

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL
Enhancing Accountability

THE NATIONAL ASSEMBLY
PAPERS LAID

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REPORT

OF

THE AUDITOR-GENERAL

ON

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

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



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

SHINYALU CONSTITUENCY

ANNUAL REPORT AND FINANCIAL STATEMENTS

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

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



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1. Acronyms and Definition of Key Terms

A. Acronyms

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

B. Definition of Key Terms

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

Comparative Year- Means the prior period.

2. Key Constituency Information and Management

(a) Background information

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

Mandate

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

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

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

Vision

Equitable Socio-economic development countrywide.

Mission

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

Core Values

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

Functions of NG-CDF Committee

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

(b) Key Management

The NGCDF Shinyalu 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	GIMONGE TOM
2.	National Sub-County Accountant	OMOLO DAVID
3.	Chairman NGCDFC	THOMAS ASEKA
4.	Member NGCDFC	ESTINA ISENDI IMBAYI
5.	Member NG CDFC	VICRANCE SHILWATSO

(c) Fiduciary Oversight Arrangements

The Audit Committee of the NGCDF Board provides overall fiduciary oversight on the activities of the NGCDF Shinyalu Constituency. The reports and recommendations of the Audit Committee, when adopted by the NGCDF Board, are forwarded to the Constituency Committee for action. The Board forwards any matters that require policy guidance to the Cabinet Secretary and National Assembly Select Committee.

(d) NGCDF Shinyalu Constituency Headquarters

P.O. Box 405-50100
Khalisia Plaza
Shinyalu-kakamega Road
KAKAMEGA KENYA.

(e) NGCDF Shinyalu Constituency Contacts

P.O. Box 405-50100
Telephone: (254) 722358998
E-mail: cdfshinyalu@ngcdf.go.ke
Website: www.ngcdf.go.ke

(f) NGCDF Shinyalu Constituency Bankers

1. Operational Account
Equity Bank
Kakamega Branch
P.o box 2512-50100
Kakamega
A/C NO. 0500279933658
2. Deposit Account
NCBA Bank
Kakamega Branch
P.O. Box 44599-00100
Kakamega
A/C NO.9872450016
3. Project Management Committee Accounts
Equity Bank
Kakamega Branch
P.o box 2512-50100
Kakamega

SIDIAN BANK
Kakamega Branch
P.O Box25363-00603
Kakamega

Co-operative Bank of Kenya Limited
Kakamega Branch
P.O. Box 2678-50100
Kakamega





(g) Independent Auditor





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

(h) Principal Legal Adviser

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

3. NGCDF Committee

3. NGCDF Committee	
 THOMAS ASEKA (NG CDFC CHAIRMAN)	<p><i>Provide a concise description of each member's date of birth, key academic and professional qualifications, and work experience.</i></p> <p>Chairman Male adult Murhanda ward Date of birth 1ST January 1959 Academic: Kenya junior secondary examination Work experience: Retired senior chief</p>
 ETSINA IMBAYI (NG CDFC SECRETARY)	<p>Secretary Female adult Isukha central Date of birth 12TH November 1969 Academic: Kenya Certificate of secondary education Work experience: Business lady</p>
 ZAKARIA KASITI (MEMBER)	<p>Nominee of the constituency male Member Isukha west ward Age 73 Date of birth 13TH April 1952 Academic: Kenya junior secondary examination Work experience: Retired senior chief</p>
 BENINA KULISAMBO(MEMBER)	<p>Nomine of the constituency female Member Isukha East ward Date of birth 6TH April 1978 Academic: Kenya certificate of primary education Work experience: Business Lady</p>

 <p>VICRANCE SHILWATSO (MEMBER)</p>	<p>Female youth Member Murhanda ward Date of birth 5TH January 1996 Academic: Diploma in Education Arts Work experience: Business lady</p>
 <p>POLYCAP ANYOLO (MEMBER)</p>	<p>PLWD Member Isukha South Age 29 Date of birth 21ST September 1995 Academic: Kenya Medical Training Collage Work experience: Community health Nurse</p>
 <p>VALENTINE MBALILWA (MEMBER)</p>	<p>Male Youth Member Isukha Central Age 28 Date of birth 13TH March 1996 Academic: Diploma in TEP Work experience: Business man</p>
 <p>DAVID OKUNJO (MEMBER)</p>	<p>Nomine of the constituency female Member Isukha North Ward Date of birth 13TH June 1974 Academic: Kenya certificate of Secondary education Work experience: Business man</p>

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

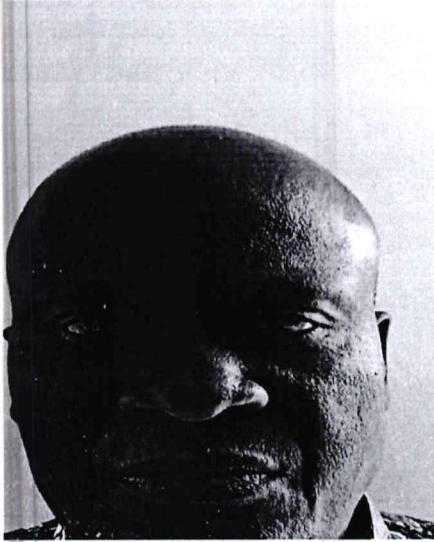


GIMONGE TOM

Fund Account Manager

Nominee of the Board
Fund Accounts Manager
Date of Birth 20th June 1972
Work Experience Fund Manager At NG CDF for 18 years

4. NG-CDFC Chairman's Report



THOMAS ALILA ASEKA NG-CDFC CHAIRMAN

I am pleased to once again present the reports and financial statements of the Shinyalu National Government Constituency Development Fund financial year 2024/2025. In the financial year 2024/2025 Shinyalu constituency received a total of Ksh 204,320,522 (Two hundred and four million three hundred and twenty thousand five hundred and twenty-two)

Budget Performance Overview

In the current financial year, budget performance in comparison to the actual has been below 100% that is 78.9% because of delays in receiving the current financial year funds. the constituency received ksh 130,000,000 against a budgeted amount of ksh 188,414,052. the previous financial year had an amount of ksh609,939.88 as the balance brought forward.

Despite the delay in disbursement of funds we have been able to implement and complete more than 50% of projects. we were also able to expand infrastructure mainly classrooms and administrations block in the existing schools.

Allocation of Funds

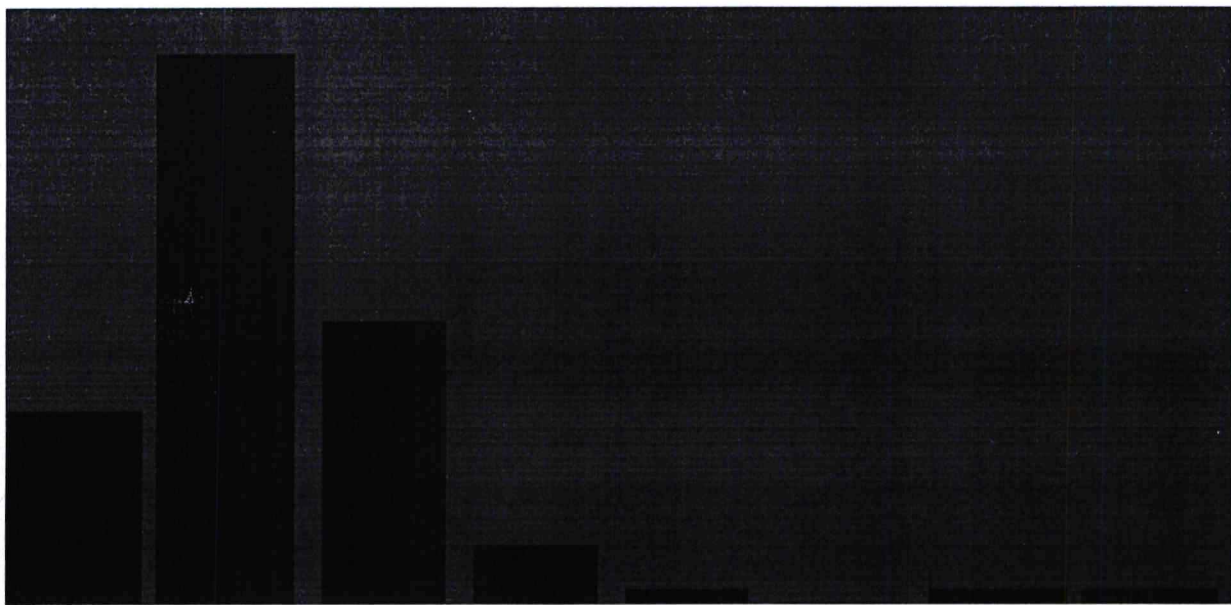
Budget Allocation by Project Category for the financial year 2024/2025

NAME OF PROJECT	AMOUNT ALLOCATED (KSHS)
Administration/Recurrent	11,304,843
Monitoring and evaluation/Capacity Building	5,652,421
Bursary/Mocks/Cats	39,000,000

National Government Constituencies Development Fund (NGCDF)
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Emergency Projects	9,916,529
Capital Grants to Primary Schools	98,096,641
Capital Grants to Secondary Schools	1,700,000
Acquisition of assets	22,743,618
	188,414,052

ALLOCATIONS PER VOTE HEADS



During the year the constituency total budget stood at kshs 263,344,512.88 with kshs 188,414,052 being allocation for 2024/2025 financial year kshs 609,939.88 from opening balance ksh 74,320,521 from previous years outstanding disbursement we prioritized on education where we allocated kshs 172,417,162.

Utilization of Funds

Utilization of funds stood at 79% up from 50% the previous year, this improvement we largely the entities enhanced absorption strategies including well planned procurement and timely disbursement of funds to PMCs the absorption rate was however below 100% and is attributed to late receipt of funds from the Board and non-receipt of sizeable percentage of original budget before the closure of the financial year.

KEY ACHIEVEMENTS

- We prioritised and disbursed ksh 49,643,283(Fourty nine million six hundred and forty-three two hundred and eighty-three), which was more than half the total funds received as bursary

support for needy students in the constituency. These funds have benefited over 7000 needy and vulnerable students. This was a strong statement in line with the constituency strategic plan that has education as one of the major pillars for social economic transformation.

- We also managed to intervene and construct exhaustible pit latrines at Mwilitisa primary school, Mukhuyu PEFA primary school, Mukomari primary school Mukumu boys primary school, from the emergency reserve. The schools had been condemned by the public health department and were facing closure
- We also managed to construct classrooms in some schools and administration blocks in the following schools Singila primary school four number classrooms, Ivakale primary school 8No classrooms storey building, Shitochi primary school eight number classroom storey building, Shikusa primary school renovation of 8No classrooms, Munasio primary school 8No classrooms Storey building.
- The constituency procured and had a comprehensive 5-year strategic plan (2023-2027) drawn up that will be the guiding principle in implementation of the fund to achieve social economic development for the people of Shinyalu constituency. The plan focuses on thirteen strategic themes including Education and training, agriculture, commerce, urban development housing and tourism, employment creation and promotion, water, energy, roads, security, environmental management, technology and finally resource mobilization and governance
- In line with the environment strategic theme we were able to purchase and distribute over 10,000 indigenous tree seedlings to over 20 schools to heed the national government call of achieving 10 % forest cover by the year 2030.

