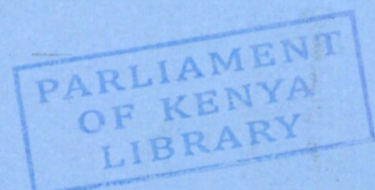
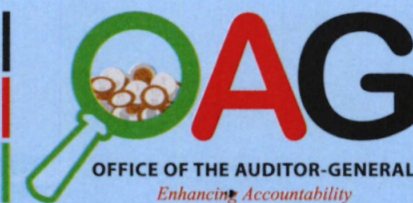


REPUBLIC OF KENYA



REPORT


OF

THE AUDITOR-GENERAL

ON

**NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND
– STAREHE CONSTITUENCY**

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

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 18 FEB 2026	DAY: Wed
TABLED BY:	MAJORITY PARTY WITH HON. SILVANO OJORO
CLERK-AT THE-TABLE:	OBIERO

OFFICE OF THE AUDITOR GENERAL
P.O. Box 30084 - 00100, NAIROBI
RECORDS OFFICE
11 DEC 2025
RECEIVED



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

STAREHE CONSTITUENCY

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
30th JUNE 2025

Transitional IPSAS Financial Statements

Table of Contents	Page
1. Acronyms and Definition of Key Terms	1
2. Key Constituency Information and Management	2
3. NGCDF Committee	8
4. NG-CDFC Chairman’s Report.....	10
5. Statement Of Performance Against Predetermined Objectives for FY2024/25	15
6. Governance Statement.....	18
7. Management Discussion and analysis	vii
8. Environmental and Sustainability Reporting	30
9. Statement Of Management Responsibilities	36
10. Report Of the Independent Auditor on the NGCDF- Starehe Constituency	Error! Bookmark not defined.
11. Statement of Financial Performance for the Year Ended 30th JUNE 2025	38
12. Statement Of Financial Position As At 30th June, 2025	39
13. Statement of Changes in Net Assets for the year ended 30 June 2025	41
14. Statement Of Cash Flows for The Year Ended 30th JUNE 2025	45
15. Statement of Comparison of Budget and Actual Amounts for the Year ended 30 June 2025	47
16. Budget Execution by Sectors And Projects For The Year Ended 30th JUNE 2025	52
17. Notes to the Financial Statements	64
18. Annexes	Error! Bookmark not defined.

1. Acronyms and Definition of Key Terms

A. Acronyms

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

B. Definition of Key Terms

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

Comparative Year- Means the prior period.

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

2. Key Constituency Information and Management

(a) Background information

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

Mandate

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

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

- g) Provide mechanisms for the National Assembly to exercise oversight over the performance of exclusive national government functions at the constituency level as provided for under Article 95 of the Constitution;
- h) Authorize withdrawal of money from the Consolidated Fund as provided under Article 206(2)(c) of the Constitution;
- i) Provide mechanisms for supplementing infrastructure development at the constituency level in matters falling within the exclusive functions of the national government at that level in accordance with the Constitution;
- j) Provide a framework for citizens-led development to assist the national government in planning and prioritizing the use of its resources;
- k) Create a harmonious relationship between citizens and the national government and its officers in local development;
- l) Provide a platform for citizens' participation in service delivery;
- m) Build local accountability and transparency in the use of resources; and
- n) Provide for a public finance system that promotes an equitable society and in particular expenditure that promotes equitable development of the country by making special provisions for marginalized groups and areas pursuant to Article 201(b)(iii) of the Constitution.

Vision

Equitable Socio-economic development countrywide.

Mission

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

Core Values

1. Transparency and Accountability
2. Professionalism and Integrity
3. Commitment and Teamwork
4. Neutrality and Objectivity

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

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 Starehe Constituency's day-to-day management is under the following key organs:

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

Fiduciary Management

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

No	Designation	Name
1.	AIE holder	Peter Ngugi
2.	National Sub-County Accountant	Cornelius Kimori
3.	Chairman NGCDFC	Daudi Rabok
4.	Member NGCDFC	Lucy Njuguna (operations bank account)
5.	Member NG CDFC	Nicodemus Makau (deposit bank account)
6	Member NG CDFC	Faith Opuko (deposit bank account)

(c) Fiduciary Oversight Arrangements

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

Next to DCCs' Building,
General Waruinge Street, Kariokor
Nairobi, KENYA.

(e) NGCDF Starehe Constituency Contacts

P.O. Box 31468-00600
Telephone: (254) 750876640

E-mail: cdf@ngcdf.go.ke

Website: www.cdf.go.ke

(f) NGCDF Starehe Constituency Bankers

1. Cooperative Bank(Account No.01120070407600)
Stima Plaza Branch, Nairobi
P.O.Box 38764
Nairobi
2. Equity bank (operation- Account No.0910285558432)
Ngara branch,Nairobi
P.O Box 75104-00200
Nairobi.
3. Equity bank (deposit - Account No.091028564293)
Ngara branch,Nairobi
P.O Box 75104-00200
Nairobi
4. Bank C. (PMC Accounts)
PMC -EQUITY BANK
Ngara branch,Nairobi
P.O Box 75104-00200
Nairobi
5. PMC- COOPERATIVE BANK
Stima Plaza Branch, Nairobi
P.O.Box 38764
Nairobi

(g) Independent Auditor

Auditor General

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

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






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

3. NGCDF Committee

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

Name	Details
<p><i>Insert each member's passport-size photo and name.</i></p> <p>Male Adult : Daudi Rabok</p> 	<p><i>Provide a concise description of each member's date of birth, key academic and professional qualifications, and work experience.</i></p> <p>Year of Birth; 02/08/1983. Holds a Diploma in theology. He is a Pastor and a major businessman in Ngara, Nairobi.</p>
<p>Male Adult: Nyamboga Mekenye</p> 	<p>Year of birth; 01/01/1988. He is a class eight graduate. A major business man in the transport sector.</p>
<p>Male Youth: Hezron oliech</p> 	<p>Year of Birth; 14/06/2001; He is a form four graduate. He is a businessman in Nairobi.</p>

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

<p>Female Adult: Lucy Njoki</p> 	<p>Year of birth; 01/01/1978; Holds a certificate in Guidance and counselling. She is a business lady in Nairobi</p>
<p>Female Adult : Ann Consolata</p> 	<p>Year of Birth: 01/01/1964; Holds a certificate in Business Studies and in Secretarial field. She is an insurer.</p>
<p>Female Youth: Faith Opuko</p> 	<p>Year of Birth; 12/12/1995; She is a Form Four graduate. She is a business lady in Nairobi</p>
<p>PWD representative: Nicodemus Makau</p> 	<p>Year of Birth; 01/01/1978. He has a certificate in digital literacy.</p>
<p>Coopted Member: Kevin Waweru</p> 	<p>Year of Birth:23/01/1986; Holds a Bachelors degree in Business administration. Works in senior management level in the private sector.</p>

4. NG-CDFC Chairman’s Report



In the financial year 2024/25 the NGCDFC Starehe managed to implement 95% of the total number of projects approved in the previous financial year, 2023/2024, and 39.8 % in the current year, 2024/2025. The low implementation level of the current year budget of kshs 188,414,052, is as a result of the delay in release of funds to the Constituency. Similarly, we also managed to clear all the pending issues from the board and all previous balances were received. **KEY ACHIEVEMENTS**

We completed our allocations in time, and achieved the results as stipulated in the summary below;

Projects		
Employee costs		3,523,182
Committee expenses		1,908,985
Use of Goods and Services		9,805,858
Other Government Units Certified Works		107,628,932
Other Grants and Transfers		66,816,858
Total Payments		189,683,815

Table 1.0 summary of budget performance
 CHART OF ACTUAL PERFORMANCES

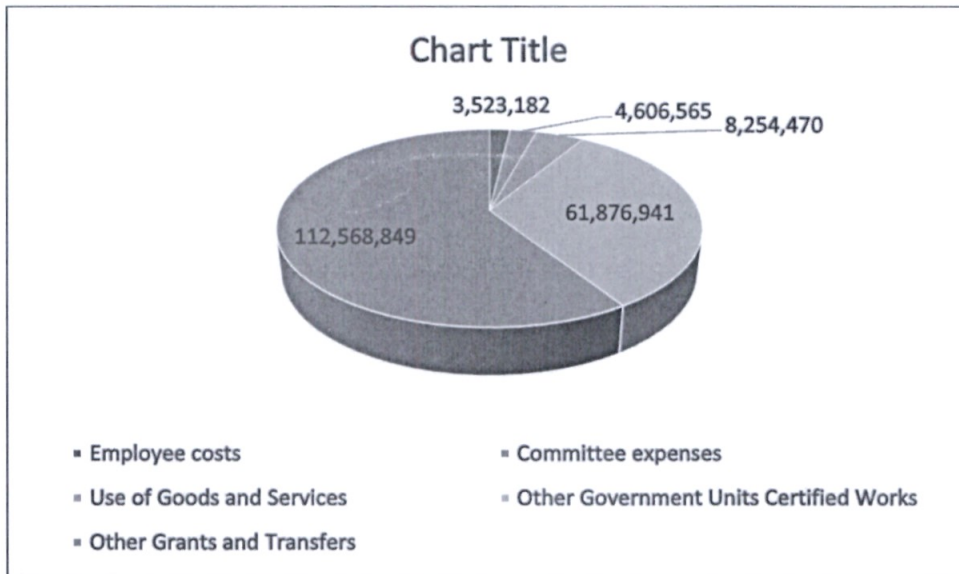


FIG: 1 ALLOCATION OF FUNDS FY 2024/2025

CHART ON ACTUAL PERFORMANCE

Receipt/Expense Item	Original Budget	Actual on Comparable Basis
RECEIPTS		
Transfers from NG-CDF Board	188,414,052	354,825,158
Proceeds from Sale of Assets		-
Other Receipts		-
TOTAL RECEIPTS	188,414,052	354,825,158
PAYMENTS		
Employee costs	4,624,545	3,523,182
Committee expenses	4,345,098	4,606,565
COC		
Use of Goods and Services	6,841,429	7,108,278
Other Government Units Certified Works	87,292,150	61,876,941
Other Grants and Transfers	72,712,216	112,568,849

National Government Constituencies Development Fund (NGCDF)

Starehe Constituency

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

Digital Hubs Expenses	5,652,422	0
Funds Pending Approval**	5800000	0
unapproved projects	0	
Acquisition of assets	1146192	1,146,192
Total Expenditure	188414052.2	19083000

Challenges

NGCDF Starehe has encountered numerous challenges during the year of operation.

Amongst these;

- 1) is political diversity. Political differences have featured during our public participation meetings. These have been handled cordially.
- 2) We also encountered non cooperative PMCs.
- 3) Delays in receipt of funds from the Board. These have led to delays in implementation of projects.

