

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL
Enhancing Accountability

THE NATIONAL ASSEMBLY
PAPERS LAID

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REPORT

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Deputy leader of opposition

Hon. Owen Bayo

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THE-TABLE:

Itaiya Juleiman

OF

THE AUDITOR-GENERAL

ON

NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND –
CHUKA IGAMBANG'OMBE
CONSTITUENCY

FOR THE YEAR ENDED
30 JUNE, 2025



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

CHUKA IGAMBANG'OMBE CONSTITUENCY

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30th JUNE 2025

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

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1. Acronyms and Definition of Key Terms

A. Acronyms

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

B. Definition of Key Terms

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

Comparative Year- Means the prior period.

2. Key Constituency Information and Management

(a) Background information

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

Mandate

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

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

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

Vision

Equitable Socio-economic development countrywide.

Mission

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

Core Values

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

Functions of NG-CDF Committee

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

(b) Key Management

The NGCDF Chuka Igambang'ombe 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	Lorna Muthoni Njoroge
2.	National Sub-County Accountant	Fredrick M. Kagau
3.	Chairman NGCDFC	Secondina Ciangai Rugendo
4.	Member NGCDFC	Doreen Mwendu Naivasha
5.	Member NG-CDFC	Protasio Mutema Njeru

(c) Fiduciary Oversight Arrangements

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

(d) NGCDF Chuka Igambang'ombe Constituency Headquarters

P.O. Box 445-60400
100 M from Chuka-Meru Road
Opposite PCEA Church Chuka.
Chuka, Kenya

(e) NGCDF Chuka Igambang'ombe Constituency Contacts

P.O. Box 445 – 60400
Telephone: +(254) 793-322-000
E-mail: chukaigambangombe@NG-CDF.go.ke
Website: www.NG-CDF.go.ke

(f) NGCDF Chuka Igambang'ombe Constituency Bankers

1. Family Bank A/C No.054000005629(Operations Account)
Chuka Branch
Chuka, Kenya
2. Cooperative Bank A/C No. 01100936671001, (Deposit Account)
Chuka Branch
3. Sidian, Equity, Family Bank. A/C No. Various (as per annex 2) (PMC Accounts)

(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
 SECONDINA CIANGAI RUGENDO	<p>Name; Secondina Ciangai Rugendo Date of Birth; 1/7/1962 Position; NG-CDFC Chairperson/ Female Adult Representative Academic qualifications; Diploma Professional qualifications; Retired Teacher Years in service; 2017 to date</p>
 PROTASIO MUTEMA NJERU	<p>Name; Protasio mutema Njeru Date of Birth; 1950 Position; NG-CDFC Secretary/ Male Adult Representative Academic qualifications; Professional qualifications; retired teacher/ Administrator Years in service; 2017 to date</p>
 JACKSON MURITHI MWIRA	<p>Name; Jackson Murithi Mwira Date of Birth; 1971 Position; Member, Constituency Nominee Academic qualifications; Certificate Professional qualifications; Community Service Years in service; 2017 to date</p>

*National Government Constituencies Development Fund (NGCDF)
 Chuka Igambang'ombe Constituency
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 HUMPHREY GITONGA NTWIGA	Name; Humphrey H. Gitonga Date of Birth; 1960 Position; representing people living with disability Academic qualifications; Certificate Professional qualifications; Mechanic Years in service; 2013 to date
 JOY KAWIRA MWENDA	Name; Joy Kawira Mwenda Date of Birth; 24/4/2000 Position; Female Youth Representative Academic qualifications; degree Professional qualifications; teacher Years in service; 2022 to date
 NJOKA ALLAN KIMATHI	Name; Njoka Allan Kimathi Date of Birth; 13/12/1994 Position; Male Youth Representative Academic qualifications; Degree Professional qualifications; Community Service Years in service; 2022 to date
 CASTY KARIMI KANGANGI	Name; Casty Karimi Kangangi Date of Birth; 29/1/1982 Position; Co-Opted Member Academic qualifications; Certificate Professional qualifications; Community Service Years in service; 2022 to date

4. NG-CDFC Chairperson's Report



Secondina Ciangai Rugendo – Chairperson NG-CDF Chuka Igambang'ombe Constituency.

The people of NG-CDF Chuka Igambang'ombe constituency are determined to participate effectively in domesticating objectives of vision the big 5 in our development planning.

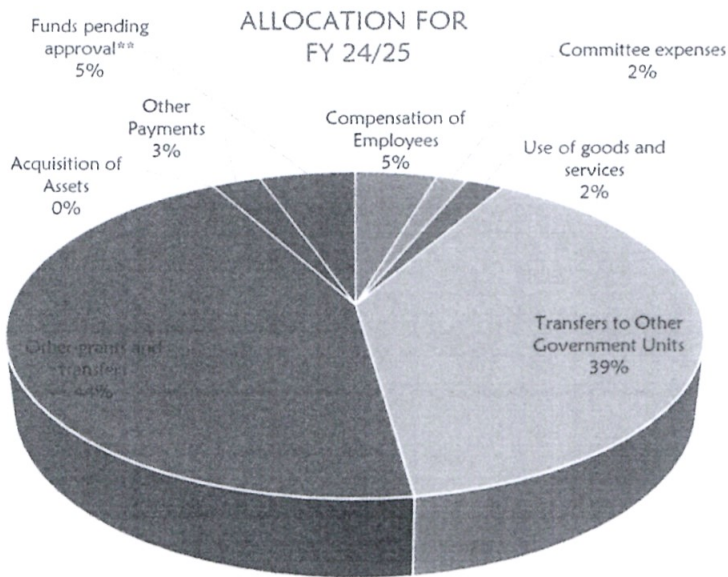
The constituents now have power to implement the formulation and implementation of development program in the constituency for the works within the aspiration of the constitution of Kenya which makes public participation mandatory. The utilization of the NG-CDF has always been carried out with fairness, transparency, openness and accountability.

NG-CDF Chuka Igambang'ombe was able to complete education and security projects, the needy students were retained in schools through payments of school fees from bursary and youths were made productive through involvement in sports and improved environment by buying tanks.

Financial year budget

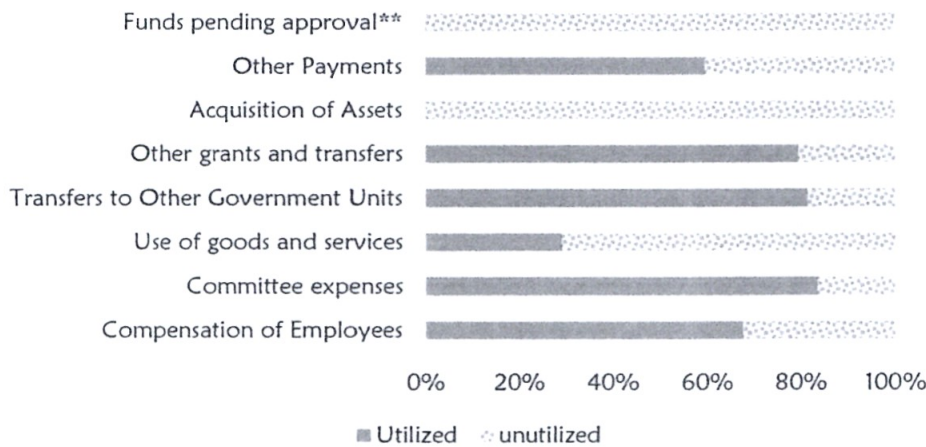
In the financial year 2024/2025 the NG-CDF Chuka Igambang'ombe Constituency was allocated Ksh.179, 441,954.00 and we have received approximately 71% of the allocation for the financial year 2024/2025 and the utilization has gone well in which over 71% of the funds allocated to projects has been utilized effectively as bellow.

Below is a pie chart showing how the original budget was divided:



Below is the utilization presentation:

Budget Utilization



Key achievements

We managed to support needy students across the constituency approximately around 16,000 which was an increase from the previous year 15,000.

We increased number of infrastructure within the constituency from renovation of classrooms, completion of renovation works and increased construction of classrooms in needy primary and secondary schools and also construction of low-cost dormitories. We also managed to purchase school buses for schools with increased population and are performing well within the constituency.

We therefore have completed 70% of our allocations in time, and the achieved results as stipulated in the graphs above.

Emerging issues

Increased number of requests from many primary schools who are in need of funds to construct classrooms and laboratories as a result of change in the education sector i.e CBC
Increased cases of students requesting for bursary funds due to the HELB locking out needy students from humble and vulnerable backgrounds.

Challenging issues

The biggest challenge is that Chuka Igambang'ombe Constituency has a lot of schools and the funds from the board are little thus challenge to allocate to all the schools. Poor state of infrastructure i.e. classrooms,

There is also a challenge in the education sector this is because there are many needy students who are in need of support through the bursary fund which is never enough; this is due to lower middle income economy status within the constituency.

Way forward

The NG-CDF Board should consider revising or increasing the allocation to projects.