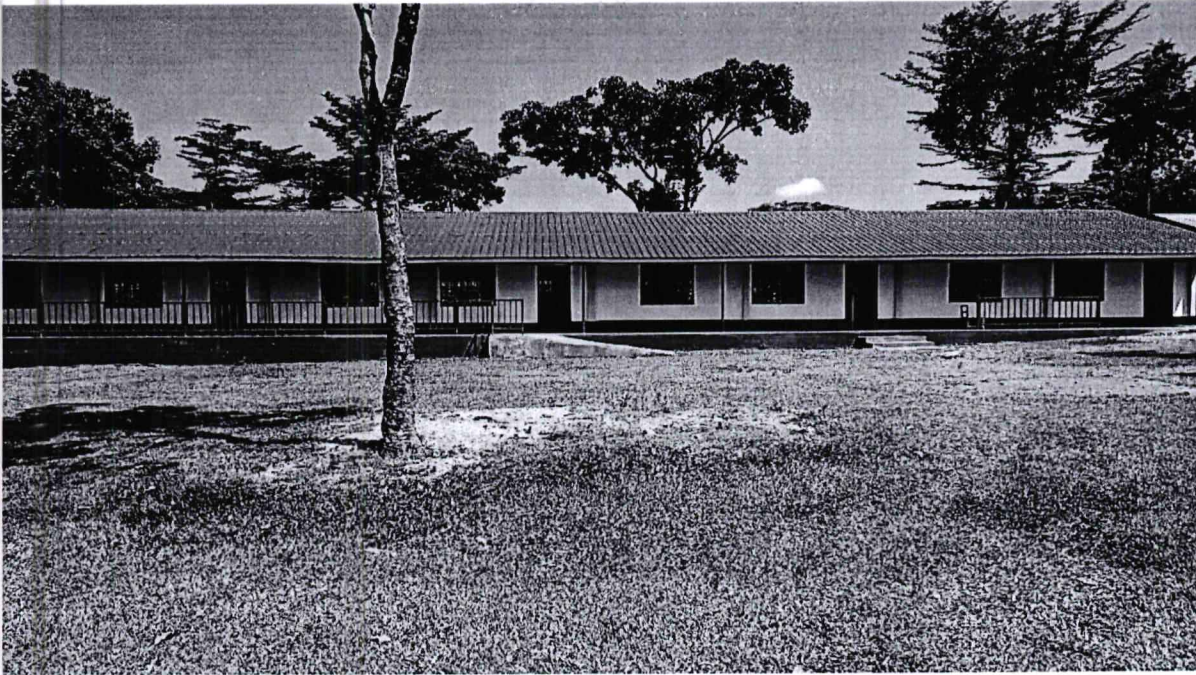
*National Government Constituencies Development Fund (NGCDF)
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ST ANNES MUNASIO MIXED SECONDARY SCHOOL 8 NUMBER CLASSROOMS



MURAKA PRIMARY SCHOOL EIGHT NUMBER CLASSROOMS STOREY BUILDING



LIRHANDA BORDING PRIMARY SCHOOL FOUR NUMBER CLASSROOMS



SHILONGO PRIMARY SCHOOL EIGHT NUMBER CLASSROOMS



DR KISIA SECONDARY SCHOOL FOUR NUMBER CLASSROOM AND ADMINISTRATION BLOCK

CHALLENGES, EMERGING ISSUES AND THE WAY FORWARD

- As we appreciate the continued support from the national government in making slight additions to the kitty we however regrettably wish to say that it's not enough to assist the constituency make the rapid anticipated challenge of providing proper infrastructure for the education sector and security organs. The national government should seriously consider the re-introduction of the poverty index scheme for distribution of the national cake.
- Its common knowledge that there are certain pockets of regions in this country that have a high poverty index like Shinyalu and they have to be jump started economically to catch up with regions that have made huge strides in matters development.

- We remain committed as a committee to ensure that the fund makes the expected impact in the constituency in terms of enabling needy and bright students attend and complete their formal education in a convenient environment.
- We also are focused to ensure our constituency achieves the lowest regional and national crime indices.



.....
Name: Thomas Aseka
Chairman NGCDF Committee

5. Statement of Performance Against Predetermined Objectives for FY2024/2025

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 Shinyalu Constituency 2023-2027** plan are to:

1. To Improve academic performance in all learning Institutions- Provision of Bursaries to needy children and purchase of school buses for each of the centers of excellence in each ward.
2. Improve Infrastructure in learning Institutions - Construct new and renovate old buildings in school's infrastructure
3. To strengthen conservation of natural resources – Sensitization on climate change mitigation and planting of trees.
4. To improve security in the constituency
5. Promote Youth Empowerment and Innovation -To develop and operationalize innovation hubs and talent development programs that provide digital skills, training, and employment opportunities for youth.

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	Improve performance, reduce dropout rates and increase primary, secondary and higher education transition rates	Reduced distance covered by school children, Increases opportunities for school leavers, Education for the disabled, Improved learning facilities	Number of Classrooms/laboratories Constructed. Administration block and toilets constructed in schools as well	In FY 23/24 We constructed 19 new classrooms and Renovated 12 classrooms in primary school. We also constructed 8 door pit latrines in 8 primary school. We also commenced construction of storey buildings

				comprising of 8 number classrooms in 6 primary schools. We awarded bursaries to approximately 8,000 students in secondary school, 4720 in tertiary institutions.
Security	To promote a safe and secure environment for Shinyalu constituents	Safe and Secure constituency - Increased upsurge of local and external investors - Increased involvement of the community in security matters - Improved working environment for	Number of new police and administrative posts constructed • Number of police stations and administration offices repaired • New number of nyumbakumi associations created • Number of community policing training conducted • Number of constituents trained on community policing • Number of crime incidences reported	Shinyalu NGCDF we have allocated funds for the purchase of land for kakamega east police post for construction
Environment	To develop mechanisms for the management of the environment and the natural resources (especially lands).	Adopt Sustainable Development goal number 13 on climate	Hold annual environment day by supporting tree planting, water harvesting and beautification programmes in learning institution	We paid 1,000,000 for planting of trees in 5 primary schools and sensitization of members of the public of environment caring
Emergency	To be able to come in for the assistance to the help schools in terms of emergency that occurs in schools	Construction of toilets in schools and other emerging issues	Number of toilets constructed in schools and renovation of classes	We were able to construct number of toilets in schools and renovation of classes

6. Governance Statement

a. NG-CDFC process of appointment

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

1. There is established a National Government Constituency Development Fund Committee for every constituency.
2. Constituency Committee Shall comprise of;
 - a) The national government official responsible for co-ordination of national government functions.
 - b) 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.

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.

The current NGCDFC members were gazetted in April 11th. 2025 and the first meeting was held on 15th April 2025

The persons appointed are drawn from different groupings as follows:

FULL NAME	CATEGORY	DATE APPOINTED	POSITION
Thomas Aseka	Male Adult Representative	11 TH APR 2025	Chairman
Zachariah Kasiti	Male Representative	11 TH APR 2025	Secretary
Estina Imbayi	Nominee of the Constituency Office (Female)	11 TH APR 2025	Member
Polycap Anyolo	Representative of Persons with Disability	11 TH APR 2025	Member
David Okunjo	Nominee of the Constituency	11 TH APR 2025	Member
Valentine Mbalilwa	Nominee of the Constituency Office (Male)	11 TH APR 2025	Member
Benina Imali	Co-opted Member	11 TH APR 2025	Member
Vicrance Shilwatso	Female Youth Representative	11 TH APR 2025	Member
James Ajwang	National Government Representative	11 TH APR 2025	Member
Tom Gimonge	Officer of the Board	11 TH APR 2025	EX-Officio

b. NG-CDFC Tenure

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. Shinyalu NGCDF committee tenure ended on 31st November 2024 and the current NGCDFC members were gazetted on 21st May 2025

c. The Role of the Constituency Committee

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

The roles and functions of NG CDFC are as follows:

- a) Build the capacity of project management committees and sensitize the Community on the operations of the Fund;

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

- b) Consider all project proposals from all wards in the Constituency and any other projects which a Constituency Committee considers beneficial to the Constituency;
- c) Ensure that all proposed projects that are approved for funding meet the requirements of section 24 of the Act;
- d) Ensure that project proposals submitted to the Board include detailed budget proposals, procurement plans and work plans;
- e) Consult with relevant government departments to ensure that cost estimates for projects are realistic;
- f) In considering joint projects, ensure that the participating constituencies enter into negotiations for effective implementation of such projects;
- g) Rank projects proposals in order of priority while ensuring that on-going projects take precedence;
- h) Ensure that all projects receive adequate funding and are completed within three years;
- i) Where a project involves purchase of a parcel of land or a building, ensure that the ownership thereof is duly verified and ownership documents authenticated with relevant government agencies;
- j) Monitor the implementation of projects in accordance with the monitoring and evaluation framework prescribed by the Board;

d. Removal of a member

A member holding a position within the NG-CDFC can be relieved of their duties for any of the subsequent reasons either individually or in combination: Absence of integrity, severe conducts, inappropriate personal behavior in public, advocating unethical behavior, creating discord within the committee, suffering from a physical or mental ailment, misusing funds or any other valid and justifiable cause.

e. NG-CDFC Induction and training

In the year 2024/2025 the entity conducted capacity building for NG-CDF Committee in January 2025 at Tom Mboya Labour College Kisumu. The training focused on enhancing Committee Knowledge in key areas critical to effective fund management, governance and operational efficiency. Key topics included an overview of the NG-CDF Act and its regulations, construction management, project cycle management, financial management under PFM Act, and performance contracting. The training emphasized the importance of gender mainstreaming, environmental and compliance with procurement laws, additionally the program addressed human resource management, taxation and statutory requirements.

governance integrity corruption prevention communication linkages with stakeholders and safeguarding NG-CDF Funds. The comprehensive training aimed to equip committee members with the skills necessary to manage NG-CDF projects effectively while ensuring transparency accountability and adherence to statutory guidelines.

f. Number of meetings;

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

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

	Name of committee member	Meetings held													
		10/7/24	8/8/24	7/9/24	30/9/24	6/10/24	10/11/24	27/11/24	17/12/24	28/12/24	3/1/25	25/1/25	3/2/25	2/5/25	28/6/25
1	Thomas Aseka	√	√	√	√	√	√	√	√	√	√	√	√	√	√
2	Zachariah Kasiti	√	√	√	√	√	√		√	√	√	√	√	√	√
3	Estina Imbayi	√	√	√	√	√	√	√	√	√	√	√	√	√	√
4	Polycap Anyolo	√	√	√	√	√	√	√	√	√	√	√		√	√
5	David Okunjo	√	√	√	√		√	√	√	√	√		√	√	√
6	Valentine Mbalilwa	√	√	√	√		√	√	√	√	√	√	√	√	√
7	Benina Imali	√	√	√	√	√	√	√	√	√	√	√		√	√
8	Vicrance Shilwatso	√	√	√		√	√	√	√		√	√	√	√	√
9	James Ajwang	√	√	√	√	√	√	√	√	√	√	√	√	√	√
10	Maclevis Echwa	√	√	√	√	√	√	√	√	√	√	√	√	√	√

g. Remuneration Rates

Members of the NG-CDF Committee receive Compensation in accordance with the directives established by both the NG-CDF Board and the salaries and remuneration Commission (SRC) presently committee members are eligible to receive a sitting allowances of ksh 5,000 per session while the chairperson is entailed to ksh 7,000 per session.

Remuneration for constituency staff is derived from the allocation designed for office administration and this is done in alignment with the stipulations outlined by by the SRC NG-CDF Board and the employment act of 2007 it is important to note that all payments are subjected to the prevailing tax laws and other mandatory deductions as per statutory regulations

h. Disclose the policy on conflict of interest

Shinyalu NG-CDF requires all individuals associated with our organization to promptly and openly disclose any conflict of interest that may arise in the course of their duties such disclosures are crucial to maintaining the integrity and impartiality of our decision making processes ensuring transparency and upholding the highest standards of ethics and accountability all disclosures shall be to the Fund Account Manager and the chairman of the committee.

i. Succession plan

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

j. Ethics and code of conduct

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

k. Risk Management

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

More over the committee was informed that the risk policy underscores NG CDFC Commitment to civilizing a risk aware culture that promotes deliberate and proactive risk management aligned with NG-CDF strategic objectives specific examples of identified and their corresponding management responses were also provided.

