total	**4,344,804**	**2,468,841**	**88,993**	**6,902,638**	**2,987,000**	**3,915,638**
4.0 Emergency						
kianyambo pry school	1,800,000	-	-	1,800,000	-	1,800,000
rukenya primary school	1,800,000	-	-	1,800,000	-	1,800,000
kiamiciri primary school	1,800,000	-	-	1,800,000	-	1,800,000
Gathoge police station	800,000	-	-	800,000	-	800,000

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Muchangara primary school	400,000	-	-	400,000	-	400,000
kianyambo primary school	400,000	-	-	400,000	-	400,000
karumande chief office	400,000	-	-	400,000	-	400,000
gachatha secondary school	400,000	-	-	400,000	-	400,000
mbiri chief office	400,000	-	-	400,000	-	400,000
ngariama secondary school	400,000	-	-	400,000	-	400,000
kariru primary school	844,313	-	-	844,313	-	844,313
Un Allocated	-	105,646	-	105,646	-	105,646
Sub-total	**9,444,313**	**105,646**		9,549,959		**9,549,959**
5.0 Bursary and Social Security						
5.1 Primary Schools	-	-	-	-	-	-
5.2 Secondary Schools	42,000,000	-	1,080,000	43,080,000	41,398,000	1,682,000
5.3 Tertiary Institutions	21,000,000	-	3,699,283	24,699,283	20,095,000	4,604,283
5.4 special needs	-	-	-	-	-	-
5.5 Education Support Programmes	-	-	-	-	-	-
5.6 Social Security	-	-	-	-	-	-
Sub-total	**63,000,000**	**-**	**4,779,283**	**67,779,283**	**61,493,000**	**6,286,283**
7.0 Environment				-		-

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Gacatha Primary School	-	-	83,500	83,500	-	83,500
Gaciongo Primary School	-	-	83,500	83,500	-	83,500
Gatugura Primary School	-	-	83,500	83,500	-	83,500
Gatunguru Primary School	-	-	83,500	83,500	-	83,500
Gikumbo Primary School	-	-	83,500	83,500	-	83,500
Githure Primary School	-	-	83,500	83,500	-	83,500
Gituba Primary School	-	-	83,500	83,500	-	83,500
Guama Primary School	-	-	83,500	83,500	-	83,500
Kabare Primary School	-	-	83,500	83,500	-	83,500
Kanjuu Primary School	-	-	83,500	83,500	-	83,500
Kariru Primary School	-	-	83,500	83,500	-	83,500
Karucho Primary School	-	-	83,500	83,500	-	83,500
Karumandi South Primary School	-	-	83,500	83,500	-	83,500
Kavote Primary School			83,500	83,500	-	83,500
Kiamiciri Primary School	-	-	83,500	83,500	-	83,500
Kiamugumo Primary School	-	-	83,500	83,500	-	83,500
Kiamwathi Primary School	-	-	83,500	83,500	-	83,500
Kiandai Primary School	-	-	83,500	83,500	-	83,500
Kianguenyi Primary School	-	-	83,500	83,500	-	83,500

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Kianjiru Primary School	-	-	83,500	83,500	-	83,500
Kiathi Primary School	-	-	83,500	83,500	-	83,500
Kiaumbui Primary School	-	-	83,500	83,500	-	83,500
Kiburia Primary School	-	-	83,500	83,500	-	83,500
Kimunye Primary School	-	-	83,500	83,500	-	83,500
Mucagara Primary School	-	-	83,500	83,500	-	83,500
Mugumo Primary School	-	-	83,500	83,500	-	83,500
Ngariama Primary School	-	-	83,500	83,500	-	83,500
Ngungu Primary School	-	-	83,500	83,500	-	83,500
Raimu Primary School	-	-	83,500	83,500	-	83,500
Rukenya Primary School	-	-	83,500	83,500	-	83,500
Rwambiti Primary School	-	-	83,500	83,500	-	83,500
Thuiya Primary School	-	-	83,500	83,500	-	83,500
Kiamwathi Primary School	-	-	83,500	83,500	-	83,500
Kimunye mixed School	-	-	83,500	83,500	-	83,500
Mutige Boys Secondary School	-	-	83,500	83,500	-	83,500
Gatuguru Mixed Secondary School	-	-	83,500	83,500	-	83,500

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Githure Mixed Secondary School	-	-	83,500	83,500	-	83,500
Kiamiciri Mixed Secondary School	-	-	83,500	83,500	-	83,500
Mucagara Mixed Secondary School	-	-	83,500	83,500	-	83,500
Our lady of Consolata Rukenya Mixed Secondary School	-	-	83,500	83,500	-	83,500
Rwambiti Mixed Secondary School	-	-	83,500	83,500	-	83,500
St. Loius Nyagithuci Mixed Secondary School	-	-	83,500	83,500	-	83,500
Raimu Primary School	270,000	-	-	270,000	-	270,000
Gachatha primary school	270,000	-	-	270,000	-	270,000
Kamwana primary school	270,000	-	-	270,000	-	270,000
Ngiriambu Ass chief office	660,000	-	-	660,000	-	660,000
Kianguenyi secondary school	511,409	-	-	511,409	-	511,409
Kimunye secondary school	511,409	-	-	511,409	-	511,409
Rukenya secondary school	511,409	-	-	511,409	-	511,409
Karucho secondary school	511,409	-	-	511,409	-	511,409

