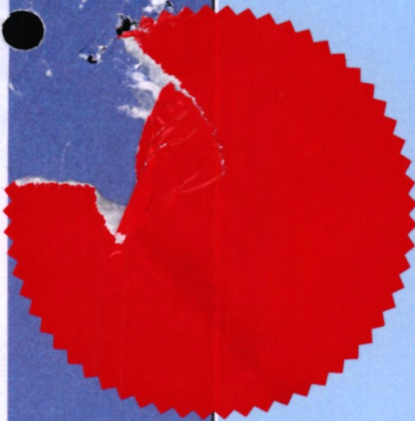


REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL
Enhancing Accountability



THE NATIONAL ASSEMBLY PAPERS LAID	
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REPORT

OF

THE AUDITOR-GENERAL

ON

NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND
RANGWE CONSTITUENCY

FOR THE YEAR ENDED
30 JUNE, 2025





NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

RANGWE CONSTITUENCY

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
30th JUNE 2025

Transitional IPSAS Financial Statements Under International Public Sector Accounting Standards (IPSAS)

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*National Government Constituencies Development Fund (NGCDF)
Rangwe Constituency
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1. Acronyms and Definition of Key Terms

A. Acronyms

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

B. Definition of Key Terms

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

Comparative Year- Means the prior period.

2. Key Constituency Information and Management

(a) Background information

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

Mandate

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

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



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

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

Fiduciary Management

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

No	Designation	Name
1.	AIE holder	Charles Omosa
2.	National Sub-County Accountant	David Odiyo
3.	Chairman NGCDFC	Robert Oloo
4.	Member NGCDFC	Caroline Atieno (Alternate Operation)
5.	Member NG CDFC	Jared Alosi (Deposit)

(c) Fiduciary Oversight Arrangements

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

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(d) NGCDF RANGWE Constituency Headquarters

Rangwe NG-CDF Office Hall,
Rangwe, Kenya.

(e) NGCDF RANGWE Constituency Contacts

P.O. Box 63 - 40303
Telephone: (254) 729 495 375
E-mail: cdfrangwe@ngcdf.go.ke
Website: www.ngcdf.go.ke

(f) NGCDF RANGWE Constituency Bankers

1. Operations Account,
Equity Bank Kenya Limited,
Homa Bay, Branch,
P.O. Box 75104 – 40300,
Homa Bay.
2. Deposit account
Equity Bank Kenya Limited,
Homa Bay, Branch,
P.O. Box 75104 – 40300,
Homa Bay.
3. Project Management Accounts
Equity Bank Kenya Limited,
Homa Bay, Branch,
P.O. Box 75104 – 40300,
Homa Bay.





(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
 <p data-bbox="225 663 464 734">Mr. Robert Oloo Chairpeson</p>	<p data-bbox="560 338 1442 528"><i>Mt. Oloo was born on the 27th November, 1970. He is an established businessman in Asumbi Sinema, Rangwe. He specializes in making building bricks. He has over 20 year of work experience with various NGO's across the Country. He first joined the committee in 2022 as Adult Male.</i></p>
 <p data-bbox="140 1014 549 1086">Mrs. Carolyne Atieno Otieno Secretary</p>	<p data-bbox="560 759 1442 949"><i>Carolyne Was born on the 15th August, 1984. She holds a certificate in Community Development and Social Works from Maseno University. She is involved in community work within Homa Bay County. Was first nominated to the committee in 2017.</i></p>
 <p data-bbox="220 1406 469 1478">Mr. Robert Nzuki DCC</p>	<p data-bbox="560 1099 1442 1245"><i>Tom was born on 11th September, 1968. He holds a Degree in Psychology from Moi University. He's been in the Provincial Administration for 2 decades. He joined the Rangwe NG-CDF Committee in 2022 as an Ex-officio member.</i></p>
 <p data-bbox="150 1827 539 1859">Philemon Ondigo, Member</p>	<p data-bbox="560 1480 1442 1671"><i>Born on 18th December, 1998, Mr. Ondigo holds a Degree in Information Science, Pwani University. He works at the County Government of Homa Bay as a revenue officer. Joined the Rangwe NG-CDFC in 2022 as a Male Youth Representative.</i></p>

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	<p>Born in 11th January, 1980, <i>Mary is a high school graduate. She is in boda-boda business leadership position. Joined the committee in 2022 as an Adult Woman Representative.</i></p>
<p>Mary Anyango Onyango, Member</p>	
	<p><i>Jared was born in 30^h June, 1989. He is a P1 teacher. He is an entrepreneur in education sector. First joined the Rangwe NG-CDF as a male youth representative in 2017.</i></p>
<p>Jared Otieno Alosi, Member</p>	
	<p><i>Paul was born in 1971. Mr. Mboya is a holder of Diploma in Business Management. He is involved in various business ventures in Rangwe Market. He joined the Rangwe NG-CDFC in 2022. He is a PLWD representative.</i></p>
<p>Paul Mboya, Member</p>	



Silivia Ogira, Member

Born on 18th July, 1968. Mrs. Ogira is a nurse who has been working in various community hospitals for over 18 years. She joined Rangwe NG-CDFC in 2022.



Charles Omosa, FAM

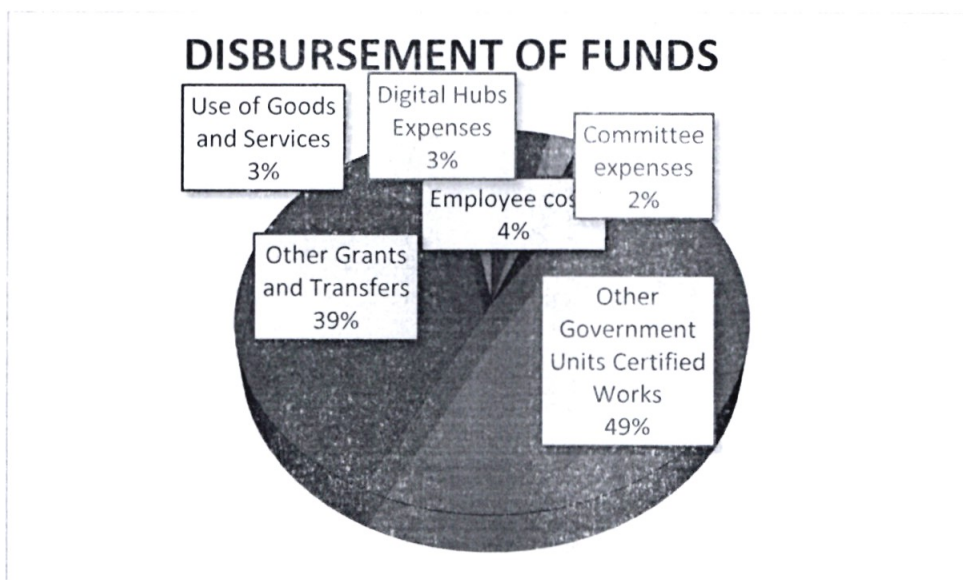
Born in 1970, Charles is a holder of Master of Commerce Degree from Rohilkhaad University, India. He has over 20 years' experience in private and public sectors.

4. NG-CDFC Chairman’s Report



*Mr. Robert Ojwang’ Oloo
Chairman, Rangwe NG-CDFC*

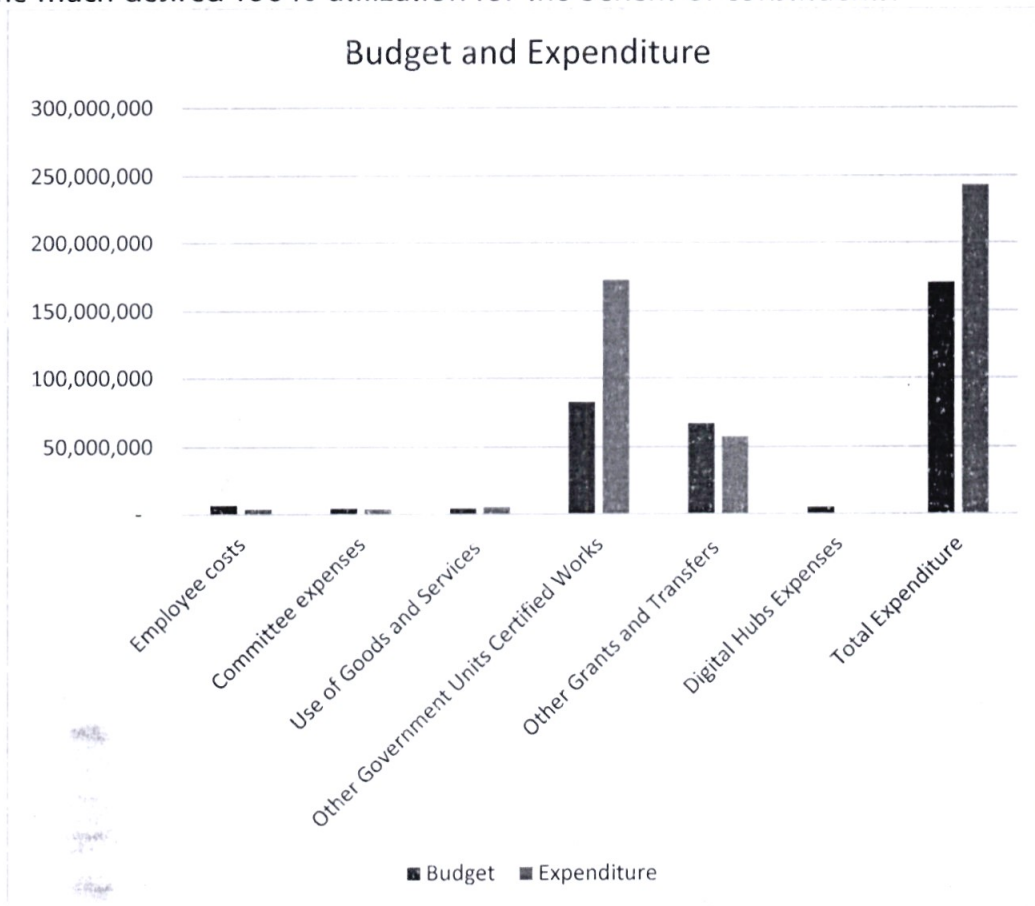
We first and foremost thank the Almighty for bring us this far as Rangwe Constituency and the Country at large. In the year ending June, 2025, the Constituency was allocated Kshs. 170,469,857; of which Kshs. 6,730,000 was to cater for employees salaries, Kshs. 3,880,654 committee expenses, 4,731,633 use of goods and services, Kshs. 82,800,000 other government units certified works, Kshs. 5,114,096 for Constituency Digital Hub and Kshs. 67,213,474 for other grants and transfers. This is a decrease of Kshs. 9,604,996 or 5.6% compared to the previous financial year. This was brought about by allocation depending on number Wards.



Disbursement of funds per sector in percentage

Within the Financial Year, Rangwe received a total allocation of Kshs. 227,817,225. This included Kshs. 71,817,225 being un-disbursed sum of the previous financial year. So, it’s safe to mention that of the Kshs. 170,469,857 expected, the Board disbursed Kshs. 156,000,000 leaving a balance of Kshs. 14,467,857. This is a great improvement compared to the previous

year. It is our hope that the Board would disburse full allocation within the year to enable use achieve the much desired 100% utilization for the benefit of constituents.



Key Achievements

During the financial year, Rangwe managed to construct 23 new classrooms and renovated further 27. The management also managed to purchase to 33-seater school buses besides completing and finally opening of the state-of-the-art Rangwe Sub County Headquarters!