7. Management Discussion and Analysis

Financial Performance

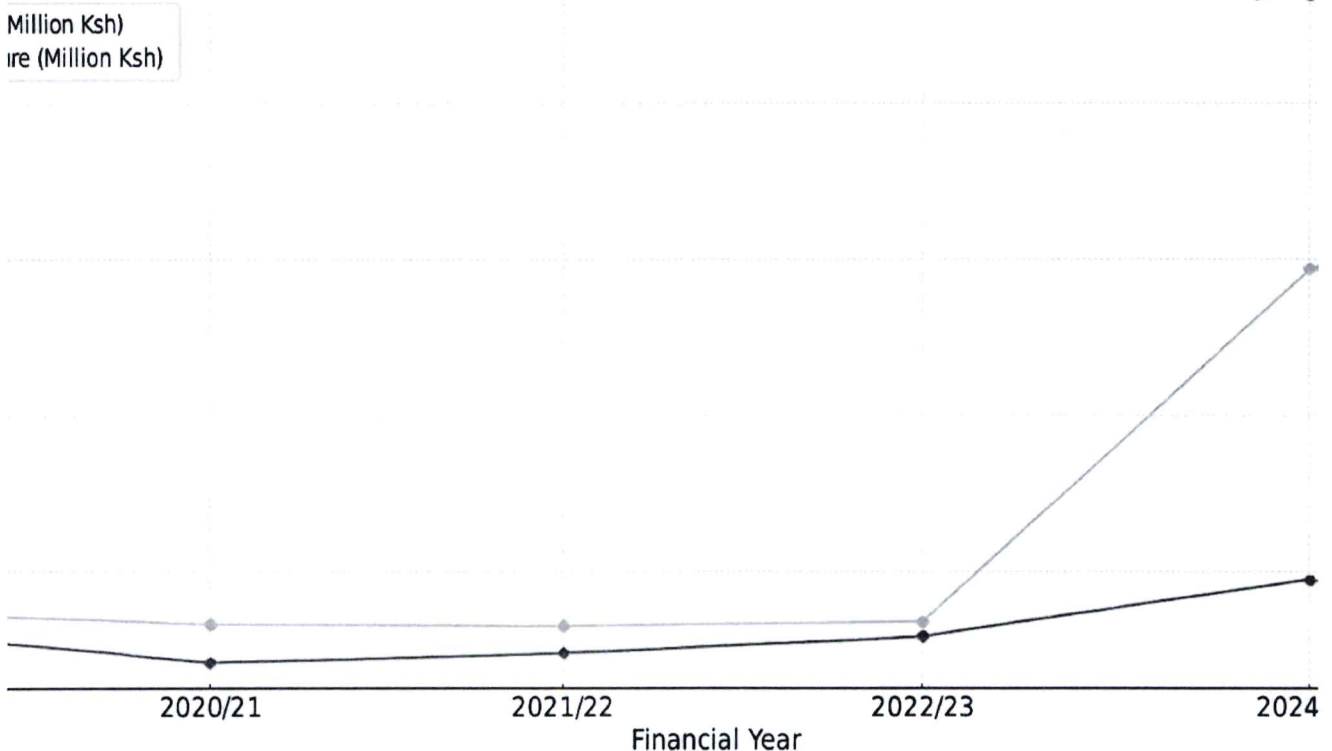
Over the past five financial years, Shinyalu NG-CDFC has steadily increased its annual allocation and improved its rate of fund absorption. The graph below illustrates allocation vs. actual expenditure from FY 2020/21 to FY 2024/25.

Financial Year	Allocation (Ksh.)	Expenditure (Ksh.)
2019/20	137,367,724	137,367,724
2020/21	137,088,879	137,088,879
2021/22	137,088,879	137,088,879
2022/23	151,960,174	151,960,174
2023/24	184,129,901	184,129,901
2024/25	188,414,052	142,420,988

The graph below illustrates allocation vs. actual expenditure from FY 2020/21 to FY 2024/25.

Shinyalu NG-CDFC: Allocation vs. Expenditure (FYs 2019/20–2024/25)

Note: 2024/25 Expenditure Includes Prior Year Balances



Key Projects – Implemented & Ongoing

1. Bursary & Education Support -Over Ksh. 145M disbursed over FY 2020-25 across all education levels.

2. Classrooms Construction, Renovation & Emergency Response – Constructed over 200 classrooms and renovated over 500 classrooms, constructed 50 toilets, and addressed unsafe learning environments.

Below are the photos of the projects done over the past years

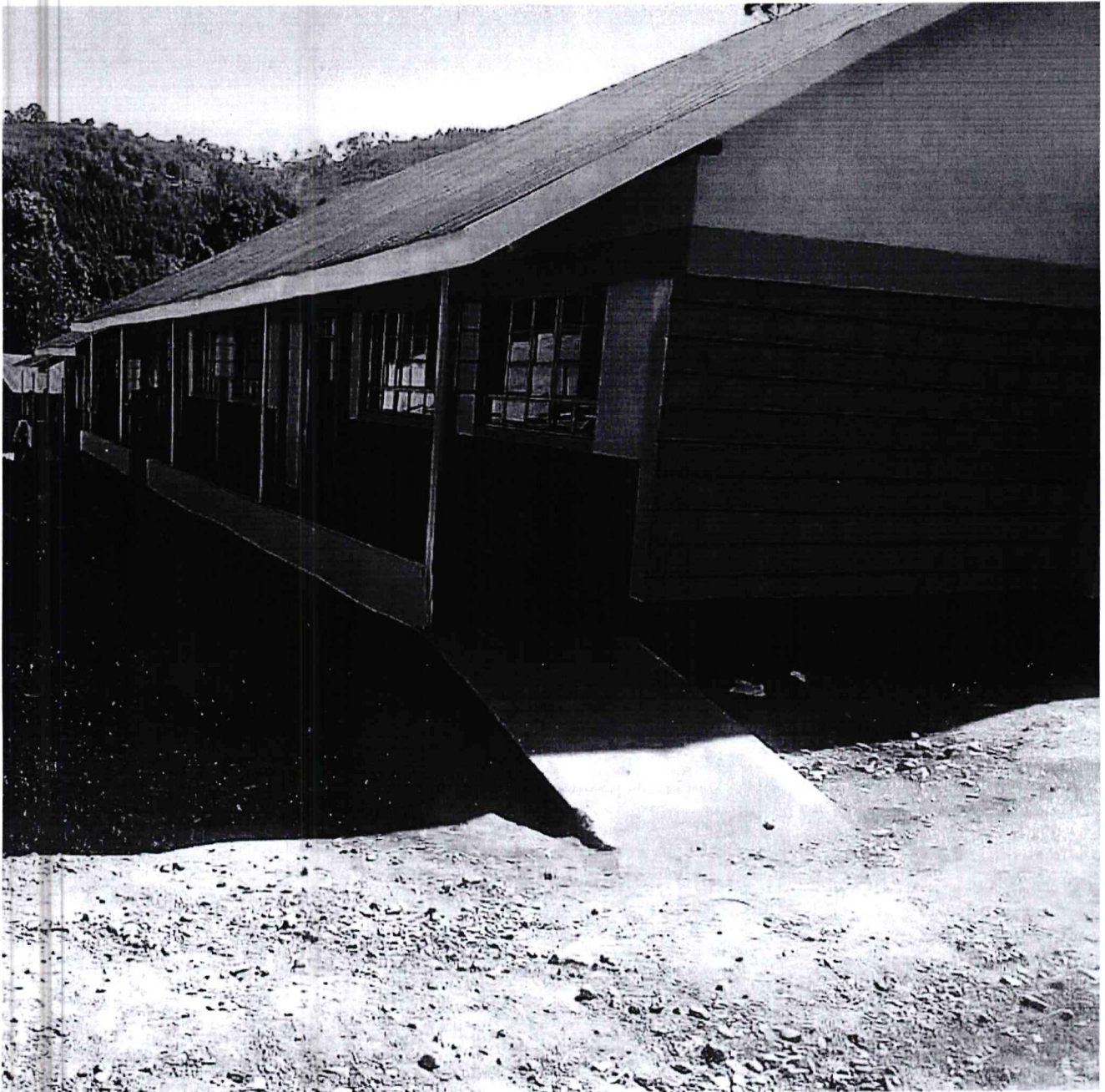


SHAGUNGU PRIMARY SCHOOL ADMINISTRATION BLOCK

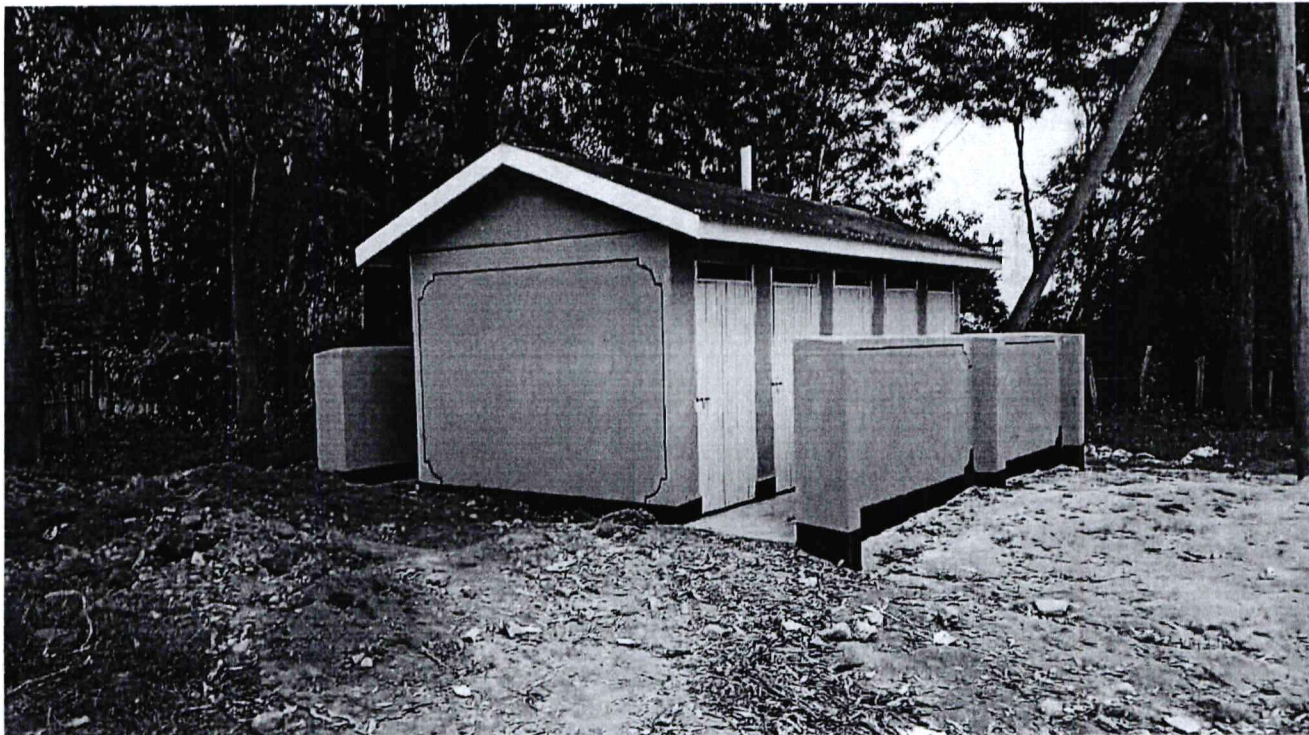
National Government Constituencies Development Fund (NGCDF)
Shinyalu Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025