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Githage secondary school	511,409	-	-	511,409	-	511,409
Muchagara secondary school	511,409	-	-	511,409	-	511,409
Gichugu Environment	-	2,001	-	2,001	120	1,881
Sub-total	**4,538,454**	**2,001**	**3,507,000**	**8,047,455**	**120**	**8,047,335**
8.0 Primary Schools Projects				-		-
Raimu primary school	-	-	3,300,000	3,300,000	3,157,310	142,690
Mburi Christian primary school	-	-	3,000,000	3,000,000	2,850,893	149,107
Kiaumbui primary school	-	-	4,500,000	4,500,000	4,288,780	211,220
Kiamwathi primary school	-	-	1,500,000	1,500,000	1,422,214	77,786
Gatunguru primary school	-	-	300,000	300,000	300,000	-
Gachatha primary school	-	-	600,000	600,000	599,890	110
Muchagara primary school	-	-	580,533	580,533	576,324	4,209
Kabare Boys Primary School	4,500,000	-	-	4,500,000	-	4,500,000
Githage Primary School	10,024,206	-	-	10,024,206	-	10,024,206
Karucho Primary School	4,824,000	-	-	4,824,000	-	4,824,000
karucho primary school	1,200,000	-	-	1,200,000	1,143,916	56,085
kiburia primary school	5,500,000	-	-	5,500,000	-	5,500,000
Thumaita East Primary School	10,515,245	-	-	10,515,245	-	10,515,245
Nyangithuci Pry School	2,100,000	-	-	2,100,000	1,107,817	992,184

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Kiambatha Primary School	7,310,366	-	-	7,310,366	-	7,310,366
Ngungu Primary School	8,587,086	-	-	8,587,086	-	8,587,086
Kiagwenyi Primary School	1,700,000	-	-	1,700,000	-	1,700,000
Ngiriambu Primary School	1,700,000	-	-	1,700,000	-	1,700,000
Ngiriambu Primary School	1,800,000	-	-	1,800,000	-	1,800,000
kamwana primary school	4,100,000	-	-	4,100,000	2,142,048	1,957,953
Githage primary school	1,600,000	-	-	1,600,000	-	1,600,000
kiathi primary school	1,400,000	-	-	1,400,000	-	1,400,000
Kamwana Primary School	2,200,000	-	-	2,200,000	-	2,200,000
Kamwana primary School	600,000	-	-	600,000	600,000	-
kibaro primary school	600,000	-	-	600,000	-	600,000
Kariru primary school	1,500,000	-	-	1,500,000	-	1,500,000
kiamiciri primary school	1,500,000	-	-	1,500,000	-	1,500,000
gatugura primary school	-	2,400,000	-	2,400,000	2,398,708	1,292
nyanja primary school	-	-	2,729,569	2,729,569	2,667,289	62,280
Kiandai primary school		975,730		975,730	937,868	37,862
Thuiya primary school	-	848,360	-	848,360	848,276	84
Kiamiciri primary school	-	498,360	-	498,360	487,745	10,615
Njanja primary school	-	848,360	-	848,360	847,670	690
Rukenya primary school		598,360		598,360	595,240	3,120

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Karumandi south primary school	-	498,360	-	498,360	487,865	10,495
Githure primary school	-	598,360		598,360	595,120	3,240
Rwambiti primary school	-	3,598,360		3,598,360	3,408,539	189,822
Ccm nyagithuci primary school	-	7,100,000	-	7,100,000	7,100,000	-
Kianjiru primary school	-	421,819	-	421,819	421,819	-
Kabare boys primary school	-	1,698,360	-	1,698,360	1,691,434	6,927
Ngariama primary school	-	3,750	-	3,750	3,750	-
Karucho primary school		16,465	-	16,465	-	16,465
Gatugura primary school	-	22,493	-	22,493	240	22,253
Raimu primary school		-	-	-	-	-
Kanjuu primary school	-	79,034		79,034	360	78,674
Gikumbo primary school cdf account	-	2,242	-	2,242	2,242	-
Githure primary school pmc account	-	4,765	-	4,765	4,765	-
Nyanja primary school	-	4,889		4,889	4,889	-
Guama primary school pmc account	-	8,840	-	8,840	8,840	-
Kamwana primary school		1,000,000	-	1,000,000	1,000,000	-

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Kamwana primary school	-	4,248,360	-	4,248,360	4,247,313	1,047
Nyanja primary school	-	138,179	-	138,179	135,627	2,552
Kiamiciri primary school	-	394	-	394	394	-
Kabare boys primary school	-	809	-	809	480	329
Gituba primary school	-	535		535	535	-
Ngariama primary school	-	3,750	-	3,750	3,750	-
Mucagara primary school	-	117,769	-	117,769	-	117,769
Mburi primary school	-	-	-	-		-
Thuiya primary school	-	362	-	362	362	-
Sub-total	73,260,903	25,737,065	16,510,102	115,508,070	46,090,309	69,417,761
9.0 Secondary Schools Projects (List all the Projects)						
Rukenya secondary school	-	-	1,500,000	1,500,000	1,307,308	192,692
Kianyaga high school	-	-	10,000,000	10,000,000	1,760	9,998,240
Nyanja secondary school	600,000	-	-	600,000	600,000	-
Mugumo girls high school cdf account	-	4,029	-	4,029	4,029	-
Mwanianjau secondary school	-	1,576	-	1,576	1,576	-

