

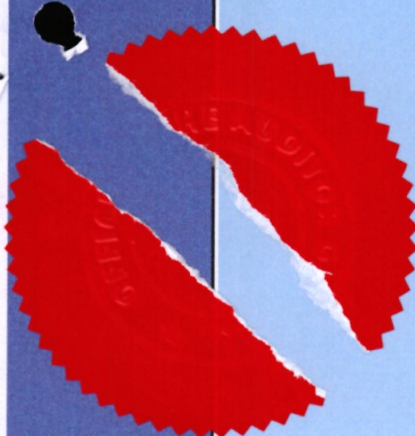
REPUBLIC OF KENYA



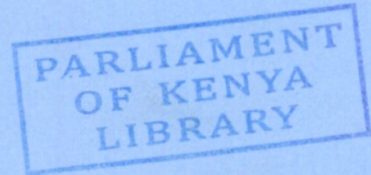
REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL
Enhancing Accountability



REPORT



OF

THE AUDITOR-GENERAL

ON

NATIONAL GOVERNMENT CONSTITUENCIES
DEVELOPMENT FUND

KWANZA CONSTITUENCY

FOR THE YEAR ENDED

THE NATIONAL ASSEMBLY
PAPERS 30 JUNE, 2025

DATE: 17 FEB 2026

DAY.

TUESDAY

TABLED
BY:

DEPUTY MAJORITY
LEADER

CLERK-AT
THE-TABLE:

FINLAY



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

KWANZA CONSTITUENCY

ANNUAL REPORT AND FINANCIAL STATEMENTS

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

Transitional International Public Sector Accounting Standards (IPSAS) Financial Statements

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1. Acronyms and Definition of Key Terms

A. Acronyms

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

B. Definition of Key Terms

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

Comparative Year- Means the prior period.

(This list is an indication of the common acronyms and abbreviations; the Entity should include all from the annual report and financial statements prepared)

2. Key Constituency Information and Management

i. Background information

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

Mandate

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

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

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

Vision

Equitable Socio-economic development countrywide.

Mission

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

Core Values

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

Functions of NG-CDF Committee

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

ii. Key Management

The NGCDF Kwanza 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:

1.	AIE holder	CPA Moses T. Karakacha
2.	National Sub-County Accountant	CPA Benjamin Muchina
3.	Chairman NGCDFC	Mrs Nancy Imali
4.	Member NGCDFC	Mr. Charles Wekesa
5.	Member NG CDFC	Mr. Ezekiel Maswai

iii. Fiduciary Oversight Arrangements

The Audit Committee of the NGCDF Board provides overall fiduciary oversight on the activities of the NGCDF Kwanza 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.

iv. NGCDF Kwanza Constituency Headquarters

Trans-Nzoia Kwanza Sub County Headquarters
Kitale- Kolongolo Road
Kwanza, Kenya.

v. NGCDF Kwanza Constituency Contacts

P.O. BOX 2015-30200,
Telephone: (254) 0723896642
E-mail: cdfkwanzaconstituency@ngcdf.go.ke
Website: www.cdfkwanzaconstituency.go.ke

vi. NGCDF Kwanza Constituency Bankers

1. Cooperative Bank Kenya Limited
Kitale Branch
A/C No. 01141268429300(Operations Account)
P O Box 4573-30200
Kitale, Kenya.
2. Cooperative Bank Kenya Limited
Kitale Branch
A/C No. 01101571513001(Deposit Account)
P O Box 4573-30200
Kitale, Kenya.


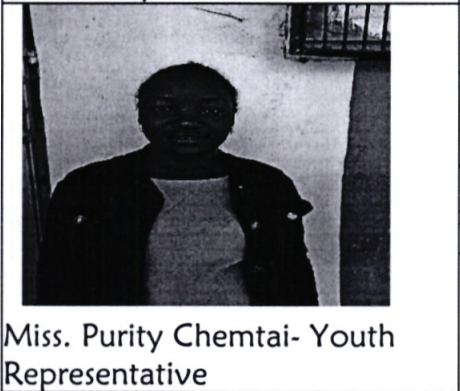
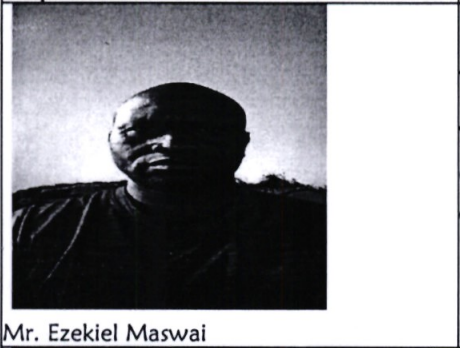
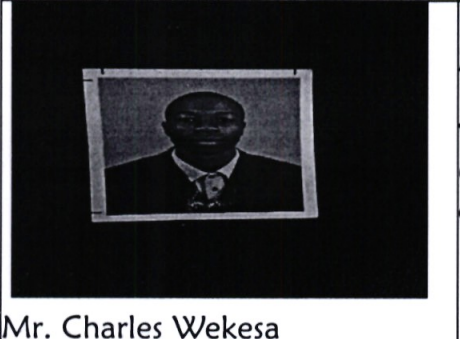
vii. Independent Auditor

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





viii. Principal Legal Adviser

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

3. NG-CDF Committee

	<p>Date of Birth: 1/01/1963 Academic Qualification: KCSE certificate, Certificate in Social Work</p> <p>Work Experience: - Currently serving as NG-CDF committee chairperson, Kwanza constituency (2014 – present)</p>
	<p>Date of Birth: 3/04/1997 Academic Qualification: KCSE certificate, Certificate in Computer packages.</p> <p>Work Experience: Currently serving as NG-CDF committee member, Kwanza constituency as the NG CDFC Secretary (2022 – present)</p>
	<p>Date of Birth: 22/04/1972 Academic Qualification: K.C.S.E certificate</p> <p>Work Experience: Currently serving as NG-CDF committee member, Kwanza constituency (2022 – present)</p>
	<p>Date of Birth: 9/02/1986 Academic Qualification: KCSE certificate</p> <p>Work Experience: Self employed Currently serving as NG-CDF committee member, Kwanza constituency (2022 – present).</p>

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	<p>Date of Birth: 17/7/1979 Academic Qualification: KCSE certificate, Certificate in Mechanical Engineering. Work Experience: Currently serving as NG-CDF committee member, Kwanza constituency (2022 – present).</p>
	<p>Date of Birth: 28/1/1989 Academic Qualification: Diploma in ECDE Work Experience: B.O.M Teacher at Top Mark Academy Currently serving as NG-CDF committee, Kwanza constituency (2022 – present).</p>
	<p>Date of Birth: 24/06/1979 Academic Qualification: O-level Work Experience: Currently serving as NG-CDF committee member, Kwanza constituency (2022 – present).</p>
	<p>Date of Birth: 12/12/1956 Academic Qualification: KSCE certificate Certificate in computer packages, secretarial and management Work Experience: Currently serving as NG-CDF committee member, Kwanza constituency (2017 – present).</p>

Mr. Michael Mavoni – PWD representative

Mr. Silas Khaemba- Male youth Representative

Mrs Everlyne Juma

Mrs Joyce Obiko-Co-opted Member

4. NG-CDFC Chairman's Report



The constituency has implemented development programmes in the constituency for the works within the aspiration of the constitution of Kenya which makes public participation mandatory. The utilization of the NG-CDF has always been carried out with fairness, transparency, openness and accountability.

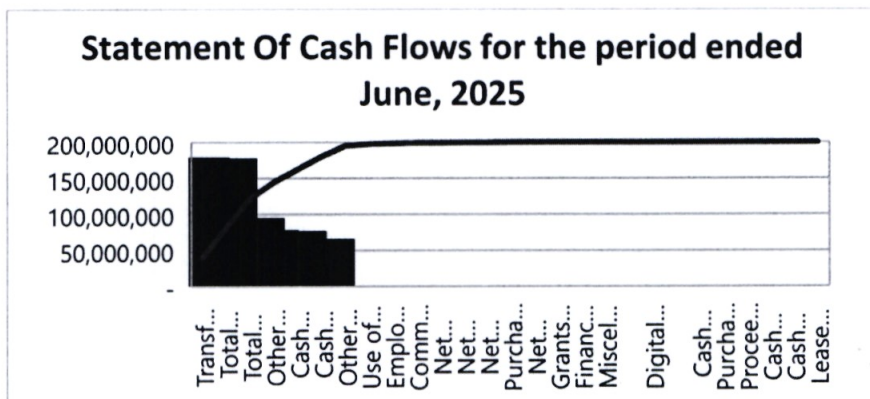
Budgetary performance

In the fiscal year 2024/2025, Kwanza NG-CDF had been allocated Ksh. 170,469,856. However, only Ksh. 128,000,000 was received from the NG-CDF Board, which is equivalent to 75% of the total budget. Furthermore, there was an opening balance of Ksh. 24,027,334.55, Kshs. 52,414,503 which was owing from the NG CDF Board out of which Kshs 51,593,720 was disbursed in the current financial year and Kshs. 472,045.63 which represented the PMC savings. The total amount available for the fiscal year amounted to Ksh. 204,093,100.18

Statement of Financial Performance for the period ending 30 June 2025 Note



- Revenue from non-exchange transactions
- Transfers from the NGCDF Board
- Grants/donations from other entities



Kwanza NG-CDF committee continued to discharge its core mandate in prudent, transparent and accountable management of the fund, considering projects proposals as proposed by the residents of Kwanza constituency and ensure that all approved projects meet the requirements of sec 24 of the NG-CDF Act 2015, Capacity building of the project management committees (Pmc`s), monitoring and evaluation of the funded projects. As per the provisions of the NGCDF Act 2015(as amended in 2016), this was achieved mainly through timely disbursement of received funds to the project management committees (Pmc), projects monitoring and regular NGCDF committee meetings.

Kwanza NGCDF committee registered exemplary performance in the year under review as demonstrated by implementation of projects, programmes and activities in the sectors of Education, security, sports and environment which fall within the mandate of the Fund established by the NGCDF ACT 2015(as amended in 2016).

The fund augmented the national government`s infrastructure development in education sector through construction, renovation and equipping of schools.