KEY ACHIEVEMENTS FOR THE ENTITY

During this financial, the committee has been able to change the outlook of several schools through rehabilitation/renovation as well as new construction of classrooms, offices and laboratories.as well as personal skills enhancement of many constituents many who are the jobless youths by offering free technical courses. Below are some of these key achievements:

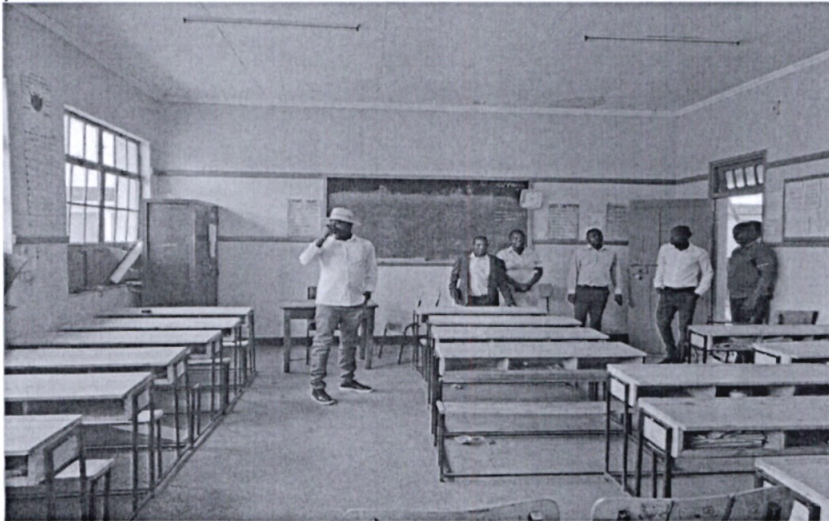
1.NAIROBI SOUTH DAY SECONDARY SCHOOL

In this financial year 2024/2025, the committee has been able to facilitate purchase of a 54 seater bus for the school. Through these developments the school population has steadily increased from 206 students to approximately 750 students currently. Below are action photos: -



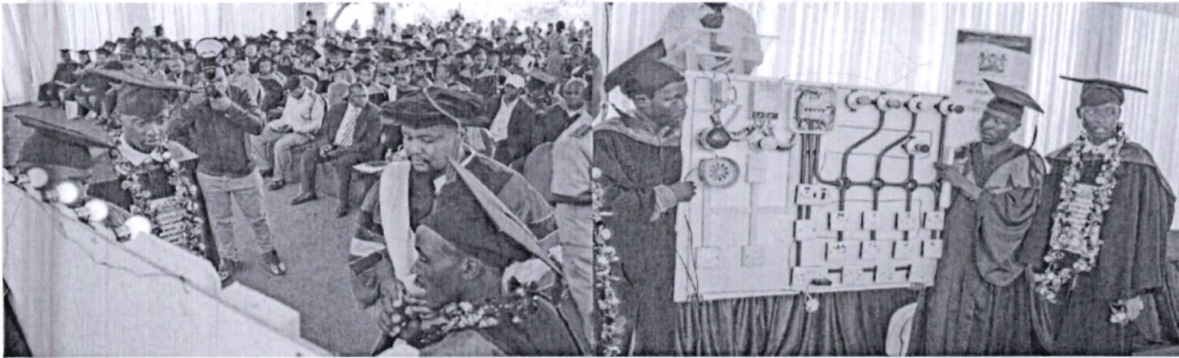
2. PARKROAD PRIMARY SCHOOL

We have also been able to construct at park road primary a total of 6 no. classrooms where are 4 are on-going and 2 complete. We have been able to provide a conducive learning environment for our learners through reduction of congestion. Below are some of the action pictures: -



3. SHORT COURSES PROGRAMME

We have initiated the short courses programme to solve the issue of ballooning number of unemployed youths and persons, in our constituency. These have impacted highly on our population having armed the graduands with the necessary skills in the field.



5. PLAINSVIEW PRIMARY SCHOOL

This is one of the densely populated schools in the constituency. In some classrooms the students hardly got a space to walk in the classroom. Forcing them to walk on top of desks. Provision of six new classrooms has made such a significant impact in the school.



6. JUJA ROAD PRIMARY SCHOOL

Juja Road Primary School is one of the highly populated schools in the constituency. With its high population, an addition of six more classrooms was a great step and mileage to the school. This will highly check on the congestion in the other classes.

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



Name: Daudi Rabok
Chairman NGCDF Committee

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

Introduction

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

The key development objectives of *Starehe Constituency 2023-2027* plan are to:

- a. To Improve Education Outcomes at all levels of Learning
- b. Enhance security in the constituency
- c. To harness sporting and creative talents of the youth.
- d. To enhance Environmental Conservation

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

- e. To develop and operationalize a comprehensive and effective disaster preparedness and response programme
- f. To ensure efficient and effective NG-CDF

Vision

Equitable Socio-economic development countrywide

Mission

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

Progress on attainment of Strategic development objectives

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

SECTOR	Objective	Outcome	Indicator	Performance
Education	To promote Education and Training	To Improve Education Outcomes at all levels of Learning	Construction and Renovation of school Facilities Bursaries for needy students Scholarships/ Sponsorship for Secondary and College students	In the year under review, several primary and secondary classrooms were renovated and others constructed. 6 No. classrooms were constructed in Plainsview , Juja Road, Parkroad Primary Schools, while 4 NO. were constructed in Pangani Girls Sec., 2 NO. classrooms at Pumwani Boys Sec. and Parklands Prim. A perimeter wall and a gate were constructed at Pangani Girls Sec School. Lockers and chairs were also distributed to several schools. About 6500

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

				bursary beneficiaries in the secondary schools were allocated while 1500 students in tertiary. About 100 students benefited with scholarships
Security	To have a secure environment for community engagements	Upgrading and increasing security units in the constituency	Number of security units upgraded or newly constructed	In the year under review a six roomed Chiefs' office was constructed.
Environment	To enhance Environmental Conservation	Construction of pit latrines in schools and other public places	construction of ablution block and toilets	In the year under review, Garbage bins were installed in 7 schools which included both secondary and primary
Emergency	To ensure the unforeseen incidences are handled in good time.	Handling the sudden occurrences lying within the requirements as soon as possible.	Number of emergency cases registered in the office and attended to.	In the year under review, County girls' secondary school there was construction of storm water disposal works and also the renovation of 2 burnt classrooms at Racecourse primary
Strategic plan	To provide clarity and direction pertaining our constituency goals so as to attain sustainable growth so as to promote socio-economic status of the general public.	Helps the community own whatever the government intends to do for them as their views are taken during the preparation of the strategic plans	High level of the communities awareness of the projects implemented and future projects to be implemented	The 5 year strategic plan of the constituency was launched

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6 Governance Statement

g. Introduction

Appointment of NG-CDF Committee

The NGCDF Act 2016 on appointment of NGCDFC member's states; The members of a Constituency Committee provided for Appointment of under section 43 of the Act shall be selected by a members of Constituency selection panel established under paragraph (4) upon an occurrence of a Committee vacancy in the Constituency Committee. Kenya Subsidiary Legislation, 2016 1951

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

(2) A vacancy shall occur in Constituency Committee upon commencement of a new parliamentary term; dissolution of a Constituency Committee; removal of a member of a Constituency committee; or the occurrence of a vacancy in a Constituency Committee.

(3) Upon the occurrence of a vacancy in a Constituency Committee, the Board shall within fourteen days, constitute a selection panel.

(4) The selection panel referred to in paragraph (1) shall consist of—

- one person nominated by the national government official in charge of the sub-county or a designated representative, who shall be the chairperson of the selection panel;
- the Officer of the Board seconded to the Constituency who shall be the secretary to the selection panel; and
- Two persons, one of either gender, nominated by the Constituency office.

(5) The officer of the Board seconded to the Constituency shall within fourteen days of the first meeting of the selection panel invite applications from persons who qualify for appointment to a Constituency Committee in accordance with guidelines issued by the Board.

(6) The selection panel shall, within fourteen days of receiving the applications under paragraph (5), consider the applications and shall select five applicants taking into account age, gender, special interest groups and regional balance in accordance with section the Act

(7) The officer of the Board seconded to the Constituency shall within seven days of the selection process referred to in paragraph (6) submit to the Board the names of the selected candidates together with the report of the selection panel.

(8) The Board shall co-opt the person referred to in the Act to ensure equitable representation in the membership of a Constituency Committee.

(9) The Board shall, in writing, request the clerk of the National Assembly to notify the Constituency Office to nominate two persons of either gender, pursuant to section 43(2)(e) of the Act and to forward the names to the Office of the Board seconded to the Constituency.

(10) The Board shall submit the names of the seven persons selected from each Constituency in accordance with the Act to the National Assembly for Approval.

(11) The Board shall, within fourteen days after receipt of the names approved by the National Assembly, appoint the members of a Constituency Committee by notice in the Gazette.

1952 Kenya Subsidiary Legislation, 2016

The selection panel shall stand dissolved upon the appointment of the members of a Constituency Committee.

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

The Board shall, within fourteen days after gazettelement of the members of a Constituency Committee inform the members of their appointment in writing.

A member of a Constituency Committee who is appointed Under the Act may at any time resign from office by giving notice, in writing, to the officer of the Board and a copy thereof to the Board.

At least one of the Constituency Committee members appointed under section 43 shall be a mandatory signatory to the Constituency account

In Starehe constituency, NGCDF is managed by a team of ten (10) NGCDFC members appointed in accordance with the NGCDF act 2015 as amended in 2022. The ten members comprise of seven gazetted members, a member co-opted by the NGCDF Board, the deputy County commissioner and an officer of the board at the constituency level who is an ex-officio member. As a result of change of regime due to the elections carried out in August 2022, there had to be phased out the existing committee and a new one selected.

The gazetted members are appointed in accordance with the NGCDF Act 2015. They comprise of two female members one of whom must be a youth at the time of appointment and two male members one of whom must be a youth at the time of appointment and one member who is a person living with disabilities and two nominees of the Constituency office. Five members are selected by a selection panel chaired by the Deputy County Commissioner or his nominee and the Officer of the board is the secretary. The Officer of the board invites applications from persons who qualify for appointment within fourteen of the first meeting of the selection panel. The panel considers all applications and selects five applicants considering age, gender social interest and regional balance, the officer of the board submits the five qualified applicants to the board for appointment. The board co-opts one person to ensure equity in representation in the committee. Through the national assembly the constituency office nominates two persons of either gender to and forward he names to the officer of the board at the constituency. All the names of the seven appointees are presented to parliament for approval and subsequent gazettelement.

The National Government Constituencies Development Fund Act 2015 (Amended 2016) in section 43 and its regulations provides for establishment of National Government Constituency Development Committee (NG-CDFC) for every constituency. The officer of the board facilitated the process of nomination of the NG CDFC for onward forwarding to the board for appointment through gazette notice.

Further the NG CDF regulations requires that one to serve as member of the NGCDF committee he or she must be (a) citizen of Kenya, (b) ordinarily resident voter of the constituency, (c) able to read and write and communicate in English and Kiswahili, (d) meet the chapter six of the constitution,

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

(e) available to participate in the activities of the constituency (f) for youth nominee he or she must have attained age of 18 years but below age of 35yrs and (g) for persons with disability nominee must be nominated by a registered group representing persons with disability within the constituency.

Appointment of NGCDFC Members

The selection Panel

The selection panel was appointed in the month of September. This constituted four members as follows;

SNO	NAME	DESIGNATION
1	Lilian Itubo	Chairman (ACC 1)
2	Peter Ngugi	Secretary (FAM)
3	Denis Thuo	member
4	Ann Kambo	member

In Starehe constituency, the selection panel invited interested and qualified members of the public for appointment to the NGCDF committee. The panel invited through advertisement publicised in churches, public offices notice boards and other public areas in the constituency in the month of September

The selection panel developed a shortlisting criterion which enabled picking of the nominees.