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Kianguenyi secondary school pmc account	-	4,158	-	4,158	120	4,038
Githage secondary school	-	275,891	-	275,891	275,120	771
Ngungu secondary school	-	155,083	-	155,083	145,266	9,817
Kiamugumo secondary school	-	7,968,620	-	7,968,620	7,896,843	71,777
Mugumo secondary school	-	93,510	-	93,510	80,240	13,270
St marks thumaita	-	10,470,503	-	10,470,503	9,544,059	926,444
Rukenya secondary school	-	2,998,360	-	2,998,360	2,998,360	-
Sub-total	**600,000**	**21,971,729**	**11,500,000**	**34,071,729**	**22,854,681**	**11,217,048**
10.0 Tertiary institutions Projects (List all the Projects)						
Gichugu Technical And Vocational Training College	1,600,000	-	-	1,600,000	-	1,600,000
Kirinyaga East Youth Empowerment Centre Digital Hub(Kianyaga Dcc Office Compound	2,850,000	-	-	2,850,000	-	2,850,000
Gichugu Technical And Vocational Training College	-	-	3,400,000	3,400,000	3,216,829	183,171

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Gichugu Technical And Vocational Training College	-	-	2,650,000	2,650,000	2,453,987	196,013
11.0 Security Projects	**4,450,000**	**-**	**6,050,000**	**10,500,000**	**5,670,816**	**4,829,184**
Gichugu West Assistant County Commissioner	-	-	8,200,000	8,200,000	4,420,965	3,779,035
karumande chief office	-	-	8,200,000	8,200,000	7,792,705	407,295
Gatugura chiefs office hall	-	-	8,200,000	8,200,000	7,814,061	385,939
kianyaga police station	2,200,000	-	-	2,200,000	-	2,200,000
Njuku east assistant chief office	2,000,000	-	-	2,000,000	-	2,000,000
Kirinyaga East Deputy county commissioner	1,500,000	-	-	1,500,000	-	1,500,000
Thumaita Chief Office	800,000	-	-	800,000	-	800,000
Kamweti assistant chiefs office	-	36,228	-	36,228	36,228	-
Kiamugumo assistant chief office	-	25,754	-	25,754	25,754	-
Karucho assistant chiefs office	-	3,918	-	3,918	3,918	-
Mirichi assistant chief office pmc account	-	2,001,265	-	2,001,265	1,030,730	970,535

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Kiritini assistant chiefs office	-	38,186	-	38,186	38,186	-
Kianyaga police post	-	50,878	-	50,878	50,240	638
Rwathai chiefs office	-	5,399	-	5,399	5,399	-
Guama asst chiefs	-	1,598,360	-	1,598,360	1,598,307	53
Njuku west asst chiefs	-	658,360	-	658,360	658,360	-
Sub-total	**6,500,000**	**4,418,348**	**24,600,000**	**35,518,348**	**23,474,853**	**12,043,494**
12.0 Acquisition of assets						
12.1 Motor Vehicles (including motorbikes)	-	-	-	-	-	-
12.2 Purchase of furniture and fitiings	-	-	-	-	-	-
12.2 Construction of CDF office	-	-	-	-	-	-
12.3 Purchase of computers and accessories	350,000	-	-	350,000	344,520	5,480
Sub-total	**350,000**	**-**	**-**	**350,000**	**344,520**	**5,480**
13.0 Others						
DIGITAL EXPENSES						

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Gatugura chief office Digital hub	598,000	340,203	-	938,203	-	938,203
Gichugu West Assistant county commissioner Digital Hub	598,000	-	-	598,000	-	598,000
Karumande chief office Digital hub	598,000	-	-	598,000	-	598,000
Gichugu Technical and vocational traing centre digital hub	598,000	-	-	598,000	-	598,000
Kirinyaga East Youth Empowerment Centre Digital hub	598,000	-	-	598,000	-	598,000
Giconjo Youth Empowerment Digital hub	598,000	-	-	598,000	-	598,000
Gichugu sports	-	2,917,350	-	2,917,350	2,917,350	-
Gichugu sports	-	2,366,864	-	2,366,864	2,366,738	126
Gichugu ngcdf office	-	4,245	-	4,245	600	3,645
Gichugu cdf registry	-	659	-	659	360	299
Gichugu cdf fence	-	3,128,243	-	3,128,243	3,127,392	851
Sub-total	**3,588,000**	**8,757,564**	**-**	**12,345,564**	**8,412,440**	**3,933,124**

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Funds pending approval**						
unapproved projects	-	-	810,000	810,000	-	810,000
PMC savings	-	133,114	-	133,114	-	133,114
AiA	-	138,000	-	138,000	-	138,000
Sub-total	**-**	**271,114**	**810,000**	**1,081,114**	**-**	**1,081,114**
Total	**179,441,955**	**69,775,936**	**67,845,378**	**317,063,269**	**180,265,908**	**136,797,361**

(NB: This statement is a disclosure statement indicating the utilization in the same format as Gichugu ngcdf 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 Gichugu Constituency principal activity is to disburse funds to the project management committees in line with the NGCDF Act to accelerate development in the constituency in line with the Government development agenda.

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 Gichugu 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 Gichugu 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.