CAMON 30S •

23mm f/1.88 1/750s ISO50

○ *ST Monica Girls High School-Construction of Tuition Block of 8 classrooms-Complete*



CAMON 305 •

23mm 1/1.88 1/935s ISO51

ST Francis Kolongolo Girls -Construction of Storey Tuition Block of 8 classrooms-ON going.



CAMON 305 •

29mm 1/1.88 1/655s ISO52

Milimani Secondary school-Construction of Dormitory-Complete



CAMON 305 •

23mm f/1.88 1/613s ISO50

Lessos Primary school – Construction of 2 classrooms-Complete.

Emerging issues

- Increased number of requests from many primary schools who are in need of funds to construct classrooms and laboratories as a result of change in the education sector i.e JSS

Implementation challenges

1. Insufficient funds to cater for the community demands. NG-CDF funds should be increased.
2. Inadequacy of qualified NG-CDF staff. The NG-CDFC Board should employ and deploy more staff to constituencies to assist the fund account manager in project implementation and reports preparation.
3. Inadequate NG-CDF facilitation. Sitting allowances for committees to be revised to improve motivation.

Way forward

- The NG-CDF Board should consider revising or increasing the allocation to projects.
- The Board to increase the allocation to the bursary fund kitty.


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**Name: Mrs. Nancy Imali
Chairperson NGCDF Committee**

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

Introduction

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

The key development objectives of the *NGCDF Kwanza Constituency* 2022-2027 plan are to:

1. To have all children of school going age attending school.
2. To foster a peaceful and secure constituency.
3. To establish a sustainable green constituency.
4. To address unexpected emergencies.

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	<i>To have all children of school going age attending school</i>	<i>Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions</i>	<i>number of usable physical infrastructure build in primary, secondary, and tertiary institutions number of bursary's beneficiaries at all levels</i>	<i>In FY 2024/25 –we have funded: 13 classrooms and 6 classroom renovations in primary schools, laboratories, 2 dormitories, a multipurpose hall and generator in secondary schools. We have also funded lecture halls in Kwanza technical and vocational college. There were approximately 4023 tertiary Bursary beneficiaries and 5287 secondary Bursary beneficiaries</i>
Security	To ensure security is achieved for all	Stability in all affirms being under taken	No. of police posts /Chiefs Offices constructed and	In this financial year we have funded chief office in Kwanza ward.

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			improvement of infrastructure in security installation sites	
Climate change mitigation activities	To ensure environmental sustainability and clean environment	Clean environment and forest cover	Number of environmental projects and activities carried out	In this financial year we have funded water tanks in 11 primary school and 4 secondary school.
Emergency	To solve catastrophic occurrences within the constituency	Smooth flow of activities which could have halted in the absence of the emergency fund.	The number of emergency cases responded to and restoration of normalcy	We funded 5 emergencies in primary schools and 1 in secondary school

6. Governance Statement

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

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

Appointment of National Government Constituency Development Fund Committee

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

***National Government Constituencies Development Fund (NGCDF)
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- (3) The seven persons referred to in subsection (2)(b), (c), (d) and (e) shall be selected in such manner and shall have such qualifications as the Board may, by Regulations, prescribe.
- (4) The names of the persons selected under subsection (3) shall be submitted by the Board to the National Assembly for approval before appointment and gazettment by the Board.
- (5) The Regulations made under subsection (3) shall be submitted to the National Assembly for approval before publication by the Board.
- (6) The first meeting of the Constituency Committee shall be convened within one hundred and twenty 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.
- (7) The quorum of the Constituency Committee shall be one half of the total membership.
- (8) 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.
- (9) The Fund account manager seconded by the Board to the constituency shall be the custodian of all records and equipment of the constituency during the term of Parliament and during transitions occasioned by general elections or a by-election.
- (10) 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.
- (11) 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

NG-CDF Kwanza process

In September, 2024, the FAM informed all the Previous NG-CDFC members of the expiration of their NG-CDFC Contracts;

Section 43(8) of the National Government Constituencies Development Fund (NG-CDF) Act state that: "The term of office of the members of the constituency committee shall be two years and shall be renewable but shall expire upon the appointment of a new constituency committee in the manner provided for in the act, or as may be approved by the board". In addition to the foregoing, Regulation 5(2)(a) of the Regulations to the Act states that: "A vacancy shall occur in Constituency Committee upon the commencement of a new parliamentary term. Having been from an election, the NG-CDF Act calls for under Section 43(1) establishment of a National Government Constituencies Development Fund committee for every constituency.

Through advertisement, the FAM NG-CDF Kwanza Constituency called for application for membership to the National Government Constituency Development Fund Committee then appointed members to sit in the NG-CDFC selection panel through writing. The committee met and analysed the application list naming/listing the qualified personnel. The constituency manager through writing also nominated members to this committee.

The fund manager then forwarded the names of all NG-CDFC Nominees to the CEO NG-CDF Board for approval who were later gazetted on 21st May, 2025 via VOL.CXXV11-NO. 98.

Removal of a member

The removal of National Government Constituencies Development Fund Committee (NG-CDFC) members in Kenya can occur under certain circumstances and is as outlined in section 43 (13) of the National Government Constituencies Development Fund Act, 2015. A member of constituency committee may be removed from office on any one or more of the following grounds:

- Serious violation of the constitution or any other law a contravention of chapter six.
- Lack of integrity.
- Gross Misconduct or Incompetence.
- Embezzlement of public funds.
- Bringing the committee into disrepute through un becoming personal public conduct.
- Promoting unethical practices.
- Causing disharmony withing the committee.
- Physical or mental infirmity.
- Bankruptcy.
- A decision to remove a member shall be made through a resolution of at least 5 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 removal of a member shall be filled in the manner set out in section 10 and minutes of the meeting shall indicate the fact of the removal or appointment of a member.
- NG-CDF Kwanza constituency receives a complaint from the public.
- NG-CDFC special meeting is held siting the complains raised. If they stand, the fund account manager writes a letter to the board attached with the special meetings minutes.
- A name is forwarded to the board for gazzetment and replacement of the member.

The member is provided with the termination letter.

There were n removals in kwanza.

Roles of the committee;

The functions of a Constituency Committee shall be to; -

1. build the capacity of project management committees and Committee and sensitize the Community on the operations of the Fund;
2. Consider all project proposals from all wards in the Constituency and any other projects which a Constituency Committee considers beneficial to the Constituency;
3. Ensure that all proposed projects that are approved for funding meet the requirements of section 24 of the Act;
4. Ensure that project proposals submitted to the Board include detailed budget proposals, procurement plans and work plans in approving a project and before submitting the project to the Board for consideration, satisfy itself and make a declaration to the effect that such project (works and services) fall within the functions of the National Government under the Constitution;

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5. Consult with relevant government departments to ensure that cost estimates for projects are realistic in considering joint projects, ensure that the participating constituencies enter into negotiations for effective implementation of such projects
6. Rank projects proposals in order of priority while ensuring that on-going projects take precedence
7. Ensure that all projects receive adequate funding and are completed within three years
8. Ensure that projects proposed for funding fulfil the requirements provided in the Act and relevant circulars issued by the Board
9. Monitor the implementation of projects in accordance with the monitoring and evaluation framework prescribed by the board
10. Ensure that project reports are prepared and submitted to the board
11. Ensure formation of project management committees, opening of project accounts, project implementation and closure of projects.

Develops project proposals in consultation with wananchi through periodic ward level open forums, submits them to the NG-CDF Board for approval and facilitates the PMCs in the planning, implementation, and sustenance of the projects once completed at the Constituency level.

Induction and training

The committee members were trained on the various aspect and functions of the fund in June 2025 in Eldoret, Starbucks hotel.

Number of meetings:

In Kwanza Constituency, the NG-CDF Committee conducted fifteen (15) meeting and one sub-committee meetings.

S/ N O.	NG-CDF COMMI TTEE MEMBER S	JU LY 30 ^T H 20 24	AU G 7 TH 20 24	SEP T 3 RD 202 4	OC T 2 ND 20 24	N OV 3 RD 20 24	DE C 9 TH 20 24	JA N 23 RD 20 25	FE B 13 ^T H 20 25	FE B 17 ^T H 20 25	MAR CH 28 TH 2025	AP RIL 14 ^T H 202 5	AP RIL 16 ^T H 202 5	M AY 11 ^T H 20 25	JU NE 16 ^T H 20 25	JU NE 27 ^T H 20 25
1	Nancy Imali- Chairma n			✓							✓	✓	✓			
2	Purity Chemtai- Secretary			✓							✓	✓	✓			
3	Charles Wekesa- Member			✓							✓	✓	✓			

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4	Ezekiel Maswai- Member.				✓							✓		✓					
5	Joyce Obiko- Member				✓							✓		✓					
6	Everlyne Juma- Member.				✓							✓		✓					
7	Silas Khaemba - Member.				✓							✓		✓					
8	Michael Sitati- Member.				✓							✓		✓					
9	Moses Tolo Karakacha- Fund Account Manager				✓							✓		✓					
10	Stephen Kavulu - DCC				✓							✓		✓					

***National Government Constituencies Development Fund (NGCDF)
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Disclose policy on conflict of interest.

A member who has an interest in any contract, or other matter present at a meeting shall at the meeting and as soon as reasonably practicable after the commencement, disclose the fact thereof and shall not take part in the consideration or discussion of, or vote on, any questions with respect to the contract or other matter, or be counted in the quorum of the meeting during consideration of the matter. A disclosure of interest made shall be recorded in the minutes of the meeting at which it is made. In the financial year 2024/2025 no member of NG-CDFC Kwanza contravened conflict of interest policy.

Members' remuneration.

According to circular from NG-CDF Board, NG-CDFC members are not entitled to payment of salary. However, the chairperson of NG-CDFC is entitled to an allowance of seven thousand per meeting and all other members an allowance of five thousand per sitting. All NG-CDFC members should adhere to general ethics and code of conduct as stipulated in the NG-CDF Act.

In this financial year the NG-CDFC members adhered to the cabinet secretary's circular on members sitting and field allowances.

Succession plan.

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

Ethics & conduct.

Members of NG-CDFC are required to observe the following ethical issues:

- i. Confidentiality- the NG-CDFC members have a responsibility to ensure confidentiality unless in situations required by law.
- ii. Honesty and integrity-NG-CDFC members have a duty to declare any private interest relating to their public duties and to take steps to resolve any conflict arising in a way that protects the public interest.
- iii. Leadership- NG-CDFC members should promote leadership in the constituency.

