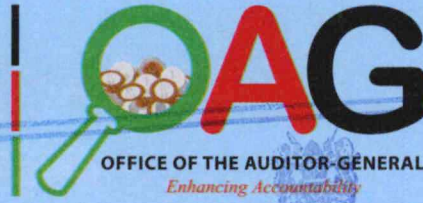


REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL  
Enhancing Accountability

THE NATIONAL ASSEMBLY  
PAPERS LAID

DATE: 26 NOV 2025

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BY:

Hon. PUKARA ROBERT

TABLED

MADO ATABO



PARLIAMENT  
OF KENYA  
LIBRARY

REPORT

OF

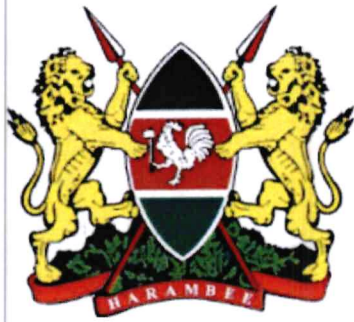
THE AUDITOR-GENERAL

ON

NATIONAL GOVERNMENT  
CONSTITUENCIES DEVELOPMENT  
FUND – MUMIAS EAST CONSTITUENCY

FOR THE YEAR ENDED  
30 JUNE, 2025





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NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

MUMIAS EAST CONSTITUENCY

ANNUAL REPORT AND FINANCIAL STATEMENTS

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

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

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## 1. Acronyms and Definition of Key Terms

### A. Acronyms

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

### B. Definition of Key Terms

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

**Comparative Year-** Means the prior period.

*(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
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 Mumias East Constituency's day-to-day management is under the following key organs:

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

### Fiduciary Management

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

No	Designation	Name
1.	AIE holder	Justus Ogutu Noo
2.	National Sub-County Accountant	Christine Lumumba
3.	Chairman NGCDFC	Diana Oronje
4.	Member NGCDFC	Francis Wesonga (Alternate signatory)
5.	Member NG CDFC	Petronilla Owatte (Deposit Account)

### (c) Fiduciary Oversight Arrangements

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

Mumias East NG-CDF Office

P.O Box 142-50106

Malaha Road – Off Shianda Market

**(e) NGCDF Mumias East Constituency Contacts**

P.O. Box 142-50106

Telephone: (254) 725607537

E-mail: [cdfmumiaseast@ngcdf.go.ke](mailto:cdfmumiaseast@ngcdf.go.ke)

Website: [www.go.ke](http://www.go.ke)

**(f) NGCDF Mumias East Constituency Bankers**

1. *Operation Account*

Kenya Commercial Bank

*Mumias Branch*

P.O. Box 193-50102

Mumias

2. Deposit Account

Kenya Commercial Bank

Mumias Branch

P.O. Box 193-50102

Mumias

3. Project Management committee bank account

Equity bank

Mumias branch

P.o Box 50102

Mumias

KCB Bank

Mumias branch

P.O. Box 193-50102

Mumias

Co-operative Bank

Mumias Branch

P.o Box 905-50102

Mumias





**(g) Independent Auditor**






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


**(h) Principal Legal Adviser**

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

3. NGCDF Committee

Name	Details
 Miss. Diana Oronje Chairperson	Born on 16 <sup>th</sup> July 1998 She joined Mumias East NG-CDFC as a female youth Representative through a gazette notice Vol. CXXVII – No. 98 dated 21 <sup>st</sup> May, 2025 She is currently undertaking her Degree Course Business Lady
 Mr. Joseph Owino Odero Member	Born on 2 <sup>nd</sup> Aug 1948 He joined Mumias East NG-CDFC as a Male adult Representative through a gazette notice Vol. CXXVII – No. 98 dated 21 <sup>st</sup> May, 2025 He attained O Levels education. He is a maize and sugarcane farmer.
 Mr. Julius Opilo Mukhoma Member	Born on 1 <sup>st</sup> Jan 1957 He joined Mumias East NG-CDFC as Representative of Person with Disabilities through a gazette notice Vol. CXXVII – No. 98 dated 21 <sup>st</sup> May, 2025 He attained O Levels education. He is a maize and sugarcane farmer. Nominated by Lubinu Disabled Self Help Group
 Mr. Francis Wesonga Kokonya Secretary	Born on 20 <sup>th</sup> Aug 1986 He joined Mumias East NG-CDFC as a Male adult Representative through a gazette notice Vol. CXXVII – No. 98 dated 21 <sup>st</sup> May, 2025 He attained Secondary School Level of education. He is a farmer and businessman.

	<p>Born on 20<sup>th</sup> Oct 20 1973 She joined Mumias East NG-CDFC as a female adult Representative through a gazette notice Vol. CXXVII – No. 98 dated 21<sup>st</sup> May, 2025 She attained O Levels education. Business woman</p>	
<p>Mrs Beatrice Ashioya Mukholo Member</p>		<p>Born on 20<sup>th</sup> Jan 1988 He joined Mumias East NG-CDFC as a Male youth Representative through a gazette notice Vol. CXXVII – No. 98 dated 21<sup>st</sup> May, 2025 He attained Secondary school Level of education. He is a business Person</p>
<p>Mr. James Amunyolo Juma Member</p>		<p>Born:23<sup>rd</sup> Nov 1974 She joined Mumias East NG-CDFC as a female adult Representative through a gazette notice Vol. CXXVII – No. 98 dated 21<sup>st</sup> May, 2025 She attained O Levels education. Business woman</p>
<p>Mrs. Petronilla Opanda Owatte Member</p>		<p>Born on 1<sup>st</sup> Jan 1959 He joined Mumias East NG-CDFC as a Co-opted member He attained O Levels education. He is a maize and sugarcane farmer.</p>
<p>Mr. Philip Muyeyi Wanga Member</p>		<p>Born on 23<sup>rd</sup> April 1973 She joined Mumias East NG-CDFC in 2025 She is the Deputy County Commissioner</p>

<p>Mrs. Beatrice Odira Member</p>	
 <p>Mr .Justus Ogutu Noo Member</p>	<p>He was born on 16<sup>th</sup> July 1987 and is Fund Account manager.          He is a member of the NG-CDF committee as an ex-official.          He holds Bachelor’s Degree in Economics, Mathematics and Political science, CPA K ,Master’s Degree in International Relations and Diplomacy.          Fund Account Manager</p>

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



**Miss. Diana Oronje**  
**Chairperson, Mumias East NG-CDFC**

I am pleased to present to you the annual report and financial statement for the year ended 30<sup>th</sup> June 2025. The financial statements set out below were prepared on cash basis of accounting regulated by the international public sector accounting standards.

Mumias East NG-CDFC aspires to be the best constituency in utilization of NGCDF funds through satisfying the community needs and promoting good governance in management of the fund. The establishment of the fund was centered on channeling funds to grass root communities by enabling them to implement projects on their own and of course identifying them through public participation.

We have had notable success in implementation of projects especially those that transform lives of our community in the constituency notably in areas of school infrastructure, security and bursary awards to needy students, majority of whom are in tertiary institutions.

In the current financial year, budget performance in comparison to the actual has been below 100% that is 82.5% because of delays in receiving the current financial year funds. The constituency received Kshs.137,000,000 against a budgeted amount of Kshs 161,497,759. The previous financial year had an amount of Kshs. 5,890,738

as the balance brought forward and pending approval of Kshs.40,613,262.

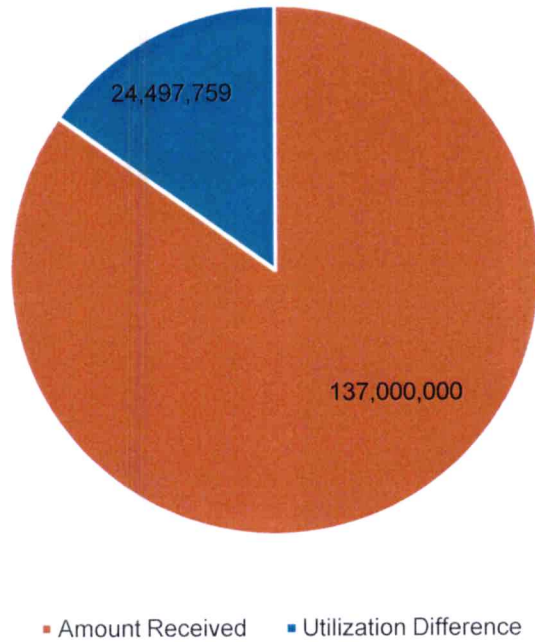
Despite the delay in disbursement of funds, we have been able to implement and complete more than 80% of projects. We were also able to expand infrastructure, mainly classrooms, administration blocks and twin lab in the existing schools.

However, despite the successes achieved, there were implementation challenges encountered along the way. As had been mention earlier there have been delays in disbursement of funds from the CDF Board. Some of the project management committees have low capacity to implement projects and hence there is need for training. Inadequate allocation by the NG-CDF Board makes it impossible to implement the intended number of projects that are proposed by the community. It also leads to little allocation to projects hence unable to complete all the budgeted projects in one financial year.

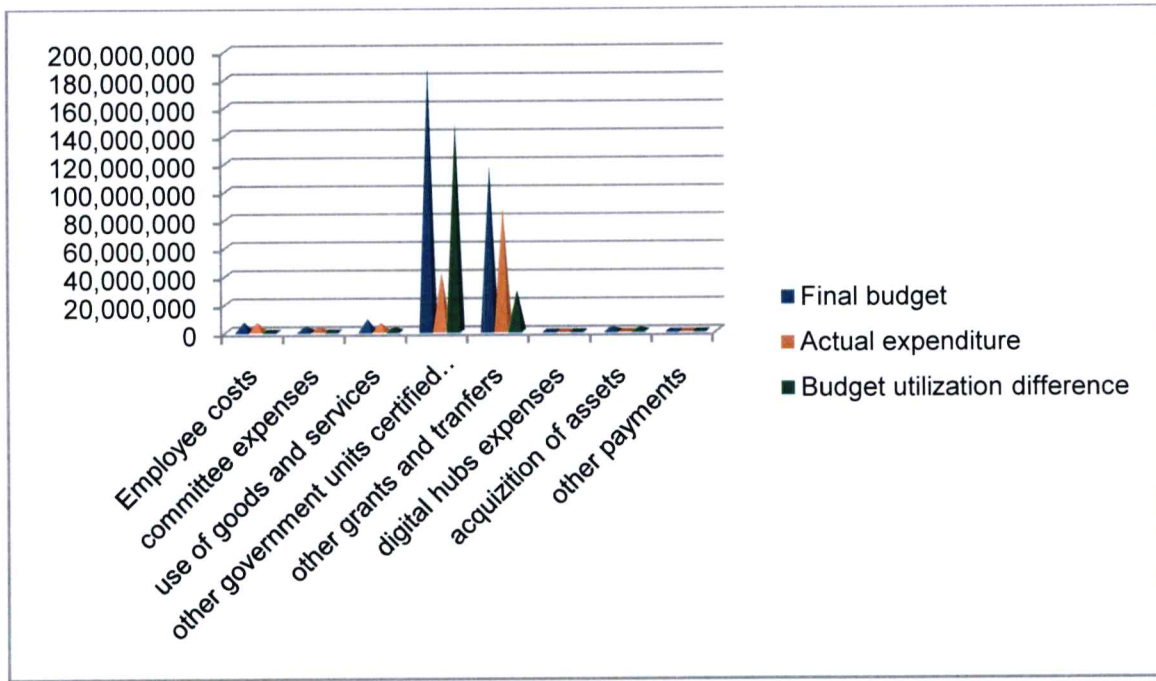
**a. Pie chart showing utilization difference against total budget.**

Original Budget	161,497,759
Final Budget	266,885,496
Actual on Comparable Basis	173,149,032
Budget Utilizations Difference	24,497,759

Utilization Difference against Total Budget



Expenses	Final budget	Actual expenditure
Employee costs	6,716,566	5,533,025
Committee expenses	4,497,432	6,062,900
Use of Goods and Services	7,105,260	5,311,682
Other Government Units Certified Works	176,584,112	119,293,733
Other Grants and Transfers	64,581,051	31,239,500
Digital Hubs Expenses	7,401,086	5,708,192
Acquisition of assets		
Other payments		