The Board to increase the allocation to the bursary fund kitty since many students, parents and constituents benefit from this kitty.

.....*Surya*.....

Secondina Ciangai Rugendo

Chairperson NG-CDF Committee

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

Introduction

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

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	To have all children of school going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	number of usable physical infrastructure build in primary, secondary, and tertiary institutions number of bursary's beneficiaries at all levels	In FY 2024/25 -we have constructed new classrooms for 9 primary schools, and renovated classrooms in 25 primary schools. We have also constructed classrooms in 3 new secondary schools and renovated classrooms in 5 – Secondary schools, purchased bus for

				<p>day secondary schools</p> <p>Bursary beneficiaries at all levels were as per the attached schedules</p> <p>Secondary schools</p> <p>Increase in beneficiaries from 4998 students in 2023/2024 to 8946 students in 2024/2025 for both day and boarding secondary schools</p> <p>Tertiary institutions</p> <p>Increase of funded students from 2868 in 2023/2024 to 4130 in 2024/2025</p>
Security	<p>-reduce insecurity incidences</p> <p>-upgrade the working environment of local administrators</p>	Favorable working environment for the local administrators	Good structures for local administrators	<p>In the financial year proposed;</p> <p>Construction to completion of police station. for officers in charge at Mwanjati police post.</p> <p>Construction to completion of 10</p>

				roomed chief offices at Kamwimbi chiefs office
Internet accessibility	-Through funding and construction of digital hubs. -Increase access Internet services - creating jobs for the youth.	Through finding of digital hubs. Internet access has been made possible hence creating jobs for the youth. Creation of cheaper, faster and efficient communication hence promoting businesses. Education etc.	-creation of jobs for youths through access to internet and information -promotion of businesses	Construction to completion of digital center at Kabuboni Digital Centre
Climate change mitigation activities	Ensure a more sustainable and well-kept environment through tree planting and installing of tanks for water harvesting.	Planting of trees in various schools.	-no of trees planted -no of tanks installed	-Purchase and planting 50 exotic tree seedlings -Purchase of Standard 8,000 liters' water storage tanks (with Lid - construction of a tank base

Social security and health	Ensure provision of affordable healthcare services for the elderly persons and vulnerable families and PLWD across the constituency.	Provide contributions aimed at providing affordable healthcare for the old age across the constituency.	-elderly persons and vulnerable families to benefit from this program -access to affordable health care services -PLWD to benefit from this program	Payment of medical insurance for over 900 vulnerable families and people living with disability
Emergency	Ensure preparation against uncertainties	Set aside emergency fund to cater for unforeseen occurrences	No of uncertainties prevented	Several pit latrines were built through the emergency Kitty

6. Governance Statement

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

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

Appointment of National Government Constituency Development Fund Committee

- (1) There is established a National Government Constituency Development Fund Committee for every constituency.
- (2) Each Constituency Committee shall comprise of—

- (a) the national government official responsible for co-ordination of national government functions;
 - (b) two men each nominated in accordance with subsection (3), one of whom shall be a youth at the date of appointment;
 - (c) Two women nominated in accordance with subsection (3). one of whom shall be a youth at the date of appointment;
 - (d) one persons with disability nominated by a registered group representing persons with disabilities in the constituency in accordance with subsection (3);
 - (e) two persons nominated by the constituency office established under Regulations made pursuant to the Parliamentary Service Act;
 - (f) The officer of the Board seconded to the Constituency Committee by the Board who shall be an ex officio member without a vote.
 - (g) One member co-opted by the Board in accordance with Regulations made by the Board.
- (3) The seven persons referred to in subsection (2)(b), (c), (d) and (e) shall be selected in such manner and shall have such qualifications as the Board may, by Regulations, prescribe.
- (4) The names of the persons selected under subsection (3) shall be submitted by the Board to the National Assembly for approval before appointment and gazettelement by the Board.
- (5) The Regulations made under subsection (3) shall be submitted to the National Assembly for approval before publication by the Board.
- (6) The first meeting of the Constituency Committee shall be convened within one hundred and twenty days of the commencement of a new term of Parliament or the date of the holding of a by-election, by the national government official at the constituency or in his or her absence, by an officer of the Board seconded to the constituency.
- (7) The quorum of the Constituency Committee shall be one half of the total membership.
- (8) The term of office of the members of the Constituency Committee shall be two years and shall be renewable but shall expire upon the appointment of a new Constituency Committee in the manner provided for in the Act, or as may be approved by the Board.

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

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

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

NG-CDF Chuka Igambang'ombe process

On 16 September, 202, the FAM informed all the Previous NG-CDFC members of the expiration of their NG-CDFC Contracts;

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

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

- The fund manager then forwarded the names of all NG-CDFC Nominees to the CEO NG-CDF Board for approval who were later gazetted on 22nd November, 2023. The first meeting was held on 6th January 2023.

Removal of a member

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

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

Roles of the committee;

The functions of a Constituency Committee shall be to; -

1. build the capacity of project management committees and Committee and sensitize the Community on the operations of the Fund;
2. Consider all project proposals from all wards in the Constituency and any other projects which a Constituency Committee considers beneficial to the Constituency;
3. Ensure that all proposed projects that are approved for funding meet the requirements of section 24 of the Act;
4. Ensure that project proposals submitted to the Board include detailed budget proposals, procurement plans and work plans in approving a project and before submitting the project to the Board for consideration, satisfy itself and make a declaration to the effect that such project (works and services) fall within the functions of the National Government under the Constitution;
5. Consult with relevant government departments to ensure that cost estimates for projects are realistic in considering joint projects, ensure that the participating constituencies enter into negotiations for effective implementation of such projects
6. Rank projects proposals in order of priority while ensuring that on-going projects take precedence
7. Ensure that all projects receive adequate funding and are completed within three years
8. Ensure that projects proposed for funding fulfil the requirements provided in the Act and relevant circulars issued by the Board
9. Monitor the implementation of projects in accordance with the monitoring and evaluation framework prescribed by the board
10. Ensure that project reports are prepared and submitted to the board
11. Ensure formation of project management committees, opening of project accounts, project implementation and closure of projects.

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

• Role of Citizens

- The Constitution of Kenya advocates for community participation in project formulation and implementation for ownership and sustainability.
- In this regards the NG-CDF expects its implementing agencies to put community at the forefront in the project cycle. The community is therefore expected to:
 1. Participate in open public meetings convened by the Chairperson of the NG-CDFC to deliberate on development matters in the ward and the constituency, to facilitate in prioritization of projects to be submitted to the NG-CDFC.
 2. To participate in project implementation through provision of locally available resources (land, materials, labor or skills) either voluntarily or for pay.
 3. Participate in nomination and formation of PMCs and NG-CDFC) To provide feedback to the Board, law enforcement Agencies & to the public on matters concerning the Fund.
 4. Witness the commissioning of projects and issuance of cheques and other disbursements by the constituency committee to takeover & nbsp sustain completed projects.

Induction and training

Upon appointment with the approval of the National Assembly, members were gazetted {GAZETTE NOTICE NO. 14709, The National Government Constituencies Development Fund ACT (No. 30 of 2015)} as members of the NG-CDF Committee for Chuka Igambang'ombe Constituency with effect from the 25th November, 2022.

The members held an induction meeting, held a hand over take over exercise for the two new members and were taken through their mandate and role by the fund account manager.

The Fund Account Manager read through a circular NC-CDFB / CEO/CIRCULARS / vol. II (033) which stated that after the appointments; Further, the Regulations require that for a person to be elected Chairman or Secretary of NG-CDF Committee. he/she must hold a Kenya Certificate of Secondary Education or its equivalent. Lastly, under Regulation 6(2). a person who had previously served in a constituency committee constituted under the Fund or served in leadership position in the community will have an added advantage.

*National Government Constituencies Development Fund (NGCDF)
Chuka Igambang'ombe Constituency
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The Fund Account Manager informed members that the NG-CDF Chuka Igambang'ombe main account which receives funds from The NG-CDF Board needed an update of the signatories after the appointment of new NG-CDFC members and the members forwarded the following as the account signatories who are to sign the specimen signature letter at the Sub-County Accountant offices.

The next meeting was scheduled to a date to be communicated for members to participate in elections for sub-committees; Bursary Committee, Monitoring and Evaluation Committee, Community Oversight Committee, Environment Committee, Sports Committee and any other committee to be communicated.

Number of meetings:

In Chuka Igambang'ombe Constituency, the NG-CDF Committee conducted eleven (11) meeting and two sub-committee meetings.