During the financial year 2024/2025 members of NG-CDFC Kwanza adhered to the above ethical issues.

Risk management

Risk management has been integrated in the constituency operations through the following; training of the NG-CDF staff in their respective technical areas of service to ensure they carry out their roles efficiently, training of the NG-CDFCs and the PMCs to equip them with additional knowledge to carry out their duties efficiently within their mandates and regulations, the Fund account manager avails himself with all the support and required resources to ensure that the identified risk does not hamper with the delivery of service.

Some of the risk mitigation strategies that NG-CDFC Kwanza has implemented include the following: Implementing audit findings and recommendations, adherence and compliance with NG-CDF act 2015 and other laws and regulations to ensure an effective and efficient control system, ensuring that NG-CDFC members are actively engaged in the projects implementations and overall fund utilization in

the constituency, ensuring that the staff responsible for statutory deductions are well aware of the due dates of remittance, allocating insurance fund in the constituency budget, preparation of procurement plan, budget and Monitoring & evaluation plan for the financial year. Conducting public participation within the prescribed time lines to ensure the constituents are involved in project identification.


7. Management Discussion and Analysis

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 the Public Sector Accounting Standards Board of Kenya from time to time.

The Accounting Officer in charge of the NGCDF-Kwanza Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2025. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) 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; (iv) safeguarding the assets of the entity; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

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

The Accounting Officer in charge of the NGCDF Kwanza Constituency confirms that the *constituency* has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the *constituency's* financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.



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Name: Moses T. Karakacha
Fund Account Manager

8. Environmental and Sustainability Reporting

1. Sustainability strategy and profile -

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

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

2. Environmental performance

In this Policy Statement Kwanza NG-CDF Commits to:-

- Comply with relevant Environmental legislation, regulations and approved codes of practice.
- Developing our management process to ensure that environmental factors are considered during planning and implementation
- Managing and disposing of all wastage in a responsible manner.
- Protecting the environment by striving to prevent and minimize our contribution to pollution of land, air and water.
- Seeking to keep wastage to a minimum and maximize the efficient use of material and resources.
- Regularly communicating our environmental performance to our employees and other significant stake holders
- Seeking to leverage our environmental impact by encouraging stakeholder to improve their environmental performance.
- Monitoring and continuously improving our environmental performance

Our Environmental action plan

Kwanza NG-CDF has identified four areas in which the management has direct or indirect Environmental impact, and where the management can implement initiatives to manage and reduce these impacts.

These areas are:

Impact Area	Approach
Pollution Control and Waste Management	<ul style="list-style-type: none"> • To ensure proper human waste disposal through construction of pit latrines • Septic and soak pit tanks, adequate water supply and sewerage system.

<p>Conservation of Energy and Resources</p>	<ul style="list-style-type: none"> • To maximize use of available technologies to remove the need to use of paper • To encourage our clients to engage with the management using electronic means where possible • To maximize on rain water harvesting • To make energy efficiency a key factor in the selection of any new energy devise being purchased • To invest in available energy saving technologies and devises within our existing premise.
<p>Environmental protection and conservation</p>	<ul style="list-style-type: none"> • To encourage tree planting in the constituency to improve the forest cover • To promote purchase and installation of fire extinguishers to aid in extinguishing and controlling fires.
<p>Awareness campaigns</p>	<ul style="list-style-type: none"> • Promote environmental awareness by sensitizing the constituents NG-CDFC, PMCs and NG-CDFC Staff on good conservation practices.

3. Employee welfare

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

Kwanza Constituency is committed to fair and ethical market practices.

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

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

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 honouring contracts and respecting payment practices.
- c) Responsible marketing and advertisement
- d) Product stewardship by safeguarding consumer rights and interests.

5. Community Engagements-

Kwanza Constituency has endeavoured 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

Kwanza Constituency deliberated on project proposals from all the wards in the constituency and considered the most beneficial to the constituents, considering the national development plans and policies and the constituency strategic development plan. The

identified list of priority projects, both immediate and long-term, was submitted to the NGCDF Board in accordance with the Act.

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

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

Public Awareness

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

Kwanza 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: Moses T. Karakacha
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- Kwanza Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2025. This responsibility includes: Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; Designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; Safeguarding the assets of the entity; Selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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

The Accounting Officer in charge of the NGCDF Kwanza Constituency confirms that the *constituency* has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further, the Accounting Officer confirms that the *constituency's* financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

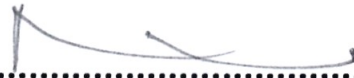
In preparing the financial statements, the Committee has assessed the Fund's ability to continue as a going concern and disclosed as applicable. Nothing has come to the attention of the Committee that the Fund will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The NGCDF- Kwanza Constituency financial statements were approved and signed by the Accounting Officer on 31/8 2025.


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Name: Nancy Imali
Chairman – NGCDF Committee


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Name: Moses T. Karakacha
Fund Account Manager

REPUBLIC OF KENYA

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NAIROBI

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

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

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

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

1 to 70, which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

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

Basis for Qualified Opinion

1. Unsupported Project Management Committee Bank Balances

The statement of financial position reflects cash and cash equivalents balance of Kshs.78,543,455 as disclosed in Note 13 to the financial statements. This includes a balance of Kshs.16,666,931 in respect of project management committee (PMC) account balances whose bank reconciliation statements and cash books were not provided for verification.

In the circumstances, the accuracy and completeness of cash balance of Kshs.16,666,931 could not be confirmed.

2. Non-disclosure of Tax liabilities

The statement of financial position reflects total liabilities of Kshs.5,007,241. However, examination of records and schedules from Kenya Revenue Authority (KRA) revealed that the National Government Constituencies Development Fund - Kwanza Constituency has tax liability arrears amounting to Kshs.965,364 as at 30 May, 2025 that has not been disclosed in the financial statements.

In the circumstances, the accuracy and completeness of the total liabilities balance of Kshs.5,007,241 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituencies Development Fund - Kwanza Constituency Management in accordance with ISSAI 130

on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of Matter

1. Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final revenue budget and actual revenue on comparable basis of Kshs.300,357,076 and Kshs.257,066,436 respectively resulting in an under-funding of Kshs.43,290,640 or 14% of the budgeted revenue. Similarly, the statement reflects total actual revenue of Kshs.257,066,436 against actual expenditure of Kshs.178,671,012 resulting to under-utilization of Kshs.78,395,424 or 30% of the revenue.

In the circumstances, the under-funding and under-utilization affected the planned activities of the Fund and may have impacted negatively on service delivery to the public. My opinion is not modified in respect of this matter.

2. Compliance with International Public Sector Accounting Standards (IPSAS)

The financial statements presented for audit for the year ended 30 June, 2025 are transitional financial statements. Kwanza Constituency has taken advantage of the provisions of IPSAS 33. This provision gives them three years window to fully comply with IPSAS Accrual Basis of accounting. The management has disclosed non-current assets balance of Kshs.228,900. The valuation of the assets will be undertaken within the next two years. In addition, the value of the non-current assets excludes value of land, motor vehicles, buildings and furniture and fittings whose estimated value could not be available in the first year of transition.

Key Audit Matters

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

Unresolved Prior Year Matters

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

No	Year	Unresolved Matters
1	2023/2024	Budgetary control and performance
2	2023/2024	Overstaffing in the Constituency Office
3	2023/2024	Construction of Kwanza Technical and Vocational College
4	2023/2024	Lack of Updated Project Implementation Status Report

Other Information

The Management is responsible for the Other Information set out on page iii to xxxii which comprise of Key Entity Information and Management, NG-CDF Committee, NG-CDF Chairman's Report, Statement of Performance Against Predetermined Objectives, Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, and Statement of Management Responsibilities. The Other Information does not include the transitional IPSAS 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 transitional IPSAS financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Non-Preparation of Quarterly Financial Reports

During the year under review, Management did not prepare and submit quarterly financial statements to Cabinet Secretary responsible for the entity and the National Treasury. This was contrary to Section 83(3) of the Public Finance Management Act, 2012 which states that not later than fifteen (15) days after the end of each quarter, the accounting officer

shall submit the quarterly report to the Cabinet Secretary responsible for the entity and The National Treasury.

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

2. Overstaffing in the Constituency Committee Office

Review of the Constituency's Payroll data revealed that Management had recruited fifteen (15) staff which exceeded the recommended number of five (5) staff by ten (10). This was contrary to provisions of the National Constituency Development Fund Board guidelines on human resource management practices in regards to Constituency committee staff who should be five (5) in number and shall include a Clerical Officer, Accounts Assistant, Clerk of Works, Records Management Officer and a driver.

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

3. Non-Compliance with Law on Employment of Casual Employees

Review of the personnel records revealed that the National Government Constituencies Development Fund - Kwanza Constituency had twelve (12) employees on contract terms and three (3) casuals as at 30 June, 2025 who were engaged in various areas. However, payroll records indicates that the casuals were engaged from 1 February, 2023, a period of thirty-two (32) continuous months which is above the prescribed maximum period of three (3) months contrary to the provisions of Section 37(3) of the Employment Act, 2007.

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

4. Non-Compliance on Employment of Persons with Disabilities

Review of the payroll records revealed that none of the fifteen (15) employees were categorized as persons with disabilities. This is contrary to Section 13 of the Persons with Disabilities Act, 2003 which provides that the Council shall Endeavor to secure the reservation of five percent of all casual, emergency and contractual positions in employment in the public and private sectors for persons with disabilities.

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

5. Projects Verification Report

The statement of financial performance reflects transfers to other government entities amount of Kshs.98,641,076 as disclosed in Note 13 to the financial statements. Field verification conducted on 24 September, 2025 revealed the following anomalies: -

5.1 Construction and Renovation of Two classrooms at Olessos Comprehensive Primary

An amount of Kshs.4,000,000 was disbursed to Project Management Committee of Olessos Comprehensive School for the construction and renovation of two (2)

classrooms. The contract for the construction of two classrooms was awarded to a construction company at a contract sum of Kshs.1,800,158, while another construction company was awarded a contract for the renovation of two (2) classrooms at a contract sum of Kshs.1,966,500. However, the renovated classrooms had leaking roofs, as evidenced by patches on the ceiling, while the two (2) newly constructed classrooms had cracks at the windows extending from the internal walls to the external walls indicating poor workmanship and inadequate supervision.