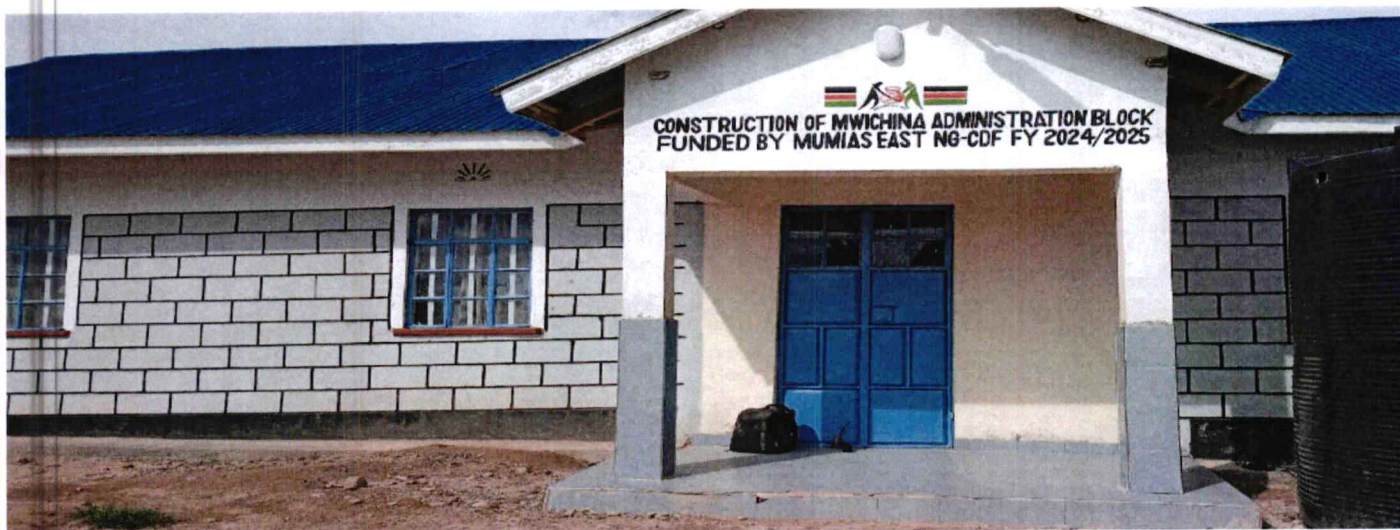


From the above analysis the performance of Mumias East NG-CDF has been commendable given the circumstances and this was as a result of team work among the NG-CDFC and other stakeholders.

The construction of additional classrooms reduced the challenges that the various schools were facing more so the Junior Secondary schools  
 Bursaries issued to other 6,500 students across the constituency enabled the needy students to learn without interruptions

**KEY ACHIEVEMENTS**

The following are some of the key projects that have been undertaken



**Project 1: Mwichina Primary School: Construction of administration block  
Achievement**

It has provided a conducive environment for learners and Teachers



**Project 2: Mabanga Primary school: Construction of 8-door exhaustible pit  
latrine(Emergency)**

**Achievement**

It has improved sanitation in learning Environment



### **Project 3: KMTTC Shianda: Construction of tuition and administration Block**

#### **Achievement**

1. It has increased the number of enrollment to the Institution.
2. It has also increased the number of courses being offered in the Institution.

The following are some of the emerging issues that are experienced as a result of the current economy.

#### **1. Restructuring of the Education Funding**

The move by the government to restructure the education funding for the tertiary institutions through changing of the HELB funding structure has brought a lot of

pressure to the NGCDF Bursary Funds as many students are now seeking for scholarships from the constituency to enable them continue with their studies

**2. Junior Secondary School**

The introduction of the Junior Secondary School through the CBC Education system has brought a lot of pressure to the existing facilities in various primary schools. There is need for construction and equipping of new classrooms and laboratories to accommodate the students.

**3. Inflation Rates**

With the current economic position where the rate of exchange of Kenyan shillings to dollar continues to rise, there has been an increase in the cost of construction materials. Hence those projects that were submitted to the board before inflation may not be completed with the original budgeted cost necessitating need for variations and additional funding.

**Challenges and Way Forward**

- As we appreciate the continued support from the National Government in making slight additions to the kitty, we wish to say that it's not enough to assist the constituency make the rapid change of providing proper infrastructure for the education sector and security organs. The National Government should seriously consider the re-introduction of the poverty index scheme for the distribution of the national cake.
- Its common knowledge that there are certain pocket of regions in this country that have a high poverty index like Mumias East and they have to be jump started economically to catch up with region that have huge strides in matters development.
- We remain committed as a committee to ensure that the fund makes the expected impact in the constituency in terms of enabling needy and bright students attend and compete their formal education in a convenient environment.
- We also are focused to ensure our constituency achieve the lowest regional and national crime indices.

  
.....

**Name: Diana Oronje**  
**Chairman NGCDF Committee**

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

### Introduction

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

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

- a) To implement comprehensive planning and prioritize development projects aimed at creating optimal learning conditions for students in schools
- b) To empower youth, women, and persons with disabilities (PWD) by facilitating their acquisition of fundamental skills through targeted programs that equip them with the necessary tools and knowledge to thrive in society
- c) To foster effective participation and community involvement in the development processes to create a sustainable and safe living environment where all voices are heard and valued
- d) To strengthen the economic capacity of residents, enabling self-sufficiency and independence by providing opportunities for skills development and entrepreneurship for job creation and improved living standards

### Progress on the attainment of Strategic development objectives

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

Sector	Objective	Outcome	Indicator	Performance
Education	To have all children of school going age attending school	Increased enrolment in primary schools and improved transition to	Increased number of Classrooms, administration blocks and Increased	In FY 2024/25 -we have improved the condition of 12 classrooms :Emusoma ,Isongo,Malaha,Shitoto ,Eshimuli,Emukhalari, Eshiakhulo,Khungoyokosi,Ikoli,Emutetemo,Emachina,Bumwende,Ebubere and Khwihondwe primary,administration block at Mwichina primary schools, Twin lab at Musango secondary Khabakaya Secondary and Epanja Secondary and tuition block at KMTC Shianda We have also constructed 8 door. exhaustible pit latrines in primary schools In addition, we awarded bursary to approximately 3,000 students in secondary

**National Government Constituencies Development Fund (NGCDF)**

**Mumias East Constituency**

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

		second ary school s and tertiar y institut ions	numb er of Bursar y benefi ciaries	schools and 3,500 in Tertiary Institutions.
Climat e change mitigat ion activiti es	Conserv ed the environ ment by planting trees	Reduc ed soil erosio n	Planting of indigen ous trees in Public Institution	We have Planted 3000 indigenous trees in Public Institution i.e Mumias East DCC, NGCDF, ICT Centre and Isongo ACC office
Emerg ency	Improv e the mechan ism used in handlin g disasters	Reduc e loss of live and proper ties	Construction of latrines and fumigation of schools	To curb rampant cholera cases within the schools, we have been able to fumigate 5 schools and constructed of 3 pit exhaustible pit latrines that sunk in Mabanga primary, Khwihondwe Primary and Ebulechia Primary School

## 6. Governance Statement

### Introduction

The National Government Constituencies Development Fund Act 2015 (Amended 2016) in section 43(1), (2), (3) and 57(1) 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.

In this regard section 5 and 6 of NG CDF regulations provides for procedure for nomination of the five members of the NG CDFC as outlined in section 43 (2) paragraph (b), (c), and (d) of the principal Act through a selection panel composed of:

- a) One person nominated by national Government official in charge of Sub County or designated representative who shall chair the panel
- b) Officer of the Board seconded to the constituency who is be the secretary of the selection panel
- c) Two persons one of either gender nominated by the constituency office (established under regulations made pursuant to the parliamentary service act)

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
- 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 National Government Constituency Development Fund Committee**

(1) There is established a National Government Constituency Development Fund Committee for every constituency.

(2) Each Constituency Committee shall comprise of—

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

(3) The seven persons referred to in subsection (2)(b), (c), (d) and (e) shall be selected in such manner and shall have such qualifications as the Board may, by Regulations, prescribe.

(4) The names of the persons selected under subsection (3) shall be submitted by the Board to the National Assembly for approval before appointment and gazettelement by the Board.

(5) The Regulations made under subsection (3) shall be submitted to the National Assembly for approval before publication by the Board.

(6) The first meeting of the Constituency Committee shall be convened within one hundred and twenty days of the commencement of a new term of Parliament or the date of the holding of a by-election, by the national government official at the constituency or in his or her absence, by an officer of the Board seconded to the constituency.

(7) The quorum of the Constituency Committee shall be one half of the total membership.

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

(9) The Fund account manager seconded by the Board to the constituency shall be the custodian of all records and equipment of the constituency during the term of Parliament and during transitions occasioned by general elections or a by-election.

(10) Whenever a vacancy occurs in the Constituency Committee by reason of resignation, incapacitation or demise of a member the vacancy shall be filled from the same category of persons where the vacancy has occurred within a period of one hundred and twenty days.

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

#### **Process of Formation of the NGCDF Committee**

To facilitate this, the selection panel invited interested and qualified members of the public for appointment to the NG-CDF committee. The panel invited the public through advertisement publicized in churches, public offices notice boards at the chiefs and assistant Chiefs offices and other public areas in the constituency.

The selection panel developed a short listing criterion which enabled identification of the nominees for interviews. Two additional nominees were proposed by Mumias East Constituency Office as per section 43 of the NG-CDF Act, 2015.

NO	NAME	CATEGORY	WARD
1.	Petronilla Opanda Owatte	Female (Adult)	East Wanga
2.	Diana Alunya Oronje	Female (Youth)	East Wanga
3.	James Amunyolo Juma	Male (Youth)	Lubinu Lusheya
4.	Joseph Owino Odero	Male (Adult)	East Wanga

#### **Nominee of the Body representing Persons with Disability**

NO	NAME	NOMINATING ORGANIZATION	NATURE OF PHYSICAL IMPAIRMENT	WARD
1.	Julius Opilo Mukhoma	Mumias East Special SHG	Ambulatory	Lubinu Lusheya

**Nominee of the Constituency Office**

NO	NAME	CATEGORY	OCCUPATION	WARD
1.	Beatrice Ashioya Mukholo	Female	Business Lady	Malaha-Isongo- Makunga
2.	Francis Wesonga Kokonya	Male	Farmer	Malaha-Isongo- Makunga

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.	Philip Muyeyi Wanga	Male	Lubinu Lusheya

The above committee was gazetted on 21<sup>st</sup> May 2025 by the Chief Executive Officer of the Board via Gazette Notice Vol. CXXVII – No. 98

The members took over the office on the first meeting on 2<sup>nd</sup> May 2025 and went through the process electing the chairperson and the secretary of the committee. The following members were elected.

1. Chairperson                      -**Ms. Diana Oronje**                      ID No. 35210266
2. Secretary                              -**Mr. Francis Wesonga**                      ID No. 28660711

During its first meeting, a Constituency Committee established Sub-Committees necessary for the proper performance of its functions in accordance with the guidelines issued by the Board. The sub committee are as follows:

- i.        Bursary Sub Committee
- ii.       Complaints Resolution Sub Committee
- iii.       Environment Sub Committee

The following were appointed to the different committee

**a. Bursary committee**

1. Beatrice Ashioya                      - Member
2. Francis Wesonga                      - Member
3. Petronilla Owatte                      - Member

**b. Complaints Resolution Committee**

1. Francis Wesonga - Member
2. Petronilla Owatte - Member
3. Joseph Odero

**c. Environment Sub Committee**

1. James Amunyolo - Member
2. Diana Oronje - Member
3. Philip Muyeyi - Member

The chairperson and the secretary are members of all the committees. The DCC is a member of the complaint committee, while representative from the ministry of education office is also co-opted to be in the Bursary committee.

**The NG-CDF tenure**

The term of office for the members of the Constituency Committee is two 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 outgoing committee handed over the office on 31<sup>st</sup> May and the incoming committee became active immediately for a period of two years till 31<sup>st</sup> March 2027 as per the constituency guidelines.