S/N	Name	Category representation	Ward
1.	Daudi Rabok	Male Adult	Ngara
2.	Lucy Njoki	Female Adult	CBD
3.	Faith Opuko	Female Youth	Nairobi South
4.	Hezron Oliech	Male Youth	Landimawe
5.	Ann Consolata	FemaleAdult	ziwani
6.	Nyamboga Makenye	Male Adult	Nairobi South

Nominee of the body representing persons with disability

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

S/N	Name	Nature of physical Impairment	Ward
1	Nichodemus Makau	Walking impairment	Pangani

Upon further consultation with the panel and the constituency office, members agreed to recommend for co-option by the NG-CDF Board as per section 43 subsection 2(g) as

S/N	Name	Gender	Ward
1.	Kevin Njuguna	Male	CBD

The members went through the process of electing the chairperson and the secretary of the committee. The following members were elected.

1. Chairperson position – Daudi Rabok
2. Secretary position – Faith Opuko

The term of office for the members of the Constituency Committee is 2 years and will be renewable but shall expire upon the appointment of a new Constituency Committee in the manner provided for in the Act.

The appointed committee members were gazetted through Gazetted volume number Vol. CXXVII—No. 98 NAIROBI, 21ST May, 2025

Sno.	Name	Position
1	Daudi Rabok	Chair person
2	Faith Opuko	Secretary
3	Lucy Njoki	Member
4	Kevin Njuguna	Member
5	Nicodemus Makau	Member
6	Ann Consolata	Member
7	Nyamboga Makenye	Member
8	Hezron Oliech	Member
9	Deputy County Commissioner	Member
10	Fund Account Manager	Ex-officio

Removal of NGCDFC Members

Section 43(13) of the Act provides that a member of the Constituency Committee may be removed from office on any one or more of the following grounds-

- (a) Lack of integrity;
- (b) Gross misconduct;
- (c) Embezzlement of public funds;
- (d) Bringing the committee into disrepute through unbecoming personal public conduct;
- (e) Promoting unethical practises;
- (f) Causing disharmony within the committee;
- (g) Physical or mental infirmity.

A decision to remove a member under subsection (13) is made through a resolution of at least five members of the Committee and the member sought to be removed shall be given a fair hearing before the resolution is made. In Starehe constituency the NGCDFC has not found any member to have contravened the laid down regulations and law to warrant removal. However, the former Committee members exited after expiry of parliamentary term.

Roles and functions of NG-CDFC

The functions of the National Government Constituency Development Fund Committees members as stipulated in NG-CDF Regulations 2016(11) are;

- i. Convene public meetings in every ward in the constituency to deliberate to on development matters.
- ii. Deliberate on project proposals and any other projects considers beneficial to constituency.
- iii. List of projects to be submitted in accordance with the Act to be submitted to the Board and ensure that all proposed projects that are approved for funding meet the requirements of section 24 of the Act.
- iv. Ensure formation of project management committees, opening of project accounts, project implementation and closure of projects build the capacity of project management committees and sensitize the Community on the operations of the Fund.
- v. Ensure that all projects receive adequate funding and are completed within three years.

National Government Constituencies Development Fund (NGCDF)

Starehe Constituency

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

- vi. Monitor the implementation of projects in accordance with the monitoring and evaluation framework prescribed by the Board.
- vii. Submit financial statements to the Board within sixty days of the end of the financial year to enable the Board comply with section 39(4) of the Act.
- viii. Recommend to the Board the removal of a committee member in accordance with section 43(13) and (14) of the Act.
- ix. Enter into performance contracting with the Board on an annual basis.

Training of NG-CDFC Members

In the financial year 2024/2025 the NGCDF Board organized training of NGCDFC members. The constituency also held a capacity building activity in Mombasa. During the training, critical areas such as overview of NG-CDF Act 2015 and Regulations, public finance, project planning, procurement, complaint management, and performance management were covered to equip them with the prerequisite knowledge and skills to ensure effective and efficient management of NG-CDF Starehe.

Members remuneration

NG-CDFC members are not entitled to payment of salary. However, the chairperson of NGCDFC is entitled to an allowance of ksh 7000 per meeting and all other members an allowance of ksh 5000 per sitting. All NGCDFC members should adhere to general ethics and code of conduct as stipulated in the NGCDF Act.

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

Disclose policy on conflict of interest

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

Number of meetings held

The Constituency Committee shall meet at least six times in a year but the committee shall not hold more than 24 meetings in the same financial year, including sub-committee meetings.

During the financial year 2024/2025 the NGCDFC Starehe held 8 meetings through the year.

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

Schedule of meetings held during the FY 2024/2025

S. No	NG-CDFC COMMITTEE MEMBERS	aug ust 29th	Oct 10th	Nov 11th	Jan.1 17th	March h 11th	April 22nd	May 28th	June 22nd
1	Daudi Rabok ,chairperson	√	√	√	√	√	√	√	√
2	Faith Opuko,Secretary	√	√	√	√	√	√	√	√
3	Lucy Njuguna,member	√	√	√	√	√	√	√	√
4	Ann Consolata,Member.	√	√	√	√	√	√	√	√
5	Kevin Waweru,member	√	√	√	√	√	√	√	√
6	Nyamboga Mekenye member	√	√	√	√	√	√	√	√
7	Nicodemus Makau, PWD	√	√	√	√	√	√	√	√
8	Hezron Oliech, Member	√	√	√	√	√	√	√	√
9	Peter Ngugi, FAM	√	√	√	√	√	√	√	√
10	John kisang-DCC	√	√	√	√	√	√	√	√

Ethics & conduct

Members of NGCDFC are required to observe the following ethical issues;

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

During the financial year 2024/2025 members of NGCDFC Starehe adhered to the above ethical issues.

Risk management

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

Some of the risk mitigation strategies that NGCDFC Starehe has implemented include the following: Implementing audit findings and recommendations, adherence and compliance with NGCDF Act 2015 and other laws and regulations to ensure an effective and efficient control system, ensuring that NGCDFC members are actively engaged in the projects implementations and overall fund utilization in the constituency, ensuring that the staff responsible for statutory deductions are well aware of the due dates of remittance, allocating insurance fund in the constituency budget, preparation of procurement plan, budget and Monitoring & evaluation plan for the financial year. Conducting public participation within the prescribed time lines to ensure the constituents are involved in project identification.

7. Management Discussion and Analysis

Operational and Financial Performance (Past Five Years)

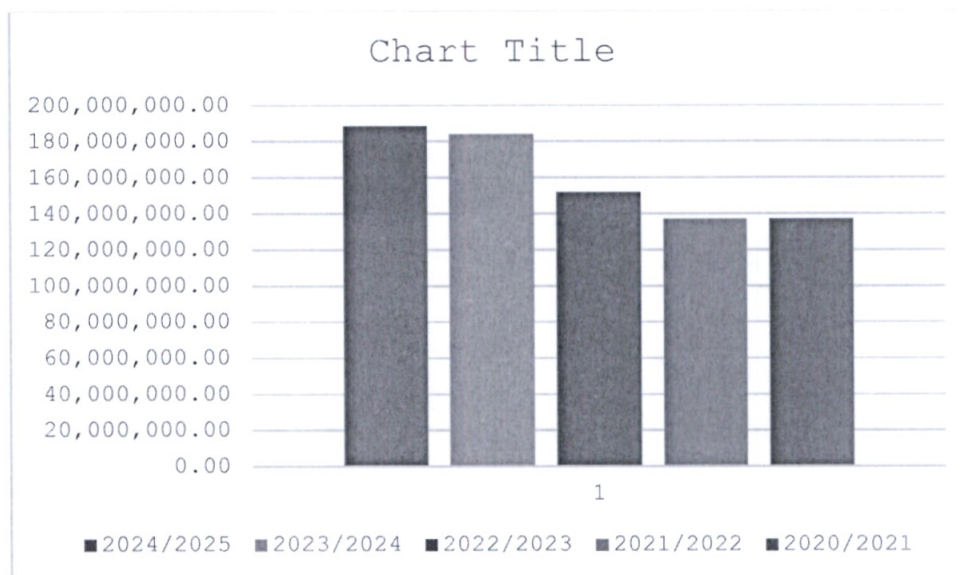
Over the past five financial years, Starehe Constituency NG-CDF has steadily implemented its mandate in bursary disbursement, project construction, and emergency interventions. The Fund has consistently allocated resources in line with the NG-CDF Act, with education support and infrastructure development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

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

Financial Year	Total Allocation (Ksh)	Disbursement (Ksh)	Percentage Utilization
2020/21	137,088,879	137,088,879	100%
2021/22	137,088,879	137,088,879	100%
2022/23	151,960,174	151,960,174	100%
2023/24	184,129,901	184,129,901	100%
2024/25	188,414,052	130,000,000	69%

CHART 1: ANNUAL ALLOCATIONS

The chart shows the annual increments in the allocations



Key Projects Implemented / Ongoing

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

Compliance with Statutory Requirements

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

Major Risks and Mitigation

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

Table 2: Summary of Key Risks and Mitigation Measures

Risk	Mitigation Strategy
Delayed disbursements	Project prioritization, phased implementation
Rising construction costs	Budget adjustments, close contract oversight
Compliance gaps	Regular training, audits, monitoring
Community disputes	Public participation, stakeholder dialogue

Review of the Economy

The national economy continues to face inflationary pressures, fluctuating exchange rates, and high unemployment. These factors have increased construction costs and demand for

bursary support. Despite these challenges, NG-CDF remains a critical enabler of social and economic development at the constituency level.

Review of the Sector

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


Future Developments

The Constituency intends to:

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

Conclusion

The NG-CDF Starehe Constituency continues to uphold accountability, inclusivity, and transparency in fulfilling its mandate. Despite economic and operational challenges, the Fund has delivered tangible results that have improved livelihoods and strengthened service delivery in the constituency.

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Peter Ngugi *Peter Ngugi*
Fund Account Manager

8. Environmental and Sustainability Reporting

Protection of environment is key to achieving socio-economic development. Starehe Constituency NG-CDF committee is committed to protection of environment and supporting initiatives for environmental conservation and green energy.

1. Sustainability strategy and profile -

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

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

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

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

Strategies

- Incorporate environment protection and conservation in all NG-CDF projects.
- Comply with environmental impact assessment requirements in all NG-CDF projects Key Initiatives/Activities.
- Incorporate landscaping and other environmentally friendly initiatives on the school refurbishment programmes.
- Sensitize the project implementer to protect and conserve the environment when undertaking all NG-CDF projects.
- Planting trees
- Partaking routine clean-up activities together with CBOs

The expected outcomes are:

- Tree planting and landscaping within the constituency projects
 - Sensitize community on the need to protect environment and green energy initiatives
 - Starehe NGCDF has regulary organized tree planting sessions with various schools on tree planting. Tree nurseries have been established in three schools namely, Pumwani Primary School, St. Brigdit Primary School and Dr. Agrey Primary School.
 - During all the public meetings, the committee has ensured a presentation on drugs and substance abuse by one of the Community Health volunteers.
- Starehe Constituency has been able to construct a six roomed Chiefs' office at Ngara. This has highly impacted positively on the security situation within Ngara Ward

3. Employee welfare

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

Starehe Constituency is committed to fair and ethical market practices.