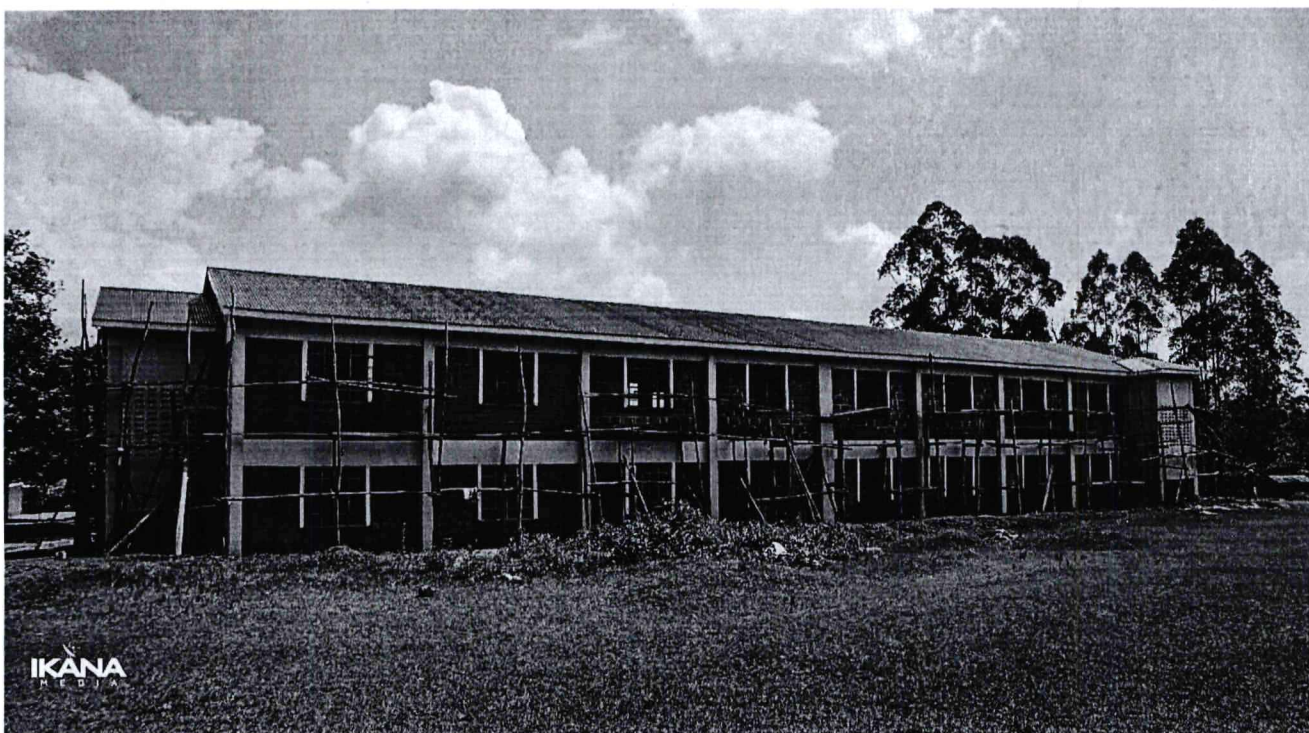
SHILONGO PRIMARY SCHOOL 8NO CLASSROOMS



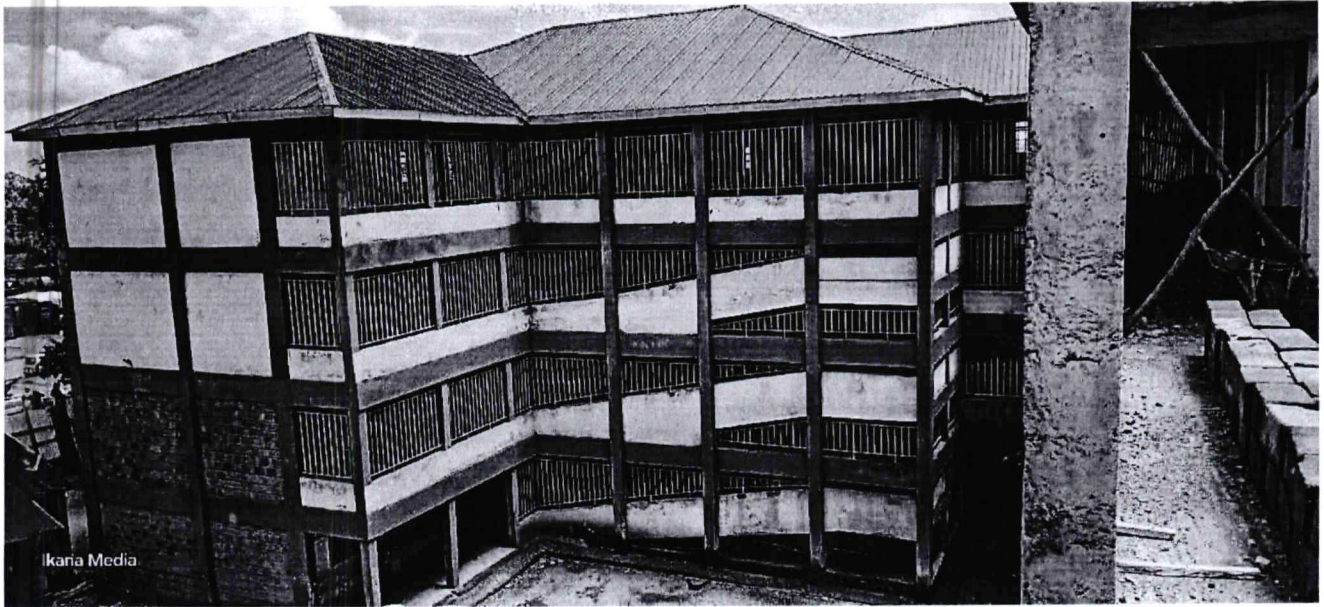
SINGILA PRIMARY SCHOOL 4NO CLASSROOMS



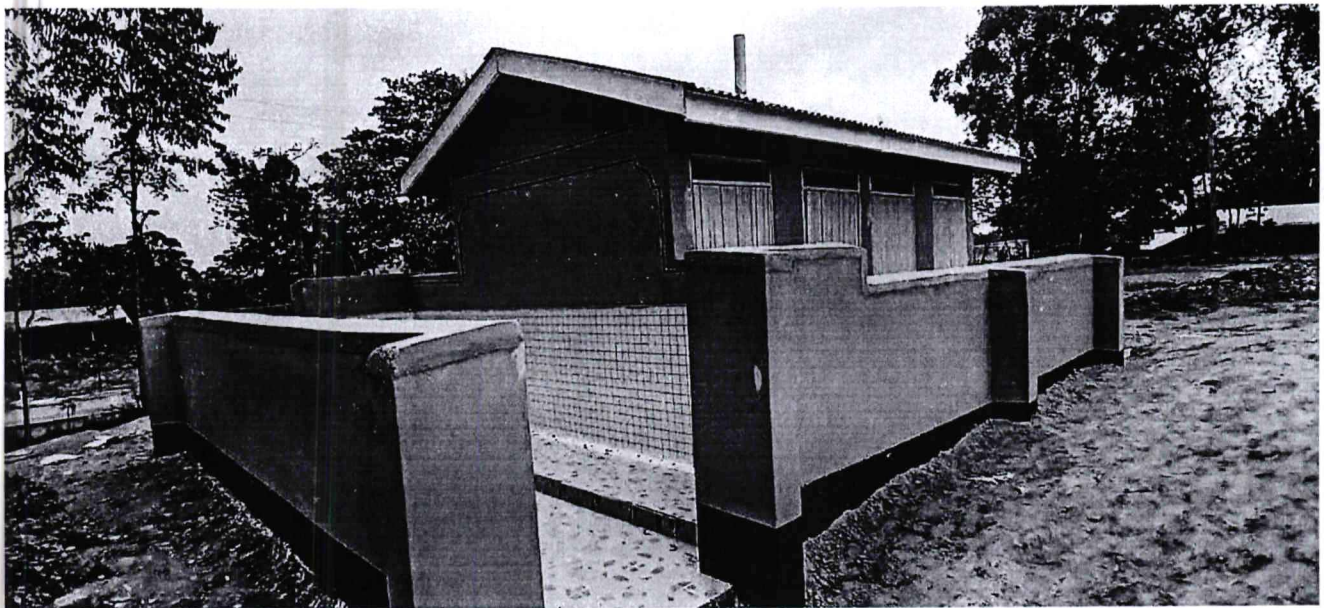
MUKHURU PEFA PRIMARY SCHOOL 10 DOOR PITLATRINES



SHITOCHI PRIMARY SCHOOL 8NO CLASSROOMS STOREY BUILDING



KHAYEGA PRIMARY SCHOOL 32NO CLASSROOMS WITH ADMINSTRTION BLOCK



ST AGNES SHIBUYE GIRLS HIGH SCHOOL 8NO DOOR PITLATRINES



RENOVATION OF 8 CLASSROOMS AT SHIKUSA GK. PRIMARI SCHOOL. HON. IKANA DELIVERS.



RENOVATION OF 8 NO CLASSROOMS AT SHIVAKALA PRIMARY SCHOOL

Shinyalu NG-CDF has consistently adhered to:

1. The NG-CDF Act, 2015;
2. Annual audits by the Auditor-General’s Office, with no unresolved material arrears as of Jun 2025;
3. Adherence to Public Finance Management and Procurement laws;
4. Timely submission of financial statements and annual reports.

Major Risks & Management Strategies

Shinyalu NG-CDFC, like other public entities, operates in a dynamic environment that exposes it to financial, operational, legal, and reputational risks. The management has identified the following key risk areas and corresponding mitigation strategies:

Risk	Description	Mitigation Measures
Delayed Disbursement of Funds	Late releases from the Broad disrupt planned project timelines and bursary	- Implement phased project planning - Prioritize essential projects

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	disbursements.	early - Maintain a working balance from prior-year savings
Rising Costs of Construction Materials	Inflation and market fluctuations increase costs mid-project, affecting scope and quality.	- Use locally available materials - Build in contingencies during budgeting - Regularly review and update Bill of Quantities
Contractor Underperformance	Some contractors fail to meet timelines or quality standards, delaying completion.	- Strict vetting and registration procedures - Enforce performance bonds - Use blacklisting mechanisms for repeat offenders
Limited Technical Capacity in Implementation	Some schools and PMCs lack technical knowledge for effective supervision of projects.	- Train PMC members and school heads - Assign technical officers for M&E - Use simplified guidelines and manuals
Fraud and Misappropriation Risk	Potential misuse of funds at implementation level.	- Frequent audits - Strict approval and payment workflows
Data and Records Management Challenges	Manual record keeping may affect tracking, retrieval, and reporting.	- Introduce digital systems - Train staff on data management - Regular backups

Material Arrears & Financial Obligations

There are no material arrears in statutory or contractual payments as of FY 2024/25. PMC savings and prudent fund management have ensured all obligations are met promptly.

Economic & Sectorial Context

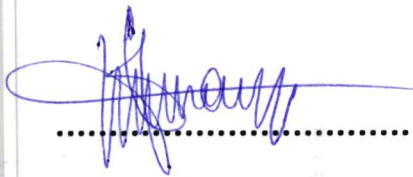
Despite inflationary pressures and agricultural challenges, local investments have improved community resilience. Continuous support to education and health sectors is delivering notable local returns, evident in school enrolment, infrastructure upgrades, and youth participation.