**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;

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

- Ensure that all projects receive adequate funding and are completed within three years.
- Monitor the implementation of projects in accordance with the monitoring and evaluation framework prescribed by the Board.
- 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.
- Recommend to the Board the removal of a committee member in accordance with section 43(13) and (14) of the Act.
- Enter into performance contracting with the Board on an annual basis.

#### **Removal of NG-CDFC 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-

- (i) lack of integrity;
- (ii) gross misconduct;
- (iii) embezzlement of public funds;
- (iv) bringing the committee into disrepute through unbecoming personal public conduct;
- (v) Promoting unethical practices
- (vi) causing disharmony within the committee;
- (vii) 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 ought to be removed shall be given a fair hearing before the resolution is made.

#### **Training of NG-CDFC Members**

In the financial year 2024/2025 the NGCDF Board organized training of NGCDFC members. During the training, critical areas such as public finance, project planning, procurement, complaint management, performance management were covered to equip them with the prerequisite knowledge and skills to ensure effective and efficient management of NG-CDF Mumias East.

**Number of Meetings Held**

According to the NG-CDF Act 2015, Section 43(1), the NGCDF Committee is required to hold a maximum of 24 meetings in a year including any subcommittee meetings. Mumias East Constituency Held a total of 12 meetings in the financial year 2024-2025 and the attendance was as follows.

O.	NG-CDFC COMMITTEE MEMBERS	24 <sup>th</sup> July 2024	8 <sup>th</sup> Aug 2024	19 <sup>th</sup> Oct 2024	27 <sup>th</sup> Nov 2024	21 <sup>st</sup> Jan 2025	3 <sup>RD</sup> Feb 2025	27 <sup>TH</sup> March 2025	8 <sup>TH</sup> April 2025	2 <sup>ND</sup> May 2025	13 <sup>th</sup> May 2025	3 <sup>RD</sup> June 2024	24 <sup>TH</sup> June 2024
1	Diana Oronje-Chair	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
2	Petronilla Owatte-Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
3	Beatrice Ashioya-Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
4	James Amunyolo-Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
5	Benedict Omweba-Member	✓	✓	✓	✓	✓	✓	✓	×	×	×	×	×
6	Philip Odero-member	×	×	×	×	×	×	×	×	✓	✓	✓	✓
7	Francis Wesonga-member	×	×	×	×	×	×	×	×	✓	✓	✓	✓
8	Julius Opilo-Member	×	×	×	×	×	×	×	×	✓	✓	✓	✓
9	Joseph Odero-member	×	×	×	×	×	×	×	×	✓	✓	✓	✓
10	Justus Noo-FAM	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
11	Beatrice Odira-DCC	×	×	×	×	×	✓	✓	✓	✓	✓	✓	✓
11	Paul Langat-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, most members of NGCDFC Mumias East adhered to the above ethical issues

### **Members Remuneration**

NG-CDFC members are not entitled to payment of salary. However, the chairperson of NG-CDFC is entitled to an allowance Ksh. 7,000 per meeting and all other members an allowance of Ksh. 5,000 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 Mumias East contravened conflict of interest policy.

### **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 Mumias East 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

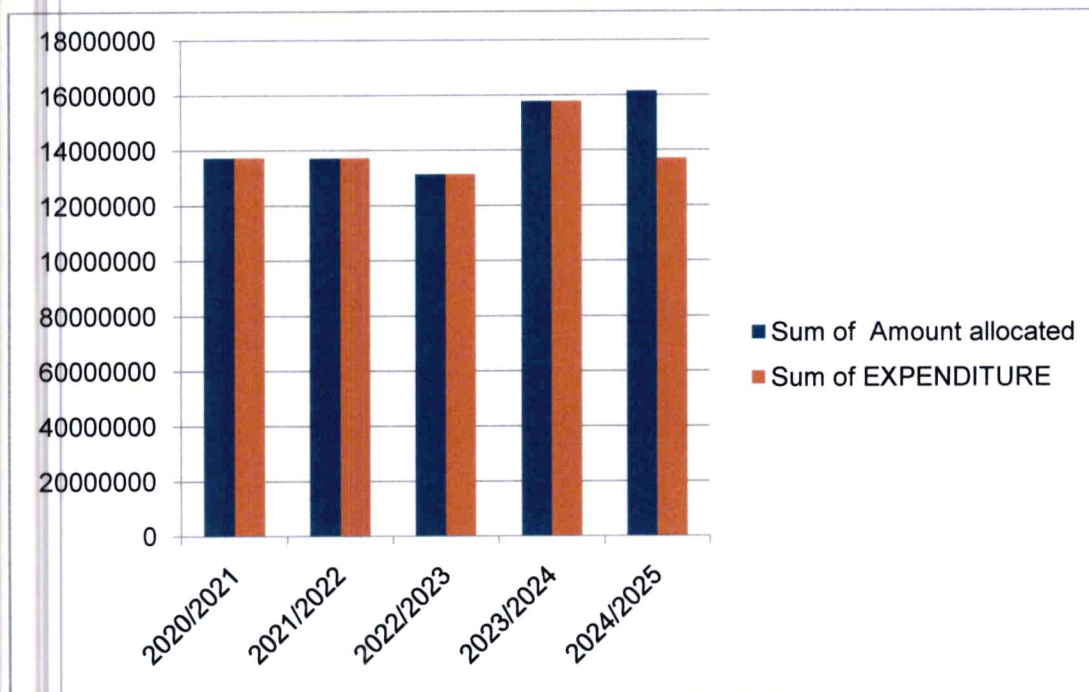
Monitoring & evaluation plan for the financial year. Conducting public participation within the prescribed time lines to ensure the constituents are involved in project identification.

**7. Management Discussion and Analysis**

The National Government Constituency Development Fund has been instrumental in Kenya’s development. Allocating billions of shillings to various constituencies since its inception. Here’s an overview of Mumias East NG-CDF operational and financial performance over the past five years.

Financial Year	Amount allocated	AMOUNT DISBURSED	EXPENDITURE
2020/2021	137,239,879	137,239,879	137,239,879
2021/2022	137,088,879	137,088,879	137,088,879
2022/2023	131,342,462	131,342,462	131,342,462
2023/2024	157,825,629	157,825,629	157,825,629
2024/2025	161,497,759	137,000,000	137,000,000

Figure 1. Budget allocation against Expenditure



**Operational Performance:**


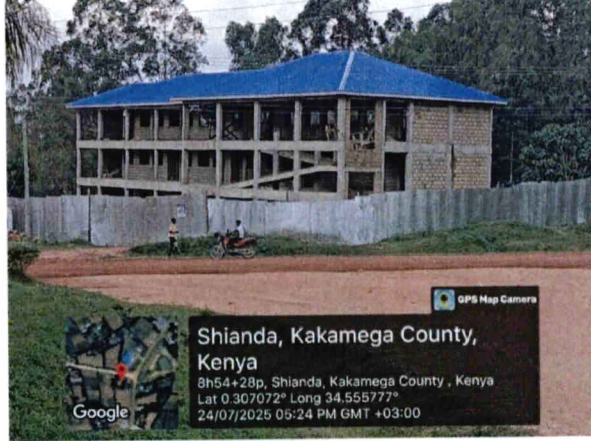
Mumias East NG-CDF has implemented various projects across the constituency, focusing on education, security, and infrastructure development.

The fund has been instrumental in

- a. Education: Funding schools, classrooms and bursaries
- b. Security: Constructing National Government Administration offices, chief’s/assistant chief’s offices and police offices.
- c. Infrastructure Development: Supporting various infrastructure projects.

d. Climate Change Mitigation: Enhancing conservation and restoration of forests in the constituency.

Key projects implemented or On-going.

NO.	PROJECT NAME	IMAGE OF THE PROJECT	STATUS
1	KMTC SHIANDA		Complete and in use
2	WANGA TVET		Ongoing

Mumias East NG-CDF has implemented the following key projects

1. Construction to completion of 3 Storey building at Shianda KMTC
2. Construction of a tuition block and administration office at Wanga TVET- Ongoing

**Project Impact**

1. The project has improved learning environment to the students.
2. It has increased the number of students joining the Institution.
3. It has also increased the number of courses being offered in the Institution.

**Major Risks facing the Fund**

Despite its successes, NG-CDF faces challenges such as:

1. Delay Disbursement of funds- NG-CDF has faced challenges with delayed disbursement of funds from National Treasury, which affects project implementation and service delivery

2. Inadequate Budget Allocation- The funds allocation is based on the percentage of the national revenue, which may not be sufficient to meet the development needs of constituencies.
3. Fiscal pressure- The country's fiscal pressure such as debt repayment can impact availability of funds for NG-CDF
4. Institutional Challenges- NG-CDF faces institutional challenges that hinder effective utilization of funds, including inadequate monitoring and evaluation.

### **Fund's Review on Economy**

NG-CDF has been a crucial factor in Kenya's economic development, particularly at the grassroots level. Here's a review of its economic impact:

- **Funding Allocation-** NG-CDF allocates funds directly to constituencies, supporting local development projects in education, infrastructure, and other essential services.
- **Development projects:** The fund has implemented various projects including construction of schools improving living standards and access to basic services.
- **Economic Growth:** By investing in local projects, NG-CDF contributes to economic growth, job creation, and poverty reduction in constituencies.

### **Future Development of the Fund**

NG-CDF in Kenya is expected to continue focusing on key areas like education, infrastructure, and economic empowerment with a growing emphasis on digital literacy and sustainable development.

The fund will expand its reach through initiatives like constituency innovation hubs and digital hubs at the ward level to enhance access to online opportunities and improve efficiency through automation.

NG-CDF is involved in tree planting projects highlighting a growing focus on environmental sustainability.

Projects like police offices, provision of bursaries, construction of educational infrastructure, demonstrates a commitment to community development, improve security, support students' education, and improve public service.

It also partners with National Health Insurance Fund to provide health insurance to vulnerable households contributing to government's universal health coverage goals.

A rectangular official stamp from the National Government Constituencies Development Fund (NGCDF). The stamp contains the text "NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND" at the top, "MUMIAS EAST CONSTITUENCY" in the middle, and "P.O. BOX 142 - 50100 SHIMONI" at the bottom. A date "21 OCT 2023" is stamped in red ink. A blue ink signature is written across the stamp.

.....  
**Name: Justus Noo**  
**Fund Account Manager**

## 8. Environmental and Sustainability Reporting

Mumias East NGCDF is committed to climate change mitigation and environmental conservation as envisaged in its service charter.

In this regard, the constituency through the NG-CDFC has allocated sufficient funds towards planting indigenous trees in most public Institutions as a response to sustainable environmental conservation.

### 1. Sustainability strategy and profile -

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

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

## 2. Environmental performance

Mumias East Constituency has made a commitment to promote environmental sustainability through responsible project implementation, public awareness, and integration of green practices in development.

In line with the national environmental policies and the NG-CDF guidelines, the constituency has undertaken several initiatives aimed at protecting and improving the constituents' local environment.

The constituency has so far made the following key achievements in this area:

- Tree planting and greening programs: Over 10,000 tree seedlings have been planted to enhance green cover, combat climate change, and restore degraded areas. Over 50 primary and secondary schools participated in tree planting campaigns with a focus on indigenous and fruit species;
- Clean-up and waste management efforts: Community clean-up exercises were supported in trading centers such as Ekeru, Shianda, and Malaha, promoting cleanliness and proper waste disposal. Selected schools introduced basic waste sorting and recycling activities, where students learned to separate biodegradable from non-biodegradable waste and reuse available materials creatively;
- Eco-friendly infrastructure: New public buildings funded through the NG-CDF (e.g. classrooms and offices) incorporated environmentally friendly features, including proper drainage systems, waste disposal areas, and provisions for rainwater harvesting;
- Security for environmental assets: Solar-powered security lights were installed in areas with green projects and public spaces to prevent vandalism, illegal dumping, and night-time destruction of environmental infrastructure; such areas include ICT Hub and NGCDF Office.
- Integration of anti-drug abuse programs with environmental activities: Youth involved in clean-up campaigns, tree planting, and environmental clubs were also trained on how drug abuse undermines personal health and community development efforts.