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

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

NGCDF has put in efforts to ensure:

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

5. Community Engagements-

Starehe 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

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

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

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

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

Public Awareness

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

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

.....
Name 
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- Starehe 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- Starehe 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- Starehe Constituency further confirms the completeness of the accounting records maintained for the constituency, which have been relied

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


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 Starehe 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- Starehe Constituency financial statements were approved and signed by the Accounting Officer on 10/12 2025.


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Name: Daudi R. Obonyo
Chairman – NGCDF Committee


.....
Name: PETER NGUNJIRI
Fund Account Manager

REPUBLIC OF KENYA

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

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

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

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

38 to 106, which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the transitional IPSAS financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund - Starehe Constituency at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) including the transitional provisions permitted under IPSAS 33 and comply with the National Government Constituencies Development Fund Act, 2015 (Amended 2023), the Public Finance Management Act, 2012 and The National Treasury and Economic Planning Circular No.3 of 14 April, 2025.

Basis for Qualified Opinion

1. Inaccuracies in the Financial Statements

Review of the financial statements against the supporting ledgers and schedules revealed discrepancy arising from differences in various accounts, indicating inconsistencies between the reported amounts in the financial statements and the underlying accounting records as summarized below:

Description	Financial Statements Amount (Kshs.)	General Ledger/ Schedules Amount (Kshs.)	Variances (Kshs.)
Note 13: Other Government Units Actual Transfers			
Primary School Actual Expenditure	70,896,158	62,371,268	8,524,890
Secondary School Actual Expenditure	43,597,877	61,684,335	-18,086,458
Note 14: Other Grants and Transfers Actual Expenditure			
Security Expenditure	5,953,476	6,000,000	- 46,524
Climate Change Mitigation Projects	-	1,334,901	-1,334,901

Further, review of the statement of comparison of budget and actual amounts reflects a final revenue budget of Kshs.413,239,210 and total expenditure budget of the same amount. Review of individual budget line items revealed significant variances that were not explained as shown below:

Description	Final Budget (Kshs.)	Actual on Comparable Basis (Kshs.)	Performance Difference (Kshs.)
COC	289,999	-	289,999
Digital Hubs Expenses	5,652,422	-	5,652,422
Funds Pending Approval	5,800,000	-	5,800,000

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

2. Inconsistencies in Cash and Cash Equivalents

The statement of financial position and Note 19 to the financial statements reflects cash and cash equivalents balance of Kshs.163,995,151. However, the bank reconciliation statements for the Project Management Committee (PMC) accounts were not provided for audit review. Further, the Fund did not disclose a bank account with a closing balance of Kshs.2,614,917 which understates the cash and cash equivalent by the same amount. In addition, the cash and cash equivalents comparative balance of Kshs.139,052,153 includes PMC accounts balance of Kshs.27,431,288 while the audited prior year financial statements reflects a balance of Kshs.9,369,401 resulting to an unreconciled variance of Kshs.18,061,887.

In the circumstances, the accuracy and completeness of the cash and cash equivalent balance of Kshs.163,995,151 could not be confirmed.

3. Misclassification of Committee Expenses

The statement of financial performance and as disclosed in Note 12 to the financial statements reflects an amount of Kshs.9,805,858 under use of goods and services. Analysis of payment vouchers for the year under review, revealed that an expenditure of Kshs.123,000 under cheque No.10656 relating to NG-CDF monitoring and evaluation activities was wrongly classified under accommodation expenses which is under use of goods instead of other committee expenses. Further, included in the use of goods and services expenditure is an amount of Kshs.2,697,580 related to other operating expenses. Of this amount, Kshs.1,591,500 related to the NG-CDF committee activities, and were therefore misclassified as other operating expenses.

In the circumstances, the accuracy and completeness of the financial statements 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 - Starehe 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 a final budget and actual on comparable basis of Kshs.413,239,210 and Kshs.354,825,158 respectively, resulting to an under-funding of Kshs.58,414,052 or 14% of the budget. Similarly, the Fund, spent Kshs.190,830,007 against actual receipts of Kshs.354,825,158 resulting to an underutilization of Kshs.163,995,151 or 46% of the actual receipts.

The underfunding and underperformance affected the planned activities and may have impacted negatively on service delivery to the residents of the Starehe Constituency.

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 prior years' audit reports, several issues were raised under the Report on Financial Statements, Lawfulness and Effectiveness in Use of Public Resources, and Effectiveness of Internal Controls, Risk Management and Governance, respectively. Review of the status during audit of National Government Constituencies Development Fund - Starehe Constituency in 2024/2025 revealed that the following matters remained unresolved:

	Financial Year	Audit Issue
1.	2023/2024	Inconsistencies in Cash and Cash Equivalents
2.	2023/2024	Unconfirmed Project Management Committee Bank Balances
3.	2023/2024	Variance Between the Budget and Approved Code List
4.	2023/2024	Budgetary Control and Performance
5.	2023/2024	Unresolved Prior Year Matters
6.	2023/2024	Under Allocation of Emergency Funds
7.	2023/2024	Under-Allocation of Bursary Funds
8.	2023/2024	Failure to Constitute a Bursary Committee
9.	2023/2024	Procurement of Consultancy for Preparation of Strategic Plan
10.	2023/2024	Construction of Phase 1 and 2 Laboratory, Toilet and Offices at Nairobi South Secondary School
11.	2023/2024	Renovation of 10 Classroom and 18 Doors Ablution Block
12.	2023/2024	Failure to Maintain Imprest Register and Imprest Warrants
13.	2023/2024	Non-Remittance of Unutilized Funds
14.	2023/2024	Delay in Implementation of Projects
15.	2023/2024	Lack of Disaster Recovery Plan

Other Information

The Management is responsible for the Other Information set out on page 2 to 37 which comprise of Key Constituency Information and Management, NGCDF Chairman's Report, Statement of Performance against Predetermined Objectives, Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting and Statement of Managements Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Presentation and Disclosure of the Financial Statements

- i. The statement of management responsibilities did not indicate that these are transitional IPSAS financial statements.
- ii. The statement of cash flows, reflects an amount of Kshs.1,146,192 relating to the acquisition of property, plant and equipment which was presented as a positive amount under cash flows from investing activities, rather than as a negative cash outflow.
- iii. Note 30 to the financial statements, reflects the reconciliation of cash flows from operating activities using the indirect method. The narration used the generic term "changes" without indicating whether the balances represented increases or decreases. Additionally, brackets were applied inconsistently, appearing on both amounts that should be deducted and those that should be added, thereby creating confusion regarding their intended meaning.
- iv. Non-Compliance with Section Layout Requirements- the key sections on the statement of performance against predetermined objectives for the year and Governance statement do not begin on their own separate pages as required by the reporting format.

- v. Review of the financial report revealed that pages 18, 31, 33, 65, 70, 81, 88, and 90 contain blank spaces that were not removed. The presence of these blank sections affects the overall presentation of the report and may hinder readability and the professional appearance of the financial statements
- vi. Review of the statement of changes in net assets for the year under review revealed that a surplus/deficit amounting to Kshs.9,264,589 was incorrectly classified under revaluation reserves rather than being reported under accumulated surplus/deficit.
- vii. Review of the revised financial statements revealed inconsistencies in the table of contents and pagination. Pages for key sections were numbered using arabic numerals instead of roman numerals as required for preliminary sections.

In the circumstances, the financial statements do not comply with prescribed Public Sector Accounting Standards Board reporting templates.

2. Non-Competitive Sourcing of Institutions for Short Courses under Bursary Expenditure

The statement of financial performance and Note 14 to the financial statements reflects other grants and other transfers amount of Kshs.67,114,417. Review of the bursary expenditure revealed that Starehe NG-CDF engaged three (3) institutions to offer short courses; Rocky Driving School - Kshs.5,270,000, Vera Technical Training School - 10,500,000 and Stay Up Driving School - Kshs.1,020,000 totalling Kshs.16,790,000. Although Management indicated that the institutions were selected following a market survey, audit review of the supporting documentation noted that only three (3) market survey forms, were provided as evidence. No additional quotations, solicitation documents, or records of broader market engagement were provided. The limited documentation suggests that the institutions were not sourced through a competitive process, thereby casting doubt on the transparency, fairness, and value-for-money considerations in the procurement of short-course service providers.

In the circumstances, Management was in breach the law.

3. Failure to Deduct Public Procurement Capacity Building Levy

Review of a sample of payment vouchers provided for audit revealed that the Fund made payments amounting to Kshs.26,293,078 to various suppliers under public procurement contracts. However, these payments were not subjected to the mandatory Public Procurement Capacity Building Levy as required by PPRA Circular No. Ref: PPRA/6/5/VOL.II (224) dated 30 August, 2024 amounting Kshs.6,800.

In the circumstances, Management was in breach the law.

4. Irregular Payment of Allowances

The statement of financial performance and Note 12 to the financial statements reflect a total amount of Kshs.9,805,858 under use of goods and services. Included in this amount is Kshs.2,697,580 relating to other operating expenses. Review of sampled payment vouchers revealed that Management paid allowances totalling Kshs.515,000 for activities related to the procurement process including tender opening, evaluation, inspection and acceptance of goods and services received as well as the audit entry and exit meetings

held at Kariokor Social Hall and Starehe NG-CDF Boardroom. These payments were made despite the activities being part of the officers' normal duties and responsibilities. Further, no evidence or documentation to support the basis for payment of Kshs.5,000 per sitting on procurement processes as allowance to the supply chain management officer was provided for audit. No approved rates, circulars, or authorization documents were provided to justify the payment made.

This was contrary to Public Finance Management (National Government) Regulations, 2015, Regulation 92(2) which requires that an imprest shall be issued for a specific purpose, and any payments made from it, shall be for the purposes specified in the imprest warrant.

In the circumstances, Management was in breach the law.

5. Underrepresentation of Persons with Disabilities (PWDs)

The statement of financial performance reflects total compensation of employees amounting to Kshs.4,072,389 as disclosed under Note 10. Review of staff composition indicated that none of the employees were identified as Persons with Disabilities. This was contrary to Section 4(f) of the Persons with Disability Act, 2025 requiring at least 5% representation of PWDs in the staffing of entities.

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

6. Non-Adherence to Ethnicity Rule

The statement of financial performance and Note 10 to the financial statements reflects an amount of Kshs.4,072,389 under employee costs. Review of employee records revealed that the dominant ethnic community employed by the Fund constitutes 72% or five (5) of the total population of seven (7) staff. This was above the provision of National Cohesion and Integration Act, 2008 which provides that no public establishment shall have more than one third of its staff from the same ethnic community.

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

7. Inaccessibility of Projects to Persons with Disabilities (PWDs)

The statement of financial performance and Note 14 to the financial statements reflects an amount of Kshs.67,114,417 for other grants and transfers actual expenditure. Field verification carried out on 12 November, 2025 revealed that Pumwani Girls Secondary School, Pumwani Boys Secondary School, Park Road Primary School and County Girls Secondary School were not easily accessible to Persons with Disabilities, with amenities such as ramps missing, and user-friendly washrooms for Persons with Disabilities not constructed for their convenience. This was contrary to Section 30(1) and (3) of the Persons with Disabilities Act, 2025 requiring that buildings, roads and other social amenities be easily accessible to Persons with Disabilities and that minimum guidelines be implemented to ensure accessibility of services.