5.2 Delayed Completion of a 400 Students Capacity Dormitory at St. Paul's Bwayi Secondary School

A contract was awarded to a firm at a contract sum of Kshs.26,706,358. The field verification revealed that the contractor was on site, plastering of internal walls on 1st floor and plumbing works were on going. According to the contract agreement, the project commenced on 2 April, 2024 with a duration of twenty-four (24) weeks and was therefore expected to be completed in October, 2024. However, the project has been delayed by forty-four (44) weeks, and no contract extension was granted. The contractor had not provided a new performance bond.

5.3 Construction of 80 Student Capacity Dormitory at Milimani Secondary School

A construction firm was awarded a contract for construction of eighty (80) student capacity dormitory at a contract sum of Kshs.3,000,000. However, although the project is complete, the building was not in use because it had no beds and curtains and the floor had cracks. This was contrary to Section 151(2) of the Public Procurement and Asset Disposal Act, 2015 which requires that implementation team shall be responsible for monitoring the performance of the contractor, to ensure that all delivery or performance obligations are met or appropriate action taken by the procuring entity in the event of obligations not being met.

5.4 Delayed Construction of Storey Tuition Block: 8 Classrooms at St. Emmanuel Secondary School

A contractor was awarded a tender for construction of storey tuition block containing eight (8) classrooms at St. Emmanuel Secondary School at a contract price of Kshs.27,354,497. The contractor was on site, plastering of internal walls on 1st floor and plumbing works were ongoing. According to the contract agreement, the project commenced on 2 April, 2024 and was to run for a duration of twenty-four (24) weeks. It was therefore expected to be completed in October, 2024. However, the project has been delayed by forty-four (44) weeks, and no contract extension was granted.

5.5 Construction of 90 Student Capacity Twin Laboratory at St. Philip's Kipsoen Secondary School

A contract was awarded to a construction firm at a contract sum of Kshs.6,791,200. However, the field verification revealed that the contractor was not on site and the project

is 55% complete. The project has been done up to the roofing level, finishing at the working stations has not been done.

In the circumstances, there was no value for money for the incomplete projects.

6. Unlawful and Irregular Spending of Emergency Funds

The statement of financial performance reflects other grants and transfers of Kshs.66,466,010 as disclosed in Note 11 to the financial statements. Included in the amount is Kshs.2,991,164 relating to emergency projects. However, there were no supporting documents to show that the funded event was an emergency in nature. In addition, the constituency committee members did not report the emergency cases to the Board as required by Regulation 20(2) of the National Government Constituencies Development Fund Regulations, 2016 which states that the utilization of the emergency reserve to be reported to the Board within thirty days of the occurrence of the emergency, in the format prescribed by the Board.

In the circumstances, the validity of the emergency expenditure of Kshs.2,991,164 could not be confirmed.

7. Non-Remittance of Public Procurement Capacity Building Levy

During the financial year 2024/2025, the Fund paid Kshs.27,588,597 in respect of use of goods and service, other government units certified works, security Projects and digital hubs expenses. However, the Management did not deduct and remit the public procurement capacity building levy of (0.03%) of the value of the signed contract sum amounting to Kshs.8,277. This was contrary to Paragraph 3(1) of Legal Notice 206 of the Levy Order 2023 which states that there shall be paid a Levy by a supplier on all procurement contracts signed between the supplier and a procuring entity, at the rate of zero point zero three per centum (0.03%) of the value of the signed contract, exclusive of applicable taxes.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of the Management and Board of Management

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

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

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

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

Auditor-General's Responsibilities for the Audit


My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error

and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

28 November, 2025

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

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

Revenue from non-exchange transactions		
Transfers from the NGCDF Board	6	170,469,857
Revenue from exchange transactions		
Total revenue		170,469,857
Expenses		
Employee costs	7	5,035,436
Committee expenses	8	3,399,000
Use of Goods and Services	9	8,317,119
Other Government Units Actual expenditure	10	98,641,076
Other Grants and Transfers Actual expenditure	11	66,466,010
Depreciation and amortization expense	12	98,100
Total expenses		181,956,741
Other gains/(losses)		
Surplus/(Deficit) for the year		(11,486,884)


The Constituency financial statements were approved by the NGCDFC on 30/8 2025 and signed by:



Chairman NG-CDF
 Committee
 Name: Nancy Imali



National Sub-County
 Accountant
 Name: Benjamin Muchina
 ICPAK M/No:26513

30/8



Fund Account Manager
 Name: Moses T. Karakacha


*National Government Constituencies Development Fund (NGCDF)
Kwanza Constituency
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12. Statement Of Financial Position as at 30th June, 2025

Statement of Financial Position			
Assets			
Current Assets			
Cash And Cash Equivalents	13	78,543,455	77,472,716
Receivables from Non-Exchange Transactions	14	43,290,640	52,414,503
Prepayments	15	200,967	192,111
Total Current Assets		122,035,062	130,079,330
Non-Current Assets			
Property, Plant and Equipment	16	228,900	-
Total Non- Current Assets		228,900	-
Total Assets (A)		122,263,962	130,079,330
Liabilities			
Current Liabilities			
Third-Party Deposits	18	3,509,348	414,539
Gratuity provision	19	1,497,893	921,185
Total Current Liabilities		5,007,241	1,335,724
Non-Current Liabilities			
Total Liabilities (B)		5,007,241	1,335,724
Net Assets (A-B)		117,256,720	128,743,606
Represented by:			
Revaluation Reserves		117,256,721	128,743,605
Accumulated Surplus			
Total Net Assets		117,256,721	128,743,605

The Constituency financial statements set out on pages 1 to 4 approved by NG CDFC on 30/8/2025 and signed by:


 Chairman NG-CDF
 Committee
 Name: Nancy Imali


 National Sub-County
 Accountant
 Name: Benjamin Muchina
 ICPAK M/No:26513


 Fund Account Manager
 Name: Moses T. Karakacha

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

Fund Balance as at 30th June 2024	23,106,149		23,106,149
Adjustments			
Recognition of Assets	106,051,995		106,051,995
Recognition of Liabilities	414,539		414,539
As at July 1, 2024	128,743,605		128,743,605
Surplus/(Deficit) For the Period	(11,486,884)	(11,486,884)	(11,486,884)
As at June 30, 2025 (current year)	117,256,721	(11,486,884)	117,256,721

Note:

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

*National Government Constituencies Development Fund (NGCDF)
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14. Statement Of Cash Flows for The Year Ended 30th June 2025

Cash flows from operating activities		
Receipts		
Transfers from the NGCDF Board		179,593,720
Total Receipts		179,593,720
Payments		
Employee costs		4,458,728
Committee expenses		3,399,000
Use of Goods and Services		8,325,976
Other Government Units Certified Works		95,694,299
Other Grants and Transfers		66,466,010
Total Payments		178,344,012
Net Cash Flows from/ (used in) Operating Activities	20	1,249,708
Cash flows From Investing Activities		
Purchase of PPE		327,000
Net Cash Flows from Investing Activities		327,000
Net increase/(decrease) in cash & Cash equivalents		922,708
Cash Flows from Financing Activities		
Net Cash Flows from Financing Activities		922,708
Cash and cash equivalents at 1 July	13	77,472,716
Cash and cash equivalents at 30th June 2025	13	78,395,424

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

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

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

	<i>2024/2025 FY</i>	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements	<i>2024/2025 FY</i>	<i>2024/2025 FY</i>		
Revenue							
Transfers From the NGCDF Board	170,469,857	77,472,716	52,414,503	300,357,076	257,066,436	43,290,640	86
Totals	170,469,857	77,472,716	52,414,503	300,357,076	257,066,436	43,290,640	86
Expenses							
Employee costs	5,147,185.00	1,247,632	-	6,394,817	4,458,728	1,936,089	70
Committee expenses	3,410,220	-	-	3,410,220	3,399,000	11,220	100
Use of Goods and Services	6,783,681	1,813,040	100,000	8,696,721	8,325,976	370,746	96
Other Government Units Certified Works	85,356,676	62,631,633	49,539,503	197,527,811	95,694,299	101,833,513	48
Other Grants and Transfers	67,272,095	11,699,112	2,775,000	81,746,207	66,466,010	15,280,198	81
Other projects Expenses	2,500,000	-	-	2,500,000	327,000	2,173,000	13
AIA		80,800		80,800	-	80,800	0
Total Expenditure	170,469,857	77,472,717	52,414,503	300,275,777	178,671,012	121,685,565	60
Surplus for the period							

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

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

Explanatory Notes.

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

- i. There was underutilization on other government units because of non-disbursement of all funds by the NG CDF Board at the close of the financial year.*
- ii. There was underutilization on other grants and transfers because of non-disbursement of all funds by the NG CDF Board at the close of the financial year.*
- iii. There was underutilization on other projects expenses due to delayed funding from the NG CDF board at the close of the financial year.*
- iv. The change between the original and the final budget is as a result of opening balance at the start of the financial year.*

Description	Amount
Budget utilization difference totals	121,685,565
Less undisbursed funds receivable from the Board as at period 30 th June 2025	43,290,640
Cash and Cash Equivalents at the end of the 30 th June 2025	78,394,925

National Government Constituencies Development Fund (NGCDF)

Kwanza Constituency

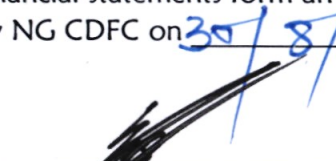
Annual Report and Financial Statements for The Year Ended June 30, 2025

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 30/8/ 2025 and signed by:



Chairman NG-CDF Committee
Name: Nancy Imali



National Sub County Accountant
Name: Benjamin Muchina
ICPAK M/No:



Fund Account Manager
Name: Moses T. Karakacha

National Government Constituencies Development Fund (NGCDF)