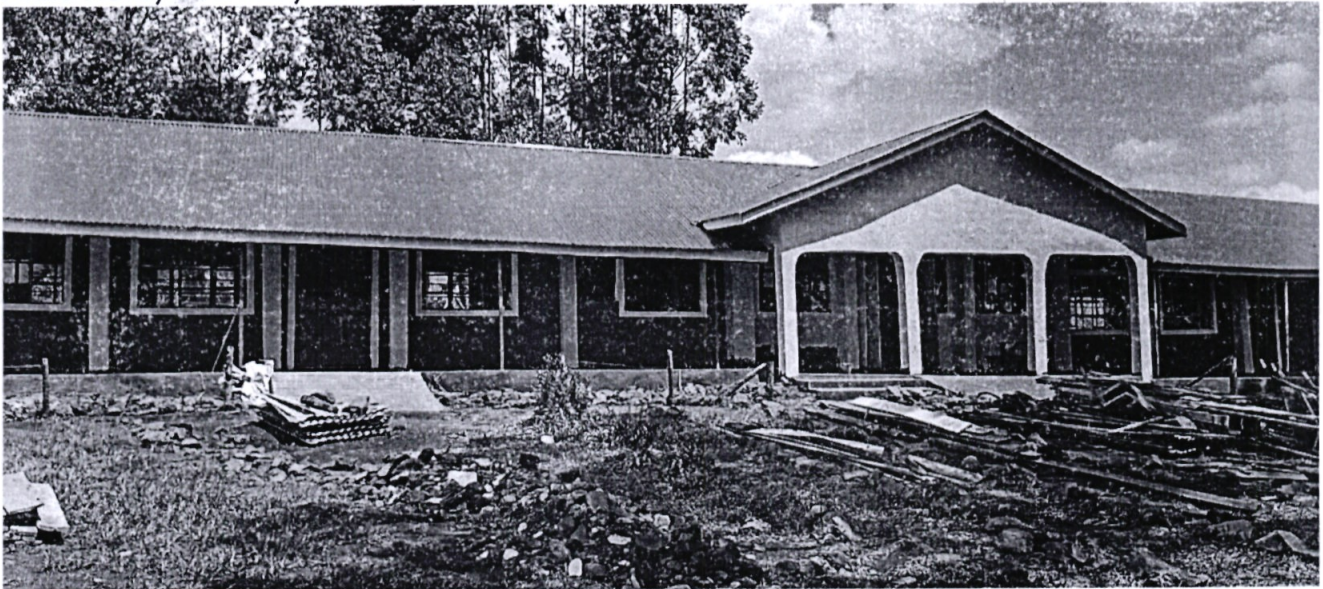
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Sota Primary School, Construction of 4 No. classrooms



Alara Korayo Primary School, Renovation of 4 classrooms



Sota Primary School – Construction of 4 classrooms

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Emerging issues

During the year under review, the NG-CDF had to handle the following emerging issues;

- i. The introduction and immediate implementation of e-GP process that called for immediate training staff and other key stakeholders.
- ii. The rejection of the 2023 finance bill that could have seen the Rangwe NG-CDF benefit with an addition of 30 million to increase development programmes.
- iii. There was introduction of CBC which necessitated construction of more classrooms and other learning equipment.

Challenges

The major challenge has always been and is piece meal disbursement of funds by the NG-CDF Board. Others include political interference, changes in market dynamics and economic changes that affect project implementations.

Way forward

Elected leaders need to legislate to ensure funds are availed to the Board for immediate and timely release so that implementation of development isn't delayed.



.....
Robert Ojwang' Oloo
Chairman NGCDF Committee

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

Introduction

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

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

1. Increasing access to quality education:
 - Infrastructural development
 - Fair and equitable bursary system
 - Initiation of empowerment and reward system to teachers
 - Development of educational facilities
2. Empowering youth and women
 - Increase facilities in polytechnics to increase access to relevant technical and vocational training skills.
 - Advocate for the allocation of at least 10% of all government contracts in the constituency to women and youth.
 - Support sports as a way of nurturing talents
3. Increasing access to quality healthcare
 - Sensitization on the NHIF as affordable healthcare scheme
4. Improving security standards across the Constituency
 - Lobbying with the National government establish Police Posts in the major trading centres

Progress on the attainment of Strategic development objectives

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

Sector	Objective	Outcome	Indicator	Performance
Education	○ Increase enrolment	Improve existing infrastructure	○ Number of usable physical infrastructure	<i>In FY 2024/2025, the Rangwe NG-CDF constructed 28</i>

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	<ul style="list-style-type: none"> ○ Reduce dropout rates ○ Improve performance <p>Ensure 100% transition to all higher levels</p>	and develop new ones to enhance conducive learning environment for learners	<p>build in primary, secondary, and tertiary institutions</p> <p>Number of bursary beneficiaries at all levels</p>	new classrooms and renovated a further 32, Purchased two 33 seater school buses for 2 secondary schools and issued bursaries to approximately 8,000 needy students out of which 2,800 were in Colleges and Universities with the rest in Secondary Schools.
Security	Equip and facilitate AP's, Chiefs, ACC's and other security agencies in the Constituency	Improve and develop infrastructure to enhance security and service delivery	Number of physical infrastructure developed and improved within the Constituency	Rangwe NG-CDF constructed the Asumbi Police Station which is to be completed in the next Financial Year
Climate change mitigation activities	Conservation of environment through conservation of natural resources, improved access to water and sanitation	<ul style="list-style-type: none"> ○ Facilitate schools and other public institutions with water and improved / developed sanitation <p>Tree planting to increase forest cover in public institutions</p>	<ul style="list-style-type: none"> ○ Number of water tanks distributed and installed in public institutions ○ Number of sanitation facilities constructed in public institutions <p>Number of trees planted</p>	Purchase of water tanks, installation of taps and gutters, construction of bases and tree planting in 14 public institutions
Emergency	Cater for the unforeseen circumstances within the Constituency.	Improve and restore human dignity	<ul style="list-style-type: none"> ○ Number of classrooms renovated and or constructed. <p>Families / households fed and or housed</p>	Fencing of Omoche Primary School, Renovation of 6 classrooms at Rabuor Kaura Primary School, Construction of 6

National Government Constituencies Development Fund (NGCDF)

Rangwe Constituency

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

				doors latrines at Koyoo Primary School and Construction of Ndiru Police Station
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6. Governance Statement

Background

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.

Further, Section 5 (1) of the regulation states that the members of a Constituency Committee provided for Appointment of under section 43(2) (b), (c) and (d) of the Act shall be selected by a members of Constituency selection panel established under paragraph (4) upon an occurrence of a vacancy in the Constituency Committee.

The officer of the board coordinated the process of nomination of the NG CDFC for onward forwarding to the board for appointment through gazette notice.

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:

- i. One person nominated by national Government official in charge of Sub County or designated representative who shall chair the panel
- ii. Officer of the Board seconded to the constituency who is be the secretary of the selection panel

Further the NG CDF regulations requires that for 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.

a. NG-CDFC process of appointment

The NGCDF Act 2016 on appointment of NGCDFC members' states;

(1) The members of a Constituency Committee provided for Appointment of under section 43 of the Act shall be selected by a members of Constituency selection panel established under paragraph (4) upon an occurrence of a Committee vacancy in the Constituency Committee. Kenya Subsidiary Legislation, 2016 1951

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

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

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

- one person nominated by the national government official in charge of the sub-county or a designated representative, who shall be the chairperson of the selection panel;

- the Officer of the Board seconded to the Constituency who shall be the secretary to the selection panel; and
- Two persons, one of either gender, nominated by the Constituency office.

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

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

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

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

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

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

(11) The Board shall, within fourteen days after receipt of the names approved by the National Assembly, appoint the members of a Constituency Committee by notice in the Gazette. 1952 Kenya Subsidiary Legislation, 2016

To facilitate this, the selection panel invited interested and qualified members of the public for appointment to the NGCDF committee. The panel invited through advertisement publicized in churches, public offices notice boards and other public areas in the constituency. The selection panel developed a shortlisting criterion which enabled picking of the nominees. Two additional nominees were proposed from Teso South Constituency Office as per section 43 of the NG-CDF Act, 2015.

Five best NG-CDF applicants were selected taking into account age, gender, special interest groups and regional balance in accordance with section 43(2)(b)(c) and (d) of the Act;

S/No	Name	Category Representation	Ward
1	Robert Oloo	Adult (Male)	West Gem
2	Carolyne Atieno	Adult (Female)	East Gem
3	Mary Onyango	Adult (Female)	Kagan
4	Millicent Achieng	Youth (Female)	West Gem
5	Jared Alosi	Adult (Female)	Kochia
6	Philemon Onyango	Youth (Male)	Kagan

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Nominee of person representing persons with disability

S/No	Name	Nominating Organization	Nature of Physical Disability	Ward
1	Paul Mboya	National Council of People Living with Disabilities (Homa Bay Chapter)	Impaired lower limbs	East Gem

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/No	Name	Gender	Ward
1.	Silivia Ogira	Female	Kochia

The list of the selected and recommended members was forwarded to the NG-CDF Board and were further gazetted through a gazette notice dated 25th May, 2025. The Rangwe NG-CDFC Members were gazetted as follows;

S/No	Name	Category	Statutory Provision Under NG-CDF Act
1.	Robert Oloo	Male Adult Representative	Appointment, pursuant to Sec. 43 (2) (b)
2.	Jared Alosi	Male Adult Representative	Appointment, pursuant to Sec. 43 (2) (b)
3.	Millicent Achieng	Female Youth Representative	Appointment, pursuant to Sec. 43 (2) (c)
4.	Carolyne atieno	Female Adult Representative	Appointment, pursuant to Sec. 43 (2) (c)
5.	Paul Mboya	Representative of Persons Living with Disability	Appointment, pursuant to Sec. 43 (2) (d)
6.	Philemon Ondigo	Male Youth Representative	Appointment Pursuant to Sect. 43 (2)(e)
7.	Mary Onyango	Female Adult Representative	Appointment Pursuant to Sect. 43 (2)(e)

The First NG-CDFC in augural meeting was held on 6th June, 2025. The members carried out an election for the position of a chairperson and the secretary of the committee. The following member were elected.

S/No	NAME	POSITION	WARD
1	Robert Oloo	Chairperson	West Gem
2	Carolyn Atieno	Secretary	East Gem

NG-CDF Regulations Section 7(6) & (7) requires that the first meeting, a Constituency Committee shall establish two sub-committees necessary for the proper performance of its functions in accordance with the guidelines issued by the Board and in establishing sub-committees. Under paragraph 5, constituency Committee shall ensure that there is equitable representation

The Committees were constituted as follows;

1. Bursary Sub-committee

S/No	NAME	POSITION
1.	Sub-County Director of Education	Chairperson
2.	Charles Omosa-FAM	Secretary
3.	Philemon Ondigo	Member
4.	Millicent Achieng	Member
5.	Mary Onyango	Member

2. Complaint Handling & Resolution Sub-Committee

S/No	NAME	POSITION
1.	Deputy County Commissioner	Chairperson
2.	Charles Omosa - FAM	Secretary
3.	Carolyn Atieno	Member
4.	Paul Mboya	Member

b) NG-CDFC Tenure

Regulation 5(1) makes reference to procedure of member selection, the members of a Constituency Committee provided for under section 43(2) (b), (c) and (d) of the **CDF Act** shall be selected by a selection panel established under paragraph (4) upon an occurrence of a vacancy in the Constituency Committee.

Regulation 5(2) refers to occurrence of a vacancy, a vacancy shall occur in Constituency Committee upon:

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- a) Commencement of a new parliamentary term;
- b) Dissolution of a Constituency Committee;
- c) Removal of a member of a Constituency committee; or
- d) The occurrence of a vacancy in a Constituency Committee.

Regulation 5 (3) refers to constitution of a selection panel, upon the occurrence of a vacancy in a Constituency Committee, the Board shall within fourteen days, constitute a selection panel. Regulation 5(4) refers to members constituting selection panel, the selection panel referred to in paragraph (1) shall consist of—

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

Regulation 5(5) refers to invitation of applicants for appointment to be members of the committee, the officer of the Board seconded to the Constituency shall within fourteen days of the first meeting of the selection panel invite applications from persons who qualify for appointment to a Constituency committee in accordance with guidelines issued by the Board.

Regulation 5(6) the selection panel shall, within fourteen days of receiving the applications under paragraph (5), consider the applications and shall select five applicants taking into account age, gender, special interest groups and regional balance in accordance with section 43(2)(b)(c) and (d) of the Act.