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

3. Adoption of New and Revised Standards

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

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

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

Standard	**Effective date and impact:**
IPSAS 43: Leases	*Applicable 1st January 2025* The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of Gichugu Ngcdf. 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	*Applicable 1st January 2025* The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued

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

Revenue	This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions. *Not Applicable*
IPSAS 48: Transfer Expenses	*Applicable 1st January 2026* The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers. *Not Applicable*
IPSAS 49: Retirement Benefit Plans	*Applicable 1st January 2026* The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan. *Not Applicable*
IPSAS 50: Exploration For & Evaluation of Mineral Resources	*Applicable 1st January 2027* The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires: i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in Gichugu ngcdf

	financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized. *Not Applicable*

iii. Early adoption of standards

Gichugu NGCDF did not early – adopt any new or amended standards in the financial year

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Sale of goods

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

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

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

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

Gichugu Ngcdf 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 Gichugu ngcdf 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, Gichugu ngcdf 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 Gichugu Ngcdf 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

Gichugu Ngcdf 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. Gichugu Ngcdf recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL) are set out in *Note 18*

b) Financial liabilities

Classification

Gichugu NGCDF 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 Gichugu NGCDF.

h) Provisions

Provisions are recognized when Gichugu Ngcdf 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 Gichugu ngcdf 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. Gichugu NGCDF 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 Gichugu NGCDF will incur in fulfilling the present obligations represented by the liability.

j) Contingent liabilities

Gichugu NGCDF 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

Gichugu NGCDF 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 Gichugu NGCDF 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

Gichugu Ngcdf provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which Gichugu ngcdf 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

Gichugu Ngcdf 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 Gichugu Ngcdf, 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 Gichugu Ngcdf'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. Gichugu Ngcdf 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 Gichugu Ngcdf. 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 Gichugu Ngcdf.
b) The nature of the asset, its susceptibility and adaptability to changes in technology and processes.
c) The nature of the processes in which the asset is deployed.
d) Availability of funding to replace the asset.
e) Changes in the market in relation to the asset

Provisions

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

6. Transfers from the NGCDF Board

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

7. Transfers from domestic and foreign partners

Description	*2024-2025*
	Kshs
Grants	-
Total	**-**

8. Finance income

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

(Provide a brief explanation for this revenue)

9. Miscellaneous income

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

10. Employees cost

Description	*2024-2025*
	Kshs
NG-CDFC Basic staff salaries	2,514,956
Personal allowances paid as part of salary	-
House Allowance	339,600
Transport Allowance	396,000
Leave allowance	-
Gratuity to contractual employees	823,087
Employer Contributions Compulsory national social security schemes	187,292
Employer Contributions Compulsory Housing levy	47,802
Employer contributions to National Industrial Training Authority	-
SHIF	89,268
Total	**4,398,005**

11. Committee Expenses

Description	*2024-2025*
	Kshs
Sitting allowance	3,441,550
Other Committee expenses	-
Total	**3,441,550**

12. Use of Goods and services

Description	*2024-2025*
	Kshs
Utilities, supplies and services	154,067
Communication, supplies and services	222,955
Domestic travel and subsistence	552,500
Printing, advertising and information supplies & services	-
Office Rent	-
Training expenses	338,900
Hospitality supplies and services	345,457
Insurance costs	-
Specialized materials and services	-
Office and general supplies and services	842,374
Fuel, oil & lubricants	684,015
Bank Charges	-
Routine maintenance – vehicles and other transport equipment	477,984
Routine maintenance – other assets	499,700
Strategic plan expenses	-
Other operating expenses	790,750
Total	**4,908,702**

13. Other Government Units Actual expenditure

Description	*2024-2025*
	Kshs
Primary Schools Actual expenditure	47,309,169
Secondary Schools Actual Expenditure	22,962,123
Tertiary Institutions Actual Expenditure	3,372,670
Total	**73,643,962**

14. Other Grants and transfersActual expenditure

Description	*2024-2025*
	Kshs
Bursary – secondary schools	41,398,000
Bursary – tertiary institutions	20,095,000
Bursary – special schools	-
Bursary - Education Support programmes	-
Social Security programmes (SHIF)	-
Security projects Actual Expenditure	11,751,085
Climate change mitigation projects	-
Emergency projects Actual Expenditure	9,444,313
Roads projects	-
Others specify	-
Total	82,688,398

15. Depreciation and Amortization Expenses

Description	*2024-2025*
	Kshs
Property Plant and Equipment	103,356
Intangible Assets	-
Total	**103,356**

16. Digital Hubs Expenses

Description	*2024-2025*
	Kshs
Construction/ renovation/ Actual expenditure	23,017,743
Digital Hub utility costs Water, Electricity,	-
Maintenance of ICT equipment	-
Maintenance of building	-
Others *(specify)*	-
Total	**23,017,743**

17. Gain/loss on Sale of Assets

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

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

18. Impairment Loss

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

(Provide brief explanation on assets impairment loss)

19. Cash and Cash Equivalents

Name Of Bank and Account No.	*2024-2025*	*Opening Statement 1st July 2024*
	Kshs	**Kshs**
Bank Accounts (Cash Book Bank Balance)		
Family Bank 020000002893	29,585,394	10,736,547
Operations account pending closure (Indicate name & account no.)	-	-
Family Bank 0200000011411	1,582,860	759,773
Family Bank- PMC balances see Annex 2	53,377,153	58,146,503
Total	**84,545,406**	**69,642,823**
Cash Balances		
Location 1	-	-
Location 2	-	-
Other Locations	-	-
Total	**-**	**-**
[Provide Cash Count Certificates for Each]		

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

	Balance as at 1st July 2024	Closing Statement 30th June 2025
	Kshs	Kshs
Assets		
Operation accounts	10,736,547	29,585,394
Deposit account	759,773	1,582,860
PMC bank balances	62,066,488	53,377,153
Prior year adjustment	(3,920,186)	
TOTAL	**69,642,621**	**84,545,406**