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

1.0 Administration and Recurrent						
1.1 Compensation of employees	5,147,185	1,247,632		6,394,817	4,458,728	1,936,089
1.2 Committee allowances	1,910,220	-		1,910,220	1,910,220	0
1.3 Use of goods and services	3,169,587	671,179		3,840,766	3,840,766	-
Sub-total	10,226,992	1,918,811	-	12,145,803	10,209,714	1,936,089
2.0 Monitoring and evaluation						
2.1 Capacity building	1,600,000			1,600,000	1,600,000	-
2.2 Committee allowances	1,500,000			1,500,000	1,488,780	11,220
2.3 Use of goods and services	2,014,094	1,141,861	100,000	3,255,955	2,876,353	379,602
Sub-total	5,114,094	1,141,861	100,000	6,355,955	5,965,133	390,822
4.0 Emergency unutilized	5,972,095	3,524,097		9,496,192		9,496,192

National Government Constituencies Development Fund (NGCDF)
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soymining primary	500,000	5,312		505,312	475,119	30,193
koros primary	600,000	16,983		616,983	511,710	105,273
biketi secondary school	400,000	1,566		401,566	359,415	42,151
Kapkoi RCM Primary School	500,000	31,531		531,531	476,358	55,173
Bishop Alexander Muge secondary	1,000,000	20,580		1,020,580	1,020,530	50
Sub-total	8,972,095	3,600,068	-	12,572,163	2,843,132	9,729,031
5.0 Bursary and Social Security						
5.1 Primary Schools				-		-
5.2 Secondary Schools	29,000,000	1,462,945		30,462,945	30,390,000	72,945
5.3 Tertiary Institutions	24,000,000	2,270,555		26,270,555	26,130,000	140,555
5.4 special needs	1,000,000	0		1,000,000	-	1,000,000
5.5 Education Support Programmes				-		-

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

5.6 Social Security					-	-
Sub-total	54,000,000	3,733,500	-	57,733,500	56,520,000	1,213,500
7.0 Environment						
environment projects	3,000,000	-	2,775,000	5,775,000	2,768,250	3,006,750
Sub-total	3,000,000	-	2,775,000	5,775,000	2,768,250	3,006,750
8.0 Primary Schools Projects						
luuya primary school	1,200,000	12,127		1,212,127	-	1,212,127
ziwakati primary school	1,100,000	639		1,100,639	-	1,100,639
matisi block primary school	1,200,000	1,864		1,201,864	-	1,201,864
marram primary school	1,100,000	25,372		1,125,372	25,000	1,100,372
maziwa primary school	1,200,000	13,221		1,213,221	-	1,213,221
st emmanuel primary school	1,200,000	14,052		1,214,052	-	1,214,052

National Government Constituencies Development Fund (NGCDF)
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soymining primary school	1,100,000	-		1,100,000	-	1,100,000
lunyu primary school	1,200,000	50,610		1,250,610	-	1,250,610
milima a primary school	1,200,000	3,961		1,203,961	-	1,203,961
kipsoen primary school	1,200,000	101		1,200,101	-	1,200,101
bishop muge primary school	1,200,000	413		1,200,413	-	1,200,413
bwayi primary school	1,200,000	1,309		1,201,309	-	1,201,309
dr noah primary school	1,200,000	203		1,200,203	-	1,200,203
tembelela primary school	1,200,000	153,837		1,353,837	-	1,353,837
lurare primary school	1,200,000	87,246		1,287,246	-	1,287,246
pengi primary school	1,200,000	3,119		1,203,119	-	1,203,119
PRIMARY SCHOOL PROJECTS (MOE)				-		-

National Government Constituencies Development Fund (NGCDF)
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webuye primary school		2,001,842	1,000,000	3,001,842	2,519,802	482,040
amuka primary school		2,000,196	2,000,000	4,000,196	3,844,781	155,415
karaus primary school		2,001,743	2,000,000	4,001,743	3,683,700	318,044
fl mandarara primary school		2,044,701	2,000,000	4,044,701	3,877,589	167,112
kwanusu primary school		6,037	1,000,000	1,006,037	960,106	45,931
lessos primary school		54,207	4,000,000	4,054,207	3,778,125	276,082
makunga primary school		15,677	2,000,000	2,015,677	1,948,012	67,665
meteitei primary school		246,442	2,000,000	2,246,442	1,909,730	336,712
misanga primary school		14,273	3,000,000	3,014,273	2,809,255	205,018
PRIMARY SCHOOL PROJECTS (NG CDF)						
liyavo primary school		2,123	2,000,000	2,002,123	1,980,370	21,753

National Government Constituencies Development Fund (NGCDF)
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section six primary school		130,132	1,420,783	1,550,915	1,361,902	189,013
misanga primary school		-	820,783	820,783	-	820,783
leissa primary school		2,433	1,100,000	1,102,433	1,100,286	2,148
Siambe Primary School		2,011,075		2,011,075	1,999,086	11,989
Mukuyuni Primary School		110,382		110,382	-	110,382
Pombo Primary School		65,003		65,003	-	65,003
Mugeiyot Primary School		1,860		1,860	1,860	-
Chief Mutende Primary School		2,409,101		2,409,101	2,342,311	66,791
Kambi Nairobi Primaryschool		60,447		60,447	-	60,447
Bungoma B Primary School		1,977,223		1,977,223	1,976,166	1,057
kipkorion primary		2,273		2,273	2,273	-

National Government Constituencies Development Fund (NGCDF)
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mirembe primary		1,084		1,084	-	1,084
milimani junior		2,004,707		2,004,707	1,804,714	199,993
malomonye primary school		10,964		10,964	10,964	-
geserate primary school		2,082		2,082	2,082	-
Kambi Ndege Primary School		10,828		10,828	10,828	-
Ndalala Primary School		6,673		6,673	6,673	-
St Charles Lwanga Primary School		64,475		64,475	120	64,355
Namanjalala Primary School		157,275		157,275	157,000	275
Umoja Primary School		50,287		50,287	-	50,287
Makhonge Primary School		8,205		8,205	-	8,205
korosiot primary school		9,838		9,838	8,400	1,438

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

kolongolo primary		133,749		133,749	-	133,749
ukingoni primary school		19,150		19,150	-	19,150
Bondeni Primary School		31,318		31,318.00	31,318	-
Mwangaza Primary School		1,025,139		1,025,139	926,712	98,427
Mugumo Primary School		36,103		36,103	-	36,103
Muongano Primary School		23,507		23,507	23,507	-
Sande Friends Primary School		8,243		8,243	8,243	-
Keese Primary School		42,299		42,299	40,625	1,675
Goseta Primary School		54,061		54,061	-	54,061
Maridadi Primary School		86,926		86,926	81,673	5,253
Zea Primary School		100,017		100,017	98,000	2,017

National Government Constituencies Development Fund (NGCDF)
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Ainasit Primary School		2,018,124		2,018,124	1,880,611	137,513
Meza Primary School		2,012,443		2,012,443	1,976,115	36,328
Kitale Ndogo Primary School		23,817		23,817	-	23,817
Nasianda Primary School		53,873		53,873	-	53,873
Kapkai Primary School		131,084		131,084	40,675	90,409
Lelkina Primary School		8,175		8,175	8,175	-
Mutua Primary School		1,743,572		1,743,572	1,684,529	59,043
Kapsitwet primary School		85,752		85,752	-	85,752
Kwanza Primary School		20,383		20,383	20,383	-
Biketi Primary School		2,758		2,758	-	2,758
Sarura Primary School		3,871		3,871	-	3,871

National Government Constituencies Development Fund (NGCDF)
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Kaisagat Primary School		211,051		211,051	131,545	79,506
Marinda Primary School		334		334	-	334
Ngeny Primary School		1,024,240		1,024,240	997,044	27,196
Kobos Primary School		72,567		72,567	72,567	-
kapkoi Central primary		25,514		25,514	-	25,514
Section Six special school		21,732		21,732	-	21,732
Milimani primary school		6,992		6,992	-	6,992
water supply primary		34,572		34,572		34,572
Gidea primary school		4,643		4,642.50	4,642.5	-
Sub-total	18,900,000	26,917,660	24,341,566	70,159,226	46,147,496	24,011,730
9.0 Secondary Schools Projects (List all the Projects)						

National Government Constituencies Development Fund (NGCDF)
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st pauls bwayi secondary school	17,343,102	23,994	7,000,000	24,367,096	6,498,701	17,868,395
meteitei secondary school	2,000,000	1,138		2,001,138	1,138	2,000,000
st philips kipsoen secondary school	3,000,055	13,645	3,000,000	6,013,700	2,494,410	3,519,290
bidii secondary school	11,093,241	2,998,908		14,092,149	500,000	13,592,149
st francis kolongolo girls	7,788,036	6,967,783	7,000,000	21,755,819	12,184,024	9,571,796
aic kapkai secondary school	3,000,000	3,021,090		6,021,090	2,778,372	3,242,718
luuya secondary school	2,000,000	76,562		2,076,562	-	2,076,562
biketii secondary school	3,000,000	3,000,000		6,000,000	-	6,000,000
st emmanuel secondary school	14,532,242	7,429,764	7,000,000	28,962,006	12,605,230	16,356,776
st johns sarura secondary school	2,000,000	1,126,669		3,126,669	983,265	2,143,404
st annes umoja girls secondary	700,000	1,713,648		2,413,648	1,318,351	1,095,297

National Government Constituencies Development Fund (NGCDF)
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namandala secondary school		2,026,750		2,026,750	1,900,462	126,288
korosiot secondary school		818,923	1,197,937	2,016,860	1,851,055	165,805
milimani secondary school		3,006,934		3,006,934	2,830,772	176,162
Ngeny Secondary School		1,650		1,650	1,650	-
Keese Secondary School		30,661		30,661	-	30,661
St Maurice Lunyu Sec		14,716		14,716	14,716	-
Kwanza Friends Secondarys Sch		194,098		194,098	-	194,098
Aic Mwangaza Sec School		16,189		16,189	120	16,069
Aic Kapsitwet Secondary School		12,243		12,243	-	12,243
St Augustine Maziwa Secondary School		141,514		141,514	-	141,514
Misanga sa secondary		218,171		218,171	218,171	-

National Government Constituencies Development Fund (NGCDF)
Kwanza Constituency
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Aic Kobos Boys Secondary		206,240		206,240	206,240	-
Karaus Secondary School		5,215		5,215	5,215	-
Namanjalala Secondary Sch		1,427		1,427	-	1,427
St Martin Makhonge Sec		639		639	-	639
Gidea Secondary School		1,668		1,668	-	1,668
Mutua Secondary School		18,096		18,096	-	18,096
St Michael Girls Secondary		170,585		170,585	-	170,585
Aic Kobos Girls High School		17,953		17,953	17,953	(0)
St Monica Girls High School		15,326		15,326	480	14,846
Aic Lessos Secondary School		232,103		232,103	-	232,103
St Cecilia Marinda Secondary School		219,626		219,626	-	219,626