- Youth engagement in environmental surveillance: Local youths involve in tree planting and clean-up campaigns were also encouraged to monitor and report acts of environmental vandalism or destruction;
- Protection of clean-up zones and waste points: Security patrols were coordinated with local administrators and Nyumba Kumi clusters to protect public waste bins and ensure waste management zones remained secure and functional.

The constituency faced the following challenges and shortcomings:

- Limited budget allocation for scaling up waste management and afforestation efforts;
- Vandalism of security lights and fencing installed to protect environmental sites;
- Inadequate community participation in maintaining planted trees and waste disposal facilities;
- Limited rehabilitation and counselling services for youths affected by drug abuse within the constituency;
- Limited funds to expand security infrastructure to all high-risk areas;
- Inadequate personnel and patrol vehicles for rapid response in remote areas.

There are efforts and future plans to manage biodiversity and reduce the environmental impact of the constituency's activities. These include but are not limited to the following:

- Integrate environmental conservation into youth empowerment and anti-drug campaigns. This will also be incorporated into the NG-CDF-funded sports and talent activities;
- Expand tree planting programs to cover all public schools and involve student caretakers for planted trees;
- Establish community environmental committees in each ward to monitor and maintain green spaces. The committees to include youths;
- Improved awareness among youths on the dangers and consequences of drug abuse;
- Construct additional security posts and residential units for security personnel;
- Train more Nyumba Kumi cluster leaders and increase youth involvement in neighborhood surveillance.

### 3. Employee welfare

We invest in providing the best working environment for our employees. Mumias East 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. Mumias 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-**

Mumias East Constituency is committed to fair and ethical market practices.

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

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

NGCDF has put in efforts to ensure:

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

#### **5. Community Engagements-**

Mumias East 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**

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

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

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

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

### **Public Awareness**

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

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

.....  
Name: Justus Noo  
Fund Account Manager.

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND  
21 OCT 2025  
MUMIAS EAST CONSTITUENCY  
P.O. Box 142 - 50106 SHARON

## 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-Mumias East 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-2025 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- 2025 Constituency further confirms the completeness of the accounting records maintained for the *constituency*, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

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

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The Accounting Officer in charge of the NGCDF 2025 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.

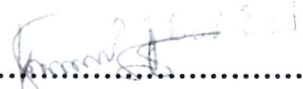
In preparing the financial statements, the Committee has assessed the Fund's ability to continue as a going concern and disclosed as applicable. Nothing has come to the attention of the Committee that the Fund will not remain a going concern for at least the next twelve months from the date of this statement.

**Approval of the financial statements**

The NGCDF- 2025 Constituency financial statements were approved and signed by the Accounting Officer on \_\_\_\_\_ 2025.



.....  
Name: Diana Oronje  
Chairman – NGCDF Committee



.....  
Name: Justus Noo  
Fund Account Manager

# REPUBLIC OF KENYA

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Anniversary Towers  
Monrovia Street  
P.O Box 30084-00100  
NAIROBI

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

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### PREAMBLE

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

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

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

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

### REPORT ON THE FINANCIAL STATEMENTS

#### Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Mumias East Constituency set out on pages 1 to 67,

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

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

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

### **Basis for Qualified Opinion**

#### **1. Inaccuracy of the Statement of Changes in Net Assets**

The statement of changes in net assets reflects net assets balance of Kshs.86,200,452 as at 30 June, 2025, which includes fund balance of Kshs.5,890,738, recognized assets and liabilities balances of Kshs.103,405,609 and Kshs.3,502,008, respectively and deficit for the year of Kshs.19,593,888. However, Management did not provide any evidence on occurrence of revaluation of reserves.

In the circumstances, the accuracy and completeness of net assets balance of Kshs.86,200,452 reflected in the statement of changes in net assets could not be confirmed.

#### **2. Unconfirmed Cash and Cash Equivalents Balance**

The statement of financial position reflects cash and cash equivalents balance of Kshs.67,869,991 as disclosed in Note 19 to the financial statements. The balance includes Project Management Committee (PMC) accounts balances totalling Kshs.62,935,925, as detailed in Annex 2 to the financial statements. However, Note 19 to the financial statements reflects PMC accounts opening balances totalling Kshs.57,167,347, while the previous year audited financial statements for the year ended 30 June, 2024 reflect Kshs.36,262,683 resulting to unexplained variance of Kshs.20,904,664.

Further, certificates of bank balances and bank reconciliation statements for the PMC accounts were not provided for audit.

In the circumstances, the accuracy and completeness of cash and cash equivalents balance of Kshs.67,869,991 as at 30 June, 2025 could not be confirmed.

### **3. Unsupported Bursary Disbursements**

The statement of financial performance and Note 14 to the financial statements reflect other grants and transfers expenditure amounting to Kshs.40,017,831, out of which Kshs.31,239,500 relates to bursary payments. However, acknowledgement letters from the beneficiary institutions totalling Kshs.3,065,000 were not provided for audit review.

In the circumstances, the accuracy and completeness of the bursary payments amounting to Kshs.3,065,000 could not be confirmed.

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

#### **Emphasis of matter**

##### **Budgetary Control and Performance**

The statement of comparison of budget and actual amounts reflects final receipts budget of Kshs.266,885,496 against actual receipts of Kshs.174,517,745, resulting in an under-funding of Kshs.92,367,750 or 35% of the budget. Similarly, the Fund incurred expenditure of Kshs.174,517,745 against the budget of Kshs.266,885,496 resulting to an under-expenditure of Kshs.92,367,750 or 35% of the budget.

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

My opinion is not modified in respect of this matter.

#### **Key Audit Matters**

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

#### **Other Matter**

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

In the audit report for the previous year, issues were raised under Report on the Financial Statements, Emphasis of Matter and the Report on Lawfulness and Effectiveness in Use of Public Resources as detailed in **Appendix I**. However, Management has not resolved the issues or given explanation for the delay in resolving the issues.

## **Other Information**

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

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

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

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

### **Conclusion**

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

### **Basis for Conclusion**

#### **1. Non-Compliance with Transition from Cash to Accrual Accounting Framework**

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

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

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

## **2. Failure to Allocate the Mandatory 25% Threshold to Bursaries**

Review of the statement of financial performance and Note 14 to the financial statements revealed that other grants and transfers actual expenditure amounted to Kshs.40,017,831, out of which Kshs.31,239,500 related to bursaries. This represented only 12% of the approved budget of Kshs.266,885,486 which is below the mandatory 25% threshold.

This was contrary to Regulation 21(5) of the National Government Constituencies Development Fund Regulations, 2016 that states that a Constituency Committee shall allocate not less than twenty-five percent (25%) of the funds allocated to a constituency for bursaries.

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

## **3. Failure to Return Project Management Committee (PMC) Bank Balances**

Annex 2 to the financial statements reflects Project Management Committee (PMC) balances of Kshs.62,935,925 as at 30 June, 2025. However, the PMCs did not return the unutilized bank balances to the Constituency Development Fund Account for completed projects as required by Section 12(8) of the National Government Constituencies Development Fund Act, 2015 (Amended 2023). Further, the Annex to financial statements did not indicate the status of projects (whether completed or ongoing) for which these balances were disclosed.

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

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

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

### **Conclusion**

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

## **Basis for Conclusion**

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

## **Responsibilities of Management and those Charged with Governance**

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

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

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

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

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

## **Auditor-General's Responsibilities for the Audit**

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48

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

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

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

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

  
**FCPA Nancy Gathungu, CBS**  
**AUDITOR-GENERAL**

**Nairobi**

**07 November, 2025**

## Appendix I

### Unresolved Prior Audit Matters

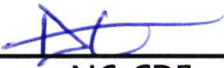
Reference No. of Auditor-General's Report	Observation
	<b>Report on the Financial Statements</b>
1.	Unsupported Bursary Disbursements
2.	Unsupported Project Management Committee Account Balances
	<b>Emphasis of Matter</b>
	Budgetary Control and Performance
	<b>Report on Lawfulness and Effectiveness in the Use of Public Resources</b>
	Unconfirmed Emergency Project Funding


**National Government Constituencies Development Fund (NGCDF)**  
**Mumias East 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	2024/2025
		Kshs
Revenue from non-exchange transactions		
Transfers from the NGCDF Board	6	161,497,759
Grants/donations from other entities	7	-
Revenue from exchange transactions		
Finance income	8	-
Miscellaneous income	9	-
<b>Total revenue</b>		<b>161,497,759</b>
Expenses		
Employee costs	10.A	4,837,385
Committee expenses	11	4,715,900
Use of Goods and Services	12.A	6,609,068
Other Government Units Actual expenditure	13.A	117,947,879
Other Grants and Transfers Actual expenditure	14.A	40,017,831
Depreciation and amortization expense	15	1,406,250
Digital Hubs Actual expenditure	16	5,557,334
<b>Total expenses</b>		<b>181,091,647</b>
Other gains/(losses)		
Gain/Loss on Sale of Assets	17	-
Impairment loss	18	-
<b>Surplus/(Deficit) for the year</b>		<b>(19,593,888)</b>

The Constituency financial statements were approved by the NGCDFC on \_\_\_\_\_ 2025 and signed by:

  
 Chairman NG-CDF  
 Committee  
 Name: Diana Oronje

  
 National Sub-County  
 Accountant  
 Name: Christine Lumumba  
 ICPAK M/No:

**NT-SUB COUNTY ACCOUNTANT  
 MUMIAS EAST  
 P.O. BOX 13 - 50106  
 SHIANDA**

  
 Fund Account Manager

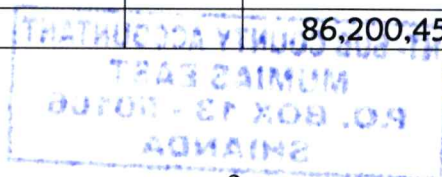
Name: Justus Noo

**21 OCT 2025**  
 NATIONAL GOVERNMENT CONSTITUENCY  
 DEVELOPMENT FUND  
 MUMIAS EAST CONSTITUENCY  
 P. O. Box 142 - 50106, SHIANDA

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

12. Statement of Financial Position as At 30th June, 2025

	Note	2024/2025	Opening Statement 1st July 2024
		Kshs	Kshs
<b>Assets</b>			
<b>Current Assets</b>			
Cash And Cash Equivalents	19	67,869,990.89	64,774,474.62
Receivables from Exchange Transactions	20	-	-
Receivables from Non-Exchange Transactions	21	24,497,759.02	40,613,262.00
Prepayments	22	48,900.82	-
<b>Total Current Assets</b>		<b>92,416,650.73</b>	<b>105,387,736.62</b>
<b>Non-Current Assets</b>			
Property, Plant and Equipment	23	4,218,750.00	5,625,000.00
Intangible Assets	24	-	-
Right-of-use assets	25	-	-
<b>Total Non- Current Assets</b>		<b>4,218,750.00</b>	<b>5,625,000.00</b>
<b>Total Assets (A)</b>		<b>96,635,400.73</b>	<b>111,012,736.62</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and Other Payables	26	-	-
Third-Party Deposits	27	9,605,388.82	3,693,197.00
Lease Liabilities	28	-	-
Gratuity provision	29	829,560.00	1,525,200.00
<b>Total Current Liabilities</b>		<b>10,434,948.82</b>	<b>5,218,397.00</b>
<b>Non-Current Liabilities</b>			
Lease Liabilities	28	-	-
<b>Total Liabilities (B)</b>		<b>10,434,948.82</b>	<b>5,218,397.00</b>
<b>Net Assets (A-B)</b>		<b>86,200,451.91</b>	<b>105,794,339.62</b>
<b>Represented by:</b>			
Revaluation Reserves		86,200,451.66	105,794,339.37
Accumulated Surplus			
<b>Total Net Assets</b>		<b>86,200,451.66</b>	<b>105,794,339.37</b>

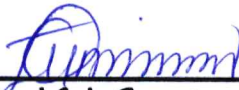


**National Government Constituencies Development Fund (NGCDF)**  
**Mumias East Constituency**  
**Annual Report and Financial Statements for The Year Ended June 30, 2025**