2023/2024 financial report cash and cash equivalent amount relating to PMC account had error on bank balances due to repetition of amounts therefore overstating the bank balances breakdown of the amount is as shown in the table below:

PMC	Bank	Account number	Bank Balance 2023-2024
GICHUGU SPORTS PROJECT	020000003632	FAMILY BANK	2,366,984
KIANJIRU PRIMARY SCHOOL	020000004736	FAMILY BANK	421,819
NYANJA PRIMARY SCHOOL	020000009447	FAMILY BANK	138,179
KIANDAI PRIMARY SCHOOL	020000009449	FAMILY BANK	975,930
KABARE BOYS PRIMARY SCHOOL	020000009230	FAMILY BANK	809
KARUCHO PRIMARY SCHOOL	020000009203	FAMILY BANK	16,465
TOTAL			**3,920,186**

20. Receivables from Exchange Transactions

Description	*2024-2025*	*Opening Statement 1st July 2024*
	Kshs	**Kshs**
Total receivables		
Other exchange debtors (*Specify*)	-	-
-	-	-
Totalreceivables	**-**	**-**
a. Current receivables	-	-
b. Non-current receivables	-	-
Total Receivables (a+b)	**-**	**-**

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

i. Ageing Analysis for Receivables

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

21. Receivables from Non-Exchange Transactions

Description	*Period ended June 2025*	*Opening Statement 1st July 2024*
	Kshs	Kshs
Transfers from NGCDFB	52,251,954	67,845,378
Outstanding imprest	-	-
Total	**52,251,954**	**67,845,378**

Description	*Period ended June 2025*		*Opening Statement 1st July 2024*	
	Kshs		Kshs	
	Current FY	% of the total	Opening Balance	% of the total
Less than 1 year	52,251,954	100%	67,845,378	100%
Between 1- 2 years		0%	-	0%
Between 2-3 years	-	0%	-	0%
Over 3 years	-	0%	-	0%
Total (a+b)	52,251,954	100%	67,845,378	100%

22. Prepayments

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

23. Property, Plant and Equipment

	Land	Buildings	Motor vehicles	Infrastructure assets	Furniture and fittings	Computers & ICT Equipment	Work in progress	Service concession assets	Total
Depreciation Rate		**10%**		**20%**	12.50%	**30%**			
Cost	**Kshs**	**Kshs**	**Kshs**	**Kshs**	**Kshs**	**Kshs**	**Kshs**	**Kshs**	**Kshs**
Opening Bal as 1st July 2024	-	-		-	-		-	-	
Additions	-	-	-	-	-	344,520	-	-	344,520
Disposals	-	-	-	-	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-	-	-	-	-
As At 30th June 2025	-	-		-	-	344,520	-	-	344,520
Depreciation And Impairment									
Opening bal accumulated depreciation 1st July 2024	-	-			-	-	-	-	-
Depreciation	-	-			-	103,356	-	-	103,356
Disposals	-	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-	-	-	-
As At 30th June 2025	-	-		-	-	-	-	-	-
Net Book Values						**241,164**			
Opening Bal as at 1st July 2024	-	-		-	-	-	-	-	-
As At 30th June 2025	-	-		-	-	**241,164**	-	-	**241,164**

Valuation

Land and buildings/ Equipment (be specific) were valued by in line with the National Assets and Liabilities Management Policy and Guidelines (Issued 30th June 2020).

23 b) Property, Plant and Equipment at Cost

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

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

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

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

24. Intangible Assets

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

25. Right-of use assets

Description	Buildings	Plant	Equipment	Total
	Kshs	Kshs	Kshs	Kshs
Cost				
As At 1 July 2023 (Comparative period)	-	-	-	-
Additions	-	-	-	-
As At 30 June 2024 (Comparative Period)	-	-	-	-
Additions	-	-	-	-
As At 30 June 2025 (Current FY)	-	-	-	-
	-	-	-	-
Accumulated Depreciation	-	-	-	-
As At 1 July 2023 (Comparative period)	-	-	-	-
Charge for the period	-	-	-	-
As At 30 June 2024 (Comparative period))	-	-	-	-
Charge for the period	-	-	-	-
As At 30 June 2025 (Current FY)	-	-	-	-
Carrying Amount				

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

26. Trade and Other Payables

Description	*2024-2025*		*Opening Statement 1st July 2024*	
	Kshs		Kshs	
Trade payables	9,444,313		-	
Employee payables	-		-	
Other payables	-		-	
Total trade and other payables	**9,444,313**		-	
Aging analysis: (Trade and other payables)	2024-2025	% of the Total	1st July2024	% of the Total
Under one year	-	%	-	%
1-2 years	-	%	-	-
2-3 years	-	-	-	-
Over 3 years	-	-	-	-
Total (tie to above total)	-	%	-	%

27. Third-Party deposits

	Period ended June 2025	*Opening Statement 1st July 2024*
	Kshs	**Kshs**
Retention as at start of the period (A)	-	-
Retention held during the period (B)	2,527,989	-
Retention paid during the period (C)	(485,305)	-
Closing Retention as at period xx, D= A+B-C	**2,042,684**	-

Retentions aging analysis.