Regulation 5(7), the officer of the Board seconded to the Constituency shall within seven days of the selection process referred to in paragraph (6) submit to the Board the names of the selected candidates together with the report of the selection panel.

Regulation 5(8) the Board shall co-opt the person referred to in section 43(2)(g) of the Act to ensure equitable representation in the membership of a Constituency Committee.

Regulation 5(9) refers to notification on nomination, the Board shall, in writing, request the clerk of the National Assembly to notify the Constituency Office to nominate two persons of either gender, pursuant to section 43(2)(e) of the Act and to forward the names to the Office of the Board seconded to the Constituency.

Regulation 5(10) the Board shall submit the names of the seven persons selected from each Constituency in accordance with section 43(2, (b), (c),(d) and (e) of the Act to the National Assembly for approval.

Regulation 5(11) refers to appointment and resignation, the Board shall, within fourteen days after receipt of the names approved by the National Assembly, appoint the members of a Constituency Committee by notice in the Gazette.

The selection panel shall stand dissolved upon the appointment of the members of a Constituency committee. The Board shall, within fourteen days after gazettelement of the members of a Constituency committee inform the members of their appointment in writing.

A member of a Constituency Committee who is appointed under section 43 (2) (b), (c), (d), (e) and (g) may at any time resign from office by giving notice, in writing, to the officer of the Board and a copy thereof to the Board. At least one of the Constituency Committee members appointed under section 43(2), (b), (c) or (d) shall be a mandatory signatory to the Constituency accounts.

c). The Role of the Constituency Committee

- a) Build the capacity of project management committees and Committee and sensitize the Community on the operations of the Fund;
- b) Consider all project proposals from all wards in the Constituency and any other projects which a Constituency Committee considers beneficial to the Constituency;
- c) Ensure that all proposed projects that are approved for funding meet the requirements of section 24 of the Act;
- d) Ensure that project proposals submitted to the Board include detailed budget proposals, procurement plans and work plans;
- e) In approving a project and before submitting the project to the Board for consideration, satisfy itself and make a declaration to the effect that such project (works and services) fall within the functions of the National Government under the Constitution;
- f) Consult with relevant government departments to ensure that cost estimates for projects are realistic;
- g) In considering joint projects, ensure that the participating constituencies enter into negotiations for effective implementation of such projects;
- h) Subject to the provisions of the Act and these Regulations, enter into a memorandum of understanding with collaborating partners, detailing all aspects of funding and implementation, before respective constituencies approve such a project for joint funding;
- i) Rank projects proposals in order of priority while ensuring that on-going projects take precedence;
- j) Ensure that all projects receive adequate funding and are completed within three years;
- k) Where a project involves purchase of a parcel of land or a building, ensure that the ownership thereof is duly verified and ownership documents authenticated with relevant government agencies;
- l) (l) ensure that projects proposed for funding fulfil the requirements provided in the Act and relevant circulars issued by the Board;
- m) Monitor the implementation of projects in accordance with the monitoring and evaluation framework prescribed by the Board;
- n) Ensure that project reports are prepared and submitted to the Board;
- o) Ensure formation of project management committees, opening of project accounts, project implementation and closure of projects;

- p) Ensure that the principles of public finance as provided for under Chapter Twelve of the Constitution and the Public Finance Management legislation are observed in the management of the Fund;

d). Removal of a member

Regulation 10 (1) refers to removal of a member, the members of a Constituency Committee may remove a member in accordance with section 43 (13) and (14) of the Act upon receipt of a complaint against a member.

Other causes of removal include;

- i. Lack of integrity
- ii. Gross misconduct
- iii. Embezzlement of public funds
- iv. Bring the committee into disrepute through unbecoming personal conduct
- v. Promoting unethical practices
- vi. Causing disharmony within the committee
- vii. Physical or mental infirmity

The complaint referred to in paragraph (2) shall clearly set out the particulars of the issues complained of. The Secretary shall convene a special meeting in accordance with these Regulations to deliberate on the complaint, but the member against whom the complaint is raised shall not participate in such a meeting.

If, at a meeting held pursuant to paragraph (4), members determine that sufficient grounds exist requiring the member against whom the complaint is raised to respond to the issues complained of, the secretary shall by notice, require the member to respond to the issues received in the complaint within fourteen days of the date of the notice. A copy of the complaint and any other grounds of removal shall be attached to the notice issued under paragraph (5). The member against whom the complaint is raised may be required to respond to the complaint in writing.

The member against whom a complaint is raised may, in addition to the written response required under paragraph (7), elect to be heard orally, and a Constituency Committee may hear such a member.

The member against whom a complaint may call witnesses. If the member against whom a complaint is raised chooses not to submit a response in writing or to attend the hearings, a Constituency Committee may proceed to determine the matter.

Notwithstanding paragraph (10), a Constituency Committee may summon the member against whom the complaint is made to clarify any issue, and such member shall attend the hearing.

If the member against whom a complaint is made fails to respond to the complaint as may be directed by a Constituency Committee, the Committee may proceed and make a determination based on the evidence available.

A Constituency Committee shall issue its decision on the complaint within seven days after the conclusion of the hearing. If a Constituency Committee resolves to remove the member against whom a complaint is made, the secretary shall communicate the decision of the Constituency Committee to the Board within fourteen days of the decision.

The communication to the Board under paragraph (14) shall include duly executed proceedings, together with all the supporting documents. The Board shall, within thirty days after receipt of the communication in paragraph (14), consider the matter and issue a final declaration which shall be binding on all parties.

A Constituency Committee may remove the Chairperson or secretary from their respective positions for failing to perform their functions, under regulations 8 and 9 respectively. A Constituency Committee shall inform the Chairperson or Secretary of the reasons for the proposed removal, and shall give the Chairperson or Secretary reasonable opportunity to be heard.

A Chairperson or secretary who is removed pursuant to paragraph (19) shall continue to discharge duties as a member of the Constituency Committee. At least two thirds of the total membership of a Constituency Committee shall be required to remove the Chairperson or secretary from office.

e). NG-CDFC Induction and training

The Rangwe NG-CDF conducted an induction / training of its members from 4th – 6th April, 2025 at the VIC Hotel, Kisumu. The training captured on cross – cutting NG-CDF issues including;

- Project cycle management
- Project planning
- Report writing
- Strategic planning
- Procurement
- Human resource management
- Audit issues
- Gender mainstreaming
- HIV / AIDS and drug abuse

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f). Number of meetings;

NG-CDF Act stipulates that NG-CDFC shall have a maximum of twenty-four meetings per year and not less than twelve including sub-committee meetings. In Rangwe Constituency, the NG-CDF Committee conducted 19 meetings and 4 sub-committee meetings.

No	Name of committee members	Meetings held																		
		2023									2024									
		02/07/2024	30/07/2024	08/08/2024	29/08/2024	03/09/2024	24/09/2024	01/10/2024	29/10/2024	03/12/2024	07/01/2025	28/01/2025	04/02/2025	25/02/2025	04/03/2025	25/03/2025	01/04/2025	22/04/2025	06/05/2025	24/06/2025
1	Mary Anyango, Member	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√
2	Robert Oloo, Chairperson	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√
3	Jared Alosi, Member	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√
4	Philemon Onyango, Member	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√
5	Carolyne Atieno, Secretary	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√
6	Silvia Ogira, Member	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√

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g) Remuneration Rates

All members attended meetings and received a remuneration of Kshs. 5,000 for members and Kshs. 7,000 for the chairperson per sitting totaling to 1,750,000 during the financial year. Rangwe NG-CDF selected new members in November, 2024 as required by law.

h). Disclose the policy on conflict of interest

Policy of conflict of interest is discussed in every meeting and whenever need be.

i). Succession plan

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

j). Ethics and code of conduct

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

k). Risk Management

The constituency has a risk policy which they observe and are required to maintain a risk register. The committee has the following responsibilities;

NO	RISK	MANAGEMENT
1.	Embezzlement of Project Funds	-Ensuring that a project management committee consisting of five people is formed and for any payment to be made, a meeting must be held to approve any payment pertaining the project. -There must be three mandatory signatories to the project Management Committee account of which one of them is the Fund Account Manager.
2.	Failure to attend NG-CDFC meeting by the committee members	-The fund Account Manager must always ensure that in every meeting, an attendance sheet is signed by all the committee members present that will be used during payment of NG-CDFC allowances.

7. Management Discussion and Analysis

Rangwe NG-CDF management would like to provide a detailed analysis of its performance in the various areas of operation and financial as follows:

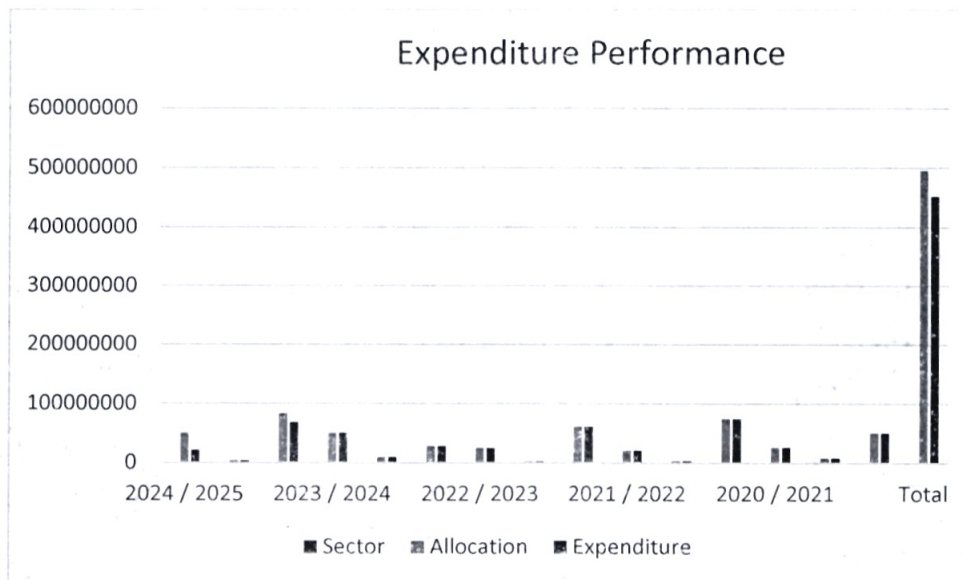
Financial Year	Allocation	Amount Disbursed	Percentage
2020-2021	137,088,879.31	137,088,879.31	100%
2021-2022	137,088,000.00	137,088,000.00	100%
2022-2023	116,215,033.00	116,215,033.00	100%
2023-2024	180,074,855.00	180,074,855.00	100%
2024-2025	170,469,857.00	156,000,000.00	91%
Total	740,936,624.31	726,466,767.31	

From the above data, Rangwe NG-CDF has been able to receive a total of Ksh. 740,936,624.31 as at 30.06.2025 for the last five financial years. The resources have been utilized to improve the various sectors in terms of infrastructure and provision of bursaries to needy students in secondary, special and tertiary institutions.

The below table further illustrates the expenditure performance of Rangwe NG-CDF in Education and Security sectors for the past five years;

Financial Year	Sector	Allocation	Expenditure
2024 / 2025	Bursary	50,000,000.00	21,267,400
	Security	3,441,376.00	3,441,367
	Education	82,800,000.00	68,000,000
2023 / 2024	Bursary	50,000,000.00	50,000,000.00
	Security	9,379,940.00	9,379,940.00
	Education	28,500,000.00	28,500,000.00
2022 / 2023	Bursary	25,164,300.90	25,164,300.90
	Security	2,000,000.00	2,000,000.00
	Education	60,610,888.50	60,610,888.50
2021 / 2022	Bursary	20,816,895.30	20,816,895.30
	Security	3,500,000.00	3,500,000.00
	Education	74,500,000.00	74,500,000.00
2020 / 2021	Bursary	26,272,219.00	26,272,219.00
	Security	8,100,000.00	8,100,000.00
	Education	50,600,000.00	50,600,000.00
Total		495,685,619.70	452,153,011.00

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a) Key Projects

Rangwe NG-CDF has been able to undertake key projects that will go into improving the infrastructure standards and also providing job opportunities to the residents of Rangwe. For instance the purchase of land for the proposed construction of a Medical Training College in Nyagoro, Kochia Ward. Once constructed to completion, it will provide employment and open up avenues for business opportunities through trade and housing.