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

8. Irregular Branding of Projects

The statement of financial performance and Note 14 to the financial statements reflects an amount of Kshs.67,114,417 for other grants and transfers actual expenditure. Physical inspection of projects implemented by Starehe NG-CDF carried out on 12 November, 2025 revealed projects implemented in schools including Pumwani Girls Secondary School, Pumwani Boys Secondary School, Parklands Junior Secondary School and Park-Road Primary School being branded with the names of the area Member of the National Assembly. This was contrary to Section 25(3) of the National Government – Constituency Development Fund Act, 2015 which provides that no funds for the National Government Constituency Development Fund be used to further political ends.

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

9. Non-Compliance with Procurement Requirements

9.1 Proposed Construction of 150 Pax Capacity Storey Dormitory for Ground Floor (Phase One) to Completion at County Girls High School

Review of procurement documents for proposed construction of 150 pax capacity storey dormitory for ground floor (phase one) to completion at County Girls High School Tender No. STAR/NG-CDF/EP 008/2023-2024 awarded at Kshs.19,537,180 revealed the following anomalies and irregularities;

9.1.1 Delay in Project Completion without Contract Extension

An agreement between NG-CDF Starehe and the contractor was signed on 15 January, 2025 for a duration of four (4) months, with a completion due of 15 May, 2025. However, payment certificate No. 6 dated 16 September, 2025 and the valuation of work done indicated that the project was completed four months after the contractual completion date. No formal extension or variation of contract period was approved. Consequently, part of the works was executed without a valid contractual cover, contrary to the contract provisions and public procurement regulations.

9.1.2 Non-Submission of Quarterly Variation Reports to PPRA

Audit review established that the Accounting Officer did not submit quarterly reports on contract variations or amendments to the Public Procurement Regulatory Authority (PPRA), contrary to Section 139(5) of the PPADA, 2015. This non-compliance undermines PPRA's oversight role in ensuring transparency and accountability in public procurement.

9.1.3 Lack of Insurance Documentation

Clause 18.1.6 of the General Conditions of Contract (GCC) requires the contractor to provide, within 14 days, evidence of insurance against injury to persons, property damage and coverage for contractor's personnel. No evidence of such insurance policies was provided for audit review, indicating non-compliance with contractual requirements.

9.1.4 Missing Detailed Measurements for Interim Certificates

Interim certificates No. 1 to No. 4 were issued for certified works; however, no detailed measurement sheets were attached to substantiate the quantities certified. Consequently, audit could not confirm whether the works were executed in accordance with the Bill of Quantities (BOQ).

In the circumstances, Management was in breach of the law and value for money may not have been obtained.

9.2 Proposed Construction to Completion of 4 No. Classroom Block and Stairs at Juja Primary School

Review of procurement documents for proposed construction to completion of 4No classroom block and stairs at Juja Primary School Tender No. STAR/NG-CDF/EP 014/2023-2024 awarded at Ksh.8,873,818, revealed that the tender opening was done dated 22 November, 2024, the evaluation date was not indicated and professional opinion was signed dated 13 December, 2024.

However, review of the documents provided for audit revealed the following anomalies and irregularities;

9.2.1 Delay in Project Completion and Lack of Contract Extension

The contract stipulated that works were to commence on the date of signing; 21 February, 2025 and be completed within four (4) months, by 21 June, 2025. However, certificate of payment No. 2 dated 10 July, 2025 showed that the project was completed two weeks after the contractual completion date. No formal contract extension or variation was granted. Consequently, the contractor executed works beyond the agreed period without a valid contractual cover.

9.2.2 Lack of Detailed Measurements in Payment Certificates

Review of payment certificates revealed that they lacked detailed measurements and corresponding pricing based on the Bill of Quantities (BOQ) rates. This omission hindered verification of the accuracy and completeness of the works certified and paid for.

9.3 Proposed Supply and Delivery of One (1) 46-Seater School Bus Fitted with PWDs for Nairobi South Day Secondary School

Review of the procurement documents revealed that the Fund awarded a contractor to supply and delivery of one (1) 46-seater school bus fitted with PWDs for Nairobi South Day Secondary School Tender No. STAR/NG-CDF/ES/004/2023-2024 amounting to Kshs.8,698,000. Opening and evaluation was done on 29 August, 2024 and professional opinion was signed 30 August, 2024 while the contract was signed on 16 September, 2024. However, the Fund did not request for performance security as per the provision of special condition of the contract which is in contravention to Section 142(1) of the Public Procurement and Asset Disposal Act, 2015.

In the circumstances, Management was in breach the law and value for money may not have been obtained from the expenditure.

10. Field Verification

10.1 Proposed Construction to Completion of 4No of Classroom Block and Stairs at Pumwani Girls Secondary School Contract Sum of Kshs.9,039,034

Review of the completed works for the construction of the 4No. classroom block and stairs at Pumwani Girls School revealed instances of omitted items as specified in the approved Bill of Quantities (BOQ). As follows:

- i. A window measuring 2000mm x 2200mm (height) valued at Ksh.15,000 was not installed as provided in the contract specifications.
- ii. The staircase finishes, including glazed ceramic tiles bedding and jointing in cement on the first floor, were not executed as per the approved design and BOQ.

10.2 Proposed Construction to Completion of 2No of Classroom Block and Stairs at Pumwani Boys Secondary School Contract Sum of Kshs.4,456,773

- i. According to the BOQ, 14 steel casement windows valued at Ksh.222,000 were specified for installation. However, only 10 windows (5 per classroom) were installed, indicating a shortfall of four (4) windows.
- ii. The staircase finishes were completed using ceramic tiles instead of the specified terrazzo finish as per the BOQ.

In the circumstances, Management was in breach 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

Lack of Disaster Recovery Plan

Review of the Fund's ICT environment revealed that there was no IT disaster recovery plan in place as at 30 June, 2025 that would reduce impact on operations in case of outage or disruption to ICT systems occurs. In addition, the Fund may not recover or restore critical infrastructure services and systems which may affect all operations that rely on the ICT systems. This was contrary to Section 68(1)(c) of the National Government Public Finance Management Act, 2012 which requires that an Accounting Officer shall ensure that all financial and accounting records the entity keeps in any form, including in electronic form are adequately protected and backed up.

In the circumstances, the security and reliability of the Fund's management information system and data could not be confirmed as the Fund is ill-prepared to handle any would be disaster and risks losing critical data.

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

Responsibilities of the Management and those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I also 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

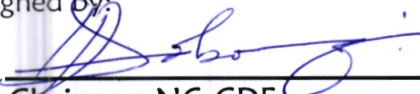
15 December, 2025

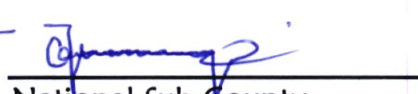
National Government Constituencies Development Fund (NGCDF)
Starehe Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025

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

	Note	Insert Current FY
		Kshs
Revenue from non-exchange transactions		
Transfers from the NGCDF Board	6	188,414,052
Revenue from exchange transactions		
Total revenue		188,414,052
Expenses		
Employee costs	10	4,072,389
Committee expenses	11	1,908,985
Use of Goods and Services	12	9,805,858
Other Government Units Actual expenditure	13	114,494,034
Other Grants and Transfers Actual expenditure	14	67,114,417
Depreciation and amortization expense	15	282,958
Digital Hubs Expenses Actual expenditure	16	-
Total expenses		197,678,641
Other gains/(losses)		
Surplus/(Deficit) for the year		(9,264,589)

The Constituency financial statements were approved by the NGCDFC on 18/12 2025 and signed by:


 Chairperson NG-CDF
 Committee
 Name: Saudi R. Obonyo


 National Sub-County
 Accountant
 Name: Conelius Kimani
 ICPAK M/No: 17636


 Fund Account Manager
 Name: PETER NANGI

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

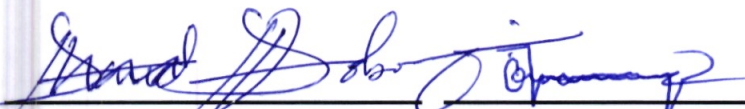
12. Statement Of Financial Position As At 30th June, 2025

	No te	Period as at June 2025	Opening Statement 1st July 2024
		Kshs	Kshs
Assets			
Current Assets			
Cash And Cash Equivalents	19	163,995,151	139,052,153
Receivables from Exchange Transactions	20	-	-
Receivables from Non-Exchange Transactions	21	58,414,052	85,773,005
Prepayments	22	-	-
Total Current Assets		222,409,203	224,825,158
Non-Current Assets			
Property, Plant and Equipment	23	863,234	-
Intangible Assets	24	-	-
Right-of-use assets	25	-	-
Total Non- Current Assets		863,234	-
Total Assets (A)		223,272,437	224,825,158
Liabilities			
Current Liabilities			
Trade and Other Payables	26	-	-
Third-Party Deposits	27	7,982,388	819,727
Lease Liabilities	28	-	-
Gratuity provision	29	661,847	112,640

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

Total Current Liabilities		8,644,235	932,367
Non-Current Liabilities			
Lease Liabilities	28	-	-
Total Liabilities (B)		8,644,235	932,367
Net Assets (A-B)		214,628,202	223,892,791
Represented by:			
Revaluation Reserves		214,628,202	223,892,791
Accumulated Surplus			
Total Net Assets		214,628,202	223,892,791

The Constituency financial statements set out on pages 1 to 3 approved by NG CDFC on^{10/12}..... 2025 and signed by:



Chairman NG-CDF
Committee

Name: *Daudi R. Obonyo*

National Sub-County
Accountant

Name: *Cornelius Kimani*
ICPAK M/No: *17636*



Fund Account Manager

Name: *PETER NBUGU*

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

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

Description	Reserves	Accumulated surplus/Deficit	Total
	Kshs	Kshs	Kshs
As at 30 th June 2024 (cash basis)	110,801,138	-	110,801,138
Adjustments: (to recognize assets and liabilities)			
Add Assets	113,204,293		113,204,293
Less Liabilities	112,640		112,640
As at July 1, 2024	223,892,791		223,892,791
Surplus/(Deficit) For the Period	(9,264,589)		(9,264,589)
Revaluation Gain/Loss	-	-	-
As at 30 th June (current year)	214,628,202	-	214,628,202

NOTE:

EXPLANATORY NOTES FOR LIABILITY

GRATUITY DUE MAY & JUNE 2024	
May-24	60,130
Jun-24	52,510
TOTAL	112,640

EXPLANATORY NOTES FOR ASSETS

B. BUDGET ALLOCATION/ APPROPRIATION	
as at 1/07/2024	
amount owing	
2022/2023	
2023/2024	85,773,005
Total Owings	85,773,005