	2024-2025	% of the total	*Opening Statement 1st July 2024*	% of the total
Less than1 year	2,042,684	100%	-	100%
1-2 years	-	-	-	-
2-3 years	-	-	-	-
Over 3 years	-	-	-	-
Total	**2,042,684**	**100%**	-	**100%**

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

28. Lease Liabilities

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

Maturity Analysis

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

Analysed as:

Description	Amount
Current	-
Non- Current	-
Total	-

29. Gratuity Provision

Description	*Period ended June 2025*	*Opening Statement 1st July 2024*
	Kshs	**Kshs**
Gratuity at the beginning of the period (A)	759,773	-
Gratuity held during the period (B)	823,087	759,773
Gratuity paid during the period (C)	-	-
Total Gratuity provision as at period =(A+B-C)	**1,582,860**	**759,773**

30. Cash Generated from Operations

	Period ended June 2025
	Kshs
Surplus for the period before tax	**(12,759,762)**
Adjusted for:	
Depreciation	103,356
Non-cash grants received	-
Contributed assets	-
Impairment	-
Gains and losses on disposal of assets	-
Contribution to provisions	-
Contribution to impairment allowance	-
Working capital adjustments	
Changes in inventory	-
Changes in receivables	15,593,424
Changes in deferred income	-
Changes in Third party deposits	2,042,684
Changes in trade payables	9,444,313
Changes in gratuity provision	823,087
Changes in payments received in advance	-
Net cash flow from operating activities	**15,247,104**

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

31. Financial Risk Management

Gichugu ngcdf activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. Gichugu Ngcdf 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. Gichugu Ngcdf does not hedge any risks and has in place policies to ensure that credit is only extended to customers with an established credit history. Gichugu Ngcdf financial risk management objectives and policies are detailed below:

i) Credit risk

Gichugu NGCDF 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 Gichugu NGCDF 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 Gichugu NGCDF maximum exposure to credit risk without taking account the value of any collateral obtained is made up as follows:

Description	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
As at 30th June 2025				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	52,251,954	52,251,954	-	-
Bank balances	84,545,407	84,545,407	-	-
Total	**136,797,361**	**136,797,361**	-	-
As at 30 June 2024			-	-
Receivables from exchange transactions			-	-
Receivables from non-exchange transactions	67,845,378	67,845,378	-	-
Bank balances	69,642,823	69,642,823	-	-
Total	**137,488,201**	**137,488,201**	-	-

(NB: The totals column should tie to the individual elements of credit risk disclosed in Gichugu NGCDFstatement 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 Gichugu Ngcdf has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. Gichugu ngcdf has significant concentration of credit risk on amounts due from 2024. The board of directors sets Gichugu NGCDF 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 Gichugu ngcdf directors, who have built an appropriate liquidity risk management framework for the management of Gichugu NGCDF short, medium and long-term funding and liquidity management requirements. Gichugu ngcdf manages liquidity risk through continuous monitoring of forecasts and actual cash flows. The table below represents cash flows payable by Gichugu ngcdf under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
As at 30th June 2025				
Trade payables	-	9,444,313	-	9,444,313
Current proportion of borrowings	-	-	-	-
Provisions	-	-	-	-
Third -Party deposits	2,042,684	-	-	2,042,684
Gratuity Provision	-	-	1,582,860	1,582,860
Total	**2,042,684**	**9,444,313**	**1,582,860**	**13,069,857**
As at 1st July 2024	-	-	-	-
Trade payables	-	-		-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
Deferred income	-	-	-	-
Gratuity Provision	-	759,773		759,773
Total	-	**759,773**		**759,773**

iii) Market risk

Gichugu ngcdf has put in place an internal audit function to assist it in assessing the risk faced by Gichugu ngcdf 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 Gichugu income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee. The Gichugu 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 Gichugu's exposure to market risks or the way it manages and measures the risk.

a) Foreign currency risk

Gichugu ngcdf has transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate. Gichugu ngcdf manages foreign exchange risk form future commercial transactions and recognised assets and liabilities by projecting for expected sales proceeds and matching the same with expected payments.

b) Interest rate risk

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

Management of interest rate risk

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

Fair value of financial assets and liabilities

a) Financial instruments measured at fair value.

Determination of fair value and fair values hierarchy

IPSAS 30 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect Gichugu 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. Gichugu ngcdf considers relevant and observable market prices in its valuations where possible.

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 Gichugu ngcdf capital risk management is to safeguard Gichugu ngcdf ability to continue as a going concern. Gichugu Ngcdf capital structure comprises of the following funds:

Description	**2024-2025**	*Opening Statement 1st July 2024*
	Kshs	**Kshs**
Revaluation Reserve		
Retained Earnings	123,968,668	136,728,427
Capital Reserve	-	-
Total Funds	**123,968,668**	**136,728,427**
Total Borrowings	-	
Less: Cash and Bank Balances	(84,545,407)	(69,642,823)
Net Debt/(Excess Cash And Cash Equivalents)	39,423,261	67,085,604
Gearing	32%	49%

32. Related Party Disclosures

Description	*2024-2025*	*Opening Statement 1st July 2024*
	Kshs	**Kshs**
Committee Members Remuneration		
Sitting allowance of committee Members during the year	3,441,550	3,897,500
Transaction with the NGCDF Board		
Transfers from the NGCDF Board during the year	195,035,378	185,173,447
Total	**198,476,928**	**189,070,947**

33. Segment Information

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

34. Contingent Assets and Contingent Liabilities

Contingent Assets

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

(Give details)