Future Outlook & Strategic Developments

- Optimized Bursary Scheme - Scaling bursaries to meet continued demand.
- ICT and Innovation Expansion - Increased budgets for training and hub infrastructure.
- Green Commitment - Target to plant 20,000 trees in upcoming FY.

Conclusion

- Shinyalu NG-CDF has demonstrated Improved funding absorption from ~93% in FY 2020/21 to 115% in FY 2024/25;
- A balanced project portfolio encompassing education, infrastructure, environment, and security
- Robust compliance and risk systems ensuring transparency and efficiency.
- Through ongoing stakeholder engagement and strategic prioritization, the Fund remains on track to meet its mandate and heighten impact in subsequent financial years.



.....
Name: GIMONGE TOM
Fund Account Manager

8. Environmental and Sustainability Reporting

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

1. Sustainability strategy and profile -

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

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

- Shinyalu NG CDF during the financial year 2024/2025 allocated kshs 1,000,000 for the vote of Environmental projects which was used for sensitizing the public about the importance of conserving the environment and planting of trees in different primary school and secondary schools in the constituency. This was a success for the constituency as there are more trees growing and the community knows the importance of conserving the environment.

3. Employee welfare

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

Shinyalu Constituency is committed to fair and ethical market practices.

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

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

NGCDF has put in efforts to ensure:

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

5. Community Engagements-

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

Public Participation in Project Identification, Implementation, and Monitoring

Shinyalu Constituency deliberated on project proposals from all the wards in the constituency and considered the most beneficial to the constituents, considering the

national development plans and policies and the constituency strategic development plan. The identified list of priority projects, both immediate and long-term, was submitted to the NG CDF Board in accordance with the Act.

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

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

Public Awareness

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

Shinyalu 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: GIMONGE TOM
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-Shinyalu 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-Shinyalu 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- Shinyalu 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 Shinyalu 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- Shinyalu Constituency financial statements were approved and signed by the Accounting Officer on 12/08/2025.



.....
Name: THOMAS ASEKA
Chairman – NGCDF Committee

.....
Name: GIMONGE TOMA
Fund Account Manager

REPUBLIC OF KENYA

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NAIROBI

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

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund – Shinyalu Constituency out on pages 1 to 65, which

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

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund – Shinyalu Constituency as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the National Government Constituencies Development Fund Act, 2015 (Amended 2023) and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Unsupported Project Management Committee Account Balances

The statement of financial position reflects cash and cash equivalents balance of Kshs.70,842,318 as disclosed in Note 19 to the financial statements. The balance includes Project Management Committee (PMC) accounts balance of Kshs.43,075,333. However, certificates of bank balances and bank reconciliation statements for the PMC accounts were not provided for audit.

In the circumstances, the accuracy, completeness and existence of PMC bank balances amounting to Kshs.43,075,333 could not be confirmed.

2. Inaccuracies of Financial Statements

2.1. Inaccuracy of the Statement of Financial Position

The statement of financial position reflects net assets balance of Kshs.134,741,885 and Kshs.91,865,301 as at 30 June, 2025 and 01 July, 2024, respectively, which includes revaluation reserves balances of Kshs.134,741,885 and Kshs.91,865,301 as at 30 June, 2025 and 01 July, 2024, respectively. However, no documentary evidence was provided for audit indicating occurrence of revaluation reserves.

In the circumstances, the accuracy, completeness and occurrence of revaluation reserves balances of Kshs.134,741,885 and Kshs.91,865,301 as at 30 June, 2025 and 01 July, 2024, respectively could not be confirmed.

2.2. Inaccuracy of the Statement of Changes in Net Assets

The statement of changes in net assets reflects net assets balance of Kshs.134,741,886 as at 30 June, 2025, which includes revaluation reserves balance of Kshs.134,741,886.

However, the balance includes fund balance brought forward of Kshs.609,940, adjustment to recognize assets balance of Kshs.92,827,991 and adjustment to recognize liabilities balance of Kshs.1,572,630 erroneously disclosed under revaluation reserves instead of accumulated surplus/deficit. Further, the analysis of recognized assets balance of Kshs.92,827,991 was not provided for audit review.

In the circumstances, the accuracy and completeness of the net assets balance of Kshs.134,741,886 could not be confirmed.

2.3. Inaccuracy of the Statement of Cash Flows

The statement of cash flows reflects transfers from the NGCDF Board of Kshs.204,320,522, employee costs, use of goods and services and other Government units certified works amounting to Kshs.5,466,309, Kshs.7,192,885 and Kshs.59,307,285 respectively which have not been supported by disclosure Notes or analysis.

Further, the statement reflects net cash flows from operating activities amount of Kshs.63,914,534 as disclosed in Note 30 to the financial statements. However, Note 30 to the financial statements on cash generated from operations reflects net cash flows from operating activities amount of Kshs.43,577,163, resulting to unexplained variance of Kshs.20,337,371.

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

3. Lack of Acknowledgement Receipts in Issuance of Bursary

The statement of financial performance and Note 14 to the financial statements show an amount of Kshs.65,753,052 in respect of other grants and transfers, out of which Kshs.55,208,000 relates to bursary payments of Kshs.36,668,000 and Kshs.18,540,000 disbursed to secondary schools and tertiary institutions respectively. However, bursary acknowledgement letters from the beneficiary institutions totalling Kshs.3,953,000 were not provided for audit review.

In the circumstances, the regularity, accuracy and completeness of bursary payments totalling Kshs.3,953,000 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 – Shinyalu Constituency Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget of Kshs.271,687,358 against actual receipts of Kshs.213,273,306 resulting in an under-funding of Kshs.58,414,052 or 22% of the budget. Similarly, the Fund incurred expenditure of Kshs.142,430,988 against the expenditure budget of Kshs.271,687,358 resulting to an under-expenditure of Kshs.129,256,370 or 48% of the budget.

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

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

In the previous year audit, issues were raised under Report on the financial statements Emphasis of Matter, and Report on Lawfulness and Effectiveness in the Use of Public Resources, as detailed in **Appendix I**. However, only three (3) issues reported under report on the Financial Statements' status have been included under the progress on follow up on Auditor's recommendations section of the financial statements, indicating that they have not been resolved.

In the circumstances, the issues remain unresolved.

Other Information

The Management is responsible for the Other Information set out on page iii to xli which comprise of Key Entity Information and Management, NGCDF Committee, 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 financial statements and my audit report thereon.

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, 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. Failure to Provide Project Implementation Status Report, and Project Monitoring and Evaluation Reports

Review of projects implemented by the Fund during the financial year 2024/2025 revealed that a total of 55 projects were budgeted for, comprising 12 for construction of primary schools, 3 for secondary schools, 1 for a tertiary institution, and the construction and completion of the Shinyalu Constituency Fund's office. However, no monitoring and evaluation reports were provided for audit verification. Further, the project implementation status report for the financial year 2024/2025 was not provided for audit.

This was contrary to Regulation 104(1) of the Public Finance Management (National Government) Regulations, 2015 which states that, all receipts and payment vouchers of public moneys shall be properly supported by pre-numbered receipt and shall be supported by the appropriate authority and documentation.

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

2. Stalled Construction of the Constituency Fund's Office

The approved budget for the financial year 2024-2025 shows allocation of additional funding of Kshs.13,000,000 in respect of completion of construction of Shinyalu Constituency Fund's office. However, physical verification of the project on 29 September, 2025 revealed that no works were on going. The project was only at the foundation stage, with ditches dug but abandoned, and the site was in poor condition with deteriorating topography. The trenches were left open and there was evidence of erosion and uneven ground.

In the circumstances, value for money in respect of this project could not be confirmed.

3. Unreturned Project Management Committee (PMC) Bank Balances

Annex 2 to the financial statements reflects Project Management Committee (PMC) balances of Kshs.43,075,333 as at 30 June, 2025. However, the PMCs did not return the unutilized bank balances to the Constituencies Development Fund Accounts for completed projects as required by Section 12(8) of the National Government Constituencies Development Fund Act, 2015 (Amended 2023) which requires that all unutilized funds of the Project Management Committee to be returned to the Constituency account.

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

4. Construction of Two Classrooms and Administration Block at Ingolomosio Primary School

The Fund awarded a contract for the construction of two (2) classrooms and an administrative block at Ingolomosio Primary School at contract sum of Kshs.14,075,446. The contract period was 104 weeks, with commencement date being 6 February, 2024. However, physical inspection of the works in month of September, 2025 revealed that the contractor had abandoned the site, leaving the administration block incomplete. Further, contrary to the contract specifications, no classrooms were constructed.

In addition, inspection revealed that a one-storey building of eight classrooms previously awarded to the same contractor had also been abandoned with only four classrooms constructed while the upper floor had not been commenced and no work was ongoing.

In the circumstances, value for money in respect of these projects could not be confirmed.

5. Delayed Payment of Staff Salary

Review of bank statement and schedules provided for audit indicated that Management failed to pay staff on time, with salary for the month of August and September 2024 paid in October, 2024.

This was contrary to Section 18(2) of the Employment Act, 2007, which states that wages or salaries shall be deemed to be due— (a) in the case of a casual employee, at the end of the day; (b) in the case of an employee employed for a period of more than a day but not exceeding one month, at the end of that period; (c) in the case of an employee employed for a period exceeding one month, at the end of each month or part thereof; (d) in the case of an employee employed for an indefinite period or on a journey, at the expiration of each month or of such period, whichever date is the earlier, and on the completion of the journey, respectively.

In the circumstances, 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 financial statements comply in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

Non-Compliance with Transition from Cash to Accrual Accounting Framework

Review of the implementation of the cash to accrual basis of accounting roadmap at the Fund revealed that the Accounting Officer of the Fund did not establish a cash to accrual transition committee at the entity level and appoint a project manager to oversee the transition contrary to the National Treasury and Economic Planning Circular Ref. Treasury Circular No.3/2025 of 14 April, 2025 on Guidelines on transition from cash to accrual accounting by the National Government, County Governments and their respective entities.

Further, a detailed roadmap outlining the key milestones at the entity level had not been developed as required.

In the circumstances, the implementation of the transition from cash to accrual basis of accounting was not properly guided.

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

Responsibilities of the Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal controls as Management determines is necessary to enable the preparation of financial statements that are free from material

misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

In preparing the financial statements, Management is responsible for assessing the Fund's ability to sustain services, disclosing, as applicable, matters related to sustainability of services and using applicable basis of accounting unless Management is aware of the intention to terminate the Fund or to cease its operations.