The Constituency financial statements set out on pages 1 to 11 approved by NG CDFC on \_\_\_\_\_ 2025 and signed by:



Chairman NG-CDF  
Committee  
Name: Diana Oronje



National Sub-County  
Accountant  
Name: Christine Lumumba  
ICPAK M/No:

NT. SUB COUNTY ACCOUNTANT  
MUMIAS EAST  
P.O. BOX 13 - 50106  
SHIANDA



NATIONAL GOVERNMENT CONSTITUENCY  
DEVELOPMENT FUND  
7th OCT 2025  
MUMIAS EAST CONSTITUENCY  
P.O. Box 13 - 50106, SHIANDA

Fund Account Manager  
Name: Justus Noo

**National Government Constituencies Development Fund (NGCDF)**  
**Mumias East 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	Revaluation Reserves	Accumulated surplus/Deficit	Total
		Kshs	Kshs
Fund Balance as at 30 <sup>th</sup> June 2024	5,890,738		5,890,738
Adjustments			
Recognition of Assets	103,405,609		103,405,609
Recognition of Liabilities	3,502,008		3,502,008
As at July 1, 2024	105,794,339		105,794,339
Surplus/(Deficit) For the Period	(19,593,888)		(19,593,888)
Revaluation Gain/Loss	-	-	-
As at June 30, 2025 (current year)	86,200,452	-	86,200,452

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)*  
*Mumias East 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

	Notes	2024/2025
		Kshs
<b>Cash flows from operating activities</b>		
<b>Receipts</b>		
Transfers from the NGCDF Board		177,613,262
Transfers from domestic and foreign partners		-
Finance income		-
Miscellaneous income		-
<b>Total Receipts</b>		<b>177,613,262</b>
<b>Payments</b>		
Employee costs	10.B	5,533,025
Committee expenses	11	4,715,900
Use of Goods and Services	12.B	6,657,969
Other Government Units Certified Works	13.B	112,079,928
Other Grants and Transfers	14.B	39,973,590
Digital Hubs Expenses	15	5,557,334
<b>Total Payments</b>		<b>174,517,745</b>
<b>Net Cash Flows from/ (used in) Operating Activities</b>		<b>3,095,517</b>
<b>Cash flows From Investing Activities</b>		
Purchase of PPE		-
Purchase of Intangible assets		-
Proceeds From Sale of PPE		-
<b>Net Cash Flows from Investing Activities</b>		<b>3,095,517</b>
<b>Net increase/(decrease) in cash &amp; Cash equivalents</b>		
<b>Cash Flows from Financing Activities</b>		
Lease Payment		-
<b>Net Cash Flows from Financing Activities</b>		<b>3,095,517</b>
Cash and cash equivalents at 1 July	19	64,774,475
Cash and cash equivalents at 30 June	19	67,869,991

*National Government Constituencies Development Fund (NGCDF)  
Mumias East 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
	Kshs	Kshs		Kshs	Kshs	Kshs	
	a	b		C=(a+b)	d	e=(c-d)	f=d/c*100
	2024/2025	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements	2024/2025	2024/25		
<b>Revenue</b>							
Transfers From the NGCDF Board	161,497,759	64,774,475	40,613,262	266,885,496	174,517,745	92,367,750	65%
Transfers from domestic and foreign partners	-	-	-	-	-	-	
Finance income	-	-	-	-	-	-	
Miscellaneous income	-	-	-	-	-	-	
<b>Totals</b>	<b>161,497,759</b>	<b>64,774,475</b>	<b>40,613,262</b>	<b>266,885,496</b>	<b>174,517,745</b>	<b>92,367,750</b>	
<b>Expenses</b>							
Employee costs	4,966,720	1,749,846	-	6,716,566	5,533,025	1,183,541	82%
Committee expenses	2,898,000	1,599,432	-	4,497,432	6,062,900	(1,565,468)	135%
Use of Goods and Services	6,670,078	435,182	-	7,105,260	5,310,969	1,794,291	75%
Other Government Units Certified Works	83,000,000	57,167,347	36,416,765	176,584,112	120,663,161	55,920,952	68%
Other Grants and Transfers	63,962,961	618,090		64,581,051	31,239,500	33,341,551	48%
Digital Hubs Expenses	-	3,204,589	4,196,497	7,401,086	5,708,192	1,692,894	77%

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

	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilization
	Kshs	Kshs		Kshs	Kshs	Kshs	
	a	b		C=(a+b)	d	e=(c-d)	f=d/c*100
	2024/2025	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements	2024/2025	2024/25		
Funds Pending Approval**	-	-	-	-	-	-	
Total Expenditure	161,497,759	64,774,475	40,613,262	266,885,496	174,517,746	92,367,750	
Surplus for the period							

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

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

**Explanatory Notes.**

All the items below 90% can be summarized as below:

S/NO	ITEM	PERCENTAGE	REASON
1	Committee expenses	82%	
2	Use of Goods and Services	135%	
3	Other Government Units Certified Works	75%	Late disbursement of funds
4	Other Grants and Transfers	68%	Delay in vetting process
5	Acquisition of assets	48%	Late disbursement of funds

**Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities**

Description	Amount
Budget utilisation difference totals	92,367,750
Less undisbursed funds receivable from the Board as at 30 <sup>th</sup> June 2025	24,497,759
Cash and Cash Equivalents at the end of the 30 <sup>th</sup> June 2025	67,869,991

**Reconciliation of Summary Statement of Change in Net Assets**


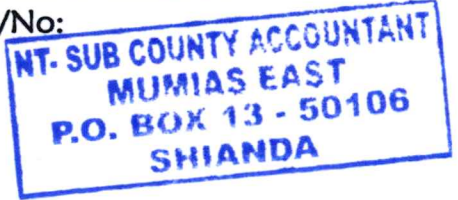
Description	Amount
PMC Balances as at 30 <sup>th</sup> June 2024	57,167,347.40
Disbursement owing from the board as at 30 <sup>th</sup> June 2024	40,613,262.00
Asset(Motor Vehicle)Acquired FY 2023/24	5,625,000.00
Liabilities: Thirty party deposit(Retention in PMC) as at 30 <sup>th</sup> June 2024	3,502,008.00

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

Reconciliation of Summary Cash and Cash Equivalent	
Description	Amount
Operation Balances as at 30 <sup>th</sup> June 2025	4,064,176
Deposit Balances as at 30 <sup>th</sup> June 2025	869,890
PMC Balances as at 30 <sup>th</sup> June 2025	62,935,925
<b>Total</b>	<b>67,869,991</b>

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 \_\_\_\_\_ 2025 and signed by:

  
 Fund Account Manager  
 Name: Justus Noo  


  
 National Sub-County Accountant  
 Name: Christine Lumumba  
 ICPAK M/No:  


  
 Chairman NG-CDF Committee  
 Name: Diana Oronje

**National Government Constituencies Development Fund (NGCDF)**

**Mumias East Constituency**

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

**16. Budget Execution by Sectors And Projects For The Year Ended 30<sup>th</sup> June 2025**

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
<b>1.0 Administration and Recurrent</b>						
1.1 Compensation of employees	4,966,720	1,749,846		6,716,566	5,533,025	1,183,541
1.2 Committee allowances	1,498,000	515,166		2,013,166	2,407,900	(394,734)
1.3 Use of goods and services	3,225,146	129,579		3,354,724	3,002,969	351,755
<b>Sub-total</b>	<b>9,689,866</b>	<b>2,394,591</b>	<b>-</b>	<b>12,084,456</b>	<b>10,943,894</b>	<b>1,140,563</b>
<b>2.0 Monitoring and evaluation</b>						
2.1 Capacity building	750,000	261,980		1,011,980	555,000	456,980
2.2 Committee allowances	1,400,000	733,890		2,133,890	3,100,000	(966,110)
2.3 Use of goods and services	2,694,933	43,623		2,738,556	2,308,000	430,556
<b>Sub-total</b>	<b>4,844,933</b>	<b>1,039,493</b>	<b>-</b>	<b>5,884,426</b>	<b>5,963,000</b>	<b>(78,574)</b>
<b>4.0 Emergency</b>						
Bidmaster Solution Ltd	600,000			600,000	600,000	-
Comm Vat	10,344			10,344	10344	-
Khwhondwe Primary School	1,000,000			1,000,000	800,356	199,644
Kcb-Mabanga Primary	1,000,000			1,000,000	1,132,750	(132,750)
Ukigon General Ltd	600,000			600,000	600,000	-
Kcb-Ebubole Primary	1,000,000			1,000,000		1,000,000
Kcb-Ebulechia Primary	1,000,000			1,000,000		1,000,000

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Muroni Primary	500,000			500,000	446,386	53,614
Kcb-Eshisenye Primary	1,000,000			1,000,000		1,000,000
Emusoma Primary	1,200,000			1,200,000		1,200,000
Unutilized	589,535			<b>589,535</b>		589,535
<b>Sub-Total</b>	<b>8,499,879</b>	<b>71,612</b>	<b>-</b>	<b>8,571,491</b>	<b>3,589,836</b>	<b>4,981,655</b>
<b>5.0 Bursary And Social Security</b>						
5.1 Primary Schools						-
5.2 Secondary Schools	27,848,104	32,000		27,880,104	13,482,000	14,398,104
5.3 Tertiary Institutions	19,000,000	437,390		19,437,390	17,457,500	1,979,890
5.4 Special Needs	1,000,000	116,200		<b>1,116,200</b>	300,000	816,200
5.5 Education Support Programmes				-		-
5.6 Social Security	6,000,000	32,500		<b>6,032,500</b>		6,032,500
<b>Sub-Total</b>	<b>53,848,104</b>	<b>618,090</b>	<b>-</b>	<b>54,466,194</b>	<b>31,239,500</b>	<b>23,226,694</b>
<b>7.0 Environment</b>			500,000	500,000		500,000
Isongo Acc Office	807,488			807,488		807,488
Mumias East Ngcdf Office	807,489			807,489	806,000	1,489
<b>Sub-Total</b>	<b>1,614,977</b>	<b>-</b>	<b>500,000</b>	<b>2,114,977</b>	<b>806,000</b>	<b>1,308,977</b>
<b>8.0 Primary Schools Projects</b>						
Emutetemo Primary		250,969		250,969	1,196,391.20	(945,422)

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
		Kshs	Kshs			
Ebulechia Primary		13,024		13,024	-	13,024
Emachina Primary	1,200,000	1,706		1,201,706	1,215,405.00	(13,699)
Kamashia Primary		368		368	-	368
Rise&Shine Special School	3,212,500	31,145		3,243,645	-	3,243,645
Khaunga Primary	1,200,000	154,116		1,354,116	-	1,354,116
Munganga Primary	1,200,000	1,254		1,201,254	-	1,201,254
Isongo Primary		76,073		76,073	1,287,804.00	(1,211,731)
Eshikufu Primary		60,764		60,764	1,332,470.50	(1,271,707)
Ebubole Secondary		8,216		8,216	-	8,216
Khwihondwe Primary		270,866		270,866	995,877.00	(725,011)
Ebubere Primary		843		843	650,830.30	(649,987)
Lubinu Primary		760		760	-	760
Eshiakhulo Primary School		6,014		6,014	1,216,533	(1,210,519)
Khungoyokosi Muslim Primary		1,455,947		1,455,947	2,551,986.00	(1,096,039)
Mahola Primary School		507,778		507,778	503,048	4,730
Mungabira Primary School		50,621		50,621	49,982	639
Petros Primary School		513,536		513,536	502,652	10,884
Elwasambi Primary School		7,387		7,387	120	7,267
Isango Primary School		29,830		29,830	2,364.50	27,466