The completion of Asumbi Police Station in Asumbi Center will also provide the much needed security for the residents of Gem West Ward and Rangwe Constituency at large.

The Fund has also been able to construct additional classrooms in the various primary schools key among them are; Kochienge Primary School, Oluso Primary School, Kirongo Primary School, Randung Primary School, Nyadiere Primary School, Akado Primary School, Sinogo Primary School, Orero Primary School, Alara Korayo, etc. We have also been able to purchase 33-seater school buses for Anding and Wikoteng Secondary Schools.

The recently opened Rangwe Sub County Headquarters is to house 'Huduma Center' that is set to bring Government services closer to the people. This would help to reduce distance thus save on cost of transport and time that is much needed to achieved the desired development.

A part from the key projects indicated above, Rangwe NG-CDF has equally provided infrastructure to various institutions across the constituency including the recent matching fund arrangement with the Ministry of Education to construct Junior Secondary School classrooms.

Electricity is also a critical need to the residents of Rangwe Constituency and Rangwe NG-CDF has been able to assist through matching fund with Rural Electrification and Renewable Energy Corporation (REREC). Through this program, over 2000 residents have been able to benefit through transformer maximization.



Rangwe Sub County Headquarters

b) Compliance with statutory requirements.

Rangwe NG-CDF is an entity that is fully guided by the constitution of Kenya 2010, NG-CDF Act 2015, PFM Act 2012, PPADA 2015 and many other relevant laws and has been in full compliance of the same.

For instance, schedule four of the constitution 2010 has outlined the roles of National Government and County Government and in no instance has Rangwe been cited for non-compliance.

Rangwe NG-CDF has been able to equally meet its obligations for instance payment of taxes like VAT withholding tax from contactors, Pay As You Earn Tax and Withholding Tax as required and further commits to operate within the law even to the future.

c) Sector Performance

Rangwe NG-CDF has been operational since 2013 but would provide financial analysis for the past five years on how much the entity has received and spend in the various critical sectors being Education and Security.

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Based on the above information for the last five financial years; the key consumer of the resources is Education sector with an average of 96% of the entire allocation and secondly the security sector with average of 4%. This is an indicator that the Fund has put more efforts in improving the academic standards of Rangwe Constituency through both the infrastructure and bursaries to needy students studying in various institutions.

Further from the above analysis, it is important to note that the Fund has been able to serve the rural communities and be able to improve on the living standards of the people, poverty eradication being one of its key objectives. The management advocates for more resource allocation to further improve on its mandate.

d) Review of the Economy, Sector and Future Developments

The Kenyan Economy has not been doing well in the past years due to the many factors such as the Covid 2019 that reduce the business growth and hence revenue collection. NG-CDF as a fund was equally affected by the same whereby the cost of implementing projects increased hence affecting completion timelines and even the budget process.

In the last three years there has been improvement in the revenue growth which has led to increased budgetary allocation of the Fund even at the constituency level. This has been elaborated in the above table.

With the intention to entrench the Fund in the Kenyan Constitution, there is a good chance that in the future the Fund will grow and be able to spur more economic growth at the constituency level. Rangwe NG-CDF has put in place mechanisms through its strategic plan to ensure more projects are implemented within the next three years.

8. Environmental and Sustainability Reporting

Environmental mitigation activities such as tree planting improves forest cover that in turn attracts rain, a major factor of agricultural production. Tree planting also aids in other factors like controlling soil erosion besides provision of raw materials for furniture and other products of wood. Trees also provide us with fuel.

1. Sustainability strategy and profile -

To ensure sustainability of Rangwe NGCDF, the committee funds the following key sectors with the following sustainable priorities.

- a. **Education and Training:** Rangwe 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 intention to provide better working environment for the security providers within the constituency as well 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 the law enforcement agencies while collaborating with community in trust on matters of security.
- c. **Environment:** The Constituency acknowledges that all its operation has an impact on environment. Cognizant of the Sustainable development goals, the NG-CDF has allocated part of its budget on environment conservation through activities such as tree planting, water conservation, sensitization forums for agro-forestry as well as best practices to reduce soil erosion.
- d. **Sports:** The NG-CDF has taken sports as a key pillar of cohesion and integration. To sustain this pillar, the strategy taken is that of developing skills through sports with intention of identifying, nurturing talent and encouraging physical fitness among the constituents.

2. Environmental performance

Conserving the environment is a responsibility yoked on every responsible citizen of this great nation and beyond as life itself notwithstanding our operations solely depends on how we treat it. The NG-CDF Committee Rangwe commits to conserve the environment through;

- Monitoring and continuously improving on environmental performance
- Ensuring that environmental factors are considered during planning and implementation
- Disposing our wastes responsibly
- Recycling paper waste to reduce pollution
- Communicating regularly to stakeholders of our environmental performance
- Facilitating stakeholders with environmental performance tools

3. Employee welfare

We invest in providing the best working environment for our employees. Rangwe 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 of 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 cover through a reliable insurance Scheme. Employees are encouraged and supported to continually build on their skills and knowledge. Rangwe 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 policy on safety in compliance with Occupational Safety and Health Act of 2007, (OSHA) and has ensured the work environment is conducive for everybody in terms of movement and accessibility within the office. The Constituency has also put in place disaster mitigating measures including fire extinguishers and accessible escape routes in case of emergency.

4. Market place practices-

Rangwe 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 for purposes of uplifting them economically. Our

ethical market practices ensure the fund get value for money on all goods and services procured.

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

NGCDF has put in place efforts to ensure:

- a) Responsible competition practice by encouraging fair competition and zero tolerance to corruption
- b) Good business practice 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 interest.

5. Community Engagements-

Rangwe 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 sports and community projects.

Public Participation in Project Identification and Implementation and Monitoring

Rangwe Constituency deliberated on project proposals from all the wards in the constituency and considered the most beneficial to the constituency, considering the national development plans and policies and the constituency strategic development plan. The identified list of priority projects, both immediate and long-term, was submitted to the NGCDF Board in accordance with the Act.

Public participation is the process that directly engages the concerned stakeholders in decision-making and gives full consideration to public input in making that decision.

The NGCDF during bursary programme, engaged the community through the community leaders to identify the needy students to be awarded with the bursary.

Public Awareness

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

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

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Environmental matters relates to mitigation of the climate change effects that has been put forward as a government agenda. The recent amendment of NGCDF Act 2015 to increase the allocation to climate change mitigation activities from 2% to 5% has ensured this objective is achieved through the NGCDF Fund. Rangwe NG-CDF in its budget for Financial Year 2024-2025 allocated Kshs. 4,800,000.00 towards purchase and installation of water tanks and tree seedlings to be planted in twelve institutions across the constituency.



.....
Charles Omosa
Fund Account Manager

9. Statement Of Management Responsibilities

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

The Accounting Officer in charge of the NGCDF-Rangwe 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-Rangwe 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 Rangwe's financial statements give a true and fair view of the state of Rangwe'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- Rangwe 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.

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The Accounting Officer in charge of the NGCDF Rangwe Constituency confirms that Rangwe 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 Rangwe'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- Rangwe Constituency financial statements were approved and signed by the Accounting Officer on 15/AUG 2025.



.....
Name: Robert Oloo
Chairman – NGCDF Committee



.....
Name: Charles Omosa
Fund Account Manager

REPUBLIC OF KENYA

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NAIROBI

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

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying transitional IPSAS financial statements of National Government Constituencies Development Fund - Rangwe Constituency set out on pages 1 to 66, which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial performance, statement of changes in net assets,

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the transitional IPSAS financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund-Rangwe Constituency as at 30 June, 2025, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards Accrual Basis (including the transitional provisions permitted under IPSAS 33) and comply with the National Government Constituencies Development Fund Act, 2015 (Amended 2022), the Public Finance Management Act, 2012 and The National Treasury and Economic Planning Circular No.3 of 14 April, 2025.

Basis for Qualified Opinion

1.0. Other Government Units Actual Expenditure

The statement of financial performance, and as disclosed in Note 13 to the financial statements, reflects other government units actual expenditure amount of Kshs.116,158,705. The following unsatisfactory matters were noted:

1.1. Unsupported Procurement of Buses

The amount of Kshs.116,158,705 includes secondary schools actual expenditure of Kshs.13,400,000 which was in respect of funds disbursed to Anding'o Mixed Secondary School and Wikoteng Mixed Secondary School in equal amounts for the procurement of two buses. However, the tender evaluation reports, approved professional opinions, contracts and inspection reports from the mechanical and transport departments were not provided for audit review. In addition, the log book for Anding'o Mixed Secondary School bus was not provided to confirm ownership.

In the circumstances, the accuracy, completeness and propriety of the expenditure of Kshs.13,400,000 could not be confirmed.

1.2. Unsupported Procurement

The amount of Kshs.116,158,705, in addition, includes primary schools actual expenditure of Kshs.102,758,705 out of which, an amount of Kshs.10,648,750 was incurred by three schools in the construction of classrooms. The details of the expenditure are as shown below:

Institution	Activity	Amount (Kshs.)
Sota Primary School	Construction of 4 classrooms	4,828,278
Rabango Primary School	Construction of 2 classrooms	2,710,374

Institution	Activity	Amount (Kshs.)
Kochienge Primary School	Construction of 3 classrooms	3,110,098
Total		10,648,750

However, the tender evaluation reports, approved professional opinions and contracts, were not provided for audit review.

In the circumstances, the accuracy, completeness and propriety of the expenditure of Kshs.10,648,750 could not be confirmed.

2.0. Unsupported Bursary Payments

The statement of financial performance reflects other grants and transfers actual expenditure of Kshs.57,481,725 which, as disclosed in Note 14 to the financial statements, includes Kshs.21,267,400 relating to bursary transfers out of which, Kshs.7,315,400 was not supported with acknowledgement letters or school fees receipts from the recipient institutions. In addition, the list of beneficiaries provided for audit had thirty (30) students with same details but different admission numbers. Furthermore, analysis of the list of beneficiaries provided revealed that some students were issued with bursaries multiple times.

In the circumstances, the accuracy, completeness and authenticity of the bursary disbursements of Kshs.21,267,400 could not be confirmed.

3.0. Unsupported Cash and Cash Equivalents Balance

The statement of financial position reflects cash and cash equivalent balance of Kshs.86,846,108 which, as disclosed in Note 19 to the financial statements, includes Kshs.53,255,808 in respect of Project Management Committee (PMC) account balances. Included in this balance is an amount of Kshs.5,271,752 representing two (2) bank accounts which were not supported with bank statements or bank certificates.

In addition, Management did not maintain cash books for the PMC accounts, contrary to the law. The balances reflected represent bank statement balances which may not reflect all the transactions.

Moreover, review of the PMC bank statements provided revealed variances between the financial statement and bank statements balances as shown below:

PMC	Financial Statement (Kshs)	Balance as per bank statement (Kshs)	Variance (Kshs)
Oluso Primary School	4,200,000	1,018,291	3,181,709
Kirongo Primary School	2,800,000	1,617,640	1,182,360
Nyabola Gem Primary School	1,400,000	20,000.36	1,379,999.64
Nyadiere Primary School	383,465	667,507	(284,042)
Otweyo Primary School	2,800,000	136,353	2,663,647
Maugo Primary School	5,600,000	20,032	5,579,968

Additionally, review of the bank reconciliation statement for the constituency development fund account for the Month of June, 2025 revealed stale cheques totaling Kshs.195,828 that are part of the unpresented cheques. No explanation was provided for the non-reversal of the cheques in the cash book.

Also, the balance of Kshs.86,846,108 includes Kshs.910,709 in respect of deposit account balances. However, Management did not provide the bank statement and bank reconciliation to support the balance in the bank.