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

PMC OPENING BALANCE		
Name	Activity	opening balance (inclusive of retention)
PRIMARY SCH. PROJECTS		
DR AGGREY PRIMARY SCHOOL PMC	PURCAHSE AND SUPPLY OF 100PAIR OF LOCKERS & CHAIRS	171,152
DR AGGREY PRIMARY SCHOOL PMC		
RACECOURSE PRIMARY	RE-CONSTRUCTION OF 1 NO. LARGE BURNT CLASSROOM - EMERGENCY-FY 23-24	3,495,824
RACECOURSE PRIMARY	REHABILITATION OF 7 NO. CLASSROOMS FY 23-24	415,309
AINSWORTH PRIMARY	CONSTRUCTION OF 1NO.CLASSROOM & RAISED TANK BASE WITH A 4-COURSE PROTECTION WALL,PURCHASE & SUPPLY OF LOCKERS/CHAIRS FY 23-24	3,349
CGHU PRI SCH	-RENOVATION OF 10 NO. CLASSROOM BLOCK	3,349
JUJA ROAD PRIMARY		1,058
JUJA ROAD PRIMARY	CONSTRUCTION OF 2 NO.CLASSROOMS	5,003,349
Mariakani primary		396,270
PARKROAD PRIMARY-	CONSTRUCTION OF 2NO. CLASSROOMS FY 23-24	5,000,000
PARKROAD PRIMARY-	CONSTRUCTION OF 4NO.CLASSROOM BLOCK & STAIRCASE	5,177
PARKLANDS PRIMARY-	CONSTRUCTION OF 2NO. CLASSROOMS	5,003,349
PLAINSVIEW/ PRIMARY	CONSTRUCTION OF 2NO. GROUND FLOOR CLASSROOMS AND TANK BASE WITH 4 COURSE PROTECTION WALL	3,349
RIVER BANK	PURCHASE & INTALLATION OF GARBAGE BINS	275,463
PANGANI PRIMARY	RENOVATION OF 7NO. CLASSROOMS & 2 OFFICE BLOCKS	3,349
OUR LADY OF MERCY		19,127

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

SECONDARY SCHOOL		
JAMHURI HIGH SCHOOL PMC ACCOUNT	Additional for ablution block to completion	978,521
CITY PRIMARY		11,665
PANGANI PRIMARY	retention for rennovation of 12 classrooms	236,082
St brigids	REHABILITATION OF 5NO. CLASSROOMS	140,069
MUSLIM PRIMARY SCHOOL PMC ACCOUNT		4,716
MUSLIM PRIMARY SCHOOL PMC ACCOUNT	REHABILITATION OF 5NO. CLASSROOMS	140,344
TOTAL		21,310,871
SECONDARY SCHOOL PROJECTS		
COUNTY GIRLS	STORMWATER DISPOSAL WORKS-	3,063,438
PUMWANI GIRLS	INSTALLATION OF GARBAGE BINS	268,330
NAIROBI SOUTH SECONDARY SCHOOL	REHABILITATION OF LABARATORY	2,449,066
NAIROBI SOUTH SECONDARY SCHOOL	Purchase of school bus	
PUMWANI BOYS SECONDARY SCHOOL	CONSTRUCTION TO COMPLETION OF 2NO. CLASSROOMS BLOCK & A STAIRCASE	339,583
TOTAL		6,120,417
GRANT TOTAL		27,431,288

Note:

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

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

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

	s	<i>Period ended june Kshs</i>
Cash flows from operating activities		
Receipts		
Transfers from the NGCDF Board		215,773,005
Grants/donations from other entities		-
Finance income		-
Miscellaneous income		-
Total Receipts		215,773,005
Payments		
Employee costs		3,523,182
Committee expenses		1,908,985
Use of Goods and Services		9,805,858
Other Government Units Certified Works		107,628,932
Other Grants and Transfers		66,816,858
Digital Hubs Expenses		-
Total Payments		189,683,815
Net Cash Flows from/ (used in) Operating Activities	28	26,089,190
Cash flows From Investing Activities		
Purchase of PPE		1,146,192
Purchase of Intangible assets		-
Proceeds From Sale of PPE		-

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

Net Cash Flows from Investing Activities		1,146,192
Net increase/(decrease) in cash & Cash equivalents		24,942,998
Cash Flows from Financing Activities		
Lease payment		-
Net Cash Flows from Financing Activities		24,942,998
Cash and cash equivalents at Period Start	17	139,052,153
Cash and cash equivalents at Period End	17	163,995,151

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

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

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

	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilization	Comments
	Kshs	Kshs		Kshs	Kshs	Kshs		
	a	b		C=(a+b)	d	e=(c-d)	f=d/c*100	
	<i>Insert current FY</i>	Opening Balance (operational, deposit and PMCs C/Bk) and AIA	Previous Years' Outstanding disbursements	<i>Insert current FY</i>	<i>Insert current FY</i>			
Revenue								
Transfers From the NGCDF Board	188,414,052	139,052,153	85,773,005	413,239,210	354,825,158	58,414,052	86%	The funds came near the close of the financial year
Grants/donations from other entities	-	-	-	-	-	-		
Finance income	-	-	-	-	-	-		

National Government Constituencies Development Fund (NGCDF)

Starehe Constituency

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

Miscellaneous income	-	-	-	-	-	-	-	
Totals	188,414,052	139,052,153	85,773,005	413,239,210	354,825,158	58,414,052	86%	The funds came near the close of the financial year
Expenses								
Employee costs	4,624,545	1,322,008	-	5,946,553	3,523,182	2,423,371	59%	The funds came near the close of the financial year
Committee expenses	4,345,098	1,450,907	-	5,796,005	4,606,565	1,189,440	79%	The funds came near the close of the financial year
COC		289,999		289,999		289,999	0%	
Use of Goods and Services	6,841,429	7,023,425	-	13,864,854	7,108,278	6,756,576	51%	The funds came near the close of the financial year

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

Other Government Units Certified Works	87,292,150	29,211,218	2,000,000	118,503,368	61,876,941	56,626,427	52%	The funds came near the close of the financial year
Other Grants and Transfers	72,712,216	99,754,595	79,361,412	251,828,224	112,568,849	139,259,375	45%	The funds came near the close of the financial year
Digital Hubs Expenses	5,652,422	-	-	5,652,422	-	5,652,422	0%	
Funds Pending Approval**	5,800,000	-	-	5,800,000	-	5,800,000	0%	
Reversed stale cheques			4,411,593	4,411,593		4,411,593	0%	
unapproved projects	-	-	-	-	-	-	0%	
Acquisition of assets	1,146,192			1,146,192	1,146,192	-	100%	
Total Expenditure	188,414,052	139,052,153	85,773,005	413,239,210	190,830,007	222,409,203	46%	The funds came near the close of the financial year



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

SURPLUS					163,995,151	163,995,151		
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Explanatory Notes.

The underutilization was due to lateness of reception of funds from the National Board. The monies were received in late June 2025 and early July 2025.

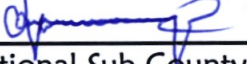
Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilization difference totals	222,409,203
Less undisbursed funds receivable from the Board as at period 30th June, 2025	58,414,052
Cash and Cash Equivalents at the end of the 30 th June 2025	163,995,151

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 10/12 2025 and signed by:

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


Fund Account Manager

Name: PETER NBUGU


National Sub-County Accountant

Name: Cornelius Kimosi
ICPAK M/No: 17636


Chairman NG-CDF Committee

Name: Sandi K. Obonyo

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

Programme/Sub-programme	Original Budget			Final Budget	Actual on	Budget utilization	
					comparable		difference
		Adjustments			basis		
		Opening Balance (operational, deposit and PMCs C/Bk) and AIA	Previous Years' Outstanding Disbursements				
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	
1.0 Administration and Recurrent							
1.1 Compensation of employees	4,624,545	1,322,008		5,946,553	3,523,182	2,423,371	
1.2 Committee allowances	2,409,098	878,664		3,287,762	2,908,985	378,777	
1.3 Use of goods and services	3,473,008	4,450,625		7,923,633	1,572,943	6,350,690	
Sub-total	10,506,651	6,651,297	-	17,157,948	8,005,110	9,152,838	
2.0 Monitoring and evaluation							
2.1 Capacity building	3,238,000	621,734		3,859,734	3,512,200	347,534	
2.2 Committee allowances	1,936,000	572,243		2,508,243	1,697,580	810,663	
2.3 Use of goods and services	130,421	1,951,066		2,081,487	2,023,135	58,352	
Sub-total	5,304,421	3,145,043	-	8,449,464	7,232,915	1,216,549	
3.0 Constituency Oversight Committee (Itemize as per budget)							

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

3.1 Remuneration of Instructors and Contract Based Trainin9: Services		65,000		65,000		65,000
3.2 Travel costs (airline, bus, railway, mileage allowances etc).		140,000		140,000		140,000
3.3 Daily subsistence allowance		22,500		22,500		22,500
3.4 Advertising, awareness and publicity campaigns		62,499		62,499		62,499
3.5 Accommodation - domestic travel						
Sub-total		289,999		289,999		289,999
4.0 Emergency						
Emergency reserve	9,916,529	3,139,965		13,056,494		13,056,494
Sub-total	9,916,529	3,139,965	-	13,056,494	-	13,056,494
5.0 Bursary and Social Security						
5.1 Primary Schools	-			-		-
5.2 Secondary Schools	41,000,000	1,670,275		42,670,275	33,760,941	8,909,334
5.3 Tertiary Institutions	13,365,621	2,763,143		16,128,764	10,610,000	5,518,764
5.4 special schools	21,000,000	20,019,025		41,019,025	16,790,000	24,229,025
5.5 Education Support Programmes				-		-
5.6 Social Security				-		-
Sub-total	75,365,621	24,452,443	-	99,818,064	61,160,941	38,657,123
6.0 Sports						-

National Government Constituencies Development Fund (NGCDF)

Starehe Constituency

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

6.1 Sports Activities		843,909		843,909		843,909
6.2 Regional Sports Tournament		520,000		520,000		520,000
Sub-total		1,363,909		1,363,909		1,363,909
						-
7.0 Climate mitigation (Environment)						-
County Girls High School	670,000			670,000		670,000
Ainsworth Primary School	670,000			670,000		670,000
Nairobi South Secondary School	670,000			670,000		670,000
Ngara Girls High School		254,901		254,901		254,901
St Bridgit primary school			360,000	360,000		360,000
Dr Aggrey primary school			360,000	360,000	358,000	2,000
Pumwani primary school			360,000	360,000	358,000	2,000
Moi avenue primary			360,000	360,000		360,000
Highway secondary			360,000	360,000		360,000
City primary			200,000	200,000		200,000
						-
Sub-total	2,010,000	254,901	2,000,000	4,264,901	716,000	3,548,901
8.0 Primary Schools Projects						-

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

Parklands Primary School	4,300,000			4,300,000		4,300,000
Park road Primary School	4,300,000			4,300,000		4,300,000
Juja Road Primary School	4,300,000			4,300,000		4,300,000
Islamia Primary School	5,000,000			5,000,000		5,000,000
Mukuru Kayaba Primary School	2,000,000			2,000,000		2,000,000
				-		-
Moi Avenue Primary School	4,000,000			4,000,000		4,000,000
City Primary School	4,000,000			4,000,000		4,000,000
Nairobi South Primary School	4,000,000			4,000,000		4,000,000
Plainsview Primary School	2,000,000			2,000,000		2,000,000
St Catherine Primary School	4,000,000			4,000,000		4,000,000
Mariakani Primary School	2,000,000			2,000,000		2,000,000
Our Lady of Mercy Primary School	3,600,000			3,600,000		3,600,000
SSD Primary School School	700,000			700,000		700,000
Juja Road Primary School	700,000			700,000		700,000
Parkroad Primary School	700,000			700,000		700,000
Parklands Primary School	700,000			700,000		700,000
Parklands Primary School	3,020,703			3,020,703		3,020,703