Name of committee members	Meetings Held											
	21/7/24	27/8/24	17/10/24	14/11/23	21/11/24	5/12/24	16/01/25	27/01/25	19/03/25	12/5/25	23/6/25	
Secondina Ciangai Rugendo	√	√	√	√	√	√	√	√	√	√	√	
Protasio Mutema Njeru	√	√	√	√	√	√	√	√	√	√	√	
Japheth Olumu	√	√	√	√	X	√	√	X	√	X	√	
Lorna Muthoni Njoroge	√	√	√	√	√	√	√	√	√	√	√	
Doreen Mwendu Naivasha	√	√	√	√	√	√	√	√	√	√	√	
Humphrey Gitonga Ntwiga	√	√	√	√	√	√	√	√	√	√	√	

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

Jackson Mwira	Murithi	√	√	√	√	√	√	√	√	√	√	√
Joy Mwenda	Wawira	√	√	√	√	√	√	√	√	√	√	√
Njoka Kimathi	Allan	√	√	√	√	√	√	√	√	√	√	√
Casty Kangangi	Karimi	√	√	√	√	√	√	√	√	√	√	√

Policy on conflict of interest;

The act specifies that any member with interest shall resign from the committee.

None of the NG-CDFC members declared conflict of interest within the course of the year.

Remuneration of members;

The NG-CDFC members are to meet at least 6 meetings and not more than 24 meetings in a financial year. Members are to be facilitated at a rate of Kshs. 5,000 and the chairperson Kshs. 7,000 per sitting.

NG-CDF Chuka Igambang'ombe constituency carried out a total of 14 meetings and members were facilitated.

Ethics and good conduct;

Regulation 6 requires that for one to serve as a member of the NG-CDF Committee. he or she must be:

- a) A citizen of Kenya.
- b) Ordinarily resident and a voter in the constituency:
- c) Able to read and write, and to communicate in English and Kiswahili.
- d) Meet the requirement of Chapter six of the Constitution of Kenya.

During the nomination of members, the FAM and selection panel made sure members met the requirements of chapter 6 of the constitution and were of good conduct.

Risk management;

It the responsibility of each committee member to be versed with the constituency risks and put in place measures to prevent and control them.

During the financial year, the FAM used the postal corporation of Kenya as a delivery measure of bursary cheques across the constituency so as to prevent cases of loss of cheques, late delivery and cheques not being delivered to right students.

FAM also ensured the PMCs were fast to receive, be trained and use funds allocated to their projects and institutions.

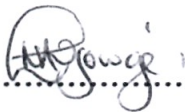
7. Management Discussion and Analysis

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 Chuka Igambang'ombe Constituency 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 Chuka Igambang'ombe Constituency 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.



CHUKA IGAMBANG'OMBE
ACCOUNTS MANAGER
P.O. Box 445 - 60400,
CHUKA

Lorna Muthoni Njoroge
Fund Account Manager

8. Environmental and Sustainability Reporting

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

1. Sustainability strategy and profile -

To ensure the sustainability of Chuka Igambang'ombe Constituency, the committee funds the following key sectors with the following sustainable priorities.

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

2. Environmental performance

Chuka Igambang'ombe NG-CDF has identified 50 primary schools, 10 in each of the 5 wards in our constituency where they will purchase for them exotic trees to be planted, and managed well by the schools. This will improve the climatic conditions and also boost rain in the country boasting food production in the country.

Chuka Igambang'ombe NG-CDF will engage youths for the constituency in sporting activities both volley ball and football. The winners of these games will participate in regional sport activities. Through these sports activities, most youths will not have time to abuse drugs.

3. Employee welfare

We invest in providing the best working environment for our employees. Chuka Igambang'ombe Constituency recruitment is guided by Employment Act, NGCDF Act, and other regulations as issued from time to time. In line with the law and regulations, the Constituency offers equal opportunity to all while adhering to the one-third gender rule and special groups. We also Recognize and appreciate our employees for exemplary performance. The reward and sanctions system is based on performance appraisal.

The constituency promotes a healthy lifestyle and provides all employees with health insurance coverage through a reliable insurance Scheme. Employees are encouraged and supported to build on their skills and knowledge continually. Chuka Igambang'ombe Constituency invests in capacity-building programs for employees. These include courses on technical competencies relevant to each employee and continuous sensitization on cross-cutting issues.

The committee has a safety policy in compliance with the Occupational Safety and Health Act of 2007 (OSHA) and has ensured the work environment is conducive to everybody's movement and accessibility within the office, including PWDs. The Constituency has also put in place disaster-mitigating measures, including fire extinguishers and accessible escape routes in case of emergency.

4. Marketplace practices-

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

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

NGCDF has put in efforts to ensure:

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

5. Community Engagements-

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

Public Participation in Project Identification, Implementation, and Monitoring

Chuka Igambang'ombe Constituency deliberated on project proposals from all the wards in the constituency and considered the most beneficial to the constituents, considering the

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

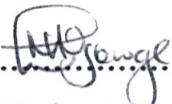
Public participation is a process that directly engages the concerned stakeholders in decision-making and fully considers public input.

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

Public Awareness

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

Chuka Igambang'ombe 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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Lorna Muthoni Njoroge
Fund Account Manager.

CHUKA IGAMBANG'OMBE
ACCOUNTS MANAGER
P.O. Box 445 - 60400
CHUKA

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

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

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

Approval of the financial statements

The NGCDF- Chuka Igambang'ombe Constituency financial statements were approved and signed by the Accounting Officer on 18/11 2025.

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Secondina Ciangai
Chairman – NGCDF Committee

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Lorna Muthoni Njoroge
Fund Account Manager

AG-UD-CHUKA IGAMBANG'OMBE
FUND ACCOUNTS MANAGER
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HEADQUARTERS
Anniversary Towers
Monrovia Street
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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – CHUKA IGAMBANG'OMBE CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2025.

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund – Chuka Igambang'ombe set out on pages 1 to 74,

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

which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial performance, statement of cash flows, statement of changes in net assets 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 effects of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund – Chuka Igambang’ombe as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012 and the National Government Constituencies Development Fund Act, 2015.

Basis for Qualified Opinion

1. Tax Arrears due to Kenya Revenue Authority

The financial statements for Fund as at 30 June, 2025 reflects nil closing balance for trade and other payables whereas the feedback to the Decentralized Funds Accounts Committee of the National Assembly on enforcement of outstanding taxes owed by National Government Constituency Development Funds (NG-CDFs) dated 17 June, 2025 referenced KRA/5/1002/26(12508), the Kenya Revenue Authority (KRA) report on tax arrears owed by the Constituencies reflected a balance of Kshs.790,189 for Chuka Igambang’ombe which has been disputed by the Fund.

In the circumstances, the accuracy and completeness of the Nil payables balance as reflected in the financial statements could not be confirmed.

2. Unsupported Cash and Cash Equivalents.

The statement of financial position and as disclosed in Note 19 to the financial statements reflects cash and cash equivalents balance of Kshs.132,533,185 as at 30 June, 2025. Included in this balance is Kshs.71,882,359 held in seventy - one (71) Project Management Committee (PMC) in commercial bank accounts as disclosed in annex 2 of the annual report. However, cashbooks, bank reconciliations and certificates of bank balances for the seventy - one (71) bank accounts were not provided for audit.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.132,387,486 could not be confirmed.

3. Unaccounted for Bursary Funds

The statement of financial performance and as disclosed in Note 14 to the financial statement reflects other grants and transfers actual expenditure of Kshs.63,037,510.

Included in this expenditure amount are bursary disbursements totalling Kshs.26,025,500 to secondary schools, Kshs.27,770,000 to tertiary institutions and Kshs.450,000 to special schools to support education for the needy students. Audit examination of payment vouchers and other supporting documents revealed the following anomalies;

- i. Out of the Bursary disbursements amounting to Kshs.26,025,500 disbursed to various secondary schools, bursary disbursements amounting to Kshs.2,983,500 disbursed to various secondary schools were not acknowledged through official receipts or acknowledgement letters by the beneficiary institutions.
- ii. Out of the Bursary disbursements amounting to Kshs.27,770,000 disbursed to various tertiary institutions, bursary disbursements amounting to Kshs.3,160,000 disbursed to various tertiary institutions were not acknowledged through official receipts or acknowledgement letters by the beneficiary institutions.

In the circumstance, the validity, authenticity and completeness of bursary payment amounting to Kshs. 63,037,510 could not be confirmed.

4. Unaccounted Assets

The statement of financial position and as disclosed in Note 23 to the financial statements reflects a nil balance in respect to land, buildings, motor vehicles, furniture and fittings, computers and ICT Equipment. However, review of documents provided for audit revealed the following;

- i. The Management of the Fund disclosed a nil book value in respect to property, plant and equipment as at 30 June, 2025. However, a review of the asset register revealed that the Fund owns land, buildings, motor vehicles, furniture and fittings, computers and ICT Equipment.
- ii. The Management of the fund included a motor vehicle Isuzu Dmax Registration number GKA 605S, Land Rover Defender GKB 111M in its asset register. However, records availed for audit revealed that these assets had already been disposed. In addition, the fund management included Yamaha DT GKA 605S motor cycle in the asset register. However, records provided revealed that the motor cycle is owned by another national government entity.
- iii. The assets were neither tagged as at the time of the audit nor valued as 30 June, 2025

In the circumstances, the accuracy, existence, completeness and ownership of the property plant and equipment 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 – Chuka Igambang'ombe Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits

of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of Matter

1. Unspent Balances

The statement of cash flows and as disclosed in Note 19 reflects a cash and cash equivalents closing balance of Kshs.132,533,185 which relates to the Fund unspent cash balances as at 30 June, 2025 while the Fund had a budget under-absorption of Kshs.183,559,440 or 64% contrary to Section 68(1) of the Public Finance Management (National Governments) Act, 2012 which states that an Accounting Officer for a National Government Entity, shall be accountable to the National Assembly for ensuring that the resources of his or her respective entity are used in a way that is lawful, authorized, effective, efficient, economical and transparent.