Contingent Liabilities

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

35. Capital Commitments

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

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

36. Events after the Reporting Period

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

37. Ultimate And Holding Entity

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

38. Currency

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

18.Annexes

Annex 1: Summaryof Asset Register

Asset class	Historical Cost/valuation costbalance brought forward (Kshs)	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) At Year End
Land	-	-	-	-
Buildings and structures	12,369,929	-	-	12,369,929
Transport equipment	10,493,138	-	-	10,493,138
Office equipment, furniture and fittings	1,406,300	-	-	1,406,300
ICT Equipment, Software and Other ICT Assets	563,000	344,520	-	907,520
Other Machinery and Equipment	256,100	-	-	256,100
Heritage and cultural assets	-	-	-	-
Intangible assets	-	-	-	-
Total	**25,087,867**	**-**	**-**	**25,432,987**

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

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

Pmc	Bank	Account number	Bank balance 2024-2025	Bank balance 2023-2024
Mugumo girls' high school cdf account	Family bank	020000003219	-	4,029
Mwanianjau secondary school	Family bank	020000006541	-	1,576
Kianguenyi secondary school pmc account	Family bank	020000004765	-	4,158
Githage secondary school	Family bank	020000009788	512,180	275,891
Ngungu secondary school	Family bank	020000003275	9,817	155,083
Kiamugumo secondary school	Equity bank	0100293981095	71,777	7,968,620
Mugumo secondary school	Family bank		13,270	93,510
St marks thumaita	Family bank	020000012078	926,444	10,470,503
Rukenya secondary school	Family bank	020000011465	704,101	2,998,360
Gichugu sports	Kcb bank	1258793830	-	2,917,350
Gichugu sports	Family bank	020000003632	126	2,366,864
Gichugu ngcdf office	Family bank	020000009546	3,645	4,245
Gichugu cdf registry	Family bank	020000011466	299	659
Gichugu cdf fence	Family bank	020000011467	851	3,128,243
Kamweti assistant chiefs office	Family bank	20000006358	-	36,228
Kiamugumo assistant chief office	Family bank	20000006578	-	25,754
Karucho assistant chiefs office	Family bank	20000003270	-	3,918
Mirichi assistant chief office pmc account	Family bank	20000004656	970,535	2,001,265
Kiritini assistant chiefs office	Family bank	20000004695	-	38,186
Kianyaga police post	Family bank	020000009455	2200637.5	50,878
Rwathai chiefs office	Family bank	020000009391	-	5,399

Pmc	Bank	Account number	Bank balance 2024-2025	Bank balance 2023-2024
Guama asst chiefs	Family bank	020000011968	53	1,598,360
Njuku west asst chiefs	Family bank	02000009438	-	658,360
Kiandai primary school	Family bank	020000009449	37862	975,730
Thuya primary school	Family bank	020000011515	84	848,360
Kiamiciri primary school	Family bank	020000011516	1810615	498,360
Njanja primary school	Family bank	020000011519	690	848,360
Rukenya primary school	Family bank	020000011508	1,803,120	598,360
Karumandi south primary school	Family bank	020000011518	10,495	498,360
Githure primary school	Family bank	020000011520	3240	598,360
Rwambiti primary school	Family bank	020000011544	189,822	3,598,360
Kabare boys primary school	Family bank	020000009230	329	809
Ccm nyagithuci primary school	Family bank	020000011577	992,184	7,100,000
Kianjiru primary school	Family bank	020000004736		421,819
Nyanja primary school	Family bank	020000009447	2552	138,179
Kabare boys primary school	Family bank	020000011512	6,927	1,698,360
Ngariama primary school	Family bank	020000009432	-	3,750
Gatugura primary school	Family bank	02000009454	-	22,493
Kanjuu primary school	Family bank	020000003260	-	79,034
Gikumbo primary school cdf account	Family bank	020000003256	-	2,242
Githure primary school pmc account	Family bank	020000003798	-	4,765
Nyanja primary school	Family bank	02000004717	-	4,889
Guama primary school pmc account	Family bank	020000004745	-	8,840
Kamwana primary school	Family bank	020000004783	1,047	5,248,360
Kiamiciri primary school	Equity bank	0100193610995	-	394
Gituba primary school	Family bank	020000004633	-	535
Ngariama primary school	Family bank	020000009432	-	3,750

Pmc	Bank	Account number	Bank balance 2024-2025	Bank balance 2023-2024
Thuiya primary school	Equity bank	01002951238860	-	362
Kiamwathi primary school	Family bank	020000012491	77,786	-
Raimu primary school	Family bank	020000009720	412,690	-
Kiaumbui primary school	Family bank	020000012470	211,220	-
Mburi christian primary school	Family bank	020000012556	149,107	-
Gacatha primary school	Family bank	020000011540	110	-
Mucagara primary school	Family bank	020000011517	404,209	-
Nyanja primary school	Family bank	020000012666	62,280	-
Gatugura primary school	Family bank	020000012593	1,292	-
Gatugura primary school	Family bank	020000009454	22,253	-
Kanjuu primary school	Family bank	020000003260	78,674	-
Karucho primary school	Family bank	020000009203	4,896,550	16,465
Mucagara sec school	Equity bank	0100293759443	117,769	117,769
Kamwana primary sch	Family bank	020000013473	4,157,953	-
Kianyaga boys high school	Family bank	020000012656	9,998,240	-
Kianguenyi secondary school pmc account	Family bank	020000004765	515,447	-
Kimunye sec sch	Family bank	020000013596	511,409	-
Muchagara sec sch	Family bank	020000013603	511,409	-
Karucho sec sch	Family bank	020000013598	511,409	-
Ngiriambu asst chiefs	Family bank	020000013600	660,000	-
Gichugu environment	Family bank	020000003621	3,508,881	2,001
Gichugu tvc toilets	Family bank	020000012320	1,783,171	-
Kirinyaga east dcc office	Family bank	020000013560	1,500,000	-
Njuku east assistant chief	Family bank	020000013575	2,000,000	-
Thumaita chiefs office	Family bank	020000013574	800,000	-
Karumandi chiefs office	Family bank	020000013580	400,000	-