In the circumstances, the accuracy and completeness of the cash and cash equivalent balance of Kshs.86,846,108 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-Rangwe Constituency 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 receipts budget and actual on comparable basis amounts of Kshs.287,975,815 and Kshs.273,505,958 respectively, resulting in underfunding of Kshs.14,469,857, or 5% of the budget. Similarly, the Fund spent Kshs.186,659,850 out of the actual receipts of Kshs.273,505,958, resulting in an underutilization of Kshs.86,846,108, or 32%

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

My Opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Issues

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

No.	Financial Year	Audit Issue
1	2023/2024	Cash and Cash Equivalents
2	2023/2024	Unsupported Project Management Committee (PMC) Bank Accounts Balances
3	2023/2024	Unsupported Environment Payments
4	2023/2024	Budgetary Control and Performance
5	2023/2024	Bursaries Management
7	2023/2024	Lack of Approval for Emergency Projects
8	2023/2024	Delays and Workmanship in Project Completion

Other Information

The Management is responsible for the Other Information set out on page iii to xxxviii which comprise of Key Constituency Information and Management, NGCDF Committee, NGCDF Chairman's Report, Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Statement of Management Responsibilities, Statement of Performance Against Predetermined Objectives. 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 the 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

1.0. Unbranded Projects

Physical verification of projects implemented in the financial year 2024/25 revealed three (3) projects that had not being branded with the Fund's logo, and the year when the activity was budgeted for implementation, contrary to the provisions of Regulation 11(1)(cc) of the National Government Constituencies Development Fund 2016. The projects are as shown below;

Institution	Activity	Amount (Kshs.)
Nyandiwa Primary School	Construction of 2 classrooms and desks	3,015,566
Rangwe Sub County Headquarters	Construction of gate	4,295,368
Koyoo Primary School	Construction of toilets	2,543,929
Total		9,854,863

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

2.0. Project Implementation Status

The statement of financial performance reflects other government units actual expenditure of Kshs.116,158,705 which, as disclosed in Note 13 to the financial statements, includes Kshs.102,758,705 in respect of primary schools actual expenditure. Included in this is an amount of Kshs.23,564,748 in respect of works carried out in various schools. However, physical verification of these projects on 24 October, 2025 revealed the following anomalies:

Institution	Activity	Amount (Kshs.)	Observations
Alara Korayo Primary School	Construction of 2 classrooms	2,797,502	Painting was not done
Orero Primary School	Renovation of 6 classrooms	4,791,670	Floor tiles were coming off, small holes had developed on the floor tiles
Sinogo Primary School	Renovation of 6 classrooms	4,745,590	Window panes were falling off
Rabango Primary School	Construction of 2 classrooms	2,710,374	Electrical fittings and wiring were not done.
Nyalieng'a Primary School	Completion of 4 classrooms	2,810,074	Electrical fittings and wiring were not done.
Oeno Primary School	Renovation of 4 classrooms	3,192,694	Window panes were falling off
Nyadiere Primary School	Construction of 2 classrooms	2,516,844	The wall had cracks
Total		23,564,748	

In the circumstances, the value for money realized from the expenditure of Kshs.23,564,748 on the projects could not be confirmed.

3.0. Climate Mitigation Projects

The statement of financial performance reflects other grants and transfers actual expenditure of Kshs.57,481,725 as disclosed in Note 14 to the financial statements. Included in this amount is Kshs.7,163,595 in respect of climate change mitigation projects. Review of expenditure records revealed that this amount was used for the

purchase, supply and installation of 10,000 liters water tanks, and also purchase and planting of 4,000 tree seedlings in fourteen (14) schools. The water tanks were to be used to harvest rain water for maintaining the trees. However, physical verification conducted in the month of October, 2025 revealed that most of the tree seedlings had dried up and only a handful are surviving in some schools. The water tanks were also not branded making it difficult to confirm if they were indeed bought by the Rangwe NG-CDF funds or by other development partners.

In the circumstances, the value for money realized from the expenditure of Kshs.7,163,595 on the project could not be confirmed.

4.0. Failure to Maintain an Imprest Register

Review of the imprests issued by the Fund during the year revealed that Management did not maintain an imprest register for the purpose of recording and accounting for the imprests issued, contrary to Regulation 92 (4) (c) of the Public Finance Management (National Government) Regulations, 2015, which provide that before issuing temporary imprests the Accounting Officer shall ensure that the applicant has been recorded in the imprest register.

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 THE EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of the Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards Accrual Basis and for maintaining effective internal controls as Management

determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

05 December, 2025

*National Government Constituencies Development Fund (NGCDF)
Rangwe 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

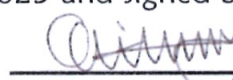
	Note	2025 Kshs
Revenue from non-exchange transactions		
Transfers from the NGCDF Board	6	170,469,857
Grants/donations from other entities	7	-
Revenue from exchange transactions		
Finance income	8	-
Miscellaneous income	9	-
Total revenue		170,469,857
Expenses		
Employee costs	10	4,780,989
Committee expenses	11	3,673,000
Use of Goods and Services	12	5,184,085
Other Government Units Actual expenditure	13	116,158,705
Other Grants and Transfers Actual expenditure	14	57,481,725
Depreciation and amortization expense	15	31,320
Digital Hubs Actual expenditure	16	-
Total expenses		187,309,824
Other gains/(losses)		
Gain/Loss on Sale of Assets	17	-
Impairment loss	18	-
Surplus/(Deficit) for the year		(16,839,967)

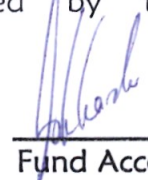
The Constituency financial statements were approved by the NGCDFC on

15 AUG

2025 and signed by:


Chairman NG-CDF
Committee
Name: Robert Oloo


National Sub-County
Accountant
Name: David Odiyo
ICPAK M/No: 13213

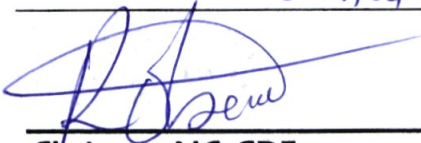

Fund Account Manager
Name: Charles Omosa

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

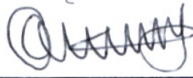
	Note	2025 Kshs	Opening Balance July 2024 Kshs
Assets			
Current Assets			
Cash And Cash Equivalents	19	86,846,108	45,688,733
Receivables from Exchange Transactions	20	-	-
Receivables from Non-Exchange Transactions	21	14,469,857	71,817,225
Prepayments	22	187,655	-
Total Current Assets		101,503,620	117,505,958
Non-Current Assets			
Property, Plant and Equipment	23	73,080	-
Intangible Assets	24	-	-
Right-of-use assets	25	-	-
Total Non- Current Assets		73,080	-
Total Assets (A)		101,576,700	117,505,958
Liabilities			
Current Liabilities			
Trade and Other Payables	26	-	-
Third-Party Deposits	27	-	-
Lease Liabilities	28	-	-
Gratuity provision	29	910,709	-
Total Current Liabilities		910,709	-
Non-Current Liabilities			
Lease Liabilities	28	-	-
Total Liabilities (B)		910,709	-
Net Assets (A-B)		100,665,991	117,505,958
Represented by:			
Revaluation Reserves		-	-
Accumulated Surplus		100,665,991	117,505,958
Total Net Assets		100,665,991	117,505,958

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

The Constituency financial statements set out on pages 1 to 8 approved by NG CDFC on 15 AUG 2025 and signed by:



**Chairman NG-CDF
Committee**
Name: Robert Oloo



**National Sub-County
Accountant**
Name: David Odiyo
ICPAK M/No: 13213



Fund Account Manager
Name: Charles Omosa

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 June, 2024		7,302,722	7,302,722
Adjustments			
Recognition of Assets		110,203,236	110,203,236
Recognition of Liabilities		-	-
As at July 1, 2024		117,505,958	117,505,958
Surplus/(Deficit) For the Period		(16,839,967)	(16,839,967)
Revaluation Gain/Loss		-	-
As at 30 June, 2025		100,665,991	100,665,991

Note: Recognition of assets relates to PMC balances and disbursements owed by the Board from prior years.

*National Government Constituencies Development Fund (NGCDF)
Rangwe 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	Period ended June
		Kshs
Cash flows from operating activities		
Receipts		
Transfers from the NGCDF Board		227,817,225
Grants/donations from other entities		-
Finance income		-
Miscellaneous income		-
Total Receipts		227,817,225
Payments		
Employee costs		3,870,280
Committee expenses		3,673,000
Use of Goods and Services		5,371,740
Other Government Units Certified Works		116,158,705
Other Grants and Transfers		57,481,725
Digital Hubs Expenses		-
Total Payments		186,555,450
Net Cash Flows from/ (used in) Operating Activities	30	41,261,775
Cash flows From Investing Activities		
Purchase of PPE		104,400
Purchase of Intangible assets		-
Proceeds From Sale of PPE		-
Net Cash Flows from Investing Activities		104,400
Cash Flows from Financing Activities		
Lease payment		-
Net Cash Flows from Financing Activities		-
Net increase/(decrease) in cash & Cash equivalents		41,157,375
Cash and cash equivalents at 1 July 2024	19	45,688,733
Cash and cash equivalents at 30 June 2025	19	86,846,108

*National Government Constituencies Development Fund (NGCDF)
Rangwe 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	Final Budget		Actual on comparable basis	Budget utilization difference	% of Utilization	
	Kshs	(a)	(b)	Kshs	Kshs	f=d/c*100	
	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 / 2025		
Revenue							
Transfers From the NGCDF Board	170,469,857	45,688,733	71,817,225	287,975,815	273,505,958	14,469,857	95
Transfers from domestic and foreign partners	-	-	-	-	-	-	
Finance income	-	-	-	-	-	-	
Miscellaneous income	-	-	-	-	-	-	
Totals	170,469,857	45,688,733	71,817,225	287,975,815	273,505,958	14,469,857	95
Expenses							
Employee costs	6,730,000	25,217	-	6,755,217	3,870,280	2,884,937	57
Committee expenses	4,155,654	343,294	-	4,498,948	3,854,215	644,733	86
Use of Goods and Services	4,351,633	944,884	-	5,296,517	5,190,525	105,992	98
Other Government Units Certified Works	82,800,000	30,222,375	59,798,017	172,820,392	116,158,705	56,661,687	67
Other Grants and Transfers	67,213,474	14,152,963	12,019,208	93,385,645	57,481,725	35,903,920	62

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

	Original Budget 2024/2025	Final Budget 2024/2025	2024 / 2025	2024 / 2025	2024 / 2025	2024 / 2025	2024 / 2025
Digital Hubs Expenses	5,114,096	5,114,096	-	5,114,096	-	5,114,096	-
Capital Expenditure	105,000	105,000	-	105,000	104,400	600	99
Funds Pending Approval**	-	-	-	-	-	-	-
Total Expenditure	170,469,857	170,469,857	45,688,733	287,975,815	186,659,850	101,315,965	
Surplus for the period					86,846,108	(86,846,108)	

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


Explanatory Notes.

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

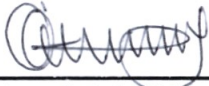
Rangwe NG-CDF recorded 57% utilization on employee costs, 84% on committee expenses, 67% on other government units certifies works and 62% on other grants and transfers due to late disbursement of funds by the NG-CDF Board.