In the circumstances, the propriety and completeness of the payments could not be confirmed.

2. Budget Control and Performance

The summary statement of appropriation reflects a final receipts budget and actual on comparable basis of Kshs.290,335,284 and Kshs.236,623,330 respectively resulting in an underfunding of Kshs.53,711,954 or 18% of the budget. Similarly, the Fund spent Kshs.105,505,844 against actual receipts of Kshs.236,623,330 resulting in an under absorption of Kshs.131,117,486 or 55% of the actual receipts.

In the circumstances, the under-performance and underutilization affected the planned activities and impacted negatively on service delivery to the public.

My opinion is not modified in respect of these matters.

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 of my report, I have determined that there are no key audit matters to report in the year under review.

Other Matter

Unresolved Prior Year Audit Matters

In the prior years' audit reports, several issues were raised under the Report on Financial Statements, Lawfulness and Effectiveness in Use of Public Resources, and Effectiveness of Internal Controls, Risk Management and Governance, respectively. Review of the status during audit of the National Government Constituencies Development Fund, Chuka Igambang'ombe Constituency in 2024/2025 revealed that these matters remained unresolved. This is highlighted in an attached Appendix.

Other Information

The National Government Constituencies Development Fund Committee is responsible for the Other Information set out on page ii to xxxiii which comprise Fund Information and Overall Performance, Statement of Performance Against the National Government Constituencies Development Fund Predetermined Objectives, Environmental and Sustainability Reporting and Statement of the National Government Constituencies Development Fund Management Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit of 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 and I am required to report that fact. I have nothing to report in this regard.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Failure to Distribute Tanks

The statement of financial performance and as disclosed in Note 14 to the financial statements reflects an amount of Kshs.63,037,510 as other grants and transfers actual expenditure. Included in this expenditure amount is Kshs.3,788,351 for climate change mitigation project. Review of documents provided for audit revealed that the Fund procured 32No, 8,000 litres water tanks at a cost of Kshs.84,000 per tank for distribution to various institutions in the constituency. However, Project physical verification in October, 2025 revealed that despite the tanks being delivered at the NGCDF office in December, 2024, eight (8) tanks at a cost of Kshs.672,000 have not been issued and transported to the various schools in a period of over nine (9) months and have been lying at the CDF office, thus the tanks are susceptible to deterioration and theft.

In the circumstances the project did not meet the intended purpose and value for money for the expenditure amount of Kshs.672,000 could not be confirmed.

2. Irregular Administration of Emergency Funds

The statement of financial performance and as disclosed in Note 14 to the financial statement reflects other grants and transfers actual expenditure of Kshs.63,037,510. Included in this expenditure is emergency projects expenses amounting to Kshs.2,003,659. However, audit revealed that the utilization of the funds was not reported to the NG-CDF Board within thirty days of the occurrence of the emergency contrary to Regulation 20(2) of the National Government Constituencies Development Fund Regulations, 2016 which states that the utilization of the emergency reserve shall be reported to the Board within thirty days of the occurrence of the emergency, in the format prescribed by the Board.

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

3. Substandard Construction of 2NO Classroom at Ngunga Low-cost Primary School.

The statement of financial performance and as disclosed in Note 13 reflects an amount of Kshs.25,684,748 in respect to other government units actual expenditure. Included in this expenditure is an actual expenditure amount of Kshs.2,000,000 transferred to Ngunga low-cost primary school for construction of two (2) No. of classroom as per the approved 2023/24 financial year project code list. However, project physical verification carried out in October, 2025 revealed that the Project Management Committee irregularly did a variation to the contract and carried out construction of a dormitory instead of completing a 2No classrooms at the school, as per the approved project code list from the National Government Constituency Development Fund Board. This is contrary to Section 139(1)(2) of Public Procurement and Asset Disposal Act, 2015 which states that an amendment or variation to a contract arising from a procurement process shall only take effect upon written approval by the relevant tender awarding authority within the procuring entity.

Further, project physical verification, also revealed that, despite a certificate of practical completion issued on 25 June, 2025, by the Ministry of Lands, Public Works, Housing and Urban Development certifying the works as complete and satisfactory, the building has developed numerous deep cracks both on the walls and the floor.

In the circumstance the validity and value for money for the expenditure of Kshs.2,000,000 could not be confirmed.

5. Delayed Project Implementation.

Review of the approved project code list, revealed that the Fund had a budget of Kshs.158,292,179 to finance projects in various sectors including primary schools, secondary schools, bursaries, security, emergency and environment within the Constituency. However, an analysis of the project implementation status provided for audit indicated that four (4) projects amounting to Kshs.71,776,782 were complete, two

(2) projects were ongoing with a cost of Kshs.12,115,397 while forty - five (45) projects amounting to Kshs. 74,400,000 had not started and one (1) project estimated to cost Kshs.5,000,000 had not been approved. No explanation was given as to why the forty - five (45) projects had not started, two (2) projects remained incomplete and one unapproved project.

In the circumstances, value for money obtained from incomplete and un-started projects could not be confirmed.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

6. Weaknesses in ICT Governance and Controls

Audit of the Fund Information and Communication Technology (ICT) environment revealed multiple critical weaknesses and inadequate ICT governance, data protection, and systems controls. The following anomalies were observed;

- i. Use of Personal Email Accounts- staff use personal email addresses for official communication, which undermines data security and organizational accountability.
- ii. Absence of a Data Protection Policy- the entity lacks a documented policy to ensure the collection, handling, storage, and sharing of data thus does not comply with legal and regulatory data protection requirements.
- iii. No ICT Asset Register- there is no centralized and updated ICT asset register to track, manage, or safeguard ICT infrastructure and equipment.
- iv. No Risk Assessment Policy- the entity has not developed a risk assessment framework to identify, assess, and mitigate ICT-related risks.

- v. No Data Backup Mechanism- there is no formalized data backup processes, exposing the entity to the risk of data loss in the event of system failure, cyberattack, or accidental deletion.
- vi. No ICT Steering Committee- there is no ICT steering committee to provide oversight, strategic guidance, and decision-making on ICT investments and priorities.

In the circumstances, the controls on data and ICT related transactions could not be confirmed.

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 the National Government Constituencies Development Fund Committee

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 that govern them and that public resources are applied in an effective way.

The National Government Constituencies Development Fund Committee is responsible for overseeing the National Government Constituencies Development 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

21 November, 2025

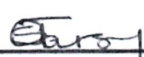
*National Government Constituencies Development Fund (NGCDF)
Chukà Igambang'ombe Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025*

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


	Note	FY 2024-2025
		Kshs
Revenue from non-exchange transactions		
Transfers from the NGCDF Board	6	179,441,954
Transfers from domestic and foreign partners	7	-
Revenue from exchange transactions		
Finance income	8	-
Miscellaneous income	9	1,270,000
Total revenue		180,711,954
Expenses		
Employee costs	10	6,161,112
Committee expenses	11	5,917,000
Use of Goods and Services	12	3,495,663
Other Government Units Actual expenditure	13	25,684,748
Other Grants and Transfers Actual expenditure	14	63,037,510
Depreciation and amortization expense	15	-
Digital Hubs Expenses Actual expenditure	16	-
Total expenses		104,296,033
Other gains/(losses)		
Gain/Loss on Sale of Assets	17	-
Impairment loss	18	-
Surplus/(Deficit) for the year		76,415,922

The Constituency financial statements were approved by the NGCDFC on 18/11 2025

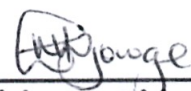
and signed by:



Chair Person NG-CDF
Committee
Name: Secondina Ciangai



National Sub-County
Accountant
Name: Fredrick M. Kagau
ICPAK M/No: 17635



Fund Account Manager
Name: Lorna M. Njoroge

THE NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND
ACCOUNTANT
MERU SOUTH SUB-COUNTY

NGCDF CHUKA IGAMBANG'OMBE
FUND ACCOUNTS MANAGER
P.O. Box 445 - 60400,
CHUKA

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

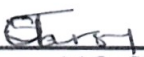
12. Statement of Financial Position as at 30th June, 2025