**National Government Constituencies Development Fund (NGCDF)**  
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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Khabondi Primary School		14,766		14,766		14,766
Musango Primary School		10,277		10,277		10,277
Mutono Primary School		61,070		61,070		61,070
Mwichina Primary School	2,750,000	4,771,856		7,521,856	4,372,211.00	3,149,645
Indangalasia Primary School		2,386		2,386	-	2,386
Eshimuli Primary School		25,394		25,394	1,196,013.00	(1,170,620)
Bumini Primary School		340,874		340,874	338,381	2,493
Bumwende Primary School		1,562		1,562	637,408.30	(635,846)
Ebubere Primary		3,936		3,936	-	3,936
Ebung'ale Primary School	1,200,000	64,663		1,264,663		1,264,663
Ebwaliro Primary School		1,372		1,372		1,372
Emakhwale Primary School		42,868		42,868		42,868
Emukhalari Primary School		3,672		3,672	1,216,311.50	(1,212,640)
Eluche Primary School		47,288		47,288		47,288
Emusoma Primary School		3,723		3,723	1,216,010.00	(1,212,287)
Epanja Primary School		7,268		7,268		7,268
Eshisenye Primary School	1,312,500	22,228		1,334,728	-	1,334,728
Ikoli Primary School		1,000,829		1,000,829	2,194,248.50	(1,193,420)
Khabakaya Primry School		4,468		4,468		4,468

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Khaimba Primary School	1,200,000	326,212		1,526,212		1,526,212
Lubinu Primary School		7,852		7,852	126	7,726
Mabanga Primary School		236,582		236,582		236,582
Makunga Primary School		281,566	655,832	937,398	1,209,682.00	(272,284)
Malaha Primary School		21,269	1,278,763	1,300,032	628,470.00	671,562
Maraba Primary School		106,426		106,426		106,426
Mukambi Primary School		314,728	1,503,407	1,818,135	1,749,751.00	68,384
Muroni Primary School	2,625,000	5,812,283		8,437,283	5,573,476	2,863,807
Mwitoti Primary School		1,027,464		1,027,464	1,009,694	17,770
Shanderema Primary School	7,500,000	2,111,118		9,611,118		9,611,118
Shibinga W. Primary School		115,739		115,739		115,739
Shitoto Primary School	1,200,000	75,055	1,278,763	2,553,818	1,226,703.98	1,327,114
Ebubole Primary		392,466		392,466	389,945	2,521
				-		-
<b>Sub-Total</b>	<b>24,600,000</b>	<b>20,700,473</b>	<b>4,716,765</b>	<b>50,017,238</b>	<b>34,463,895</b>	<b>15,553,343</b>
<b>9.0 Secondary Schools Projects (List All The Projects)</b>						
Emakhwale Secondary		110,560		110,560	80,298	30,262
Shanderema Ack Mixed		194		194		194
Shitoto Girls	3,000,000	96,851		3,096,851		3,096,851

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
St. Joseph Shibinga		2,475		2,475		2,475
St. Pauls Lubinu Girls		157,605		157,605		157,605
St. Teresa Eshisenye Girls Sec		75217		75,217	126	75,091
Ebwaliro Secondary	850,000	76234		926,234	378	925,856
St. Theresa Bumini Sec	3,500,000	2911121		6,411,121	2,613,303.00	3,797,818
St. Anne Indangalasia Sec		45803		45,803	126	45,677
St. Marthias Mwitoti Sec		566		566		566
Eluche Secondary		4717		4,717		4,717
St. Joseph Shibinga		295		295		295
Musango Secondary School	850,000	602271		1,452,271	1,448,224.00	4,047
Epanja Secondary School	850,000	260931		1,110,931	248,126.00	862,805
St. Patrick Ebubere Secondary		8067		8,067		8,067
St. Peters Khabakaya Secondary	850,000	248001		1,098,001		1,098,001
Ebwaliro Secondary School		1637		1,637		1,637
Eshiakhulo Secondary School		4930261		4,930,261	3,602,943	1,327,318
Lubinu Boys Secondary School		58192		58,192		58,192
Mahola Secondary School		5813		5,813		5,813
Makunga Secondary School		35951		35,951		35,951
Musango Secondary School		602271		602,271	602,271	(0)

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
St. Anne's Indangalasia Secondary		30168		30,168		30,168
St.Gabriel Isongo Secondary School		2071		2,071		2,071
St. John's Khaimba Secondary School		5815		5,815		5,815
St. Mathew's Mung'anga'a Secondary		348		348		348
St. Peter's Khaunga Secondary School		480		480		480
St Stephens Kamashia Sec		38521		38,521		38,521
St Stephens Maraba Secondary School		6692		6,692		6,692
Sub County Education Office Shianda		3494		3,494		3,494
St. Theresa Bumini		2,769		2,769		2,769
				-		-
<b>Sub-Total</b>	<b>9,900,000</b>	<b>10,325,392</b>	<b>-</b>	<b>20,225,392</b>	<b>8,595,795</b>	<b>11,629,597</b>
<b>10.0 Tertiary Institutions Projects (List All The Projects)</b>						
Kmtc Shianda	13,500,000	12,400,157.00	15,000,000	40,900,157	36,460,167	4,439,990
Wanga College Of Science & Technology	35,000,000	8,847,356.00	15,000,000	58,847,356	32,449,932	26,397,424
Kmtc Shianda		1,103.00		1,103	126	977
<b>Sub-Total</b>	<b>48,500,000</b>	<b>21,248,616</b>	<b>30,000,000</b>	<b>99,748,616</b>	<b>68,910,225</b>	<b>30,838,391</b>

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
<b>11.0 Security Projects</b>						
Shianda Police Headquater		40,412		40,412		40,412
Shianda Police Patrol Base		41,684		41,684	41,684	-
Isongo Acc		572,069		572,069	556,872	15,197
Mumias East Deputy County Commissioner		3606722		3,606,722	3,593,811	12,911
Khaunga Police Post		504639		504,639	126	504,513
Mutono Police Post		124295	1,200,000	1,324,295	126	1,324,169
East Wanga Acc Office		21540		21,540	-	21,540
Lusheya Acc Office		70926		70,926	27,090	43,836
Ekeru Police Post				-	-	-
Mwitoti Police Post		121631		121,631	77,576	44,055
Malaha A.P Camp		41239		41,239	-	41,239
Kamashia A.P Camp		14833		14,833	-	14,833
Mumias East Ngcdf Nhif		11632		11,632	126	11,506
				-	-	-
<b>Sub-Total</b>	<b>-</b>	<b>5,171,620</b>	<b>1,200,000</b>	<b>6,371,620</b>	<b>4,297,410</b>	<b>2,074,210</b>
<b>12.0 Acquisition Of Assets</b>						
12.1 Motor Vehicles (Including Motorbikes)			-	-		-

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
12.2 Purchase Of Furniture And Fittings				-		-
12.2 Construction of CDF office				-		-
<b>Sub-total</b>	-	-	-	-	-	-
<b>13.0 Others</b>						
Mumias East ICT Digital Hub		-	3,844,697	3,844,697	5,557,334	(1,712,637)
Mumias East ICT Digital Hub - landscaping		1,488,200.00	351,800	1,840,000		1,840,000
Mumias East Deposit A/C		1,716,388.50	-	1,716,389	150,858	1,565,531
<b>Sub-total</b>	-	<b>3,204,589</b>	<b>4,196,497</b>	<b>7,401,086</b>	<b>5,708,192</b>	<b>1,692,894</b>
<b>Funds pending approval**</b>				-		-
unapproved projects		-		-		-
AiA	-			-		-
<b>Sub-total</b>	-	-	-	-		-
<b>Total</b>	<b>161,497,759</b>	<b>64,774,475</b>	<b>40,613,262</b>	<b>266,885,496</b>	174,517,746.23	<b>92,367,750</b>

*(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 Mumias East Constituency principal activity is based on infrastructure in education and security sectors, climate change and mitigation activities, bursary to needy students and social programs

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

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

*The financial statements have been prepared in accordance with the Public Finance Management (PFM) Act and the International Public Sector Accounting Standards (IPSAS). The NG-CDF Mumias East 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 Mumias East has recognised all financial assets, including cash and cash equivalent 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 the intangible assets acquired during the financial year 2023/2024 up to the reporting dates.*

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

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

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

**3. Adoption of New and Revised Standards**

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

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

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

Standard	Effective date and impact:
IPSAS 43: Leases	<p><b>Applicable 1<sup>st</sup> January 2025</b></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 cash flows of an Entity.</p> <p>The new standard requires entities to recognize, measure and present information on right of use assets and lease liabilities.</p> <p>Not applicable.</p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p><b>Applicable 1<sup>st</sup> January 2025</b></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 operations to be presented separately in the statement of financial performance.</p> <p>Not applicable.</p>
IPSAS 45: Property Plant and Equipment	<p><b>Applicable 1<sup>st</sup> January 2025</b></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment.</p>

	<p>IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognized as assets if they meet the criteria in the standard. IPSAS 45 has additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under-maintenance of assets and distinguishing significant parts of infrastructure assets.</p> <p>Not applicable.</p>
<p>IPSAS 46: Measurement</p>	<p><b>Applicable 1<sup>st</sup> January 2025</b></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> <li>i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.</li> <li>ii. Clarifying transaction costs guidance to enhance consistency across IPSAS.</li> <li>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</li> </ul> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p>Not applicable.</p>
<p>IPSAS 47: Revenue</p>	<p><b>Applicable 1<sup>st</sup> January 2026</b></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</p>

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	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.
IPSAS 48: Transfer Expenses	<p><b>Applicable 1<sup>st</sup> January 2026</b></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><b>Not applicable.</b></p>
IPSAS 49: Retirement Benefit Plans	<p><b>Applicable 1<sup>st</sup> January 2026</b></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><b>Not applicable.</b></p>
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<p><b>Applicable 1<sup>st</sup> January 2027</b></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> <ol style="list-style-type: none"> <li>i. Limited improvements to existing accounting practices for exploration and evaluation expenditures.</li> <li>ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26.</li> <li>iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial</li> </ol>

	<p>statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.</p> <p>Not applicable.</p>
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#### 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 30<sup>th</sup> June 2024 for the period 1<sup>st</sup> July 2024 to 30<sup>th</sup> June 2025 as required by law. Included in the adjustments are Cash book opening balance, AIA generated during the year and constituency allocations not yet disbursed at the beginning of the financial year.

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

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

**c) Property, plant and equipment**

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

exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

**d) Leases**

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

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

**e) Intangible assets**

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

Intangible assets with an indefinite useful life are assessed for impairment at each reporting date.

**f) Financial instruments**

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

**a) Financial assets**

**Classification of financial assets**

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

### **Subsequent measurement**

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

### **Amortized cost**

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

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

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

### **Trade and other receivables**

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

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

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

### **Impairment**

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

### **b) Financial liabilities**

#### **Classification**

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

### **g) Inventories**

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

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

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

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

**h) Provisions**

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

**i) Social Benefits**

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

**j) Contingent liabilities**

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

**k) Contingent assets**

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

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

#### **l) Employee benefits**

##### **Retirement benefit plans**

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

##### **m) Foreign currency transactions**

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

**n) Related parties**

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

**o) Cash and Cash Equivalents**

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

**p) Comparative figures**

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

**q) Subsequent events**

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

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

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

### **Estimates and assumptions.**

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

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

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

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

### **Provisions**

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

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

6. Transfers from the NGCDF Board

Description	2024/2025
	Kshs
NGCDFB Transfers (Allocation for the FY)	161,497,759
<b>Total</b>	<b>161,497,759</b>

7. Transfers from domestic and foreign partners

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

8. Finance income

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

*(Provide a brief explanation for this revenue)*

9. Miscellaneous income

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

**10. Employees cost**

	<i>2024/2025</i>
	Kshs
NG-CDFC Basic staff salaries	3,843,665
Personal allowances paid as part of salary	-
House Allowance	-
Transport Allowance	-
Leave allowance	-
Gratuity to contractual employees	829,560
Employer Contributions Compulsory national social security schemes	116,640
Employer Contributions Compulsory Housing levy	47,520
Employer contributions to National Industrial Training Authority	-
Other Specify	-
<b>Total</b>	<b>4,837,385</b>

**11. Committee Expenses**

	<i>2024/2025</i>
	Kshs
Sitting allowance	2,407,900
Other Committee expenses	2,308,000
<b>Total</b>	<b>4,715,900</b>