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	101,315,965
Less undisbursed funds receivable from the Board as at 30 th June 2025	14,469,857
Cash and Cash Equivalents at the end of the 30 th June 2025	86,846,108

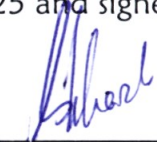
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Constituency financial statements were approved by NG CDFC on 15/AUG 2025 and signed by:



 Chairman NG-CDF Committee
 Name: Robert Oloo



 National Sub-County Accountant
 Name: David Odiyo
 ICPAK M/No: 13213



 Fund Account Manager
 Name: Charles Omosa

National Government Constituencies Development Fund (NGCDF)

Rangwe Constituency

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

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

Programme/Sub-programme	Original Budget	Adjustments		Revised Budget	Actuals/Commitments to date	Budget Utilization to date
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursement			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent						
1.1 Compensation of employees	6,730,000	25,217	-	6,755,217	3,870,280	2,884,937
1.2 Committee allowances	1,492,654	-	-	1,492,654	1,492,654	-
1.3 Use of goods and services	2,005,537	944,884	-	2,950,421	2,948,829	1,592
Sub-total	10,228,191	970,101	-	11,198,292	8,311,763	2,886,529
2.0 Monitoring and evaluation						
2.1 Capacity building	890,000	-	-	890,000	890,000	-
2.2 Committee allowances	2,768,000	343,294	-	3,111,294	2,361,561	749,733
2.3 Use of goods and services	1,456,096	-	-	1,456,096	1,456,096	-
Sub-total	5,114,096	343,294	-	5,457,390	4,707,657	749,733
3.04.0 Emergency						
unutilized	8,972,098	4,770,298	-	13,742,396	11,659,233	2,083,163
Sub-total	8,972,098	4,770,298	-	13,742,396	11,659,233	2,083,163

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

Programs/ Sub-Programs	Original Budget	Revisions		Final Budget	Actual on comparable basis	Budget utilization difference
		Adjusted Services (S, B) and MA	Previous Year Outstanding Disbursement			
	KShs	KShs	KShs	KShs	KShs	KShs
5.0 Bursary and Social Security						
5.1 Primary Schools	-	-	-	-	-	-
5.2 Secondary Schools	25,000,000	1,220,220	-	26,220,220	19,484,900	6,735,320
5.3 Tertiary Institutions	22,000,000	-	-	22,000,000	1,772,500	20,227,500
5.4 Special needs	3,000,000	-	-	3,000,000	10,000	2,990,000
5.5 Education Support Programmes	-	-	-	-	-	-
5.6 Social Security	-	-	-	-	-	-
Sub-total	50,000,000	1,220,220	-	51,220,220	21,267,400	29,952,820
7.0 Environment						
Asumbi Mixed Primary School	400,000	-	-	400,000	380,000	20,000
Omoche Secondary School	400,000	-	-	400,000	378,000	22,000
Rabango Primary School	400,000	-	-	400,000	378,000	22,000
Anind Oko Primary School	400,000	-	-	400,000	378,000	22,000
Alara Korayo Primary School	400,000	-	-	400,000	380,000	20,000
Akado Primary School	400,000	-	-	400,000	378,000	22,000
Nyakwadha Primary School	400,000	-	-	400,000	378,000	22,000

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

Program/Project/Sub-programme	Original Budget	Adjustments		Disbursements	Actual on comparable basis	Budgetary Variance
		Revisions (CRP) and AIA	Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Ongang'a Primary School	400,000	-	-	400,000	378,000	22,000
Nyabola Gem Primary School	400,000	-	-	400,000	380,000	20,000
Kuoyo Kaura Primary School	400,000	-	-	400,000	380,000	20,000
Maugo Primary School	400,000	-	-	400,000	380,000	20,000
Otolo Primary School	400,000	-	-	400,000	378,000	22,000
Wikoteng' Primary School	-	-	1,578,256	1,578,256	1,299,489	278,767
Nyandiwa Primary School	-	-	1,559,588	1,559,588	1,318,106	241,482
Sub-total	4,800,000	-	3,137,844	7,937,844	7,163,595	774,249
8.0 Primary Schools Projects	-	-	-	-	-	-
Akado Primary School	-	-	1,400,000	1,400,000	1,400,000	-
Aoch Muga Primary School	4,000,000	-	-	4,000,000	1,874,760	2,125,240
Oluso Primary School	4,200,000	-	-	4,200,000	-	4,200,000
Ojeno Primary School	-	-	3,200,000	3,200,000	3,192,694	7,306
Ojeno Primary School	-	-	1,625,000	1,625,000	1,624,351	649
Ojeno Primary School	1,600,000	-	-	1,600,000	1,525,556	74,444
Alara Korayo Primary School	-	-	3,200,000	3,200,000	3,200,000	-
Alara Korayo Primary School	-	-	2,800,000	2,800,000	2,797,502	2,498

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	Budgeted			Actual on Comparable Basis	Budget Utilization Difference	
	PA	Co- financing Donor	Disbursement			
	Kshs	Kshs	Kshs	Kshs	Kshs	
Alara Korayo Primary School	800,000	-	-	800,000	757,625	42,375
Kirongo Primary School	2,800,000	-	-	2,800,000	-	2,800,000
Nyabola Gem Primary School	-	-	2,800,000	2,800,000	1,400,000	1,400,000
Rabuor Ponge Primary School	5,600,000	-	-	5,600,000	-	5,600,000
Otolo Primary School	-	-	1,600,000	1,600,000	1,599,494	506
Otolo Primary School	-	-	1,625,000	1,625,000	1,625,000	-
Gul Kagembe Primary School	-	-	2,400,000	2,400,000	2,399,876	124
Ongang'a Primary School	-	-	3,200,000	3,200,000	3,200,000	-
Ongang'a Primary School	-	-	3,015,567	3,015,567	3,013,567	2,000
Ongang'a Primary School	800,000	-	-	800,000	758,176	41,824
God Puro Primary School	-	-	3,200,000	3,200,000	3,069,997	130,003
God Puro Primary School	1,600,000	-	-	1,600,000	1,518,556	81,444
Nyandiwa Primary School	-	-	2,400,000	2,400,000	2,400,000	-
Nyandiwa Primary School	-	-	3,015,566	3,015,566	3,015,566	-
Nyandiwa Primary School	1,600,000	-	-	1,600,000	1,600,000	-
Orero Primary School	-	-	4,800,000	4,800,000	4,791,670	8,330
Nyadiere Primary School	-	-	3,200,000	3,200,000	2,816,535	383,465

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Program/Activity	Original Budget	Original Budget (C/B) and AIA	Actual Disbursement	Actual Disbursement	Actual Disbursement	Actual Disbursement
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Nyadiere Primary School	-	-	2,516,884	2,516,884	2,516,844	40
Nyadiere Primary School	1,600,000	-	-	1,600,000	1,599,054	946
Sinogo Primary School	-	-	4,800,000	4,800,000	4,745,590	54,410
Sinogo Primary School	-	-	2,600,000	2,600,000	2,599,496	504
God Mony Primary School	-	-	3,200,000	3,200,000	3,196,148	3,852
Nyando Primary School	-	-	3,200,000	3,200,000	3,199,999	1
Sota Primary School	5,600,000	-	-	5,600,000	4,828,278	771,722
Nyalieng'a Primary School	3,200,000	-	-	3,200,000	2,810,074	389,926
Kochieng Primary School	4,200,000	-	-	4,200,000	3,110,098	1,089,902
Ludhe Dongo Primary School	4,200,000	-	-	4,200,000	2,245,760	1,954,240
Manga Primary School	2,800,000	-	-	2,800,000	1,281,100	1,518,900
Nyaundho Primary School	4,000,000	-	-	4,000,000	2,503,102	1,496,898
Tar Primary School	3,200,000	-	-	3,200,000	2,753,200	446,800
Anind Oko Primary School	3,200,000	-	-	3,200,000	-	3,200,000
Koga Primary School	-	2,800,000	-	2,800,000	-	2,800,000
Maugo Primary School	-	5,600,400	-	5,600,400	5,600,368	32
Nyakwadha Primary School	-	5,190,540	-	5,190,540	4,630,682	559,858

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Project Name	Budget	Actual Disbursement		Total Budget	Actual on-Comparable	Budget Utilization Difference
		2024/25	2023/24			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Nyopuge Primary School	-	897,618	-	897,618	-	897,618
Omoche Primary School	-	1,733,781	-	1,733,781	1,447,792	285,989
Rabango Primary School	-	2,800,036	-	2,800,036	2,710,374	89,662
Maugo Primary School	-	5,600,000	-	5,600,000	-	5,600,000
Otweyo Primary School	-	2,800,000	-	2,800,000	-	2,800,000
Akado Primary School	-	1,400,000	-	1,400,000	1,399,822	178
Nyabola Gem Primary School	-	1,400,000	-	1,400,000	-	1,400,000
God Ponge Primary	4,200,000	-	-	4,200,000	-	4,200,000
koyoo Primary School	4,000,000	-	-	4,000,000	-	4,000,000
Nyachar Primary School	3,200,000	-	-	3,200,000	-	3,200,000
Randung Primary School	2,000,000	-	-	2,000,000	-	2,000,000
Sub-total	68,400,000	30,222,375	59,798,017	158,420,392	102,758,705	55,661,687
9.0 Secondary Schools Projects (List all the Projects)						
Wikoteng' Mixed Secondary School	6,700,000	-	-	6,700,000	6,700,000	-

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Programme/Sub-programme	Original Budget	2025		2024		
		Original Budget	Actuals	Original Budget	Actuals	Actuals
		Original Balance (C/Bk) and AIA	Year's Outstanding Disbursement	Original Budget	Actuals	Actuals
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Anding'o Mixed Secondary School	6,700,000	-	-	6,700,000	6,700,000	-
Odiinya Secondary School	1,000,000	-	-	1,000,000	-	1,000,000
Sub-total	14,400,000	-	-	14,400,000	13,400,000	1,000,000
Sub-total	-	-	-	-	-	-
11.0 Security Projects						
Asumbi Police Station	3,441,376	-	-	3,441,376	3,300,675	140,701
Rangwe Sub County Headquarters		4,571,873		4,571,873	4,295,368	276,505
Wikoteng' Sub Location Ass. Chiefs	-	2,500,000	-	2,500,000	-	2,500,000
Asumbi Police Station		1,090,572	-	1,090,572	-	1,090,572
Rangwe Police Station	-	-	8,881,364	8,881,364	8,290,304	591,060
Sub-total	3,441,376	8,162,445	8,881,364	20,485,185	17,391,497	3,093,688
12.0 Acquisition of assets						
12.1 Motor Vehicles (including motorbikes)	-	-	-	-	-	-
12.2 Construction of CDF office	-	-	-	-	-	-
Sub-total	-	-	-	-	-	-

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	Current Year	Previous Year	Actual on comparable basis	Budget utilization difference
	Ksh	Ksh	Ksh	Ksh
13.0 Others				
Rangwe NG-CDF Digital Hubs	5,114,096	-	5,114,096	5,114,096
Sub total	5,114,096	-	5,114,096	5,114,096
13.0 Funds pending approval**				
13.1 Unapproved projects	-	-	-	-
13.2 AIA	-	-	-	-
13.3	-	-	-	-
Sub-total	-	-	-	-
Total	170,469,857	45,688,733	287,975,815	101,315,965

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 Rangwe Constituency principal activity is Rangwe.

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 [Rangwe] 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 [Rangwe] has recognized all financial assets, including cash and cash equivalents held in the operational account, deposit account, and PMC bank accounts; receivables (amounts due from the Board and other parties); prepayments; property, plant, and equipment (PPE); and intangible assets acquired during the financial year 2023/2024 up to the reporting date.