	Note	FY 2024-2025	Opening Statement 1st July 2024
		Kshs	Kshs
Assets			
Current Assets			
Cash And Cash Equivalents	19	132,533,185	50,889,887
Receivables from Exchange Transactions	20	-	-
Receivables from Non-Exchange Transactions	21	52,441,954	58,733,443
Prepayments	22	-	-
Total Current Assets		184,975,140	109,623,330
Non-Current Assets			
Property, Plant and Equipment	23	-	-
Intangible Assets	24	-	-
Right-of-use assets	25	-	-
Total Non- Current Assets		-	-
Total Assets (A)		184,975,140	109,623,330
Liabilities			
Current Liabilities			
Trade and Other Payables	26	-	-
Third Party Deposits	27	-	-
Lease Liabilities	28	-	-
Gratuity Provision	29	134,555	1,198,668
Total Current Liabilities		134,555	1,198,668

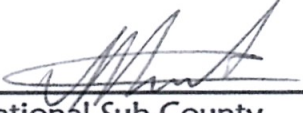
National Government Constituencies Development Fund (NGCDF)
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Non-Current Liabilities			
Lease Liabilities	28	-	-
Total Liabilities (B)		134,555	1,198,668
Net Assets (A-B)		184,840,584	108,424,662
Represented by:			
Revaluation Reserves		-	-
Accumulated Surplus		184,840,584	108,424,662
Total Net Assets		184,840,584	108,424,662

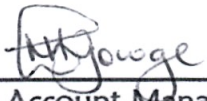
The Constituency financial statements set out on pages 1 to 24 approved by NG-CDFC on 18/11 2025 and signed by:



 Chairperson NG-CDF
 Committee
 Name: Secondina Ciangai



 National Sub-County
 Accountant
 Name: Fredrick M. Kagau



 Fund Account Manager
 Name: Lorna M. Njoroge

ICPAK M/No: 17635
 NATIONAL SUB-COUNTY
 ACCOUNTANT
 CHUKA

NGCDF CHUKA IGAMBANG'OMBE
 FUND ACCOUNTS MANAGER
 P.O. Box 445 - 60400,
 CHUKA

National Government Constituencies Development Fund (NGCDF)
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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 th June 2024	12,356,910	-	12,356,910
Adjustments			
Recognition of Assets	-	97,266,420	97,266,420
Recognition of Liabilities	-	1,198,668	1,198,668
As at July 1, 2025	12,356,910	96,067,752	108,424,662
Surplus/(Deficit) For the Period	-	76,270,223	76,270,223
Revaluation Gain/Loss	-	-	-
As at June 30, 2025	12,356,910	172,337,975	184,694,885

National Government Constituencies Development Fund (NGCDF)
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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	FY 2024-2025
		Kshs
Cash flows from operating activities		
Receipts		
Transfers from the NGCDF Board		185,733,443
Transfers from domestic and foreign partners		-
Finance income		-
Miscellaneous income		
Total Receipts		185,733,443
Payments		
Employee costs		7,225,224
Committee expenses		5,917,000
Use of Goods and Services		3,495,663
Other Government Units Certified Works		25,684,748
Other Grants and Transfers		63,037,510
Digital Hubs Expenses		-
Total Payments		105,360,145
Net Cash Flows from/ (used in) Operating Activities	30	81,643,298
Cash flows From Investing Activities		-
Purchase of PPE		-
Purchase of Intangible assets		-
Proceeds From Sale of PPE		1,270,000
Net Cash Flows Used in Investing Activities		1,270,000
Net increase/(decrease) in cash & Cash equivalents		-

National Government Constituencies Development Fund (NGCDF)
Chuka Igambang'ombe Constituency
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Cash Flows from Financing Activities		
Lease Payment		-
Net Cash Flows from Financing Activities		-
Cash and cash equivalents at 1 July 2024	19	50,889,887
Cash and cash equivalents at 30 June 2025	19	132,533,185

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

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

	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilization
	Kshs	Kshs		Kshs	Kshs	Kshs	
	a	b		C=(a+b)	d	e=(c-d)	f=d/c*100
	FY 2024-2025	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements	FY 2024-2025	FY 2024-2025		
Revenue							
Transfers From the NGCDF Board	179,441,954	50,889,887	58,733,443	289,065,284	236,623,330	52,441,954	179,441,954
Transfers from domestic and foreign partners	-	-	-	-	-	-	-
Finance income	-	-	-	-	-	-	-
Miscellaneous income	-	1,270,000	-	1,270,000		1,270,000	-
Totals	179,441,954	52,159,887	58,733,443	290,335,284	236,623,330	53,711,954	179,441,954
Expenses							
Employee costs	6,618,570	5,788,763	-	12,407,333	7,225,224	5,182,109	6,618,570
Committee expenses	2,820,000	1,127,993	-	3,947,993	5,917,000	(1,969,007)	2,820,000

*National Government Constituencies Development Fund (NGCDF)
Chuka Igambang'ombe Constituency
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	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilization
	Kshs	Kshs		Kshs	Kshs	Kshs	
	a	b		C=(a+b)	d	e=(c-d)	f=d/c*100
	FY 2024-2025	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements	FY 2024-2025	FY 2024-2025		
Use of Goods and Services	6,711,206	3,418,522	78,627	10,208,355	3,495,663	6,712,692	6,711,206
Other Government Units Certified Works	59,400,000	37,219,774	46,271,633	142,891,407	25,684,748	117,206,659	59,400,000
Other Grants and Transfers	88,892,179	1,767,142	7,988,351	98,647,672	63,037,510	35,610,162	88,892,179
Digital Hubs Expenses	10,000,000	69,025	4,394,832	14,463,857	-	14,463,857	10,000,000
Others	-	-	-	-	-	-	-
Funds Pending Approval**	5,000,000	1,498,668	-	6,498,668	-	6,498,668	5,000,000
Total Expenditure	179,441,954	50,889,887	58,733,443	289,065,284	105,360,145	183,705,139	179,441,954
Surplus for the period	-	1,270,000	-	1,270,000	131,263,185	(129,993,185)	-

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

*National Government Constituencies Development Fund (NGCDF)
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Explanatory Notes.

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

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	183,559,440
Less undisbursed funds receivable from the Board as at 30 th June 2025	53,711,954
Cash and Cash Equivalents at the end of the 30 th June 2025	129,847,486

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 18/11 2025 and signed by:


Fund Account Manager

Name: Lorna M. Njoroge

NGCDF CHUKA IGAMBANG'OMBE
FUND ACCOUNTS MANAGER
P.O. Box 445 - 60100
CHUKA


National Sub-County Accountant

Name: Fredrick M. Kagau

ICPAK M/No: 17635

RECEIVED
NATIONAL SUB-COUNTY ACCOUNTANT
18/11/2025


Chairman NG-CDF Committee

Name: Secondina Ciangai

16. Budget Execution by Sectors and Projects for The Year Ended 30th JUNE 2025

Programme/Sub-Programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
1.0 Administration And Recurrent						
1.1 Compensation Of Employees	6,618,570	5,788,763		12,407,333	7,225,224	5,182,109
1.2 Committee Allowances	1,160,000	842,233		2,002,233	1,046,000	956,233
1.3 Use Of Goods And Services	2,987,947	2,361,232		5,349,179	2,795,975	2,553,204
Sub-Total	10,766,517	8,992,228	-	19,758,745	11,067,199	8,691,546
2.0 Monitoring And Evaluation						
2.1 Capacity Building	1,700,000	296,436		1,996,436	1,869,000	127,436
2.2 Committee Allowances	1,660,000	285,760		1,945,760	1,495,000	450,760
2.3 Use Of Goods And Services	2,023,259	760,854	78,627	2,862,740	2,206,688	656,052

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Programme/Sub-Programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Sub-Total	5,383,259	1,343,050	78,627	6,804,936	5,570,688	1,234,248
3.0 Emergency						
Unutilized	4,594,313	1,224,404		5,818,717		5,818,717
Mpangua Primary	300,000	33,666		333,666	266,334	67,332
Nkorongo Primary	500,000			500,000	500,000	-
Kathwana Secondary	300,000			300,000	-	300,000
Matuntu Primary	500,000			500,000	498,900	1,100
NG-CDF Office Equipment	750,000	11,575		761,575	738,425	23,150
Kinoru Ass. Chief Office	800,000			800,000	-	800,000
Kathwana Secondary School	1,000,000			1,000,000	-	1,000,000
Gacuuri Primary School	700,000			700,000	-	700,000
Sub-Total	9,444,313	1,269,645	-	10,713,958	2,003,659	8,710,299
4.0 Bursary And Social Security						
4.1 Primary Schools				-		-
4.2 Secondary Schools	32,386,030	1,215		32,387,245	26,025,500	6,361,745
4.3 Tertiary Institutions	30,954,091	2,347		30,956,438	27,770,000	3,186,438
4.4 Special Needs	3,036,661	450,000		3,486,661	450,000	3,036,661