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

Moi Avenue Primary School	700,000			700,000		700,000
				-		-
						-
Juja Road Primary		700,000		700,000	695,000	5,000
Parkroad Primary		700,000		700,000	695,000	5,000
Parklands Primary		700,000		700,000	695,000	5,000
CGHU Primary School		5,500,000		5,500,000	4,255,864	1,244,136
Pangani Primary		5,700,000		5,700,000	5,369,693	330,307
Juja road primary				-		-
Parklands Primary				-		-
mukuru kaiyaba		3,682,598		3,682,598	1,633,096	2,049,502
city primary		2,400		2,400		2,400
mariakani		28,080		28,080		28,080
ainsworth primary		500,000		500,000		500,000
Juja road primary		10,858		10,858		10,858
11.1 Juja Road Primary School			- 8,926,696	8,926,696	6,139,546	2,787,150
11.2 Mukuru Kayaba Primary School			- 9,326,696	9,326,696	5,207,575	4,119,121
11.3 Plainsview Primary School			- 8,926,696	8,926,696	8,435,334	491,362

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

11.4 Parkroad Primary School		-	8,926,696	8,926,696	5,620,542	3,306,154
DR AGGREY PRIMARY SCHOOL, PMC	871,152	-		871,152	697,860	173,292
RACECOURSE PRIMARY	3,495,824			3,495,824	3,038,659	457,165
RACECOURSE PRIMARY	415,309			415,309	218,879	196,430
AINSWORTH PRIMARY	3,349	2,666,683		2,670,032	2,396,540	273,492
CGHU PRI SCH	3,349			3,349	-	3,349
JUJA ROAD PRIMARY	1,058			1,058	-	1,058
JUJA ROAD PRIMARY	5,003,349			5,003,349	4,694,204	309,145
				-	-	-
				-	-	-
MARIAKANI PRIMARY		1,500,000		1,500,000	1,498,345	1,655
Mariakani primary	396,270			396,270	-	396,270
MUKURU KAYABA PRIMARY				-	-	-
MUKURU KAYABA PRIMARY				-	-	-
Parkrod primary				-	-	-
PARKROAD PRIMARY-	5,000,000			5,000,000	4,697,964	302,036
PARKROAD PRIMARY-	5,177			5,177	-	5,177

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

						-
Sub-total	50,020,703	40,354,569	44,688,670	135,063,941	65,855,681	69,208,260
9.0 Secondary Schools Projects (List all the Projects)						-
CGHU Mixed Secondary School	3,787,339			3,787,339		3,787,339
Pumwani Boys Secondary School	1,600,000			1,600,000		1,600,000
Nairobi South Day Secondary School	1,400,000			1,400,000		1,400,000
Pumwani Boys Secondary School	3,700,000			3,700,000		3,700,000
Nairobi South Day Sec				-		-
				-		-
Higway secondary		3,600,000		3,600,000	3,416,880	183,120
9.3 Pangani Girls High School		5,000,000		5,000,000	3,689,966	1,310,034
9.4 Nairobi South Day Sec		2,341,004	7,005,152	9,346,156	8,698,000	648,156
9.8 Pumwani Girls Secondary School		9,326,696	-	9,326,696	1,865,954	7,460,742
9.9 Pumwani Boys Secondary School		4,463,353	-	4,463,353	4,033,378	429,975
10.0 Pangani Girls High School		8,926,696	-	8,926,696	2,973,541	5,953,155
COUNTY GIRLS		3,063,438		3,063,438	3,060,267	3,171
COUNTY GIRLS			20,000,000	20,000,000	11,884,330	8,115,670

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

						-
Sub-total	10,487,339	39,778,166	28,672,742	78,938,247	41,057,251	37,880,996
10.0 Tertiary institutions Projects (List all the Projects)						-
				-		-
				-		-
Sub-total	-	-	-	-	-	-
11.0 Security Projects						-
Industrial Area Police Station	4,000,000			4,000,000		4,000,000
Kamukunji Police Station	4,204,175			4,204,175		4,204,175
				-		-
Ngara Chief's Camp	4,000,000			4,000,000		4,000,000
Pangani Chief's office	-	4,000,000	-	4,000,000		4,000,000
11.3 Hazina Police Post		6,000,000	-	6,000,000		6,000,000
11.4 DCC Office		8,629,615		8,629,615		8,629,615
ngara police post		-	6,000,000	6,000,000	5,655,917	344,083
						-
Sub-total	12,204,175	18,629,615	6,000,000	36,833,790	5,655,917	31,177,873

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

unapproved projects	5,800,000			5,800,000		5,800,000
Reversed stale cheques	-		4,411,593	-	-	-
AiA	-			-		-
Sub-total	5,800,000	-	4,411,593	5,800,000	-	5,800,000
Total	188,414,052	139,052,153	85,773,005	408,827,617	190,830,007	217,997,610

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

17 Notes to the Financial Statements

1. General information

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

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 PFM Act, and International Public Sector Accounting Standards (IPSAS) or the entity has taken advantage of the transitional provisions under IPSAS 33 and therefore these are 1st transitional 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 [Starehe] 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 [Starehe] has recognized all financial assets, including cash and cash equivalents held in the operational account, deposit account, and PMC bank accounts; receivables (amounts due from the Board and other parties); prepayments; property, plant, and equipment (PPE); and intangible assets acquired during the financial year 2024/2025 up to the reporting date.

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

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 2024/2025 financial year will be undertaken in the third year of the transition period, after the necessary identification and valuation processes have been completed.

3. Adoption of New and Revised Standards

(When an IPSAS becomes effective on 1st January 2025, it is applicable in Kenya from 1st July 2025)

- 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 2025.*

Standard	Effective date and impact:
IPSAS 43: Leases	<p><i>Applicable 1st January 2025</i></p> <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 cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p> <p>This has no impact to the financial statement</p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1st January 2025</i></p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued</p>

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

	<p>operations to be presented separately in the statement of financial performance.</p> <p>This has no impact to the financial statement</p>
<p>IPSAS 45: Property Plant and Equipment</p>	<p><i>Applicable 1st January 2025</i></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under-maintenance of assets and distinguishing significant parts of infrastructure assets.</p> <p>The impact of this, is that it has made the valuation of PPE more accurate</p>
<p>IPSAS 46: Measurement</p>	<p><i>Applicable 1st January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS. iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>

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

	The impact of this, is that it has made the Financial statement more accurate
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 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>The impact of this, is that it has made the Financial statement more accurate</p>
IPSAS 48: Transfer Expenses	<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>The impact of this, is that it has made the Financial statement more accurate</p>
IPSAS 49: Retirement Benefit Plans	<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>This has no impact to the financial statement</p>
IPSAS 50:	<i>Applicable 1st January 2027</i>

<p>Exploration For & Evaluation of Mineral Resources</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>This has no impact to the financial statement</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

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Sale of goods

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

Interest income

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

Rental income

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

b) Budget information

The original budget was approved by Parliament on 1st 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. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

a) Financial assets

Classification of financial assets

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

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

Trade and other receivables

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

Fair value through surplus or deficit

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

Impairment

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

b) Financial liabilities

Classification

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

g) Inventories

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

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

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

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

h) Provisions

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

i) Social Benefits

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

j) Contingent liabilities

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

k) Contingent assets

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

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

l) Employee benefits

Retirement benefit plans

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

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

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

o) Cash and Cash Equivalents

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

p) Comparative figures

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

q) Subsequent events

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

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

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

Useful lives and residual value

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

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

Provisions

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

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

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

6. Transfers from the NGCDF Board

Description	2024/2025
	Kshs
NGCDFB Transfers (Allocation for the FY)	188,414,052
Total	188,414,052

7. Transfers from domestic and foreign partners

8. Finance income

9. Miscellaneous income

10. Employees cost

	2024/2025
	Kshs
NG-CDFC Basic staff salaries	2,306,412
Personal allowances paid as part of salary	-
House Allowance	672,000
Transport Allowance	288,000
Leave allowance	-
Gratuity to contractual employees	657,755
Employer Contributions Compulsory national social security schemes	101,720
Employer Contributions Compulsory Housing levy	46,503
Employer contributions to National Industrial Training Authority	-
Other Specify	-
Total	4,072,389

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

11. Committee Expenses

	<i>2024/2025</i>
	Kshs
Sitting allowance	884,985
Other Committee expenses	1,024,000
Total	1,908,985

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

12. Use of Goods and services

	<i>2024/2025</i>
	Kshs
Utilities, supplies and services	-
Communication, supplies and services	36,250
Domestic travel and subsistence	3,512,200
Printing, advertising and information supplies & services	277,850
Office Rent	-
Training expenses	1,527,800
Hospitality supplies and services	862,700
Insurance costs	-
Specialized materials and services	291,460
Office and general supplies and services	362,250
Fuel, oil & lubricants	21,500
Bank charges	1,998
Routine maintenance – vehicles and other transport equipment	99,670
Routine maintenance – other assets	114,600
Strategic plan expenses	-
Other operating expenses	2,697,580
Total	9,805,858

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

13. Other Government Units Actual expenditure

Description	2024/2025
	Kshs
Primary Schools Actual expenditure	70,896,158
Secondary Schools Actual expenditure	43,597,877
Tertiary Institutions Actual expenditure	-
Total	114,494,034

14. Other Grants and transfers Actual expenditure

	2024/2025
	Kshs
Bursary – secondary schools	33,760,941
Bursary – tertiary institutions	10,610,000
Bursary – special schools	16,790,000
Bursary - Education Support programmes	-
Social Security programmes (SHIF)	-
Security projects Actual expenditure	5,953,476
Climate change mitigation projects	-
Emergency projects Actual expenditure	-
Roads projects Actual expenditure	-
Others specify	-
Total	67,114,417

15. Depreciation and Amortization Expenses

Description	2024/2025
	Kshs
Property Plant and Equipment	282,958
Intangible Assets	
Total	

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

16. Digital Hubs Expenses

17. Gain/loss on Sale of Assets

18. Impairment Loss

19. Cash and Cash Equivalents

Name Of Bank and Account No.	Period ended June 2025	Opening Statement 1st July 2025
	Kshs	Kshs
Bank Accounts (Cash Book Bank Balance)		
<i>Equity bank , Account No: 0910285558432(Operations account)</i>	117,796,361	111,620,865.35
<i>Operations account pending closure (Indicate name & account no.)</i>	-	-
<i>Equity bank, account No: 0910285642493(Deposit account)</i>	661,847	-
<i>Name of Bank, account No (PMC's account)</i>	45,536,942	27,431,287.50
Total	163,995,151	139,052,153
Cash Balances		
Location 1	-	-
Location 2	-	-
Other Locations (<i>Specify</i>)	-	-
Total	-	-
<i>[Provide Cash Count Certificates for Each]</i>		

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

20. Receivables from Exchange Transactions

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

21. Receivables from Non-Exchange Transactions

Description	2024-2025		Opening Statement 1 st July 2024	
	Kshs		Kshs	
Transfers from NGCDFB	58,414,052		85,773,005.00	
Outstanding imprest	-		-	
Total	58,414,052		85,773,005	
Ageing Analysis- Receivables from non-exchange transactions	Insert Current 2025	% of the total	Opening Balance 2024	% of the total
Less than 1 year	58,414,052	100%	85,773,005	
Between 1-2 years		0%	-	
Over 3 years	-	0%	-	0%
Total	-	0%	-	0%

22. Prepayments

23. Property, Plant and Equipment

(Straight line method of depreciation has been used)

	Land	Buildings	Motor vehicles	Infrastructure assets	Furniture and fittings	Computers & ICT Equipment	Work in progress	Service concession assets	Total
Depreciation Rate(specify)		10%	25.00%	20%	12.50%	30.0%			
Cost	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Opening Bal as 1 st July 2024	-	-	-	-	-	-	-	-	-
Additions	-	-	-	-	348,000	798,192	-	-	1,146,192
Disposals	-	-	-	-	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-	-	-	-	-
As At 30th JUNE 2025	-	-	-	-	348,000	798,192	-	-	1,146,192
Depreciation And Impairment									
Opening Depreciation	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	43,500	239,458	-	-	282,958
Disposals	-	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-	-

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

Transfer/Adjustment	-	-	-	-	-	-	-	-	-
As At 30th JUNE 2025	-	-	-	-	43,500	239,458	-	-	282,958
Net Book Values									
Opening Bal as at 1 st July 2025	-	-	-	-	-	-	-	-	-
As At 30th JUNE 2025	-	-	-	-	304,500	558,734	-	-	863,234

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).