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

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

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

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

<p>and Equipment</p>	<p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under-maintenance of assets and distinguishing significant parts of infrastructure assets.</p> <p>Not applicable</p>
<p>IPSAS 46: Measurement</p>	<p><i>Applicable 1st January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS. iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p>Not applicable</p>
<p>IPSAS 47: Revenue</p>	<p><i>Applicable 1st January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles</p>

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	<p>that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> <p>Not applicable</p>
<p>IPSAS 48: Transfer Expenses</p>	<p><i>Applicable 1st January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p> <p>Not applicable</p>
<p>IPSAS 49: Retirement Benefit Plans</p>	<p><i>Applicable 1st January 2026</i></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p> <p>Not applicable</p>
<p>IPSAS 50: Exploration For & Evaluation of Mineral Resources</p>	<p><i>Applicable 1st January 2027</i></p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ol style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized. <p>Not applicable</p>

iii. Early adoption of standards

The Entity did not early – adopt any new or amended standards in the financial year or *the entity adopted the following standards early (state the standards, reason for early adoption, and impact on the entity’s financial statements.)*

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Sale of goods

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

Interest income

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

Rental income

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

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Budget information

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

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

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

b) 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.

c) 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.

d) 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.

e) Financial instruments

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

a) Financial assets

Classification of financial assets

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

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

Trade and other receivables

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

Fair value through surplus or deficit

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

Impairment

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

b) Financial liabilities

Classification

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

f) 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*.

g) 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

h) Social Benefits

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

i) 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.

j) 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

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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.

k) 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.

l) 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.

m) 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.

n) 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.

o) Comparative figures

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

p) 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 organization 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)	170,469,857
Total	170,469,857

7. Transfers from domestic and foreign partners

Description	2024 / 2025
	Kshs
Grants	-
Total	-

8. Finance income

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

(Provide a brief explanation for this revenue)

9. Miscellaneous income

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

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10. Employees cost

	2024 / 2025 Kshs
NG-CDFC Basic staff salaries	3,617,148
Personal allowances paid as part of salary	
House Allowance	
Transport Allowance	
Leave allowance	
Gratuity to contractual employees	910,709
Employer Contributions Compulsory national social security schemes	225,780
Employer Contributions Compulsory Housing levy	27,353
Employer contributions to National Industrial Training Authority	
Other Specify	
Total	4,780,989

11. Committee Expenses

	2024 / 2025 Kshs
Sitting allowance	1,750,000
Other Committee expenses	1,923,000
Total	3,673,000

12. Use of Goods and services

	2024 / 2025 Kshs
Utilities, supplies and services	60,000
Communication, supplies and services	83,350
Domestic travel and subsistence	150,000
Printing, advertising and information supplies & services	-
Office Rent	-
Training expenses	1,475,000
Hospitality supplies and services	100,000
Insurance costs	38,398
Specialized materials and services	-
Office and general supplies and services	538,436
Fuel, oil & lubricants	2,040,000
Bank charges	1
Routine maintenance – vehicles and other transport equipment	598,900
Routine maintenance – other assets	-
Strategic plan expenses	-
Other operating expenses	100,000
Total	5,184,085

13. Other Government Units Actual expenditure

Description	
Primary Schools Actual expenditure	102,758,705
Secondary Schools Actual expenditure	13,400,000
Tertiary Institutions Actual expenditure	-
Total	116,158,705

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14. Other Grants and transfers Actual expenditure

	2024 / 2025 Kshs
Bursary – secondary schools	19,484,900
Bursary – tertiary institutions	1,772,500
Bursary – special schools	10,000
Bursary - Education Support programmes	-
Social Security programmes (SHIF)	-
Security projects Actual expenditure	17,391,497
Climate change mitigation projects	7,163,595
Emergency projects Actual expenditure	11,659,233
Roads projects Actual expenditure	-
Others specify	-
Total	57,481,725

15. Depreciation and Amortization Expenses

Description	2024 / 2025 Kshs
Property Plant and Equipment	31,320
Intangible Assets	-
Total	31,320

16. Digital Hubs Expenses

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

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17. Gain/loss on Sale of Assets

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

18. Impairment Loss

Description	2024/2025	
	2024	2025
Property, Plant and Equipment		-
Intangible Assets		-
		-
Total Impairment Loss		-

19. Cash and Cash Equivalents

Name of Bank and Account No.	2024/2025	
	2024	2025
Bank Accounts (Cash Book Bank Balance)		
<i>Name Of Bank, Account No. (Operations account)</i>	32,679,591	7,302,722
<i>Operations account pending closure (Indicate name & account no.)</i>	-	-
<i>Name of Bank, account No. (Deposit account)</i>	910,709	-
<i>Name of Bank, account No. (PMC accounts)</i>	53,255,808	38,386,011
Total	86,846,108	45,688,733
Cash Balances		
Location 1	-	-
Location 2	-	-
Other Locations (<i>Specify</i>)	-	-
Total	-	-

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20. Receivables from Exchange Transactions

Description	2024/2025	Opening Statement 1 July 2023
	Kshs	
Total receivables		
Other exchange debtors (<i>Specify</i>)	-	-
Less: impairment allowance	(-)	(-)
Total receivables	-	-
a. Current receivables	-	-
b. Non-current receivables	-	-
Total Receivables (a+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 2023	
	Current FY	% of the total	Opening Balance	% of the total
Less than 1 year	-	%	-	%
Between 1- 2 years	-	%	-	%
Between 2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total (a+b)	-	%	-	%

21. Receivables from Non-Exchange Transactions

Description	2024/2025		Opening Statement Balance 2024	
	KSh		KSh	
Transfers from NGCDFB	14,469,857		71,817,225	
Outstanding imprest	-		-	
Total	14,469,857		71,817,225	
Ageing Analysis- Receivables from non-exchange transactions	2024 / 2025	% of the total	Opening Balance	% of the total
Less than 1 year	14,469,857	100%	71,817,225	100%
Between 1-2 years	-	%	-	
			-	0%
Over 3 years	-	%	-	0%
Total	14,469,857	100%	71,817,225	100%

22. Prepayments

Description	2024/2025		Opening Statement Balance 2024	
	KSh		KSh	
Prepaid Rent	-		-	
Prepaid Insurance	187,655		-	
Prepaid Electricity Costs	-		-	
Other Prepayments (<i>Specify</i>)	-		-	
Total	187,655		-	

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23. Property, Plant and Equipment

		2%	25%	12.5%	30%	x%		
Depreciation Rate(specify)		Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Cost	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Opening Bal as 1 st July 2024	-	-	-	-	-	-	-	-
Additions	-	-	-	-	104,400	-	-	104,400
Disposals	-	-	-	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-	-	-	-
As At 30 th June 2025	-	-	-	-	104,400	-	-	104,400
Depreciation And Impairment	-	-	-	-	-	-	-	-
Opening Depreciation	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	31,320	-	-	31,320
Disposals	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-	-	-
As At 30 th June 2025	-	-	-	-	31,320	-	-	31,320
Net Book Values								
Opening Bal as at 1 st July 2024	-	-	-	-	-	-	-	-
As At 30 th June 2025	-	-	-	-	73,080	-	-	73,080

Valuation

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

22 b) Property, Plant and Equipment at Cost

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

	Cost Kshs	Accumulated Depreciation Kshs	NBV Kshs
Land	-	-	-
Buildings	-	-	-
Plant And Machinery	-	-	-
Motor Vehicles, Including Motorcycles	-	-	-
Computers And Related Equipment	104,400	31,320	73,080
Office Equipment, Furniture, And Fittings	-	-	-
Total	104,400	31,320	73,080

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

	Cost or valuation	Accumulated Depreciation
Plant and Machinery	-	-
Motor Vehicles including Motorcycles	-	-
Computers and Related Equipment	-	-
Office Equipment, Furniture and Fittings	-	-
Total	-	-

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24. Intangible Assets

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

25. Right-of use assets

Description	Buildings	Plant	Equipment	Total
	Kshs	Kshs	Kshs	Kshs
Cost				
As At 1 July 2024	-	-	-	-
Additions	-	-	-	-
As At 30 June 2024	-	-	-	-
Additions	-	-	-	-
As At 30 June 2025	-	-	-	-
Accumulated Depreciation				
As At 1 July 2024	-	-	-	-
Charge for the period	-	-	-	-
As At 30 June 2024	-	-	-	-
Charge for the period	-	-	-	-
As At 30 June 2025	-	-	-	-
Carrying Amount				
As At 30 June 2025	-	-	-	-
As At 30 June 2024.	-	-	-	-

26. Trade and Other Payables

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

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27. Third-Party deposits

	2024/2025	Opening Statement 1 st July 2024
	KSh	
Retention as at 1 st July (A)	-	
Retention held during the year (B)	1,828,380	
Retention paid during the Year (C)	1,828,380	
Closing Retention as at 30 th June D= A+B-C	-	

Retentions aging analysis.

	2024/2025	% of the total	2023/24	
Less than 1 year	-	%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total	-		-	

28. Lease Liabilities

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

Maturity Analysis

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

Analysed as:

Description	Amount
Current	-
Non- Current	-
Total	-

29. Gratuity Provision

Description	2024 / 2025	Opening Statement
	Kshs	1st July 2024 Kshs
Gratuity at the beginning of the year 1 st of July, 2024	-	-
Gratuity held during the year	910,709	-
Gratuity paid during the year	-	-
Total Gratuity Provision 30th June (A+B-C)	910,709	-

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30. Cash Generated from Operations

	2024/2025
	KShs
Surplus for the period before tax	(16,839,967)
Adjusted for:	
Depreciation	31,320
Non-cash grants received	-
Contributed assets	-
Impairment	-
Gains and losses on disposal of assets	-
Contribution to provisions	-
Contribution to impairment allowance	-
Working capital adjustments	
Changes in inventory	-
Changes in receivables	57,347,368
Changes in prepayments	(187,655)
Changes in Third party deposits	
Changes in gratuity provision	910,709
Changes in payments received in advance	-
Net cash flow from operating activities	41,261,775

31. Financial Risk Management

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

i) Credit risk

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

Financial Risk Management

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

Description	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
As at 30th June 2025				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	14,469,857	14,469,857	-	-
Bank balances	86,846,108	86,846,108	-	-
Total	101,315,965	101,315,965		
As at 30 June 2024				
Receivables from exchange transactions				
Receivables from non-exchange transactions	71,817,225	71,817,225		
Bank balances	45,688,733	45,688,733		
Total	117,505,958	117,505,958		

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 Rangwe. 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 Kshs	Between 1-3 months Kshs	Over 5 months Kshs	Total Kshs
As at 30th June 2025				
Trade payables				
Current proportion of borrowings				
Retention Provisions				
Deferred income				
Gratuity Provision			910,709	910,709
Total			910,709	910,709
As at 30th June 2024				
Trade payables				
Current portion of borrowings				
Provisions				
Deferred income				

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
Gratuity Provision				
Total				

iii) Market risk

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

a) Foreign currency risk

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

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Current FY

Description	In Kshs	Other currencies	Total
	Kshs	Kshs	Kshs
As at 30 th June 2025	N/A		
Financial Assets	-	-	-
Investments	-	-	-
Cash	-	-	-
Debtors	-	-	-
Total Financial Assets	-	-	-
Financial Liabilities	-	-	-
Trade And Other Payables	-	-	-
Borrowings	-	-	-
Total Financial Liabilities	-	-	-
Net Foreign Currency Asset/(Liability)	-	-	-

Foreign currency sensitivity analysis

Current FY

Description	In Kshs	Other currencies	Total
	Kshs	Kshs	Kshs
As at 30 th June 2025	N/A		
Financial Assets	-	-	-
Investments	-	-	-
Cash	-	-	-
Debtors	-	-	-
Total Financial Assets	-	-	-
Financial Liabilities	-	-	-
Trade And Other Payables	-	-	-
Borrowings	-	-	-
Total Financial Liabilities	-	-	-
Net Foreign Currency Asset/(Liability)	-	-	-

Financial Risk Management

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

Description	Change in currency rate	Effect on Profit before tax	Effect on Equity/Net assets
	Kshs	Kshs	Kshs
Current FY	N/A		
Euro	10%	-	-
USD	10%	-	-
Previous FY		-	-
Euro	10%	-	-
USD	10%	-	-

b) Interest rate risk

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

Management of interest rate risk

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

Sensitivity analysis

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

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increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs Rangwe (Current FY – Kshs nil)

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
As at 30 June 2025	N/A			
Financial Assets				
Quoted Equity Investments	-	-	-	-
Non- Financial Assets				
Investment Property	-	-	-	-
Land And Buildings	-	-	-	-
Total				

As at 30 th June 2024				
Financial Assets				
Quoted Equity Investments	-	-	-	-
Non- Financial Assets				
Investment Property	-	-	-	-
Land And Buildings	-	-	-	-
Total	-	-	-	-

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

iv) Capital Risk Management

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

Description	2024/2025	Opening Statement 1 July 2024
	Ksh	Ksh
Revaluation Reserve		
Retained Earnings	100,665,991	117,505,958
Capital Reserve		
Total Funds		
Total Borrowings		
Less: Cash and Bank Balances	(86,846,108)	(45,688,733)
Net Debt/ (Excess Cash and Cash Equivalent)	13,819,883	71,817,225
Gearing		

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32. Related Party Disclosures