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 Chuka Igambang'ombe Constituency
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Programme/Sub-Programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
4.5 Universities				-		-
4.6 Social Security	5,400,000	43,666	2,700,000	8,143,666	2,700,000	5,443,666
Sub-Total	71,776,782	497,228	2,700,000	74,974,010	56,945,500	18,028,510
5.0 Climate Change Mitigation						
Fr Irland Primary	200,000	-	-	200,000	-	200,000
Gitumbi Primary	200,000	-	-	200,000	-	200,000
Iriani Primary	200,000	-	-	200,000	-	200,000
Iruma Primary	200,000	-	-	200,000	-	200,000
Kajiampau Secondary	271,084	-	-	271,084	-	271,084
Karurini Primary	200,000	-	-	200,000	-	200,000
Kiangondu Primary	200,000	-	-	200,000	-	200,000
Kirege Primary	200,000	-	-	200,000	-	200,000
Mwonge Junior Primary	200,000	-	-	200,000	-	200,000
Ntumbara Primary	200,000	-	-	200,000	-	200,000
Ntuntuni Primary	200,000	-	-	200,000	-	200,000
St Paul Njaina	200,000	-	-	200,000	-	200,000
Twamikua Primary	200,000	-	-	200,000	-	200,000

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

Programme/Sub-Programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Environment Activities	-	-	3,788,351	3,788,351	3,788,351	-
Sub-Total	2,671,084	-	3,788,351	6,459,435	3,788,351	2,671,084
6.0 Primary Schools Projects (List All The Projects)						
Gacigongo Primary School	-	2,000,000		2,000,000	-	2,000,000
Ikuu Primary School	-	1,000,000		1,000,000	999,964	36
Githunguri Primary School	-	1,000,000		1,000,000	979,983	20,017
Ntumbara Primary School	-	1,000,000		1,000,000	949,678	50,322
Ngunga Low Cost Primary School	-	2,000,000		2,000,000	1,761,314	238,686
Chuka Township Primary School	-	3,000,000		3,000,000	-	3,000,000
Njuri Primary School	-	1,000,000		1,000,000	-	1,000,000
Pcea Kaanwa Secondary School	-	2,000,000		2,000,000	983,120	1,016,880
Ciagakuu Primary School	-	2,000,000		2,000,000	1,898,996	101,004
Karengi Pry School	-	3,502		3,502	-	3,502
Ntagatani Pry School	-	2,232		2,232	371,663	(369,431)

National Government Constituencies Development Fund (NGCDF)
 Chukwagambang'ombe Constituency
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Programme/Sub-Programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Murigi Pry Sch	-	2,000	-	2,000	-	2,000
Kathigiririni Primary School	-	-	2,000,000	2,000,000	-	2,000,000
Magumoni Primary School	-	-	2,371,633	2,371,633	-	2,371,633
Kathagara Primary School	-	-	1,000,000	1,000,000	-	1,000,000
Kiunguni Primary School	-	-	1,000,000	1,000,000	-	1,000,000
Maabi Primary School	-	-	1,000,000	1,000,000	-	1,000,000
Magenka Primary School	-	-	1,000,000	1,000,000	-	1,000,000
Mariani Primary School	-	-	1,000,000	1,000,000	-	1,000,000
Mpukoni Primary School	-	-	1,000,000	1,000,000	-	1,000,000
Mutuguni Primary School	-	-	1,000,000	1,000,000	-	1,000,000
Ndagoni Primary School	-	-	1,000,000	1,000,000	-	1,000,000
Rubate Primary School	-	-	1,000,000	1,000,000	-	1,000,000
Kabururu Primary School	-	-	1,000,000	1,000,000	-	1,000,000
Mubukuro Primary School	-	-	1,000,000	1,000,000	-	1,000,000
Mukuthuku Primary School	-	-	700,000	700,000	-	700,000
Iruku Primary School	-	-	700,000	700,000	-	700,000
Kibumbu Primary School	-	-	700,000	700,000	-	700,000
Karwiro Primary School	-	-	700,000	700,000	-	700,000

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Chuka Igambang'ombe Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025*

Programme/Sub-Programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Ndagoni Primary School	-	-	700,000	700,000	-	700,000
Kathigiririni Primary School	-	-	700,000	700,000	-	700,000
Mpukoni Primary School	-	-	700,000	700,000	-	700,000
Mutuguni Primary School	-	-	700,000	700,000	-	700,000
Karengi Primary School	-	-	700,000	700,000	-	700,000
Kiaritha Low-Cost Primary School	-	-	700,000	700,000	-	700,000
Karembuni Primary School	-	-	700,000	700,000	-	700,000
Kabariange Primary School	-	-	700,000	700,000	-	700,000
Murigi Primary School	-	-	700,000	700,000	-	700,000
Kagumo Primary School	-	-	700,000	700,000	-	700,000
Kiamuriuki Primary School	-	-	700,000	700,000	-	700,000
Kiamuchii Primary School	-	-	700,000	700,000	-	700,000
Rubate Primary School	-	-	1,000,000	1,000,000	-	1,000,000
Gacigongo Primary School	-	-	1,000,000	1,000,000	-	1,000,000
Kathagara Primary School	-	-	1,000,000	1,000,000	-	1,000,000
Chera Primary School	-	-	1,500,000	1,500,000	-	1,500,000
Mwanjati Primary School	-	-	1,000,000	1,000,000	-	1,000,000

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 Chukwambang'ombe Constituency
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Programme/Sub-Programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Karurini Primary School	-	-	1,000,000	1,000,000	-	1,000,000
Chuka Deb Primary School	-	-	1,500,000	1,500,000	-	1,500,000
Kathwana Primary School	-	-	1,500,000	1,500,000	-	1,500,000
Eapc Itagatani Primary School	-	-	800,000	800,000	-	800,000
Bac Ntuntuni Primary	700,000	-		700,000	-	700,000
Chera Primary	1,500,000			1,500,000	-	1,500,000
Chuka Deb Primary	1,500,000			1,500,000	-	1,500,000
Eapc Itagatani Primary	800,000			800,000	-	800,000
Gacigongo Primary	1,000,000			1,000,000	-	1,000,000
Iruku Primary	700,000			700,000	-	700,000
Kabariange Primary	700,000			700,000	-	700,000
Kagumo Primary	700,000			700,000	-	700,000
Kambandi Primary	700,000			700,000	-	700,000
Kangutu Primary	800,000			800,000	-	800,000
Karembuni Primary	700,000			700,000	-	700,000
Karengi Primary	700,000			700,000	-	700,000
Karurini Primary	1,000,000			1,000,000	-	1,000,000

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Chuka Igambang'ombe Constituency
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Programme/Sub-Programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Karwiro Primary	700,000			700,000	-	700,000
Kathagara Primary	1,000,000			1,000,000	-	1,000,000
Kathigiririni Primary	700,000			700,000	-	700,000
Kathwana Primary	1,500,000			1,500,000	-	1,500,000
Kiamuchii Primary	700,000			700,000	-	700,000
Kiamuchiru Primary	1,000,000			1,000,000	-	1,000,000
Kiamuriuki Primary	700,000			700,000	-	700,000
Kiaritha Low-Cost Primary	700,000			700,000	-	700,000
Kianthanga Primary	700,000			700,000	-	700,000
Kibumbu Primary	700,000			700,000	-	700,000
Mpukoni Primary	700,000			700,000	-	700,000
Mukuthuku Primary	700,000			700,000	-	700,000
Magumoni Primary School	700,000			700,000	-	
Mutembe Primary	1,000,000			1,000,000	-	1,000,000
Mutuguni Primary	700,000			700,000	-	700,000
Mwanjati Primary	1,000,000			1,000,000	-	1,000,000
Ndagoni Primary	700,000			700,000	-	700,000
Rubate Primary	1,000,000			1,000,000	-	1,000,000

*National Government Constituencies Development Fund (NGCDF)
 Chui O'gambang'ombe Constituency
 Annual Report and Financial Statements for The Year Ended June 30, 2025*

Programme/Sub-Programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Twamikua Primary	700,000			700,000	-	700,000
				-		-
Sub-Total	27,100,000	15,007,734	36,871,633	78,979,367	7,944,718	70,334,649
7.0 Secondary Schools Projects (List All The Projects)						
Kairini Secondary	1,000,000			1,000,000	-	1,000,000
Kamuguongo Day Secondary	700,000.00			700,000	-	700,000
Kamwimbi Secondary	1,000,000.00			1,000,000	-	1,000,000
Kanthanje Secondary	700,000.00			700,000	-	700,000
Kathagara Secondary	700,000.00			700,000	-	700,000
Mugwe Day Secondary	10,000,000.00			10,000,000	-	10,000,000
Kiereni High School	700,000.00			700,000	-	700,000
Pcea Kaanwa Secondary	1,500,000			1,500,000	-	1,500,000
St Paul Njaina Secondary	1,000,000			1,000,000	-	1,000,000
Ntumbara Secondary School	-	1,000,000		1,000,000	-	1,000,000
Njuri Secondary School	-	3,000,000		3,000,000	3,145,699	(145,699)