National Government Constituencies Development Fund (NGCDF)
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Kwanza Girls Secondary School		952,560		952,560	947,500	5,060
St Peters High Sch-Kapomboi		2,041,104		2,041,104	1,947,684	93,420
St Maurice Girls High Sch-Lunyu		45,904		45,904	45,904	-
Gidea Boys Secondary School		18,266		18,266	18,266	-
Kapkoi Central Girls High School		4,526		4,526	4,526	-
Soymining Secondary School		23,812		23,812	23,812	-
Goseta Boys High School		44,620		44,620	44,620	-
St Thomas Amuka Secondary School		706		706	706	-
AIC Kiptuimet Secondary School		15,000		15,000		15,000
Sub-total	66,456,676	36,890,418	25,197,937	128,545,030	49,443,340	79,101,690
10.0 Sporty Projects						
sports activity		494,149		494,149	494,148	1

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



				-		-
Sub-total	-	494,149	-	494,149	494,148	1
11.0 Security Projects						
kwanza assistant chiefs office	1,300,000	1,200,500		2,500,500	1,188,435	1,312,065
kwanza sub-county DCC office	-	993		993	993	-
ACC BIDII DIVISIONAL PROJECT		2,541,509		2,541,509	2,504,013	37,497
Biketii A.S.T.U.		24,376		24,376	24,376	-
Kwanza Community Policing		11,020		11,020	11,020	-
Keiyo Asst Chiefs Office		17,067		17,067	-	17,067
Maiii Saba Acc		1,565		1,565	1,565	-
Kwanza Chiefs Office		835		835	835	-
Kolongolo Asst Chiefs Office		3,748		3,748	3,748	-

National Government Constituencies Development Fund (NGCDF)
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Kwanza Ap Camp		5,085		5,085	5,085	-
Kaisagat Ass. Chiefs Office		10,701		10,701	10,701	-
Misanga Asst. Chiefs Office		4,355		4,355	4,355	-
Kapsitwet Asst. Chiefs Office		17,979		17,979	17,979	-
Kapkoi Asst. Chiefs Office		14,543		14,543	14,543	-
Kobos Assistant Chiefs Office		245		245	245	-
Kapkoi Police Station		69		69	69	-
Kwanza Registration office		16,806		16,806	16,806	-
Sub-total	1,300,000	3,871,396	-	5,171,396	3,804,767	1,366,629
13.0 Others						
rerec matching programme	2,500,000.00	-	-	2,500,000	-	2,500,000
Kwanza NG-CDF Strategic Plan		500.00	-	500	-	500

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

Sub-total	2,500,000	500	-	2,500,500	-	2,500,500
AIA		80,800		80,800		80,800
Sub-total		80,800	-	80,800	-	80,800
Total	170,469,857	77,472,717	52,414,503	300,357,077	178,195,980	122,161,097

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

17. Notes to the Financial Statements

1. General information

The National Government Constituencies Development Fund (NG-CDF) formerly Constituencies Development Fund (CDF), is established by and derives its authority and accountability from the NG-CDF Act 2015 (amended 2023). The NG-CDF is wholly owned by the Government of Kenya and is domiciled in Kenya. The NG-CDF Kwanza Constituency principal activity is for the implementation of the fund at the constituency.

2. Statement of Compliance and Basis of Preparation

Statement of compliance

The financial statements have been prepared in accordance with the Public Finance Management (PFM) Act, 2012 and NG-CDF Kwanza has taken advantage of the transitional provisions under IPSAS 33 and therefore these 1st/ 2nd /3rd/ years financial statements are transitional financial statements and the following elements of the financial statements have not been recognised as the entity has taken advantage of the transition provisions outlined in IPSAS 33.

- i) Land – Valuation and full recognition to be completed in the subsequent 2 year of transition.
- ii) Inventories – Full recognition in the subsequent 2 years of transition.
- iii) Recognition of PPEs is based on historical figures. Full recognition of PPEs will be in subsequent 2 years of the transition.

These financial statements were authorised for issue by the accounting officer on 01/12/2025.

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.

IPSAS 43:	<i>Applicable 1st January 2025</i>
Leases	The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.
IPSAS 44:	<i>Applicable 1st January 2025</i>
Non- Current Assets Held for Sale and Discontinued Operations	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.
IPSAS 45:	<i>Applicable 1st January 2025</i>
Property Plant	The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets

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

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<p>IPSAS 48: Transfer Expenses</p>	<p><i>Applicable 1st January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p>
<p>IPSAS 49: Retirement Benefit Plans</p>	<p><i>Applicable 1st January 2026</i></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p>
<p>IPSAS 50: Exploration For & Evaluation of Mineral Resources</p>	<p><i>Applicable 1st January 2027</i></p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ul style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.

iii. Early adoption of standards

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

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Sale of goods

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

Interest income

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

Rental income

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

b) Budget information

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

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

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

c) Property, plant and equipment

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

d) Leases

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

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

e) Intangible assets

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

f) Financial instruments

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

a) Financial assets

Classification of financial assets

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

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

Trade and other receivables

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

Fair value through surplus or deficit

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

Impairment

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

b) Financial liabilities

Classification

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

g) Inventories

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

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

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost. Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the *Entity*.

h) Provisions

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

i) Social Benefits

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

j) Contingent liabilities

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

k) Contingent assets

The Entity does not recognize a contingent asset but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Entity in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably,

the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

l) Employee benefits

Retirement benefit plans

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

m) Foreign currency transactions

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

n) Related parties

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

o) Cash and Cash Equivalents

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

p) Comparative figures

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

q) Subsequent events

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

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

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

Useful lives and residual value

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

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

Provisions

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

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

6. Transfers from the NGCDF Board

NGCDFB Transfers (Allocation for the FY)	170,469,857
Total	170,469,857

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7. Employees cost

NG-CDFC Basic staff salaries	3,788,417
Leave allowance	46,000
Gratuity to contractual employees	745,968
Employer Contributions Compulsory national social security schemes	322,540
Employer Contributions Compulsory Housing levy	132,511
Total	5,035,436

8. Committee Expenses

Sitting allowance	1,343,780
Other Committee expenses	2,055,220
Total	3,399,000

9. Use of Goods and services

Utilities, supplies and services	60,000
Communication, supplies and services	922,568
Domestic travel and subsistence	2,632,131
Printing, advertising and information supplies & services	435,000
Training expenses	973,581
Hospitality supplies and services	332,719
Insurance costs	239,798
Office and general supplies and services	607,710
Fuel, oil & lubricants	1,800,808
Bank charges	62,805
Routine maintenance – vehicles and other transport equipment	250,000
Total	8,317,119

10. Other Government Units Actual expenditure

Primary Schools Actual expenditure	47,304,258
Secondary Schools Actual expenditure	51,336,818
Total	98,641,076

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11. Other Grants and transfers Actual expenditure

Bursary – secondary schools	30,390,000
Bursary – tertiary institutions	26,130,000
Security projects Actual expenditure	3,692,448
Climate change mitigation projects	2,768,250
Emergency projects Actual expenditure	2,991,164
Others specify	494,148
Total	66,466,010

12. Depreciation and Amortization Expenses

Property Plant and Equipment	98,100
Total	98,100

13. Cash and Cash Equivalents

Bank Accounts (Cash Book Bank Balance)		
Name Of Bank, Account No. (Operations account)	60,378,631	24,027,335
Name of Bank, account No. (Deposit account)	1,497,893	
Name of Bank, account No. (PMC accounts)	16,666,931	53,445,381
Total	78,543,455	77,472,716
Cash Balances		
Location 1	-	-
Location 2	-	-
Other Locations (<i>Specify</i>)	-	-
Total	-	-
<i>[Provide Cash Count Certificates for Each]</i>		

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

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14. Receivables from Non-Exchange Transactions

Transfers from NGCDFB	43,290,640		52,414,503	
Total	43,290,640		52,414,503	
Ageing Analysis- Receivables from non-exchange transactions				
	2024/2025 FY	% of the total	Opening Balance	% of the total
Less than 1 year	42,469,857	25%	52,414,503	29%
Between 1-2 years	820,783	4%	0	0
Over 3 years	0	0	0	0
Total	43,290,640	29%	52,414,503	29%

15. Prepayments

Prepaid Insurance	200,967	192,111
Total	200,967	192,111

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16. Property, Plant and Equipment

Depreciation Rate(specify)		2%	25%	12.5%	30%	x%		
Cost	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Opening Bal as 1st July 2024	-	-	-	-	-	-	-	-
Additions	-	-	-	-	327,000	0	-	327,000
As At 30th June 2025	-	-	-	-	327,000	0	-	327,000
Depreciation And Impairment								
Opening Depreciation	-	-	-	-			-	-
Depreciation	-	-	-	-	98,100	0	-	98,100
As At 30th June 2025	-	-	-	-	98,100	0	-	98,100
Net Book Values								
Opening Bal as at 1st July 2025	-	-	-	-	-	-	-	-
As At 30th June 2025	-	-	-	-	228,900	0	-	228,900

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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). These amounts were adopted on 30th June, 2020.

22 b) Property, Plant and Equipment at Cost

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

17. Trade and Other Payables

Trade payables		00		00
Employee payables		00		00
Other payables		00		00
Total trade and other payables		00		00
Aging analysis: (Trade and other payables)	Current FY	% of the Total	1st July	% of the Total
Under one year	00	00	00	00
1-2 years	00	00	00	00
2-3 years	00	00	00	00
Over 3 years	00	00	00	00
Total (tie to above total)	00	00	00	00

18. Third-Party deposits

Retention as at 1 st July (A)	414,539	-
Retention held during the year (B)	4,756,079	414,539
Retention paid during the Year (C)	1,661,270	-
Closing Retention as at 30th June D= A+B-C	3,509,348	414,539

Retentions aging analysis.