12. Use of Goods and services

	<i>2024/2025</i>
	Kshs
Utilities, supplies and services	-
Communication, supplies and services	75,310
Domestic travel and subsistence	305,000
Printing, advertising and information supplies & services	-
Office Rent	-
Training expenses	250,000
Hospitality supplies and services	1,160,000
Insurance costs	198,999
Specialized materials and services	-
Office and general supplies and services	1,151,180
Fuel, oil & lubricants	345,000
Bank charges	23,579
Routine maintenance – vehicles and other transport equipment	-
Routine maintenance – other assets	-
Strategic plan expenses	-
Other operating expenses	3,100,000
<b>Total</b>	<b>6,609,068</b>

13. Other Government Units Actual expenditure

Description	<i>2024/2025</i>
	Kshs
Primary Schools Actual expenditure	34,442,088
Secondary Schools Actual expenditure	8,245,504
Tertiary Institutions Actual expenditure	75,260,287
<b>Total</b>	<b>117,947,879</b>

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**14. Other Grants and transfers Actual expenditure**

	<i>2024/2025</i>
	Kshs
Bursary – secondary schools	13,482,000
Bursary – tertiary institutions	17,457,500
Bursary – special schools	300,000
Bursary - Education Support programmes	-
Social Security programmes (SHIF)	-
Security projects Actual expenditure	4,187,396
Climate change mitigation projects	806,000
Emergency projects Actual expenditure	3,784,935
Roads projects Actual expenditure	-
Others specify	-
<b>Total</b>	<b>40,017,831</b>

**Other Grants and transfers Actual expenditure**

	<i>2024/2025</i>
	Kshs
<b>Total Actual Expenditure</b>	<b>39,973,590</b>

**15. Depreciation and Amortization Expenses**

Description	<i>2024/2025</i>
	Kshs
Property Plant and Equipment	1,406,250
Intangible Assets	-
<b>Total</b>	<b>1,406,250</b>

**16. Digital Hubs Expenses**

Description	<i>2024/2025</i>
	Kshs
Construction/ renovation/ Actual expenditure	-
Digital Hub utility costs Water, Electricity,	-
Maintenance of ICT equipment	-
Maintenance of building	-
Others ( <i>specify</i> ) <i>Land scapping and Purchase of Desktop ,desktop accessories and printer</i>	5,557,334
<b>Total</b>	<b>5,557,334</b>

**17. Gain/loss on Sale of Assets**

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

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

**18. Impairment Loss**

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

*(Provide brief explanation on assets impairment loss)*

**19. Cash and Cash Equivalentents**

Name Of Bank and Account No.	2024/2025	Opening Statement 1 <sup>st</sup> July 2024
	Kshs	Kshs
<b>Bank Accounts (Cash Book Bank Balance)</b>		
<i>Name Of Bank, Account No. (Operations account)</i>	4,064,176	5,890,738.75
<i>Operations account pending closure (Indicate name &amp; account no.)</i>	-	-
<i>Name of Bank, account No. (Deposit account)</i>	869,890	1,716,388.50
<i>Name of Bank, account No. (PMC accounts)</i>	62,935,925	57,167,347.37
<b>Total</b>	<b>67,869,991</b>	<b>64,774,475</b>
<b>Cash Balances</b>		
Location 1	-	-
Location 2	-	-
Other Locations <i>(Specify)</i>	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

*[Provide Cash Count Certificates for Each]*

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

20. Receivables from Exchange Transactions

Description	2024/2025		Opening Statement 1 <sup>st</sup> July 2024	
	Kshs		Kshs	
Total receivables				
Other exchange debtors ( <i>Specify</i> )	-		-	
Less: impairment allowance	-		-	
Total receivables	-		-	
a. Current receivables	-		-	
b. Non-current receivables	-		-	
<b>Total Receivables (a+b)</b>	-		-	

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

i. Ageing Analysis for Receivables

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

21. Receivables from Non-Exchange Transactions

Description	2024/2025		Opening Statement 1 <sup>st</sup> July 2024	
	Kshs		Kshs	
Transfers from NGCDFB	24,497,759		40,613,262	
Outstanding imprest	-		-	
<b>Total</b>	<b>24,497,759</b>		<b>40,613,262</b>	
Ageing Analysis- Receivables from non-exchange transactions	2024/2025	% of the total	Opening Balance	% of the total
Less than 1 year	24,497,759	100%	-	%
Between 1-2 years	-	0%	-	%
Over 3 years	-	0%	-	%
<b>Total</b>	<b>24,497,759</b>	<b>0%</b>	<b>-</b>	<b>%</b>

22. Prepayments

Description	2024/2025	Opening Statement 1 <sup>st</sup> July 2024
	Kshs	Kshs
Prepaid Rent	-	-
Prepaid Insurance	48,901	-
Prepaid Electricity Costs	-	-
Other Prepayments ( <i>Specify</i> )	-	-
<b>Total</b>	<b>48,901</b>	<b>-</b>

23. Property, Plant and Equipment

	Land	Buildings	Motor vehicles	Furniture and fittings	Computers & ICT Equipment	Other Assets (specify)	Capital Work in progress	Total
Depreciation Rate(specify)		2%	25%	12.5%	30%	x%		
Cost	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Opening Bal as 1 <sup>st</sup> July 2024	-		7,500,000	-	-	-	-	7,500,000
Additions	-			-	-	-	-	-
Disposals	-		-	-	-	-	-	-
Transfer/Adjustments	-		-	-	-	-	-	-
<b>As At 30<sup>th</sup> June 2025</b>	-		<b>7,500,000</b>	-	-	-	-	<b>7,500,000</b>
Depreciation And Impairment								
Opening Depreciation	-		1,875,000	-	-	-	-	1,875,000
Depreciation	-		1,406,250	-	-	-	-	1,406,250
Disposals	-		-	-	-	-	-	-
Impairment	-		-	-	-	-	-	-
Transfer/Adjustment	-		-	-	-	-	-	-
<b>As At 30<sup>th</sup> June 2025</b>	-		<b>3,281,250</b>	-	-	-	-	<b>3,281,250</b>
Net Book Values								
Opening Bal as at 1 <sup>st</sup> July 2025	-		5,625,000	-	-	-	-	5,625,000
<b>As At 30<sup>th</sup> June 2025</b>	-		<b>4,218,750</b>	-	-	-	-	<b>4,218,750</b>

**Valuation**

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

**22 b) Property, Plant and Equipment at Cost**

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

	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land	-	-	-
Buildings	-	-	-
Plant And Machinery	-	-	-
Motor Vehicles, Including Motorcycles	7,500,000	1,875,000	5,625,000
Computers And Related Equipment	-	-	-
Office Equipment, Furniture, And Fittings	-	-	-
<b>Total</b>	<b>7,500,000</b>	<b>1,875,000</b>	<b>5,625,000</b>

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

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

**24. Intangible Assets**

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

**25. Right-of use assets**

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

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

**26. Trade and Other Payables**

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

**27. Third-Party deposits**

	<i>2024/2025</i>	<i>2023/2024</i>
	<b>KShs</b>	<b>KShs</b>
Retention as at 1 <sup>st</sup> July (A)	3,693,197	191,189
Retention held during the year (B)	8,571,986	3,502,008.00
Retention paid during the Year (C)	2,659,794	-
<b>Closing Retention as at 30<sup>th</sup> June D= A+B-C</b>	<b>9,605,389</b>	<b>3,693,197</b>

**Retentions aging analysis.**

	<b>2024/25</b>	<b>% of the total</b>	<b>2023/2024</b>	<b>% of the total</b>
Less than 1 year	9,605,389	100%	3,693,197	100%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
<b>Total</b>	<b>9,605,389</b>	<b>100%</b>	<b>3,693,197</b>	<b>100%</b>

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

**28. Lease Liabilities**

<b>Description</b>	<i>Insert Current FY2024/25</i>	<i>Opening Statement 1<sup>st</sup> July 2024</i>
	<b>Kshs</b>	<b>Kshs</b>
Balance at the beginning of the year	-	-
Discount interest on lease liability	-	-
Paid during the year	(-)	(-)
<b>At end of the year</b>	<b>-</b>	<b>-</b>

**Maturity Analysis**

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

**Analysed as:**

Description	Amount
Current	-
Non- Current	-
Total	-

**29. Gratuity Provision**

Description	2024/2025	2023/2024
	Kshs	
Gratuity at the beginning of the year 1 <sup>st</sup> of July	1,525,200	
Gratuity held during the year	829,560	1,525,200.00
Gratuity paid during the year	1,525,200	-
<b>Total Gratuity Provision 30th June (A+B-C)</b>	<b>829,560.00</b>	<b>1,525,200.00</b>

**30. Cash Generated from Operations**

	2024/2025
	Kshs
Surplus/Deficit for the year	
Adjusted for:	
Depreciation	(19,593,888)
Impairment	
Gains and losses on disposal of assets	1,406,250
	-
<b>Working capital adjustments</b>	-
Increase/decrease in receivables	-
	-
Increase/decrease in payables	-
	-
<b>Net cash flow from operating activities</b>	
	-
	(16,066,602)
	-
	5,912,192
	(695,640)
	-
	<b>(10,150,087)</b>

*(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:

**i) Credit risk**

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

**Financial Risk Management**

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

Description	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
<b>As at 30<sup>th</sup> June (Current FY)</b>				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	24,497,759	24,497,759	-	-
Bank balances	67,869,991	67,869,991	-	-
<b>Total</b>	<b>92,367,750</b>	<b>92,367,750</b>	-	-

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

**Financial Risk Management**

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the Entity has 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 no organization. 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
<b>As at 30<sup>th</sup> June 2025(Current FY)</b>				
Trade payables	-	-	-	-
Current proportion of borrowings	-	-	-	-
Retention Provisions	-	-	9,605,389	9,605,389
Deferred income	-	-	-	-
Gratuity Provision	-	-	829,560.00	829,560.00
<b>Total</b>	-	-	10,434,949	10,434,949
<b>As at 30<sup>th</sup> June 2024 (Previous FY)</b>				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-

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Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
Retention Provisions	-	-	3,693,197	-
Gratuity provision			1,525,200	
Deferred income	-	-	-	-
Employee benefit obligation	-	-	-	-
<b>Total</b>	-	-	<b>5,218,397</b>	-

**iii) Market risk**

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

**a) Foreign currency risk**

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

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payments. The carrying amount of the *Entity's* foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

**Current FY**

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

**Foreign currency sensitivity analysis**

**Current FY**

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

## Financial Risk Management

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

Description	Change in currency rate	Effect on Profit before tax	Effect on Equity/Net assets
	Kshs	Kshs	Kshs
Current FY	N/A		
Euro	N/A	N/A	N/A
USD	N/A	N/A	N/A
Previous FY			
Euro	N/A	N/A	N/A
USD	N/A	N/A	N/A

### 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.

**Fair value of financial assets and liabilities**

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

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

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

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

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

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

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Investment Property	N/A	N/A	N/A	N/A
Land And Buildings	N/A	N/A	N/A	N/A
<b>Total</b>				

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

**iv) Capital Risk Management**

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

Description	2024/2025	<i>Opening Statement 1<sup>st</sup> July 2024</i>
	Kshs	Kshs
Revaluation Reserve	-	-
Retained Earnings	87,569,166	105,794,339
Capital Reserve	-	-
<b>Total Funds</b>	<b>87,569,166</b>	<b>105,794,339</b>
Total Borrowings	-	-
Less: Cash and Bank Balances	<b>67,869,991</b>	64,774,475
Net Debt/(Excess Cash And Cash Equivalents)	19,699,175	41,019,864
<b>Gearing</b>	-	-

**32. Related Party Disclosures**

	<i>2024/2025</i>	<i>Opening Statement 1<sup>st</sup> July 2024</i>
	Kshs	Kshs
<b>Committee Members Remuneration</b>		
Sitting allowance of committee Members during the year	2,407,900	2,310,400
<b>Transaction with the NGCDF Board</b>		
Transfers from the NGCDF Board during the year	177,613,262	40,613,262
<b>Total</b>		

**33. Segment Information**

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

**34. Contingent Assets and Contingent Liabilities**

**Contingent Assets**

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

**Contingent Liabilities**

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

**35. Capital Commitments**

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

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

**36. Events after the Reporting Period**

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

**37. Ultimate And Holding Entity**

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

**38. Currency**

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

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18. Annexes  
 Annex 1: Summary of Asset Register