*National Government Constituencies Development Fund (NGCDF)
Chuka Igambang'ombe Constituency
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Programme/Sub-Programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Makambani Secondary School	-	2,000,000		2,000,000	1,899,640	100,360
Kiamuriuki Secondary School	-	3,000,000		3,000,000	2,840,390	159,610
Chief Petro Secondary School	-	1,000,000		1,000,000	-	1,000,000
Kabururu Secondary School	-	2,000,000		2,000,000	-	2,000,000
Mukuuni Boys High Sch	-	42,040		42,040	-	42,040
Thogoto	-	170,000		170,000	-	170,000
Kiereni Secondary School	-	-	3,000,000.00	3,000,000	-	3,000,000
Mubukuro Day Secondary School	-	-	3,000,000.00	3,000,000	-	3,000,000
Kanthanje Secondary School	-	-	700,000.00	700,000	-	700,000
Kiereni High School	-	-	700,000.00	700,000	-	700,000
Kamwimbi Secondary School	-	-	1,000,000.00	1,000,000	-	1,000,000
St. Paul Njaina Secondary School	-	-	1,000,000.00	1,000,000	-	1,000,000
	-	-				
	-	-				
Sub-Total	17,300,000	12,212,040	9,400,000	38,912,040	7,885,729	31,026,311

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

Programme/Sub-Programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
8.0 Tertiary Institutions Projects (List All The Projects)						
Chuka Technical & Vocational College	15,000,000		-	15,000,000	-	15,000,000
Chuka Technical T.V.C		10,000,000	0		10,000,000	
				-		-
Sub-Total	15,000,000	10,000,000.00	-	15,000,000	10,000,000	15,000,000
9.0 Security Projects						
Kamwimbi Chiefs Office	5,000,000			5,000,000		5,000,000
Itugururu Chiefs Office		-	1,500,000.00			-
Makanyanga Ass. Chief	-	269	-	269		269
				-		-
Sub-Total	5,000,000	269.00	1,500,000	5,000,269	-	5,000,269
10.0 Acquisition Of Assets						
10.1 Motor Vehicles (Including Motorbikes)						

*National Government Constituencies Development Fund (NGCDF)
Chuka Igambang'ombe Constituency
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Programme/Sub-Programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
10.2 Construction OfNG-CDF Office						
10.3 Purchase Of Furniture And Equipment						
10.4 Purchase Of Computers						
10.5 Purchase Of Land						
Sub-Total						
11.0 Digital Hubs						
Kabuboni Digital Centre	5,000,000	-	-	5,000,000		5,000,000
Rural Electrification & Renewable Energy Corporation (Rerec)	5,000,000	-	-	5,000,000		5,000,000
Constituency Innovation Hubs (Chuka Town Information And Ct Hub And Resource Centre {Huduma Centre}Kibugua Ict, Mugwe Kathigiririni And Kaanwa Icts)			2,000,000	2,000,000		2,000,000

*National Government Constituencies Development Fund (NGCDF)
Chukwambang'ombe Constituency
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Programme/Sub-Programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Kithangani Social Hall			2,094,832	2,094,832		2,094,832
Rukindu Ecde Center		68,772		68,772		68,772
Chuka Igambangombe Ict		253		253		253
Sport	-	-	300,000	300,000	300,000	-
Sub-Total	10,000,000	69,025.00	4,394,832	14,463,857	300,000	14,163,857
12.0 Others						
12.1 Strategic Plan						
12.2						
Sub Total						
13.0 Funds Pending Approval**						
13.1 Unapproved Projects	5,000,000	-		5,000,000		5,000,000
13.2 AIA	-	1,198,668		1,198,668		1,198,668
13.3						
Sub-Total	5,000,000	1,498,668	-	6,198,668	-	6,198,668
Total	179,441,954	50,889,887	58,733,443	277,265,284	105,505,844	181,059,440

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

17. Notes to the Financial Statements

1. General information

The National Government Constituencies Development Fund (NG-CDF) formerly Constituencies Development Fund (CDF), is established by and derives its authority and accountability from the NG-CDF Act 2015 (amended 2023). The NG-CDF is wholly owned by the Government of Kenya and is domiciled in Kenya. The NG-CDF Chuka Igambang'ombe Constituency principal activity is to address the socio-economic development of the people at the constituency level, reduce poverty and enhance regional equity.

2. Statement of Compliance and Basis of Preparation

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

The financial statements have been prepared in accordance with the PFM Act, and International Public Sector Accounting Standards (IPSAS) or the entity has taken advantage of the transitional provisions under IPSAS 33 and therefore these 1st/ 2nd/ 3rd/ are transitional financial statements.

The financial statements have been prepared in accordance with the Public Finance Management (PFM) Act and the International Public Sector Accounting Standards (IPSAS). The NG-CDF Chuka Igambang'ombe Constituency 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 Chuka Igambang'ombe Constituency 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 and PPADA Act, and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

3. Adoption of New and Revised Standards

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

- 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 cash flows of an Entity. The new standard requires entities to recognize, measure and present information on right of use assets and lease liabilities. This IPSAS is not applicable in the constituency this financial year.
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. This IPSAS is not applicable in the constituency this financial year.

National Government Constituencies Development Fund (NGCDF)
Chuka Igambang'ombe Constituency
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<p>IPSAS 45: Property Plant and Equipment</p>	<p><i>Applicable 1st January 2025</i></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognized as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under-maintenance of assets and distinguishing significant parts of infrastructure assets.</p> <p>This IPSAS is applicable from 1st July 2025.</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>This IPSAS is applicable from 1st July 2025.</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</p>

	<p>under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> <p>This IPSAS is applicable from 1st July 2025.</p>
IPSAS 48: Transfer Expenses	<p><i>Applicable 1st January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p> <p>This IPSAS is not applicable in the constituency this financial year.</p>
IPSAS 49: Retirement Benefit Plans	<p><i>Applicable 1st January 2026</i></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p> <p>This IPSAS is not applicable in the constituency this financial year.</p>
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<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

	<p>understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.</p> <p>This IPSAS is not applicable in the constituency this financial year.</p>
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iii. Early adoption of standards

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

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Sale of goods

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

Interest income

Interest income is accrued using the effective yield method. The effective yield discounts estimated future cash receipts through the expected life of the financial asset to that asset's

net carrying amount. The method applies this yield to the principal outstanding to determine interest income each period.

Rental income

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

b) Budget information

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

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

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

c) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be

replaced at intervals, the Entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

d) Leases

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

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

e) Intangible assets

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any

accumulated amortization and accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred. The useful life of the intangible assets is assessed as either finite or indefinite. Intangible assets with an indefinite useful life are assessed for impairment at each reporting date.

f) Financial instruments

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

a) Financial assets

Classification of financial assets

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

on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless an entity has made irrevocable election at initial recognition for particular investments in equity instruments.

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

Trade and other receivables

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

Fair value through surplus or deficit

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

Impairment

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

b) Financial liabilities

Classification

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

g) Inventories

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

- i) Raw materials: purchase cost using the weighted average cost method.

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

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

h) Provisions

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

i) Social Benefits

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

j) Contingent liabilities

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

k) Contingent assets

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

l) Employee benefits

Retirement benefit plans

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

m) Foreign currency transactions

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

n) Related parties

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

o) Cash and Cash Equivalents

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

p) Comparative figures

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

q) Subsequent events

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

5. Significant Judgments and Sources of Estimation Uncertainty

The preparation of the Entity's financial statements in conformity with IPSAS requires management to make judgments, estimates, and assumptions that affect the reported amounts

of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods. State all judgments, estimates, and assumptions made:

Estimates and assumptions.

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

Useful lives and residual value

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

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

Provisions

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

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

6. Transfers from the NGCDF Board

Description	FY 2024-2025
	Kshs
NGCDFB Transfers (Allocation for the FY)	179,441,954
Total	179,441,954

7. Transfers from domestic and foreign partners

Description	FY 2024/25
	Kshs
Grants	-
Total	-

8. Finance income

Description	FY 2024/25
	Kshs
Interest Income on Bank Deposits	-
Total	-

9. Miscellaneous income

	FY 2024/25
	Kshs
Rental Income	-
Income from sale of tenders	-
Hire of plant/equipment/facilities	-
Other Income Not Classified Elsewhere (Disposal Of Motor Vehicle)	1,270,000
Total	1,270,000

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

10. Employees cost

	FY 2024/25
	Kshs
NG-CDFC Basic staff salaries	4,343,208
Personal allowances paid as part of salary	-
House Allowance	-
Transport Allowance	-
Leave allowance	-
Gratuity to contractual employees	1,178,564
Contributions Compulsory national social security schemes	369,108
Employer Contributions Compulsory Housing levy	143,652
Employer contributions to National Industrial Training Authority	-
Other Specify	126,580
Total	6,161,112

11. Committee Expenses

	FY 2024/25
	Kshs
Sitting allowance	661,000
Other Committee expenses	5,256,000
Total	5,917,000