Less than 1 year	00	00	00	00
1-2 years	00	00	00	00
2-3 years	00	00	00	00
Over 3 years	00	00	00	00
Total	00	00	00	00

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

19. Gratuity Provision

Gratuity at the beginning of the year 1 st of July	921,185	-
Gratuity held during the year	745,968	921,185
Gratuity paid during the year	169,260	
Total Gratuity Provision 30th June (A+B-C)	1,497,893	921,185

20. Cash Generated from Operations

Surplus for the period before tax	(11,486,884)
Adjusted for:	
Depreciation	98,100
Non-cash grants received	-
Contributed assets	-
Impairment	-
Gains and losses on disposal of assets	-
Contribution to provisions	-
Contribution to impairment allowance	-
Working capital adjustments	
Changes in inventory	-
Changes in receivables	(9,115,007)
Changes in deferred income	-
Changes in Third party deposits	(3,094,809)
Changes in gratuity provision	(576,708)
Changes in payments received in advance	-
Net cash flow from operating activities	1,397,740

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

21. Financial Risk Management

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

i) Credit risk

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

Financial Risk Management

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

As at 30th June (Current FY)				
Receivables from exchange transactions	00	00	00	00
Receivables from non-exchange transactions	00	00	00	00
Bank balances	00	00	00	00
Total	00	00	00	00
As at 30 June (Previous FY)				
Receivables from exchange transactions	00	00	00	00
Receivables from non-exchange transactions	00	00	00	00
Bank balances	00	00	00	00
Total	00	00	00	00

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

Financial Risk Management

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the Entity has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The Entity has significant concentration of credit risk on amounts due from xxx. The board of directors sets the Entity's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

ii) Liquidity risk management

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

As at 30 th June (Current FY)				
Trade payables	00	00	00	00
Current portion of borrowings	00	00	00	00
Provisions	00	00	00	00
Deferred income	00	00	00	00
Gratuity Provision	00	00	00	00
Total	00	00	00	00
As at 30 th June (Previous FY)				
Trade payables	00	00	00	00
Current portion of borrowings	00	00	00	00
Provisions	00	00	00	00
Deferred income	00	00	00	00

Employee benefit obligation	00	00	00	00
Total	00	00	00	00

iii) Market risk

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

a) Foreign currency risk

The *Entity* has transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate. The *Entity* manages foreign exchange risk from future commercial transactions and 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 Entity's financial condition may be adversely affected as a result of changes in interest rate levels. The Entity's interest rate risk arises from bank deposits.

This exposes the Entity to cash flow interest rate risk. The interest rate risk exposure arises mainly from interest rate movements on the Entity's deposits.

Management of interest rate risk

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

Sensitivity analysis

The Entity analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year. Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as a decrease/increase of Kshs (2024/2025 FY: Kshs). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs (2024/2025 FY – Kshs)

Fair value of financial assets and liabilities

a) Financial instruments measured at fair value.

Determination of fair value and fair values hierarchy

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

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

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- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components. This hierarchy requires the use of observable market data when available. The *Entity* considers relevant and observable market prices in its valuations where possible.

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

As at 30 June (Current FY)				
Financial Assets				
Quoted Equity Investments	00	00	00	00
Non- Financial Assets				
Investment Property	00	00	00	00
Land And Buildings	00	00	00	00
Total	00	00	00	00
As at 30 th June (Previous FY)				
Financial Assets				
Quoted Equity Investments	00	00	00	00
Non- Financial Assets				
Investment Property	00	00	00	00
Land And Buildings	00	00	00	00
Total	00	00	00	00

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

iv) Capital Risk Management

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

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Revaluation Reserve	00	00
Retained Earnings	00	00
Capital Reserve	00	00
Total Funds	00	00
Total Borrowings	00	00
Less: Cash and Bank Balances	00	00
Net Debt/(Excess Cash And Cash Equivalentents)	00	00
Gearing	00	00

22. Related Party Disclosures

Committee Members Remuneration		
Sitting allowance of committee Members during the year	1,343,780	1,400,000
Transaction with the NGCDF Board		
Transfers from the NGCDF Board during the year	179,593,720	181,215,033
Total	180,937,500	182,615,033

23. 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)

24. Contingent Assets and Contingent Liabilities

Contingent Assets

Contingent Assets		
Insurance Reimbursements	00	00
Assets Arising from Determination Of Court Cases	00	00
Reimbursable Indemnities and Guarantees	00	00
Receivables From Other Government Entities	00	00
Others (Specify)	00	00
Total	00	00

(Give details)

Contingent Liabilities

Contingent Liabilities	00	00
Court Case xx against the Entity	00	00
Bank Guarantees in Favour of Subsidiary	00	00
Contingent Liabilities arising from Contracts Including PPPs	00	00
Others (Specify)	00	00
Total	00	00

25. Capital Commitments

Authorised for	00	00
Authorised and contracted for	00	00
Total	00	00

(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).

26. Events after the Reporting Period

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

27. Ultimate And Holding Entity

The Kwanza 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.

28. Currency

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

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**18. Annexes
Annex 1: Summary of Asset Register**

Land	0	-	0	0
Buildings and structures	3,750,000	-	0	3,750,000
Transport equipment	8,793,870	-	0	8,793,870
Office equipment, furniture, and fittings	1,335,167	-	0	1,335,167
ICT Equipment and Other ICT Assets	332,989	327,000.00	0	659,989
Other Machinery and Equipment	0	-	0	0
Intangible assets	64,940	-	0	64,940
Total	14,276,966	-	0	14,603,966

(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 Current FY	Bank Balance Comparative FY
Lessos Primary School	Co-Op Bank	1139599716200	276,082	54,206.50
Misanga Primary	Co-Op Bank	1139599874200	205,017	14,272
Miteitei Primary School	Co-Op Bank	1139599097300	336,712	699,204
Amuka Primary	Co-Op Bank	1139502954300	155,415	2,000,196
FK1 Mandarara Primary	Co-Op Bank	1139599184400	167,112	2044700.5
Karaus Primary School	Co-Op Bank	1139502962400	318,044	5,215
Kwanusu Primary School	Co-Op Bank	1139599699200	45,931	6,037
Webuye Primary	Co-Op Bank	1139599760100	482,040	2,001,842
Makunga Primary	Co-Op Bank	1139502975100	67,666	15,677
Leissa Primary	Co-Op Bank	1139599053200	2,147	2,433
Liyavo Primary	Co-Op Bank	1139599053200	21,753	2,123
Section Six Primary	Co-Op Bank	1139599194100	189,013	130,132
Mutua Primary	Co-Op Bank	1139694993300	59,043	1,743,572
Kambi Nairobi Primary	Co-Op Bank	1139694129500	183	60,447
Pengi Primary	Co-Op Bank	1139694130000	3,119	3118.5
Mukuyuni Primary	Co-Op Bank	1139599679100	2,637	110381.5
Kapsitwet Primary	Co-Op Bank	1139502816900	85,751	85,751.50
Bungoma B Primary	Co-Op Bank	1139694982600	1,058	1,977,223

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Maziwa Primary	Co-Op Bank	1139502971700	13,221	13220.8
Bwayi Primary	Co-Op Bank	1139599017300	1,309	1,309
Kapkoi Central Primary	Co-Op Bank	1139694815600	25,514	25513.5
Section Six Special	Co-Op Bank	1141840100300	6,934	21732
Siambe Primary	Co-Op Bank	1139599000400	11,989	2011075
Pombo Primary	Co-Op Bank	1139599147000	65,003	65002.5
Chief Mtende Primary	Co-Op Bank	1139599053200	66,791	2,409,101
Tembelela Primary	Co-Op Bank	1139599931900	153,837	153,837
St Emmanuel Primary	Co-Op Bank	1139096521200	14,052	14,052
Mirembe Primary	Co-Op Bank	113950293400	1,084	1,084
Maramu Primary	Co-Op Bank	1139599176200	372	25,372
Milimani Junior Primary	Co-Op Bank	1139694829300	199,993	2,004,707
St Charles Lwanga	Co-Op Bank	1139599010900	64,355	64,475
Namanjalala Primary	Co-Op Bank	1139268551400	275	157,275
Umoja Primary	Co-Op Bank	1139694971700	50,491	50,491
Makhonge Primary	Co-Op Bank	1139599044700	8,205	8,205
Kipsoen Primary	Co-Op Bank	1139599227000	101	101
Korosiot Primary	Co-Op Bank	1139085506700	1,438	9,838
Ziwakati Primary	Co-Op Bank	1139599020200	639	639
Lurare Primary	Co-Op Bank	1139096536400	746	-
Kolongolo Primary	Co-Op Bank	1139695020900	133,749	133,749
Ukingoni Primary	Co-Op Bank	1139599004100	19,149	19,150
Mwangaza Primary	Co-Op Bank	1139599224900	98,427	1,025,139
Mugumo Primary	Co-Op Bank	1139599713400	36,103	36,103
Milima A Primary	Co-Op Bank	1139502935100	3,961	3,961
Keese Primary	Co-Op Bank	1139046978101	1,675	42,299
Goseta Primary	Co-Op Bank	1139694519200	54,061	54,061
Maridadi Primary	Co-Op Bank	1139502235601	5,253	86,926
Zea Primary	Co-Op Bank	1139599766700	2,017	100,017