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

17 November, 2025

Appendix I

Unresolved Prior Year Matters

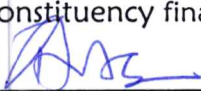
Reference No. on Auditor-General's Report	Observation
	Report on the Financial Statements
1	Unaccounted for Fuel, Oil and Lubricants Payments
2	Unreconciled Variance Between Budget Execution by Sectors and Projects and Summary Statement of Appropriation
3	Unsupported Project Management Committee (PMC) Bank Balances
	Emphasis of Matter
	Budgetary Control and Performance
	Other Matter
	Unresolved Prior Year Matters
	Report on Lawfulness And Effectiveness in the Use of Public Resources
1.1	Payment for Goods Not Delivered
2.1	Failure to Submit Quarterly Reports on Project Management Committee (PMC) Bank Accounts

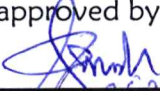
National Government Constituencies Development Fund (NGCDF)
Shinyalu Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025


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

Revenue from non-exchange transactions		
Transfers from the NGCDF Board	6A	188,414,052
Transfers from domestic and foreign partners	7	-
Revenue from exchange transactions		
Finance income	8	-
Miscellaneous income	9	-
Total revenue		188,414,052
Expenses		
Employee costs	10 A	6,719,407
Committee expenses	11	2,686,456
Use of Goods and Services	12 A	6,938,090
Other Government Units Actual expenditure	13A	62,739,883
Other Grants and Transfers Actual expenditure	14	65,753,052
Depreciation and amortization expense	15	700,578
Digital Hubs Expenses Actual expenditure	16	-
Total expenses		145,537,467
Other gains/(losses)		
Gain/Loss on Sale of Assets	17	-
Impairment loss	18	-
Surplus/(Deficit) for the year		42,876,585

The Constituency financial statements were approved by the NGCDFC on 12/08/2025 and signed by:


**Chairman NG-CDF
 Committee
 Name: THOMAS ASEKA**


**National Sub-County
 Accountant
 Name: OMOLO DAVID
 ICPAK M/No:**


**Fund Account Manager
 Name: GIMONGE TOM**



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

Statement of Financial Position as at 30th June, 2025


Assets			
Current Assets			
Cash And Cash Equivalents	19	70,842,318	8,952,784
Receivables from Exchange Transactions	20	-	-
Receivables from Non-Exchange Transactions	21	58,414,052	74,320,522
Prepayments	22	254,795	-
Total Current Assets		129,511,165	83,273,305
Non-Current Assets			
Property, Plant and Equipment	23	11,489,047	10,164,625
Intangible Assets	24	-	-
Right-of-use assets	25	-	-
Total Non- Current Assets		11,489,047	10,164,625
Total Assets (A)		141,000,212	93,437,930
Liabilities			
Current Liabilities			
Trade and Other Payables	26	-	-
Third Party Deposits	27	3,432,598	-
Lease Liabilities	28	-	-
Gratuity Provision	29	2,825,728	1,572,630
Total Current Liabilities		6,258,326	1,572,630
Non-Current Liabilities			
Lease Liabilities	30	-	-
Total Liabilities (B)		6,258,326	1,572,630.00
Net Assets (A-B)		134,741,886	91,865,301
Represented by:			
Revaluation Reserves		134,741,886	91,865,301
Accumulated Surplus			
Total Net Assets		134,741,885	91,865,301

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

The Constituency financial statements set out on pages 1 to 15 approved by NG CDFC on 12TH /08/ 2025 and signed by:



**Chairman NG-CDF
Committee
Name: THOMAS ASEKA**



**National Sub-County
Accountant
Name: OMOLO DAVID
ICPAK M/No:**



**Fund Account Manager
Name: GIMONGE TOM**



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

Fund Balance as at 30th June 2024	609,940		609,940
Adjustments			
Recognition of Assets	92,827,991		92,827,991
Recognition of Liabilities	1,572,630		1,572,630
As at July 1, 2024	91,865,301		91,865,301
Surplus/(Deficit) For the Period	42,876,585		42,876,585
Revaluation Gain/Loss	-	-	-
As at June 30, 2025	134,741,886	-	134,741,886

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.

Recognition of assets amounting to Kshs 92,827,991 this includes of the W.I.P of the office block Kshs 9,000,000, Disbursement owing from the board Kshs 74,320,521.74, PMC bank balances Kshs 8,342,844, Furniture and fittings Kshs 1,164,625 while the recognition of liabilities of Kshs 1,572,630 is for the gratuity provision.

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

Cash flows from operating activities		
Receipts		
Transfers from the NGCDF Board	6B	204,320,522
Transfers from domestic and foreign partners		-
Finance income		-
Miscellaneous income		-
Total Receipts		204,320,522
Payments		
Employee costs	10B	5,466,309
Committee expenses		2,686,456
Use of Goods and Services	12B	7,192,885
Other Government Units Certified Works	13B	59,307,285
Other Grants and Transfers		65,753,052
Digital Hubs Expenses		-
Total Payments		140,405,988
Net Cash Flows from/ (used in) Operating Activities	30	63,914,534
Cash flows From Investing Activities		
Purchase of PPE		2,025,000
Purchase of Intangible assets		-
Proceeds From Sale of PPE		-
Net Cash Flows from Investing Activities		2,025,000
Net increase/(decrease) in cash & Cash equivalents		61,889,534
Cash Flows from Financing Activities		
Lease Payment		-
Net Cash Flows from Financing Activities		61,889,534
Cash and cash equivalents at 1 July	19	8,952,784
Cash and cash equivalents at 30 June	19	70,842,318

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

				Final Budget (KSh)	Actual on accountable basis (KSh)	Budget utilization percentage	Utilization ratio
	2024/2025	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements	2024/2025	2024/2025	e=(c-d)	f=(e/d)
				C=(a+b)	d	e=(c-d)	f=(e/d)
Revenue							
Transfers From the NGCDF Board	188,414,052	8,952,784	74,320,522	271,687,358	213,273,306	58,414,052	78%
Transfers from domestic and foreign partners	-	-	-	-	-	-	0%
Finance income	-	-	-	-	-	-	0%
Miscellaneous income	-	-	-	-	-	-	0%
Totals	188,414,052	8,952,784	74,320,522	271,687,358	213,273,306	58,414,052	78%
Expenses							
Employee costs	7,166,193	1,572,630	-	8,738,823	5,466,309	3,272,514	62%
Committee expenses	5,214,000	-	-	5,214,000	2,686,456	2,527,544	51%

*National Government Constituencies Development Fund (NGCDF)
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	<i>2024/2025</i>	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements	<i>2024/2025</i>	<i>2024/2025</i>		
Use of Goods and Services	4,577,071	609,940	-	5,187,011	7,192,885	(2,005,874)	138%
Other Government Units Certified Works	99,796,641	4,435,214	58,536,012	162,767,867	59,307,285	103,460,582	36%
Other Grants and Transfers	48,916,529	2,335,000	15,784,510	67,036,039	65,753,052	1,282,986	98%
Acquisition of Assets	22,743,618	-	-	22,743,618	2,025,000	20,718,618	8%
Funds Pending Approval**	-	-	-	-	-	-	
Total Expenditure	188,414,052	8,952,784	74,320,522	271,687,358	142,430,988	129,256,370	52%
Surplus for the period	-	-	-	-	(1,866,223)	1,866,223	

***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.*

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Explanatory Notes.

Employee costs, Committee expenses, Other Government Units Certified Works, Acquisition of assets, the utilization was below 90% due to delay in disbursement of funds. Use of Goods and Services and other Grants and transfers was above 100% because the committee did not budget adequately.

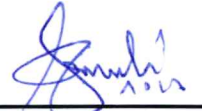
Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	129,256,370
Less undisbursed funds receivable from the Board as at 30 th June 2025	58,414,052
Cash and Cash Equivalents at the end of the 30 th June 2025	70,842,318

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 12/08/ 2025 and signed by:




Fund Account Manager

Name: GIMONGE TOM



National Sub-County Accountant

Name: OMOLO DAVID
ICPAK M/No:



Chairman NG-CDF Committee

Name: THOMAS ASEKA

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

Programme/sub-programme						
1.0 Administration and Recurrent						
1.1 Compensation of employees	7,166,193	1,862,430		9,028,623	6,719,407	2,309,216
1.2 Committee allowances	1,434,000			1,434,000	1,434,000	-
1.3 Use of goods and services	2,704,650			2,704,650	2,704,650	-
<i>Sub Total</i>	11,304,843	1,862,430	-	13,167,273	10,858,057	2,309,216
2.0 Monitoring and evaluation						
2.1 Capacity building	1,808,000	320,140		2,128,140	1,896,774	231,366
2.2 Committee allowances	1,972,000			1,972,000	1,972,000	-
2.3 Use of goods and services	1,872,421			1,872,421	1,872,421	-
Sub-total	5,652,421	320,140	-	5,972,561	5,741,195	231,366

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3.0 Emergency									
MUNASIO PRIMARY SCHOOL								3,642,000	
MUKUMU PRIMARY SCHOOL								2,500,000	
MUKHUYU PEFA PRIMARY								1,170,220	
MUKOMARI PRIMARY SCHOOL								999,400	
MALUOK AGENCIES								1,234,857	
Sub-total	9,916,529	-	-	9,916,529	9,916,529	9,546,477	370,052		
4.0 Bursary and Social Security									
4.1 Secondary school	25,000,000		11,669,500	36,669,500		36,668,000	1,500		
4.2 Universities	14,000,000	2,335,000	3,115,009	19,450,009		18,540,000	910,009		
Sub-total	39,000,000	2,335,000	14,784,509	56,119,509	55,208,000	911,509			
5.0 Climate Change Mitigation									
Wakukha Primary School			1,000,000	1,000,000		998,575	1,425		
Sub-total	-	-	1,000,000	1,000,000	998,575	1,425			

National Government Constituencies Development Fund (NGCDF)
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6.0 Primary Schools Projects					
Mukulusu Primary school	11,000,000	1,000		11,001,000	
Ivakale Primary school	11,288,048	712,775		12,000,823	5,
Munasio primary school	10,000,000	13,278		10,013,278	2,
Shitochi primary school	10,000,000	684,625		10,684,625	5,
Ileho primary school	13,000,000	127,950	4,000,000	17,127,950	3,
Solyo primary school	10,000,000	304,616		10,304,616	
Luanda farm primary school	4,000,000	186,809		4,186,809	1,
Shanjero primary school	4,000,000		10,000,000	14,000,000	6
Mugomari primary school	4,000,000	163,903	5,000,000	9,163,903	
Shivakala junior primary school	400,000	4,425	1,860,566	2,264,991	
Shidodo primary school	4,108,593		4,000,000	8,108,593	6,

National Government Constituencies Development Fund (NGCDF)
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	Original Budget	Adjustments	Outstanding	Final Budget	Actual or comparable base	Budget utilization difference
Mwilitsa primary school	2,700,000			2,700,000		2,700,000
Mukango primary school	2,700,000			2,700,000		2,700,000
Mukhonje Special school for mentally Handicapped	3,600,000			3,600,000		3,600,000
Shikusa junior primary school	6,000,000			6,000,000	2,998,775	3,001,225
Museno primary school	1,300,000			1,300,000		1,300,000
Shikusa junior primary school			6,000,000	6,000,000	3,784,934	2,215,066
Khayega Primary School		1,227,032		1,227,032		1,227,032
Muraka Primary School		15,132		15,132		15,132
St Pauls Shibuye Primary School		4,024		4,024		4,024
Lirhanda Girls Primary School		673,435		673,435		673,435
Shilongo Primary School		12,480		12,480		12,480
Makuchi primary school		80		80		80
Lunyu Primary School		1,941		1,941		1,941

National Government Constituencies Development Fund (NGCDF)
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Programme / Sub-programme	Original Budget	Actual Expenditure	Outstanding			
			At year-end	At year-end	At year-end	
	KSh	KSh	KSh	KSh	KSh	
Ebukaburu Primary School		2,514		2,514	2,514	
Iloro primary school			600,000	600,000	599,775	225
Singila Primary School		6,699	4,000,000	4,006,699	4,001,149	5,550
Ihondolo Primary School		1,180		1,180		1,180
Wakukha Primary School		1,047		1,047		1,047
Mukhonje Primary School		4,128		4,128		4,128
Shihuli primary school		9,190		9,190		9,190
Lubao primary school		14,070		14,070		14,070
Kisaina primary school		4,543		4,543		4,543
Wanzalala Primary school		1,950		1,950		1,950
Ingolomosio Primary School		8,140	14,075,446	14,083,586	6,316,620	7,766,966
Magakha Primary School		523		523		523
Shanda Primary School		750		750		750