Asset class	Historical Cost/valuation cost balance brought forward (Kshs)	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) At Year End
Land	700,000	-	-	700,000
Buildings and structures	10,241,971	-	-	10,241,971
Transport equipment	3,504,212	7,500,000	-	11,004,212
Office equipment, furniture, and fittings	977,874	-	-	977,874
ICT Equipment and Other ICT Assets	351,499	-	-	351,499
Other Machinery and Equipment	176,735	-	-	176,735
Intangible assets		-	-	-
<b>Total</b>	<b>15,252,291</b>	<b>7,500,000</b>	<b>-</b>	<b>23,452,291</b>

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

PMC	Bank	Account number	Bank Balance 2024/25	Bank Balance Comparative 2023/24
EMUTETEMO PRIMARY	EQUITY BANK	680299767478	333,341	250,969
EBULECHIA PRIMARY	EQUITY BANK	680299136741	2,291,787	13,024
KAMASHIA PRIMARY	EQUITY BANK	680298282964	368	368
RISE&SHINE SPECIAL SCHOOL	EQUITY BANK	680294901823	3,243,645	31,145
KHAUNGA PRIMARY	EQUITY BANK	680299780973	1,354,116	154,116
MUNGANGA PRIMARY	EQUITY BANK	680295070358	1,201,254	1,254
ISONGO PRIMARY	EQUITY BANK	680299861025	67,032	76,073
ESHIKUFU PRIMARY	EQUITY BANK	680295367658	7,056	60,764
EBUBOLE SEC	EQUITY BANK	680295062124	8,216	8,216
EMAKHWALE SECONDARY	EQUITY BANK	680297847167	30,262	110,560
SHANDEREMA ACK MIXED	EQUITY BANK	680299769294	194	194
SHITOTO GIRLS	EQUITY BANK	680295066232	3,096,851	96,851
ST. JOSEPH SHIBINGA	EQUITY BANK	680297378152	2,475	2,475
ST. PAULS LUBINU GIRLS	EQUITY BANK	680294938836	157,605	157,605
ST. THERESA BUMINI	EQUITY BANK	680295255215	2,766	2,769
SHIANDA POLICE HEADQUATER	EQUITY BANK	680272815755	40,411	40,411
SHIANDA POLICE PATROL BASE	EQUITY BANK	680298989066	0	41,684
EBUBOLE PRIMARY	EQUITY BANK	0680298533144	1,002,521	392,466

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PMC	Bank	Account number	Bank Balance 2024/25	Bank Balance Comparative 2023/24
ISONGO ACC	EQUITY BANK	0680284948722	822,685	572,069
KMTC SHIANDA	EQUITY BANK	0680285034671	4,439,990	12,400,157
KHWIHONDWE PRIMARY	KCB BANK	1178488152	753,272	270,866
EBUBERE PRIMARY	KCB BANK	1296047484	628,776	843
LUBINU PRIMARY	KCB BANK	1283707144	759	760
ST. TERESA ESHISENYE GIRLS SEC	KCB BANK	1260539261	75,091	75217
EBWALIRO SECONDARY	KCB BANK	1296046168	925,856	76234
ST. THERESA BUMINI SEC	KCB BANK	1296048055	3,802,918	2911121
ST. ANNE INDANGALASIA SEC	KCB BANK	1283498596	45,677	45803
ST. MARTHIAS MWITOTI SEC	KCB BANK	1178576353	566	566
ELUCHE SECONDARY	KCB BANK	1156577357	4.717	4717
ST. JOSEPH SHIBINGA	KCB BANK	1296047237	295	295
MUMIAS EAST DEPUTY COUNTY COMMISSIONER	KCB BANK	1240127820	512,076	3606722
KHAUNGA POLICE POST	KCB BANK	1149794755	504,513	504639
WANGA COLLEGE OF SCIENCE & TECHNOLOGY	KCB BANK	1173232745	11,397,424	8847356
MUTONO POLICE POST	KCB BANK	1174860774	1,324,169	124295
EAST WANGA ACC OFFICE	KCB BANK	1265013810	21,540	21540
EMACHINA PRIMARY	KCB	1283454122	1,265,063	1706

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PMC	Bank	Account number	Bank Balance 2024/25	Bank Balance Comparative 2023/24
LUSHEYA ACC OFFICE	KCB BANK	1250240123	43,836	70926
MUMIAS EAST NGCDF NHIF	KCB BANK	1234942836	11,506	11632
KMTC SHIANDA	KCB BANK	1250724627	978	1103
SUB COUNTY EDUCATION OFFICE SHIANDA	KCB BANK	1262289432	3,494	3494
EKERO POLICE POST	KCB BANK	1274703379	10	11
ESHIAKHULO PRIMARY SCHOOL	CO-OP BANK	1141067874000	68,246	6014
KHUNGOYOKOSI MUSLIM PRIMARY	CO-OP BANK	1141067126200	182,724	1455947
MAHOLA PRIMARY SCHOOL	CO-OP BANK	1141068234300	4,730	507778
MUNGABIRA PRIMARY SCHOOL	CO-OP BANK	1141498113300	639	50621
PETROS PRIMARY SCHOOL	CO-OP BANK	1141068399700	4,834	513536
ELWASAMBI PRIMARY SCHOOL	CO-OP BANK	1141067173500	7,267	7387
ISANGO PRIMARY SCHOOL	CO-OP BANK	1141067126200	1,306,247	29830
KHABONDI PRIMARY SCHOOL	CO-OP BANK	1141067874400	14,766	14766
MUSANGO PRIMARY SCHOOL	CO-OP BANK	1141067836600	10,272	10277
MUTONO PRIMARY SCHOOL	CO-OP BANK	1141068432600	61,070	61070
MWICHINA PRIMARY SCHOOL	CO-OP BANK	1141067116600	4,428,408	4,771,856
MUSANGO SECONDARY SCHOOL	CO-OP BANK	1141498108200	4,047	602271
EPANJA SECONDARY SCHOOL	CO-OP BANK	1141498098900	862,804	260931
ST. PATRICK EBUBERE SECONDARY	CO-OP BANK	1141498111100	8,067	8067

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PMC	Bank	Account number	Bank Balance 2024/25	Bank Balance Comparative 2023/24
ST. PETERS KHABAKAYA SECONDARY	CO-OP BANK	1141498086900	1,098,001	248001
MWITOTI POLICE POST	CO-OP BANK	1141234580700	44,056	121631
INDANGALASIA PRIMARY SCHOOL	CO-OP BANK	1141067544700	2,386	2386
ESHIMULI PRIMARY SCHOOL	CO-OP BANK	1141498728600	108,145	25394
BUMINI PRIMARY SCHOOL	CO-OP BANK	1141067167000	2,493	340874
BUMWENDE PRIMARY SCHOOL	CO-OP BANK	1141068245000	642,917	1562
EBUBERE PRIMARY	CO-OP BANK	1141068387800	3936	3936
EBUNG'ALE PRIMARY SCHOOL	CO-OP BANK	1141234819500	2,543,426	64663
EBWALIRO PRIMARY SCHOOL	CO-OP BANK	1141067545200	1,372	1372
EMAKHWALE PRIMARY SCHOOL	CO-OP BANK	1141067559600	42,868	42868
EMUKHALARI PRIMARY SCHOOL	CO-OP BANK	1141068239900	66,124	3672
ELUCHE PRIMARY SCHOOL	CO-OP BANK	1141067000400	47,289	47288
EMUSOMA PRIMARY SCHOOL	CO-OP BANK	1141234973600	1,266,476	3723
EPANJA PRIMARY SCHOOL	CO-OP BANK	1141498101000	7,268	7268
ESHISENYESI PRIMARY SCHOOL	CO-OP BANK	1141234598800	2,334,728	22228
IKOLI PRIMARY SCHOOL	CO-OP BANK	1141231892500	85,344	1000829
KHABAKAYA PRIMRY SCHOOL	CO-OP BANK	1141067764600	4,468	4468
KHAIMBA PRIMARY SCHOOL	CO-OP BANK	1141234543900	1,526,212	326212
LUBINU PRIMARY SCHOOL	CO-OP BANK	1141067708900	7852	7852

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PMC	Bank	Account number	Bank Balance 2024/25	Bank Balance Comparative 2023/24
MABANGA PRIMARY SCHOOL	CO-OP BANK	1141067873600	103,832	236582
MAKUNGA PRIMARY SCHOOL	CO-OP BANK	1141067029300	71,886	2803
MALAHA PRIMARY SCHOOL	CO-OP BANK	1141067550700	671,563	21269
MARABA PRIMARY SCHOOL	CO-OP BANK	1139067874800	106,426	106426
MUKAMBI PRIMARY SCHOOL	CO-OP BANK	1141067577200	68,384	314728
MURONI PRIMARY SCHOOL	CO-OP BANK	1141067874300	552,654	5,812,283
MWITOTI PRIMARY SCHOOL	CO-OP BANK	1141067474200	17,821	1027464
SHANDEREMA PRIMARY SCHOOL	CO-OP BANK	1141067141000	2,111,118	2111118
SHIBINGA W. PRIMARY SCHOOL	CO-OP BANK	1141234854700	115,739	115739
SHITOTO PRIMARY SCHOOL	CO-OP BANK	1141067251600	1,327,117.20	75055
EBWALIRO SECONDARY SCHOOL	CO-OP BANK	1141498112800	1637	1637
ESHIAKHULO SECONDARY SCHOOL	CO-OP BANK	1141498097000	1,327,318	4930261
LUBINU BOYS SECONDARY SCHOOL	CO-OP BANK	1141498107100	58,192	58192
MAHOLA SECONDARY SCHOOL	CO-OP BANK	1141498103500	5,813	5813
MAKUNGA SECONDARY SCHOOL	CO-OP BANK	1141067248400	35,951	35951
MUSANGO SECONDARY SCHOOL	CO-OP BANK	1141498108200	0	602271
ST. ANNE'S INDANGALASIA SECONDARY	CO-OP BANK	1139068240001	30,168	30168
ST.GABRIEL ISONGO SECONDARY SCHOOL	CO-OP BANK	1139233804600	2,071	2071
ST. JOHN'S KHAIMBA SECONDARY SCHOOL	CO-OP BANK	1141234427500	5,815	5815

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<b>PMC</b>	<b>Bank</b>	<b>Account number</b>	<b>Bank Balance 2024/25</b>	<b>Bank Balance Comparative 2023/24</b>
ST. MATHEW'S MUNG'ANGA'A SECONDARY	CO-OP BANK	1141068297300	348	348
ST. PETER'S KHAUNGA SECONDARY SCHOOL	CO-OP BANK	1139067309502	480	480
ST STEPHENS KAMASHIA SEC	CO-OP BANK	1141067118100	38,521	38521
ST STEPHENS MARABA SECONDARY SCHOOL	CO-OP BANK	1141498724700	6,692	6692
MALAHA A.P CAMP	CO-OP BANK	1141498554900	41,239	41239
KAMASHIA A.P CAMP	CO-OP BANK	1141498602800	14,833	14833
			<b>62,935,925</b>	<b>57,167,347</b>

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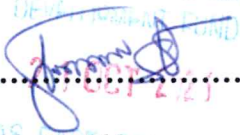
**Annex 3: Progress On Follow Up of Auditor Recommendations**

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)
	<b>Unsupported bursary disbursement</b> The statement of receipts and payments reflects other grants and transfer amount of kshs.82,296,789 which includes bursary payment amounting to kshs.17,006,500 to secondary schools and tertiary institutions respectively as disclosed in Note 8 to the financial statements .However, no acknowledgement letter from two(2) beneficiary institution amounting to kshs.4,890,000 were not provided for audit	The bursary acknowledgement receipts have since been received from various institutions	Not Resolved	November 2025
	<b>Unsupported project management committee balance</b> Note 19.4 and annex 5 to the financial statement reflects project management committee (PMC)account balances totaling kshs.36,262,682.However,certificate of bank balances were not provided	The PMC balances and bank reconciliations have since been availed for audit verifications.	Not Resolved	November 2025

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	for audit.			

  
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