Pmc	Bank	Account number	Bank balance 2024-2025	Bank balance 2023-2024
Gathoge police station	Family bank	020000013581	800,000	-
Mbiri chiefs office	Family bank	020000013584	400,000	-
Kianyambo primary	Family bank	020000013597	2,200,000	-
Ngariama secondary sch	Family bank	020000013602	400,000	-
Kariru primary school	Family bank	020000013599	844,313	-
Gacatha sec sch	Family bank	020000013601	400,000	-
Gichugu west acc	Family bank	020000012705	3,779,035	-
Gatugura chiefs office	Family bank	020000012625	385,939	-
Karumandi chiefs office	Family bank	020000012626	407,295	-
Gichugu tvc digital hub	Family bank	020000012321	196,013	-
Grant total			**53,377,152**	**58,146,503**

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	**1.0. Unsupported Project Management Committee Account Balance** The financial statements reflects Kshs.62,066,689 in respect of Project Management Committees (PMC) account balances as disclosed in Note 19.4 and detailed Annex5. However, the cash books and bank reconciliation statements in support of the balances were not provided for audit. In the circumstances, the accuracy and completeness of PMC bank accounts balances of Kshs.62,066,689 could not be confirmed.	The Management prepares the bank reconciliations for all the PMC on a monthly basis to enhance accountability and transparency. The money in the pmc accounts have been spent and all the projects that were ongoing as at 30th June 2024 are complete and in use	Not Resolved	Three weeks

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)*
2	**2.0. PMC Balances Not Returned to Constituency Account** Review of Annex 5 on PMC bank Account balances revealed that a total of Kshs. 157,297 relating to twenty-two (22) projects which had been completed but unspent balances had not been transferred back to Main NGCDF Account as required by law. In the circumstances, the accuracy and completeness of cash and cash equivalents could not be confirmed.	The balances were transferred to the main account in the current financial year 2024/2025 and a request for reallocation sent to the board to ensure that the funds are directed to other needy institutions within the constituency since the projects are complete.	Not Resolved	Three weeks

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)*
	1.0. Budget Control and Performance The summary statement of appropriation for the year ended 30 June, 2024 reflected an approved receipt budget of Kshs. 294,024,783 and actual receipts of Kshs. 226,179,405 resulting to budget shortfall of Kshs. 67,845,378 or about 23% of the budgeted receipts In the circumstances, the underfunding affected the planned activities and projects which could have impacted positively on the lives of the public	There was under absorption of funds due to delay of disbursement of funds from the NG-CDF Board. However, the funds were disbursed in the current financial year 2024/2025 and the Project Management Committees have implemented all the projects as per the approved code list	Not Resolved	Three weeks
Other Matter				
	1.Non-Compliance with Minimum Requirements on Employee Ethnic Composition The statement of receipts and payments and Note 4 to the financial statements reflected compensation of employee's balance of Kshs.4, 492,259. However, all employees of the Fund are from the same community. This was contrary	The staff recruitment was competitively done as per Human Resource Policy Manual for public service and all the members of the public	Not Resolved	Three weeks

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)*
	to the requirements of section 7(2) of the National Cohesion and Integration Act, 2008 which states that no public establishment shall have more than one third of its staff from the same ethnic community In the circumstances, the management was in breach of the law.	were give equal opportunity. In the subsequent recruitment the management will ensure there is ethnic diversity.		
	2.0Project Management and Implementation Status **2.1Transfers to Secondary Schools** The Statement of receipts and payments and Note 7 to the financial statements reflects ksh 127,677,853 in respect to transfers to other government units out of which ksh 52,527,853 is for transfers to ten(10) secondary school. As at the time of audit in the month of December,2024 two (2) projects with a sum of kshs 12,972,145 were still at procurement.	There was delay in the implementation of the project by the project management committee due to the National exams. However, the projects were implemented and are complete and in use	Not Resolved	Three weeks

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)*
	2.2Environment Projects The Statement of receipts and payments and Note 8 to the financial statements reflects ksh 65,220,152 out of which ksh 3,800,000 is in repect of environment projects. As at the time of audit in the month of December 2024 one(1) project with a sum of Kshs.660,000, Njuku west assistant Chiefs office had not been started. In the circumstances, there were delays in service delivery to the public and value for money may not have been realized on the project.	- There was delay in the implementation of the project by the project management committee however the project is complete and in use.		
	3.0Projects Verification Results A total of twenty-two (22) projects were with an allocation of ksh 75,139,071 were verified during the audit. However, six (6) projects with an allocation of ksh 14,380,771 as shown below were ongoing though contractors were not on site.	The contractors were waiting for the projects to cure for painting works to continue. however the projects were completed on time	Not Resolved	Three weeks

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)*
	in the circumstances, the public did not get value for money from the projects that were not completed and whose contractors were not on site.			

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Fund Account Manager.