*National Government Constituencies Development Fund (NGCDF)
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Bukhaywa Primary School				2,674			2,674		2,674
Lirhanda Mixed Primary School				22,233			22,233		22,233
Madioli Primary School				3,023			3,023		3,023
Mundulu Primary School				4,341			4,341		4,341
Shanda Primary School				630			630		630
Shavirotsi Primary School				850			850		850
Shikulu Primary school				12,729			12,729		12,729
Sub-total				4,234,717		49,536,012	151,867,370		50,969,331
Sub-total									
7.0 Secondary Schools Projects (List all the Projects)									
St Agnes Girls sec school Shibuye							1,700,000		1,700,000
St Monica Lubao sec school									

National Government Constituencies Development Fund (NGCDF)
Shinyalu Constituency
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			9,000,000	9,000,000	8,950,575	49,425
Iloro secondary school		5,616		5,616		5,616
Ivakale Primary schhol		1,000		1,000		1,000
Shaniloli primary school		176,321		176,321		176,321
Rev Dr Kisia secondary school		685		685		685
Ivakale Secondary School		9,674		9,674		9,674
Shanderema secondary sch		1,942		1,942		1,942
Bishop Sulumeti Mukomari		534		534		534
St Ignatius mukumu boys		3,525		3,525		3,525
Shinyalu DCC Toilets		1,200		1,200		1,200
Sub-total	1,700,000	200,497	9,000,000	10,900,497	8,950,575	1,949,922
8.0 Tertiary institutions Projects (List all the Projects)						
Sub-total						

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Actuals						
Comparison						
9.0 Security Projects						
9.1						
Sub-total						
10.0 Acquisition of assets						
Motor Vehicles (including motorbikes)	729,618		-	729,618		729,618
Isuzu d- Max Double Cabin	6,989,000			6,989,000		6,989,000
Purchase of computers and laptops	1,725,000.00			1,725,000	1,725,000	-
Purchase of furniture and fittings	300,000			300,000	300,000	-
12.4 Construction of CDF office	13,000,000			13,000,000		13,000,000
Sub-total	22,743,618		-	22,743,618	2,025,000	20,718,618
Total	188,414,052	8,952,784	74,320,522	271,687,358	144,297,211	127,390,147

(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)

16. Notes to the Financial Statements

1. General information

The National Government Constituencies Development Fund (NG-CDF) formerly Constituencies Development Fund (CDF), is established by and derives its authority and accountability from the NG-CDF Act 2015 (amended 2023). The NG-CDF is wholly owned by the Government of Kenya and is domiciled in Kenya. The NG-CDF Shinyalu Constituency principal activity is to facilitate equitable and sustainable development at the grassroots level through the financing of community-prioritized projects, including education, security, infrastructure and environmental conservation, in line with National Government Constituencies Development Fund goals and local needs.

2. Statement of Compliance and Basis of Preparation

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

The financial statements have been prepared in accordance with the Public Finance Management (PFM) Act and the International Public Sector Accounting Standards (IPSAS). The NG-CDF Shinyalu has taken advantage of the transitional provisions under IPSAS 33 and adopted a phased approach. Accordingly, this is the first transitional financial statement.

The NG-CDF Shinyalu has recognized all financial assets, including cash and cash equivalents held in the operational account, deposit account, and PMC bank accounts; receivables (amounts due from the Board and other parties); prepayments; property, plant, and

National Government Constituencies Development Fund (NGCDF)
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equipment (PPE); and intangible assets acquired during the financial year 2023/2024 up to the reporting date.

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

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

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

3. Adoption of New and Revised Standards

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

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

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

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

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Property Plant and Equipment	<p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognized as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under-maintenance of assets and distinguishing significant parts of infrastructure assets.</p> <p><i>Not Applicable</i></p>
IPSAS 46: Measurement	<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><i>Not applicable</i></p>
IPSAS 47: Revenue	<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</p>

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

	<p>that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> <p><i>Not applicable</i></p>
<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><i>Not applicable</i></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><i>Not applicable</i></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. <p><i>Not applicable</i></p>

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iii. Early adoption of standards

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

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.

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b) Budget information

The original budget was approved by Parliament on 18th 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 amortized 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 cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless an entity has made irrevocable election at initial recognition for particular investments in equity instruments.

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

Trade and other receivables

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

Fair value through surplus or deficit

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

Impairment

The entity assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The entity recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL) are set out in *Note 18*

b) Financial liabilities

Classification

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

g) Inventories

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

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

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

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

h) Provisions

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

i) Social Benefits

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

j) Contingent liabilities

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

k) Contingent assets

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

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

l) Employee benefits

Retirement benefit plans

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

m) Foreign currency transactions

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

n) Related parties

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

o) Cash and Cash Equivalents

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

p) Comparative figures

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

q) Subsequent events

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

5. Significant Judgments and Sources of Estimation Uncertainty

The preparation of the *Entity's* financial statements in conformity with IPSAS requires management to make judgments, estimates, and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require 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.

6. Transfers from the NGCDF Board

NGCDFB Transfers (Allocation for the FY)	188,414,052
Total	188,414,052

7. Transfers from domestic and foreign partners

Grants	-
Total	-

8. Finance income

Interest Income on Bank Deposits	-
Total	-

(Provide a brief explanation for this revenue)

9. Miscellaneous income

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

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10. Employees cost

NG-CDFC Basic staff salaries	5,096,925
Personal allowances paid as part of salary	-
House Allowance	-
Transport Allowance	-
Leave allowance	-
Gratuity to contractual employees	1,253,098
Employer Contributions Compulsory national social security schemes	301,172
Employer Contributions Compulsory Housing levy	63,413
Employer contributions to National Industrial Training Authority	4,800
Other Specify	-
Total	6,719,407

11. Committee Expenses

Sitting allowance	1,779,400
Other Committee expenses	907,056
Total	2,686,456

12. Use of Goods and services

Utilities, supplies and services	33,988
Communication, supplies and services	28,350
Domestic travel and subsistence	-
Printing, advertising and information supplies & services	-
Office Rent	1,200,000
Training expenses	427,100
Hospitality supplies and services	-
Insurance costs	45,205
Specialized materials and services	-
Office and general supplies and services	958,450
Fuel, oil & lubricants	917,000
Bank charges	28,697
Routine maintenance – vehicles and other transport equipment	633,300
Routine maintenance – other assets	-
Strategic plan expenses	-
Other operating expenses	2,666,000
Total	6,938,090

13. Other Government Units Actual expenditure

Primary Schools Actual expenditure	53,789,308
Secondary Schools Actual expenditure	8,950,575
Tertiary Institutions Actual expenditure	-
Total	62,739,883

14. Other Grants and transfers Actual expenditure

Bursary – secondary schools	36,668,000
Bursary – tertiary institutions	18,540,000
Bursary – special schools	-
Bursary - Education Support programmes	-
Social Security programmes (SHIF)	-
Security projects Actual expenditure	-
Climate change mitigation projects	998,575
Emergency projects Actual expenditure	9,546,477
Roads projects Actual expenditure	-
Others specify	-
Total	65,753,052

15. Depreciation and Amortization Expenses

Property Plant and Equipment	700,578
Intangible Assets	-
Total	700,578

16. Digital Hubs Expenses

Construction/ renovation/ Actual expenditure	-
Digital Hub utility costs Water, Electricity,	-
Maintenance of ICT equipment	-
Maintenance of building	-
Others (<i>specify</i>)	-
Total	-

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17. Gain/loss on Sale of Assets

Property, Plant and Equipment	-
Intangible Assets	-
Total Gain/loss on Sale of Assets	-

18. Impairment Loss

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

19. Cash and Cash Equivalents

Bank Accounts (Cash Book Bank Balance)		
EQUITY BANK, 0500279933658. (Operations account)	24,941,257	2,944,940.00
	-	-
NCBA Bank, 9872450016. (Deposit account)	2,825,728	1,572,630.00
Name of Bank, account No. (PMC accounts)	43,075,333	4,435,213.97
Total	70,842,318	8,952,784
Cash Balances		
Location 1	-	-
Other Locations (<i>Specify</i>)	-	-
Total	-	-

20. Receivables from Exchange Transactions

Total receivables		
Other exchange debtors (<i>Specify</i>)	-	-
Less: impairment allowance	-	-
Total receivables	-	-
a. Current receivables	-	-
b. Non-current receivables	-	-
Total Receivables (a+b)	-	-

i. **Ageing Analysis for Receivables**

	Current FY	% of the total	Opening Balance	% of the total
Less than 1 year	-	%	-	%
Between 1- 2 years	-	%	-	%
Between 2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total (a+b)	-	%	-	%

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21. Receivables from Non-Exchange Transactions

Transfers from NGCDFB		58,414,052		74,320,522
Outstanding imprest		-		
Total		58,414,052		74,320,522
Ageing Analysis- Receivables from non-exchange transactions	2024/2025	% of the total	Opening Balance	% of the total
Less than 1 year	58,414,052	%	60,245,076	%
Between 1-2 years	-	%	14,075,446	%
Over 3 years		%		%
Total	58,414,052	%	74,320,522	%

22. Prepayments

Prepaid Rent		
Prepaid Insurance	254,795	
Prepaid Electricity Costs		
Other Prepayments (<i>Specify</i>)		
Total	254,795	

23. Property, Plant and Equipment

Depreciation Rate(specify)		2%	25%	20%	12.5%	30%	x%		
Cost	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Opening Bal as 1st July 2024		-	-	-	1,331,000.00	-	9,000,000	-	10,331,000
Additions	-	-	-	-	300,000	1,725,000	-	-	2,025,000
Disposals	-	-	-	-	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-	-	-	-	-
As At 30th June 2025	-	-	-	-	1,631,000	1,725,000	9,000,000	-	12,356,000
Depreciation And Impairment									
Opening Depreciation	-	-	-	-	166,375	-	-	-	166,375
Depreciation	-	-	-	-	183,078	517,500	-	-	700,578
Disposals	-	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-	-	-	-
As At 30th June 2025	-	-	-	-	349,453	517,500	-	-	866,953
Net Book Values									
Opening Bal as at 1st July 2024	-	-	-	-	1,164,625	-	9,000,000	-	10,164,625
As At 30th June 2025	-	-	-	-	1,281,547	1,207,500	9,000,000	-	11,489,047

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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 were adopted on xxx.

22 b) Property, Plant and Equipment at Cost

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

Land	-	-	
Buildings	-	-	
Plant And Machinery	-	-	
Motor Vehicles, Including Motorcycles	-	-	
Computers And Related Equipment	1,725,000		1,725,000
Office Equipment, Furniture, And Fittings	300,000		300,000
Total	2,025,000		2,025,000

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

Plant and Machinery	-	-
Motor Vehicles including Motorcycles	-	-
Computers and Related Equipment	-	-
Office Equipment, Furniture and Fittings	-	-
Total	-	-

24. Intangible Assets

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

25. Right-of use assets

Cost				-
As At 1 July (Comparative period)	-	-	-	-
Additions	-	-	-	-
As At 30 June 2024 (Comparative Period)	-	-	-	-
Additions	-	-	-	-
As At 30 June 2025 (Current FY)	-	-	-	-
	-	-	-	-
Accumulated Depreciation	-	-	-	-
As At 1 July 2024(Comparative period)	-	-	-	-
Charge for the period	-	-	-	-
As At 30 June 2024 (Comparative period))	-	-	-	-
Charge for the period	-	-	-	-
As At 30 June 2025 (Current FY)	--	-	-	-
	-	-	-	-
Carrying Amount	-	-	-	-
As At 30 June 2025 (Current FY)	-	-	-	-
As At 30 June 2024. (Comparative Period)	-	-	-	-

26. Trade and Other Payables

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

27. Third-Party deposits

Retention as at 1 st July (A)		
Retention held during the year (B)	3,812,598	-
Retention paid during the Year (C)	380,000	-
Closing Retention as at 30th June D= A+B-C	3,432,598	-

Retentions aging analysis.