22 b) Property, Plant and Equipment at Cost

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

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

24. Intangible Assets

25. Right-of use assets

26. Trade and Other Payables

27. Third-Party deposits

	<i>Period ended June 2025</i>	<i>Opening Statement 1st July 2024</i>
	Kshs	Kshs
Retention as at start of the period (A)	819,727	819,727
Retention held during the period (B)	11,073,798	-
Retention paid during the period (C)	3,911,137	-
Closing Retention as at period 2024-2025, D= A+B-C	7,982,388	819,727

Retentions aging analysis.

	Insert Current 2025	% of the total	Insert Comparative 2024	% of the total
Less than 1 year	0		0	%
1-2 years	7982388	100%	819727	100%
2-3 years	0	%	0	%
Over 3 years	0	%	0	%
Total	7982388		819727	

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

28. Lease Liabilities

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

29. Gratuity Provision

Description	<i>Period ended June 2025</i>	<i>Opening Statement</i>
	Kshs	<i>1st July 2025</i> Kshs
Gratuity at the beginning of the period (A)	112,640	-
Gratuity held during the period (B)	657,755	112,640
Gratuity paid during the period (C)	108,548	-
Total Gratuity provision as at period 2024/2025 D=(A+B-C)	661,847	112,640

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

30. Cash Generated from Operations

	<i>Period ended June 2025</i>
	Kshs
Surplus for the period before tax	(9,264,589)
Adjusted for:	
Depreciation	282,958
Non-cash grants received	-
Contributed assets	-
Impairment	-
Gains and losses on disposal of assets	-
Contribution to provisions	-
Contribution to impairment allowance	-
Working capital adjustments	
Changes in inventory	-
Changes in receivables	(27,358,953)
Changes in deferred income	-
Changes in Third party deposits	(7,162,661)
Changes in gratuity provision	(549,207)
Changes in payments received in advance	-
Net cash flow from operating activities	26,089,190

(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 minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The Entity does not hedge any risks and has in place policies to ensure that credit is only extended to customers with an established credit history. The Entity's financial risk management objectives and policies are detailed below:

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

i) Credit risk

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

Financial Risk Management

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

Description	Total amount	Fully performing	Past due	Impaired 85,773,005
	Kshs	Kshs	Kshs	Kshs
As at 30th June (2024/2025)				
Receivables from exchange transactions				
Receivables from non-exchange transactions		58,414,052		
Bank balances				
Total		58,414,052		
As at 30 June (2023/2024)				
Receivables from exchange transactions				
Receivables from non-exchange transactions		85,773,005		
Bank balances				
Total		85,773,005		

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

Financial Risk Management

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

ii) Liquidity risk management

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
As at 30th June (2024/2025)				
Trade payables				
Current poportion of borrowings				
Provisions				
Deferred income				
Gratuity Provision			661,847	
Total			661,847	
As at 30th June (2023/2024)				
Trade payables				
Current portion of borrowings				
Provisions				
Deferred income				

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
Employee benefit obligation			112,640	
Total			112,640	

iii) Market risk

Starehe NGCDF 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 *Starehe NGCDF* income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee. *Starehe NGCDF* 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 *Starehe NGCDF* exposure to market risks or the way it manages and measures the risk.

a) Foreign currency risk

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

denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

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.

b) Interest rate risk

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

Management of interest rate risk

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

Sensitivity analysis

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

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.

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.

32. Related Party Disclosures

	<i>Insert current FY</i>	<i>Opening Statement 1st July 2024</i>
	Kshs	Kshs
Committee Members Remuneration		
Sitting allowance of committee Members during the year	884,985	1,215,600
Transaction with the NGCDF Board		
Transfers from the NGCDF Board during the year	215,773,005	243,896,161
Total	216,657,990	245,111,761

33. Segment Information

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

34. Contingent Assets and Contingent Liabilities

35. Capital Commitments

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 Starehe 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.

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

18. Annexes

Annex 1: Summary of Asset Register

Asset class	Historical Cost b/f (Kshs) 2023-2024	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2024-2025
Land		-	-	-
Buildings and structures	7,610,000	-	-	7,610,000
Transport equipment	4,083,226	-	-	4,083,226
Office equipment, furniture and fittings	1,978,982	348,000		2,326,982
ICT Equipment, Software and Other ICT Assets	1,316,000	798,000		2,114,000
Other Machinery and Equipment	3,817,292	-	-	3,817,292
Intangible assets		-	-	-
Total	18,805,500	1,146,000	-	19,951,500

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

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

PMC	Bank	Account number	Bank Balance Current FY	Bank Balance Comparative FY
DR AGGREY PRIMARY SCHOOL PMC	EQUITY BANK	910279143304	173292	171152
DR AGGREY PRIMARY SCHOOL PMC	EQUITY BANK	910279143304	2000	
RACECOURSE PRIMARY	EQUITY BANK	910285282901	457165	3495824
RACECOURSE PRIMARY	EQUITY BANK	910285282901	196430	415309
AINSWORTH PRIMARY	EQUITY BANK	910284859778	273492	3349
CGHU PRI SCH	EQUITY BANK	910284561579	1247485	3349
JUJA ROAD PRIMARY	EQUITY BANK	910282126295	1058	1058
JUJA ROAD PRIMARY	EQUITY BANK	910284749758	309145	5003349
JUJA ROAD PRIMARY	EQUITY BANK	910284749758	2787150	-
JUJA ROAD PRIMARY	EQUITY BANK	910284749758	5000	
MARIAKANI PRIMARY	EQUITY BANK	1770279183141	1655	
Mariakani primary	EQUITY BANK	1770279183141	396270	396270
MUKURU KAYABA PRIMARY	EQUITY BANK	910285490619	4119121	-
MUKURU KAYABA PRIMARY	EQUITY BANK	910285490619	2049502	-
PARKROAD PRIMARY-	EQUITY BANK	910282126581	5000	
PARKROAD PRIMARY-	EQUITY BANK	910282126581	302036	5000000
PARKROAD PRIMARY-	EQUITY BANK	910282126581	3311331	5177
PARKLANDS PRIMARY-	EQUITY BANK	910284522415	5000	
PARKLANDS PRIMARY-	EQUITY BANK	910284522415	308393	5003349

National Government Constituencies Development Fund (NGCDF)

Starehe Constituency

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

	EQUITY BANK			
PLAINSVIEW PRIMARY	EQUITY BANK	910285039672	224659	3349
PLAINSVIEW PRIMARY	EQUITY BANK	910285039672	491362	
RIVER BANK PRIMARY	EQUITY BANK	910282112918	22688	275463
	EQUITY BANK		-	
PANGANI PRIMARY	EQUITY BANK	910284561631	333656	3349
OUR LADY OF MERCY SECONDARY SCHOOL	EQUITY BANK	910285283198	19127	19127
JAMHURI HIGH SCHOOL PMC ACCOUNT	COOP BANK	01141070623400	253565	978521
CITY PRIMARY	EQUITY BANK	910282128346	11665	11665
PANGANI PRIMARY	EQUITY BANK	910282126328	236082	236082
ST BRIGIDS PRIMARY	EQUITY BANK	910284545017	140069	140069
ST BRIGIDS PRIMARY	EQUITY BANK	910284545017	360000	
MUSLIM PRIMARY SCHOOL PMC ACCOUNT	EQUITY BANK	910282128404	4716	4716
MUSLIM PRIMARY SCHOOL PMC ACCOUNT	EQUITY BANK	910284445203	140344	140344
PUMWANI PRIMARY	EQUITY BANK	910285269255	2000	
			-	
COUNTY GIRLS SECONDARY SCHOOL	EQUITY BANK	910284615341	3171	3063438
COUNTY GIRLS SECONDARY SCHOOL	EQUITY BANK	910284615341	8115670	-
PUMWANI BOYS SECONDARY SCHOOL	EQUITY BANK	910282133564	-	-
PUMWANI BOYS SECONDARY SCHOOL	EQUITY BANK	910282133564	1313563	-

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

HIGHWAY SECONDARY SCHOOL	EQUITY BANK	910285700142	183120	-
PANGANI GIRLS HIGH SCHOOL	EQUITY BANK	910285552675	1310034	-
PANGANI GIRLS HIGH SCHOOL	EQUITY BANK	910285552675	5953155	-
PUMWANI GIRLS SECONDARY SCHOOL	EQUITY BANK	910284505248	7460742	-
PUMWANI GIRLS SECONDARY SCHOOL	EQUITY BANK	910284505248	15555	268330
NAIROBI SOUTH SECONDARY SCHOOL	EQUITY BANK	910284749811	1620933	2449066
NAIROBI SOUTH SECONDARY SCHOOL	EQUITY BANK	910284749811	2000	
PUMWANI BOYS SECONDARY SCHOOL	EQUITY BANK	910282133564	769558	339583
NGARA GIRLS HIGH SCHOOL	EQUITY BANK	910285700143	254901	
NGARA CHIEF	EQUITY BANK	910285827665	344083	
TOTAL			45,536,942	27,431,288

Annex 3: Progress On Follow Up of Auditor Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
4.2	Unconfirmed Project Management Committee (PMC) Bank Balances	The financial statement has been corrected to match the bank certificates and we have attached the financial statements and bank certificates missing.	Not Resolved	
4.3	Non-Remittance of Unutilized Funds	Before the balances are moved from the PMC to the main NG-CDFC account, it is mandatory that we wait for the defect mandatory period to elapse which is normally six, months thus the delay, also the unwillingness of the contractor to claim the retention due to them despite the NG-CDFC	Not Resolved	

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		fund contacting them to and be paid their funds		
4.6	Lack of Disaster Recovery Plan	The management has noted the issue and will liaise with the relevant stakeholders to develop and implement an effective disaster recovery plan.	Not Resolved	
4.7	Misstatement of Transfer to Other Government Entities	The financial statements have been corrected and the misstatement in transfer to other government entities of Nairobi South has been correctly placed.	Not Resolved	
4.8	Budgetary Control and Performance	We only recognize the AIES's received but not the expected funds which is the original budget which amount to Ksh.250,620,113, therefore it does not affect our expenditure because we do not	Not Resolved	

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
		spend what we do not have.		
4.9.2	Irregular Re-Allocation of Emergency Funds	The NGCDF Act guides the management on reallocation of emergency reserves by authorizing the reallocation of funds if they are unused in the respective financial year.	Not Resolved	

Name 
Fund Account Manager