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Ainasit Primary	Co-Op Bank	1139502952400	137,513	2,018,124
Meza Primary	Co-Op Bank	1139599699700	36,328	2,012,443
Kitale Ndogo Primary	Co-Op Bank	1139599859200	23,817	23,817
Bishop Muge Primary	Co-Op Bank	1139599751600	413	412.50
Marinda Primary	Co-Op Bank	1139599581100	333	333.50
Ngeny Primary	Co-Op Bank	1139599038100	27,196	1,024,240
Milimani Primary	Co-Op Bank	1139599004700	6,991	6,992
Matisi Block Primary	Co-Op Bank	1139694297900	1,863	1,863.50
Kaisagat Primary	Co-Op Bank	1139085193400	29,907	211,051
Sarura Primary	Co-Op Bank	1139599764600	3,871	3,870.50
Biketi Primary	Co-Op Bank	1139694982800	2,757	2,757.50
ST Pauls Bwayi Secondary	Co-Op Bank	1139599044901	525,293	23,994
AIC Kapkai Secondary	Co-Op Bank	1139694973000	242,718	3,021,090
Milimani Secondary	Co-Op Bank	1139694519200	176,162	6,934
Namandala Secondary	Co-Op Bank	1141841358300	126,288	2,026,750
Korosiot Secondary	Co-Op Bank	1139599699100	157,806	8,861
ST Francis Kologolo Girls	Co-Op Bank	1139599160700	1,783,760	6,967,783
St Emmanuel Secondary	Co-Op Bank	1139694125300	1,824,534	7,429,764
ST Philips Kipsoen Secondary	Co-Op Bank	1139694483500	519,216	13,625.50
St Augustine Maziwa Sec	Co-Op Bank	1139599972000	141,514	141,514
Luuya Secondary	Co-Op Bank	1139694536200	76,562	76,562
ST Michael Liyavo Girls	Co-Op Bank	1139502806300	170,585	170,585
AIC Mwangaza Secondary	Co-Op Bank	1139695139700	16,469	16,589
Kwanza Girls	Co-Op Bank	1139096504002	5,060	952,560
Namanjalala Secondary	Co-Op Bank	1139599702800	1,429	1,427
AIC Lessos Secondary	Co-Op Bank	1139268355002	232,103	232,103
AIC Kiptuimet Secondary	Co-Op Bank	1139841371600	15,000	15,000

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Keese Secondary	Co-Op Bank	1139840106700	30,275	30,275
Kwanza Friends Secondary	Co-Op Bank	1139599154800	194,098	194,098
AIC Kapsitwet Secondary	Co-Op Bank	1139502806000	12,243	12,243
St Martins Makhonge Secondary	Co-Op Bank	1139599849600	639	639
Gidea Secondary	Co-Op Bank	1139502906300	1,668	1,668
Mutua Secondary	Co-Op Bank	1139502826500	18,096	18,096
ST Monica Girls	Co-Op Bank	1139096866502	14,846	15,226
ST Cecilia Marinda Sec	Co-Op Bank	1139502607101	219,626	219,626
ST Annes Umoja Sec	Co-Op Bank	1139502911800	395,297	1,713,648
ST Peters Kapomboi Sec	Co-Op Bank	1139599160100	93,421	2,041,104
Biketi Secondary	Co-Op Bank	1139599919200	3,042,151	1,566
St Johns Sarura Sec	Co-Op Bank	1139599010700	143,404	1,126,669
Bidii Secondary	Co-Op Bank	1100979242001	2,498,908	2,998,908
Bishop Muge Sec	Co-Op Bank	1120096535000	49.69	20,580
Soymining Primary	Co-Op Bank	1139599753500	30,193	5,311
Kapkoi RCM Primary	Co-Op Bank	1139599421900	55,173	31,530.50
Koros Primary	Co-Op Bank	1139599668100	105,273	16,982.50
Bidii Divisional Project	Co-Op Bank	1141841978500	37,497	41,509
Keiyo Asst. Chiefs Office	Co-Op Bank	1141840099900	17,067	17,067
Kwanza Asst. Chiefs Office	Co-Op Bank	1100963114001	12,065	1,200,500
Gidea Primary school	Co-Op Bank	113959986200	0	4642.5
Kobos Primary school	Co-Op Bank	1139599038100	0	72566.5
Lelkina Primary school	Co-Op Bank	1141841355900	0	8175
Bonden Primary school	Co-Op Bank	1139599045500	0	31318
Nasianda Primary school	Co-Op Bank	1139695040500	0	53872.5
Kapkai Primary school	Co-Op Bank	1139502235001	0	131083.5
Kwanza Primary school	Co-Op Bank	1139502235801	0	20382.5
Mugeiyot Primary school	Co-Op Bank	1139840129100	0	1860

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Kipkorion Primary school	Co-Op Bank	1139599050700	0	2273
Geserate Primary school	Co-Op Bank	1139599757400	0	2082
Sande Primary school	Co-Op Bank	1139599003900	0	8243
Malomonye Primary school	Co-Op Bank	1139599001300	0	10964
Kambi Ndege Primary school	Co-Op Bank	1139694205800	0	10828
Ndalala Primary school	Co-Op Bank	1139599811400	0	6673
Meteitei Sec. school	Co-Op Bank	1139599995200	0	1137.5
St Maurice Lunyu Sec	Co-Op Bank	1139599241900	0	14716
Misanga Sec school	Co-Op Bank	1139599692000	0	218171.25
Karaus Sec school	Co-Op Bank	1139502962400	0	5215
Kapkoi Girls school	Co-Op Bank	1139599756800	0	4526.3
Aic Kobos Boys school	Co-Op Bank	1139268284702	0	206240
St Mairuce Lunyu Girls	Co-Op Bank	1139599905301	0	45903.5
St Thomas Amuka Sec	Co-Op Bank	1139599238200	0	705.5
Ngeny Secondary school	Co-Op Bank	1139599038201	0	1650
Goseta Boys school	Co-Op Bank	1139841153200	0	44620
Soymining Secondary	Co-Op Bank	1139599699500	0	23811.5
Gidea Boys	Co-Op Bank	1139694825000	0	18265.5
Kobos Girls	Co-Op Bank	1139599171400	0	17953
Kobos Asst. Chiefs Office	Co-Op Bank	1141841306500	0	245
Kapkoi Asst Chiefs Office	Co-Op Bank	1141841224700	0	14543
Biketi Astu	Co-Op Bank	1141840073700	0	24376
Kwanza Registration Office	Co-Op Bank	1100948072001	0	16806
Kwanza Sub-County Hq	Co-Op Bank	1141840077000	0	993
Kapkoi Police Station	Co-Op Bank	1141841988400	0	69
Misanga Asst. Chiefs Office	Co-Op Bank	1141695592000	0	4355
Kaisagat Asst. Chiefs Office	Co-Op Bank	1141840849500	0	10701

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Kapsitwet Asst. Chiefs Office	Co-Op Bank	1141840842400	0	17979
Kwanza Comm. Policing	Co-Op Bank	1141694202000	0	11019.5
Kolongolo Asst Chiefs Office	Co-Op Bank	1141695068200	0	3748
Kwanza Ap Camp	Co-Op Bank	1134694980600	0	5085
Kwanza Chiefs Office	Co-Op Bank	1141695082600	0	835
Maili Saba Acc	Co-Op Bank	1141840111300	0	1565
Grant Total			16,666,931.33	53,445,381.39

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	<p>The annual reports and financial statements prepared and presented for following presentation and disclosure errors;</p> <ul style="list-style-type: none"> i. Cover page refers to reports and financial statements instead of a and financial statements as per the reporting template ii. Statement of receipts and payments for the year, statement of assets and statement of cash flows do not have the name of the fund account as signatory to the financial statements iii. Annex 3 - unutilized fund does not have brief description as per report hence it's not easy to identify the projects iv. Other important disclosures lack Annex 4 – Summary of Fixed Assets v. Other important disclosures serialized PMC account balances (no.18.4 instead of 19.4 <p>In the circumstances, the annual report and financial statements as presented does not comply with the requirements of International Accounting Standards and as prescribed by the Public Sector Accounting Board.</p>	<p>Kwanza NGCDF has corrected the errors as follows;</p> <ul style="list-style-type: none"> i. The cover letter has been corrected from reports and financial statements to annual reports and 	<p>Responded awaiting clearance</p>	<p>Awaiting clearance</p>

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		financial statements. ii. The name of the fund account manager has been included in the financial statement as a signatory. iii. Brief description of the projects in the unutilized funds has been explained. iv. PMC bank account details in		

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		Annex 5 have been corrected.		
2	<p>(i) The statement of assets and liabilities and Note 14 reflects nil amount for gratuity while other important disclosure Note 19.2 and annex 2 reflects Kshs. 316,400 leading to unexplained variance of Kshs. 316,400. Further, note 14 to the financial statements reflects nil balance for gratuity as at 1st July 2022, gratuity held during the year, gratuity paid during the year and closing gratuity as at 30 June, 2023. In addition, the statement reflects fund balance brought forward of Kshs. 2,836,161 instead of Kshs. 2,158,961 reflected in the previous year's audited statements.</p> <p>(ii) Note 15 to the financial statements reflects fund balance brought forward of Kshs. 2,836,161 which differs with the previous year's audited balance of Kshs. 2,158,961 by unexplained variance of Kshs. 677,200.</p> <p>(iii) Summary statement of appropriation had a budget line on funds pending approval of Kshs. 14,800 which was not supported by detailed schedule indicating specific items that were budgeted for.</p> <p>(iv) The financial statements omit summary of fixed assets with cumulative historical balance of Kshs. 14,276,966 as supported</p>	<p>i. Closing balance has been corrected to Kshs 2,158,961 from Kshs 2,836,161. Closing balance</p>	Responded awaiting response	Awaiting clearance

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>by fixed assets register. Also, the assets register did not have the assets categorized with subtotals for each category. In addition, the size and value of land on which the Fund's office is situated have not been determined and included in financial statements. Further, land title deed to confirm its ownership was not provided for audit review. In the circumstances, land ownership and accuracy of fixed assets balance of Kshs. 14,276,966 as at 30 June, 2023 could not be confirmed.</p> <p>(v) Note 18.4 under other important disclosures reflects project management committee (PMC) bank balances of Kshs. 10,368,035 as at 30 June, 2023 held in one hundred and thirty-seven (137) commercial bank accounts as disclosed in Annex 5 to the financial statements. The cash books, bank reconciliation statements, certificates of bank balances and bank statements for the one hundred and thirty-seven (137) bank accounts were however, not provided for audit review. In the circumstances, accuracy and existence of project management committee bank balance of Kshs. 10,368,035 could not be confirmed</p> <p>(vi) The Trial Balance has total debits of Kshs. 89,850,961 which differs with total credits of Kshs. 89,490,161 by unexplained variance of Kshs. 360,800</p>	<p>e of gratuit y has also been correc ted to Kshs. 432,8 00.</p> <p>ii. PMC bank balanc e certific ates have been</p>		

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		<p>provided</p> <p>iii. The trial balance has been corrected to Kshs. 89,850,961.</p>		
3	National Government Constituency Development Fund – Kwanza Constituency had a final revenue budget amount of Kshs.141,051,194 for the year ended 30 June, 2023 comprising of budgeted amount for the year of Kshs.138,215,033 and unspent bank balance from	The management has made constant communicati	Responded awaiting clearance	Awaiting clearance