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

28. Lease Liabilities

Balance at the beginning of the year	-	-
Discount interest on lease liability	-	-
Paid during the year	-	-
At end of the year		

Maturity Analysis

Year 1		-
Year 2		-
Year 3		-
Year 4		-
Year 5 and onwards		-
Less: unearned Interest		-

Analysed as:

Current		-
Non- Current		-
Total		-

29. Gratuity Provision

Gratuity at the beginning of the year 1 st of July	1,572,630	1,572,620
Gratuity held during the year	1,253,098	
Gratuity paid during the year	-	
Total Gratuity Provision 30th June (A+B-C)	2,825,728.00	1,572,620

30. Cash Generated from Operations

	42,876,585
Surplus/Deficit for the year	
Adjusted for:	
Depreciation	
Impairment	
Gains and losses on disposal of assets	
Working capital adjustments	
Increase/decrease in receivables	15,906,470
Increase/decrease in payables	5,131,479
Net cash flow from operating activities	63,914,534

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

31. Financial Risk Management

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

i) Credit risk

The Entity has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments. Management assesses the credit quality of each customer, taking into account its financial position, 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	-	-	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	-	-	-	-
Total	-	-	-	-
As at 30 June (Previous FY)	-	-	-	-
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	-	-	-	-
Total	-	-	-	-

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

Financial Risk Management

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

Employee benefit obligation	-	-	-	-
Total	-	-	-	-

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 optimizing the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee. The Entity's Finance Department is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee) and for the day-to-day implementation of those policies. There has been no change to the Entity's exposure to market risks or the way it manages and measures the risk.

a) Foreign currency risk

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

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Current FY

As at 30 th June (Current FY)			
Financial Assets	-	-	-
Investments	-	-	-
Cash	-	-	-
Debtors	-	-	-
Total Financial Assets	-	-	-
Financial Liabilities	-	-	-
Trade And Other Payables	-	-	-
Borrowings	-	-	-
Total Financial Liabilities	-	-	-
Net Foreign Currency Asset/(Liability)	-	-	-

Foreign currency sensitivity analysis

Current FY

As at 30 th June (Current FY)			
Financial Assets	-	-	-
Investments	-	-	-
Cash	-	-	-
Debtors	-	-	-
Total Financial Assets	-	-	-
Financial Liabilities	-	-	-
Trade And Other Payables	-	-	-
Borrowings	-	-	-
Total Financial Liabilities	-	-	-
Net Foreign Currency Asset/(Liability)	-	-	-

Financial Risk Management

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

Current FY		-	-
Euro	10%	-	-
USD	10%	-	-
Previous FY		-	--
Euro	10%	-	-
USD	10%	-	-

b) Interest rate risk

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

Management of interest rate risk

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

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

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

Fair value of financial assets and liabilities

a) Financial instruments measured at fair value.

Determination of fair value and fair values hierarchy

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

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

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

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

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

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:

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

32. Related Party Disclosures

Committee Members Remuneration		
Sitting allowance of committee Members during the year	1,779,400	3,872,700
Transaction with the NGCDF Board		
Transfers from the NGCDF Board during the year	204,320,522	210,226,453
Total	206,099,922	214,099,153

33. Segment Information

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

34. Contingent Assets and Contingent Liabilities

Contingent Assets

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

(Give details)

Contingent Liabilities

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

35. Capital Commitments

Authorised for	-	-
Authorized and Contracted for	-	-
Total	-	-

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

36. Events after the Reporting Period

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

37. Ultimate And Holding Entity

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

38. Currency

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

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17. Annexes
Annex 1: Summary of Asset Register

	Original Acquisition Cost balance brought forward (KSh)	Acquisitions during the Year (KSh)	Disposals during the year (KSh)	Historical Cost (KSh) At Year End
Land	-	-	-	-
Buildings and structures	-	-	-	-
Transport equipment	11,702,190	-	-	11,702,190
Office equipment, furniture, and fittings	18,600	300,000		318,600
ICT Equipment and Other ICT Assets	797,540	1,725,000		2,522,540
Other Machinery and Equipment	47,000	-	-	47,000
Intangible assets	-	-	-	-
Total	12,565,330	2,025,000	-	14,590,330

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

KHAYEGA PRIMARY SCHOOL	EQUITY	500279036834	1,227,032	1,227,032
MURAKA PRIMARY SCHOOL	EQUITY	500279026025	15,131	15,131
ST PAULS SHIBUYE PRIMARY SCHOOL	EQUITY	500279026117	4,024	4,024
LIRHANDA GIRLS PRIMARY SCHOOL	EQUITY	500279036361	673,435	673,435
SHILONGO PRIMARY SCHOOL	EQUITY	5002790259939	12,480	12,480
MAKUCHI PRIMARY SCHOOL	EQUITY	500279106780	80	80
LUNYU PRIMARY SCHOOL	EQUITY	500279658461	1,940	1,941
EBUKABURU PRIMARY SCHOOL	EQUITY	500279758253	2,514	2,514
ILORO SECONDARY SCHOOL	EQUITY	500279760879	5,615	5,615
SINGILA PRIMARY SCHOOL	EQUITY	500279865136	5,549	6,698
IHONDOLO PRIMARY SCHOOL	EQUITY	500279299657	1,180	1,180
WAKUKHA PRIMARY SCHOOL	EQUITY	500279780192	1,047	1,047
REV KISIA SECONDARY SCHOOL	EQUITY	500279599437	685	685
IVAKALE PRIMARY SCHOOL	EQUITY	500279026068	712,775	712,775
MUKHONJE PRIMARY SCHOOL	EQUITY	500279519096	4,127	4,127

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		Account number	Balance	Balance
SHANDEREMA SECONDARY SCHOOL	EQUITY	500279276833	1,941	1,941
SHAMILOLI SECONDARY SCHOOL	EQUITY	500279774314	176,321	176,321
BISHOP SULUMETI MUKOMARI	EQUITY	500280883766	535	535
SHIHULI PRIMARY SCHOOL	EQUITY	500280757172	9,190	9,190
LUBAO PRIMARY SCHOOL	EQUITY	500280842605	14,070	14,070
ST IGNATIUS MUKUMU BOYS	EQUITY	500280787434	3,525	3,525
MUNASIO PRIMARY SCHOOL	EQUITY	500284478531	13,278	13,278
KISAINA PRIMARY SCHOOL	EQUITY	500285010653	4,543	4,543
SHINYALU DCC TOILET PROJECT	EQUITY	500279791589	1,200	1,200
SOLYO PRIMARY SCHOOL	EQUITY	500285011272.00	5,604,616	304,616
MUKULUSU PRIMARY SCHOOL	EQUITY	500284455329.00	1000	1,000
WANZALALA PRIMARY SCHOOL	EQUITY	500285256397.00	1,950	1,950
SHIVAKALA PRIMARY SCHOOL	EQUITY	500285366871.00	4,425	4,425
MAGAKHA PRIMARY SCHOOL	COOPERATIVE	1139632654400.00	522	522
SHANDA PRIMARY SCHOOL	COOPERATIVE	1139166529300.00	750	750
BUKHAYWA PRIMARY SCHOOL	COOPERATIVE	1139165020600.00	2,673	2,673
IVAKALE PRIMARY SCHOOL	COOPERATIVE	1139165107100.00	1,000	1,000
LIRHANDA MIXED PRIMARY SCHOOL	COOPERATIVE	1139167559901.00	22,232	22,232
MADIOLI PRIMARY SCHOOL	COOPERATIVE	1139165659001.00	3,022	3,022

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MUNDULU PRIMARY SCHOOL	Cooperative	1139165050601.00	4,341	4,341
SHANDA PRIMARY SCHOOL	COOPERATIVE	1139166529300.00	630	630
SHAVIROTSI PRIMARY SCHOOL	COOPERATIVE	1139165058101.00	849	849
LWANDA FAM PRIMARY SCHOOL	SIDIAN BANK	1060710003206.00	2,215,066	186,809
MUGOMARI PRIMARY SCHOOL	SIDIAN BANK	1060710002808.00	5,163,903	163,903
SHITACHI PRIMARY SCHOOL	EQUITY	05002844270439	1,249,850	684,625
ILEHO PRIMARY SCHOOL	EQUITY	0500285011440	5,364,738	127,950
SHIKULU PRIMARY SCHOOL	EQUITY	0500285312705	12,729	12,729
IVAKALE SECONDARY SCHOOL	EQUITY	0500284273086	9,673	9,673
SHIDODO PRIMARY SCHOOL	EQUITY	0500286066417	1,607,954	
MUSENO PRIMARY SCHOOL	EQUITY	0500286526450	1,300,000	
MUKHONJE SPECIAL SCHOOL FOR MENTALLY HANDICAPED	EQUITY	0500286506423	3,600,000	
SHIKUSA JUNIOR PRIMARY SCHOOL	EQUITY	0500286469169	2,215,066	
ST MONICA LUBAO SEC SCHOOL	EQUITY	0500285981002	49,425	
INGOLOMOSIO PRIMARY SCHOOL	COOPERATIVE	01139804278500	7,766,966	8,140
ILOORO PRIMARY SCHOOL	EQUITY	0500286163599	225	
MUNASIO PRIMARY SCHOOL	EQUITY	0500286102476		

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			Bank Balance Competitive 2025	Bank Balance Competitive 2024
			8,000	
MUKHUYU PEFA PRIMARY SCHOOL	EQUITY	0500286469189	29,780	
MUKOMARI PRIMARY SCHOOL	EQUITY	0500287245819	600	
WAKUKHA PRIMARY SCHOOL	EQITY	0500286163690	1,425	
TOTAL			43,075,333	4,435,214

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.

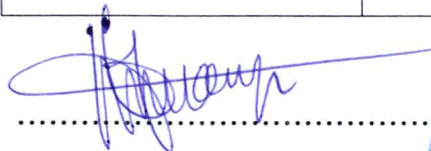
Reference No. on the Issue/ Observations	Management Response/ Action	Status	Resolution Date
Unaccounted for fuel oil and lubricants	The statement of receipts and payments as disclosed in Note 6 to the financial statements reflects use of goods and services amount of kshs 5,884,223. Included in this amount is kshs 1,200,000 in respect to fuel, oil and lubricants. However the fuels consumption was not recorded in the fuel register and work tickets for accountability	Not resolved	20 TH OCTOBER 2025

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<p>Unreconciled variance between budget execution by sectors and projects and summary</p>	<p>The statement of budget execution by sectors and projects reflects budget utilization difference for compensation of employees of kshs 3,092,413 while the summary statement of appropriation reflects kshs 2,083,413 resulting to unexplained variance of kshs</p>	<p>The financial statement was corrected and taken to the auditors for the reviews</p>	<p>Not Resolved</p>	<p>20TH OCTOBER 2025</p>

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	1,100,000			
Unsupported project management committee bank balance	Note 19.4 and annex 5 to the financial statements reflects PMC bank accounts balances totaling to kshs 3,542,135 which relates to forty projects. However certificates of bank balances for the forty bank accounts were not provided for audit review	The bank statement for all the pmc was taken to the auditors for their review	Not Resolved	20 TH OCTOBER 2025



Name **GIMONGE TOM**
Fund Account Manager.