	2024/2025	Opening Statement 1 July 2024
	Kshs	Kshs
Committee Members Remuneration		
Sitting allowance of committee Members during the year	1,750,000	1,691,812
Transaction with the NGCDF Board		
Transfers from the NGCDF Board during the year	227,817,225	158,472,661
Total	229,567,225	160,164,473

33. Segment Information

(Not Applicable)

34. Contingent Assets and Contingent Liabilities

Contingent Assets

Description	2024/2025	Opening Statement 1 July 2024
	Kshs	Kshs
Contingent Assets		
Insurance Reimbursements	-	-
Assets Arising from Determination of Court Cases	-	-
Reimbursable Indemnities and Guarantees	-	-
Receivables From Other Government Entities	-	-
Others	-	-
Total	-	-

Contingent Liabilities

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

35. Capital Commitments

Capital Commitments	2024/2025	2024
	Kshs	Kshs
Authorised for		
Authorised and contracted for		
Total		

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

36. Events after the Reporting Period

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

37. Ultimate And Holding Entity

The Rangwe 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

	Historical Cost/valuation cost balance brought forward (Kshs)	Acquired during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) At Year End
Land	-			-
Buildings and structures	11,352,286			11,352,286
Transport equipment	6,244,000			6,244,000
Office equipment, furniture, and fittings	700,000			700,000
ICT Equipment and Other ICT Assets	210,000	104,400		314,400
Other Machinery and Equipment	32,000			32,000
Intangible assets	-			-
Total	18,538,286	104,400	-	18,642,686

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

		Account Number	Bank Balance	Bank Balance
Akado Primary School	Equity	0980282173582	-	
Aoch Muga Primary School	Equity	0980282171999	2,125,240	
Oluso Primary School	Equity	0980279828729	4,200,000	
Oveno Primary School	Equity	0980284182697	7,306	
Oveno Primary School	Equity	0980284149351	649	
Oveno Primary School	Equity	0980282774612	74,444	
Alara Korayo Primary School	Equity	0980280820575	2,498	
Alara Korayo Primary School	Equity	0980269214032	42,375	
Kirongo Primary School	Equity	0980279376707	2,800,000	
Nyabola Gem Primary School	Equity	0980285439657	1,400,000	
Rabuor Ponge Primary School	Equity	0980285443551	5,530,144	
Otolo Primary School	Equity	0980285385787	506	
Gul Kagembe Primary School	Equity	0980285445275	124	
Ongang'a Primary School	Equity	0980284404093	2,000	
Ongang'a Primary School	Equity	0980284399811	41,824	
God Puro Primary School	Equity	0980284398945	130,003	
God Puro Primary School	Equity	0980285385787	81,444	
Orero Primary School	Equity	0980285442674	8,330	
Nyadiere Primary School	Equity	0980285443316	383,465	

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PMC	Bank	Account number	Bank Balance 2024/2025	Bank Balance 2023/2024
Nyadiere Primary School	Equity	0980279912171	283,156	
Nyadiere Primary School	Equity	0980285449912	946	
Sinogo Primary School	Equity	0980282173582	54,410	
Sinogo Primary School	Equity	0980282171999	200,504	
God Mony Primary School	Equity	0980279828729	3,852	
Nyando Primary School	Equity	0980284182697	1	
Sota Primary School	Equity	0980284149351	771,722	
Nyalieng'a Primary School	Equity	0980282774612	389,926	
Kochienge Primary School	Equity	0980280820575	1,089,902	
Ludhe Dongo Primary School	Equity	0980269214032	1,954,240	
Manga Primary School	Equity	0980279376707	1,518,900	
Nyaundho Primary School	Equity	0980285439657	1,496,898	
Tar Primary School	Equity	0980285443551	446,800	
Anind Oko Primary School	Equity	0980285385787	3,200,000	
Koga Primary School	Equity	0980285445275	2,800,000	2,800,000
Maugo Primary School	Equity	0980284404093	32	5,600,400
Nyakwadha Primary School	Equity	0980284399811	559,858	5,190,540
Nyopuge Primary School	Equity	0980284398945	897,618	897,618
Omoche Primary School	Equity	0980285385787	285,989	1,733,781

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			Bank Balance 2024/2025	Bank Balance 2023/2024
Rabango Primary School	Equity	0980285442674	89,662	2,800,036
Maugo Primary School	Equity	0980285443316	5,600,000	5,600,000
Otweyo Primary School	Equity	0980279912171	2,800,000	2,800,000
Akado Primary School	Equity	0980285449912	178	1,400,000
Nyabola Gem Primary School	Equity	0980282173582	1,400,000	1,400,000
Rangwe Constituency Digital Hub	Equity	0980282171999	5,114,095	
Asumbi Police Station	Equity	0980279828729	-	1,090,572
Asumbi Police Station	Equity	0980284182697	140,701	
Sango Rabango Chief's Office	Equity	0980284149351	35,000	
Rangwe Sub County Headquarters	Equity	0980282774612	708	
Rangwe Sub County Headquarters	Equity	0980280820575	276,506	4,571,874
Wikoteng' Sub Location Ass. Chief's	Equity	0980269214032	2,500,000	2,500,000
Genga Chief's Office	Equity	0980279376707	157,657	
Omoche Primary School	Equity	0980285439657	449,852	
Rabuor Kaura Primary School	Equity	0980285443551	2,935	
Koyoo Primary School	Equity	0980285385787	456,071	
Ndiru Police Post	Equity	0980285445275	1,172,098	
Akado Primary School	Equity	0980284404093	22,000	
Alara Korayo Primary School	Equity	0980284399811	20,000	

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PMC	Bank	Account Number	Balance	
Nyabola Gem Primary School	Equity	0980284398945	20,000	
Maugo Primary School	Equity	0980285385787	20,000	
Otolo Primary School	Equity	0980285442674	22,000	
Ongang'a Primary School	Equity	0980285443316	22,000	
Nyandiwa Primary School	Equity	0980279912171	716	
Nyakwadha Primary School	Equity	0980285449912	22,000	
Wikoteng Primary School	Equity	0980282173582	20,472	1,139
Rabango Primary School	Equity	0980282171999	22,000	
Kuoyo Kaura Primary School	Equity	0980279828729	20,051	51
Omoche Mixed Secondary School	Equity	0980284182697	22,000	
Asumbi Mixed Primary School	Equity	0980284149351	20,000	
Anindo Oko Primary School	Equity	0980282774612	22,000	
TOTAL			53,255,808	38,386,011

Annex 3: Progress On Follow Up of Auditor Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management Comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1	<p>Cash and cash equivalent The statement of financial assets and liabilities reflects cash and cash equivalent balance of Kshs.7,302,722 as disclosed in Note 11 to the financial statements. under cash and cash equivalents, as detailed in the accompanying note. However, a review of the bank reconciliation statements revealed Kshs.5,599,687 in unrepresented cheques. No evidence was provided to confirm that all unrepresented cheques as of 30 June, 2024 had since been cleared.</p> <p>In the circumstances, the accuracy and the completeness of cash and cash equivalent balance of Kshs.7,302,722 could not be confirmed.</p>	<p>Most of the Kshs. 5,599,687 in unrepresented cheques were for bursaries yet to be presented.</p>	Resolved	

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2	<p>Unsupported PMC bank balances The financial statements reflects an amount of Kshs.37,293,848 as indicated in annex 5 being closing balances of Project management Committee (PMC) Accounts Bank balances as 30 June, 2024. However, the balances were not supported with cash books, reconciliation statements and bank confirmations certificates. In the circumstances, the accuracy and the completeness of project management committee bank account balance of Kshs.37,293,848 could not be confirmed.</p>	<p>Management wasn't able to get PMC Bank balances in time for audit review. The same have been got and hereby attached for review</p>	<p>Resolved</p>	
3	<p>Unsupported environment payment The statement of receipts and payments for the year ended 30 June, 2024 reflects an amount of Kshs.91,121,208 under other grants and other transfers, as disclosed in Note 8 to the financial statements. The balance includes a total of Kshs.2,600,000 relating to environment projects. The ledger provided for audit, was however not supported with payment vouchers, certificates of works done</p>	<p>Payment vouchers for the 2 projects attached</p>	<p>Resolved</p>	

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	<p>and inspection and acceptance certificates. In the circumstances, the accuracy and the completeness of other grants and other transfers amount of Kshs.2,600,000 could not be confirmed.</p>			
4	<p>Budgetary control and performance The summary statement of appropriation reflects total actual expenditure of Kshs.172,180,298 against approved budget of Kshs.250,669714 resulting to under-expenditure of Kshs.78,489,416 or 31% of the budget. The under-performance affected the planned activities and may have impacted negatively on service delivery to the public.</p>	<p>The desired 100% budget utilization couldn't be achieved due to piece meal disbursement of funds by the NG-CDF Board</p>	Un resolved	
5	<p>Bursaries management The statement of receipts and payments reflects an amount of Kshs.91,121,208 in respect to other grants and transfers which, as disclosed in Note 8 to the financial statements, includes</p>	<p>On issue of double or triple allocation, it was noticed that students applied in more than one location and or Ward. The management would in future put mechanisms</p>	Not Resolved	December, 2025

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	<p>Kshs.33,076,575 and Kshs.15,675,100 being bursary disbursements to secondary schools and tertiary institutions respectively, totaling Kshs.48,751,675. Analysis of sampled bursary disbursements for 2023-2024 revealed instances of double or duplicate allocations to individual beneficiaries amounting Kshs.1,438,000.</p> <p>In the circumstances, the propriety of Kshs.48,751,675 disbursed as bursaries to both tertiary institutions and secondary schools could not be confirmed.</p>	<p>in collaboration with local administration including identification documents to ensure no application is received out of applicant's locality.</p>		
6	<p>Incomplete Construction and Fencing of Rangwe Headquarters</p> <p>The statement of receipts and payment reflects other grants and other transfers of Kshs. 91,121,208 disclosed in note 8 to financial statements, which includes security projects of Kshs.28,765,232. Included in the amounts is Kshs.4,265,232 for proposed fencing and installation of steel gate at Rangwe Sub County Headquarters. Our audit verification carried out in the</p>	<p>Fencing of the Sub County Headquarters is complete. Attached copy of completion certificate</p>	Resolved	

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	<p>month of December 2024 revealed that the project was not complete. Management in their response indicated that the project was done in phases. However, the certificate of works done for phases completed was not provided. Further, the construction of Rangwe headquarter which was started on 8 October, 2020 at total contract value, of Kshs. 60,691,669 was incomplete. In addition, critical documentation including the latest certificate of measured works, progress reports, and the variation deed were not provided by management for audit verification.</p> <p>In the circumstances, the value for money on Rangwe Headquarters project could not be confirmed.</p>			
7	<p>Lack of approval for emergency projects The Statement of receipts and payments reflects grants and transfers totaling Kshs.91,121,208, as disclosed in Note 8 of the financial statements, which includes</p>	<p>The management informed the Board on the utilization of emergency within the stipulated time and the same approve.</p>	<p>Resolved</p>	

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	<p>Kshs.8,200,000 allocated for emergency projects. A review of the records revealed that Kshs. 4,200,000 was spent on the completion of the Asumbi Girls Dormitory, while Kshs. 2,000,000 each was spent on the construction of modern toilets at Asumbi Police Station and Rangwe Police Station. Management did not provide approvals from the constituency committee justifying the projects as emergency as required by section 8(3) of the National Government Constituencies Development Fund (Amendment) Act, 2023.</p>	<p>(attached see the approvals)</p>		
<p>8</p>	<p>Delays and poor workmanship in project completion Our audit verification in the month of December 2024 revealed that thirteen (13) projects were implemented at a cost of Kshs.69,823,657. However, six (6) of the projects with a sum total cost of Kshs.46,023,657 had instances of delays and gaps as detailed below; were verified revealing achievements and</p>	<p>The incomplete projects are complete and those with defects corrected</p>	<p>Resolved</p>	

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	instances of delay in completion of projects an indication of challenges in project implementation. Management in their response indicated that delay was as result in late disbursement of funds.			
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Charles Omosa
Fund Account Manager.