12. Use of Goods and services

	FY 2024/25
	Kshs
Utilities, supplies and services	-
Communication, supplies and services	-
Domestic travel and subsistence	-
Printing, advertising and information supplies & services	-
Office Rent	-
Training expenses	1,870,900
Hospitality supplies and services	-
Insurance costs	-
Specialized materials and services	-
Office and general supplies and services	643,600
Fuel, oil & lubricants	699,688
Bank charges	31,475
Routine maintenance – vehicles and other transport equipment	-
Routine maintenance – other assets	-
Strategic plan expenses	-
Other operating expenses	250,000
Total	3,495,663

13. Other Government Units Actual expenditure

Description	FY 2024/25
	Kshs
Primary Schools Actual expenditure	7,944,718
Secondary Schools Actual expenditure	7,740,030
Tertiary Institutions Actual expenditure	10,000,000
Total	25,684,748

14. Other Grants and transfers Actual expenditure

	FY 2024/25
	Kshs
Bursary – secondary schools	26,025,500
Bursary – tertiary institutions	27,770,000
Bursary – special schools	450,000
Bursary - Education Support program	-
Social Security programs (SHIF)	2,700,000
Security projects Actual expenditure	-
Climate change mitigation projects	3,788,351
Emergency projects Actual expenditure	2,003,659
Roads projects Actual expenditure	-
Others specify	300,000
Total	63,037,510

15. Depreciation and Amortization Expenses

Description	FY 2024/25
	Kshs
Property Plant and Equipment	-
Intangible Assets	-
Total	-

16. Digital Hubs Expenses

Description	FY 2024/25
	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	FY 2024/25
	Kshs
Property, Plant and Equipment	-
Intangible Assets	-
Total Gain/loss on Sale of Assets	-

18. Impairment Loss

Description	FY 2024/25
	Kshs
Property, Plant and Equipment	-
Intangible Assets	-
(Include financial instruments that are impaired)	-
Total Impairment Loss	-

19. Cash and Cash Equivalents

Name Of Bank and Account No.	FY 2024/25	Opening Statement 1st July 2024
	Kshs	Kshs
Bank Accounts (Cash Book Bank Balance)		
Family Bank, A/C no.0000005629, Branch Chuka. (Operations account)	58,766,262	12,356,910
Operations account pending closure (Indicate name & account no.)	-	-
Cooperative Bank, A/C no. 01100936671001 Branch. Chuka. (deposit account)	1,738,864	1,198,668

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Name of Bank, account No.(as per annex 2) (PMC's account)	72,028,058	37,334,309
Total	132,533,185	50,889,887
Cash Balances		
Location 1	-	-
Location 2	-	-
Other Locations (Specify)	-	-
Total	-	-
[Provide Cash Count Certificates for Each]		

A schedule of all reconciled PMC bank balances as at the end of the period attached(annex 2)

20. Receivables from Exchange Transactions

Description	FY 2024/25	Opening Statement 1 st July 2024
	Kshs	Kshs
Total receivables		
Other exchange debtors (Specify)	-	-
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.)

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i. Ageing Analysis for Receivables

Description	FY 2024/25		Opening Statement 1st July 2024	
	Kshs		Kshs	
	FY 2024/25	% 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	FY 2024/25		Opening Statement 1st July 2024	
	Kshs		Kshs	
Transfers from NGCDFB	52,441,954		58,733,443	
Outstanding imprest	-		-	
Total	52,441,954		58,733,443	
Ageing Analysis- Receivables from non- exchange transactions	FY 2024/25	% of the total	Opening Balance	% of the total
Less than 1 year	52,441,954	100%	37,334,309	100%
Between 1-2 years	-	%	-	%
Over 3 years	-	%	-	%
Total	-	%	-	%

22. Prepayments

Description	FY 2024/25	Opening Statement 1 st July 2024
	Kshs	Kshs
Prepaid Rent	-	-
Prepaid Insurance	-	-
Prepaid Electricity Costs	-	-
Other Prepayments (Specify)	-	-
Total	-	-

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23. Property, Plant and Equipment

	Land	Buildings	Motor vehicles	Furniture and fittings	Computers & ICT Equipment	Other Assets (specify)	Capital Work in progress	Total
Depreciation Rate(specify)		2%	25%	12.5%	30%	x%		
Cost	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Opening Bal as 1st July 2024	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-	-	-	-
As At 30 th JUNE 2025	-	-	-	-	-	-	-	-
Depreciation And Impairment	-	-	-	-	-	-	-	-
Opening Depreciation	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-	-	-
As At 30 th JUNE 2025	-	-	-	-	-	-	-	-
Net Book Values	-	-	-	-	-	-	-	-
Opening Bal as at 1st July 2024	-	-	-	-	-	-	-	-
As At 30 th JUNE 2025	-	-	-	-	-	-	-	-

Valuation

Land and buildings/ Equipment are yet to be valued in line with the National Assets and Liabilities Management Policy and Guidelines (Issued 30th June 2020). These amounts were not adopted.

22 b) Property, Plant and Equipment at Cost

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

	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land	-	-	-
Buildings	-	-	-
Plant And Machinery	-	-	-
Motor Vehicles, Including Motorcycles	-	-	-
Computers And Related Equipment	-	-	-
Office Equipment, Furniture, And Fittings	-	-	-
Total	-	-	-

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

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

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24. Intangible Assets

Description	FY 2024/25
	Kshs
Cost	-
Opening balance at 1st July 2024	-
Additions	-
Disposal	-
At end of the 2025	-
Amortization and impairment	-
At beginning of the year	-
Amortization	-
At end of the year	-
Impairment loss	-
At end of the year	-
NBV at July 1 st 2025	-
NBV at June 30 th 2025	-

25. Right-of use assets

Description	Buildings	Plant	Equipment	Total
	Kshs	Kshs	Kshs	Kshs
Cost				
As At 1 July (Comparative period)	-	-	-	-
Additions	-	-	-	-
As At 30 JUNE 2025 (Comparative Period)	-	-	-	-
Additions	-	-	-	-
As At 30 JUNE 2025 (FY 2024/25)	-	-	-	-
Accumulated Depreciation	-	-	-	-

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As At 1 July 2025 (Comparative period)	-	-	-	-
Charge for the period	-	-	-	-
As At 30 JUNE 2024 (Comparative period))	-	-	-	-
Charge for the period	-	-	-	-
As At 30 JUNE 2025 (FY 2024/25)	-	-	-	-
Carrying Amount				
As At 30 JUNE 2025 (FY 2024/25)	-	-	-	-
As At 30 JUNE 2024. (Comparative Period)	-	-	-	-

26. Trade and Other Payables

Description	FY 2024/25		Opening Statement 1st July 2024	
	Kshs		Kshs	
Trade payables	-		-	
Employee payables	-		-	
Other payables	-		-	
Total trade and other payables	-		-	
Aging analysis: (Trade and other payables)	FY 2024/25	% of the Total	1st July, 2024	% of the Total
Under one year	-	%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total (tie to above total)	-		-	

27. Third-Party deposits

	FY 2024/25
	Kshs
Retention as at 1 st July (A)	-
Retention held during the year (B)	-
Retention paid during the Year (C)	-
Closing Retention as at 30 th June D= A+B-C	-

Retentions aging analysis.

	FY 2024/25	% of the total	FY 2023/24	% of the total
Less than 1 year	-	%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total	-		-	

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

28. Lease Liabilities

Description	FY 2024/25	Opening Statement 1st July 2024
	Kshs	Kshs
Balance at the beginning of the year	-	-
Discount interest on lease liability	-	-
Paid during the year	-	-
At end of the year	-	-

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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	FY 2024/25
	Kshs
Gratuity at the beginning of the year 1 st of July	1,198,668
Gratuity held during the year	1,178,564
Gratuity paid during the year	2,242,676
Total Gratuity Provision 30th June (A+B-C)	134,555.48

30. Cash Generated from Operations

	FY 2024/25
	Kshs
Surplus for the period before tax	76,270,223
Adjusted for:	
Depreciation	-
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	6,291,489
Changes in deferred income	-
Changes in Third party deposits	(1,064,112)
Changes in gratuity provision	-
Changes in payments received in advance	-
Net cash flow from operating activities	81,497,599

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

31. Financial Risk Management

The Entity's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The Entity's overall risk management program 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	52,441,954	52,441,954	-	-
Bank balances	58,766,262	58,766,262	-	-
Total	111,208,216	111,208,216	-	-
As at 30 June 23/24)			-	-
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	58,733,443	58,733,443	-	-
Bank balances	12,356,910	12,356,910	-	-
Total	71,090,353	71,090,353	-	-

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

Financial Risk Management

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the Entity has recognized in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The Entity has no significant concentration of credit risk on amounts due from NGCDFB. The board of directors sets the Entity's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

ii) Liquidity risk management

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
As at 30th June (FY 2024/25)				
Trade payables	-	-	-	-
Current proportion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Gratuity Provision	-	-	134,555	134,555
Total	-	-	134,555	134,555
As at 30 June 2024				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Employee benefit obligation	-	-	1,198,668	1,198,668

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Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
Total	-	-	1,198,668	1,198,668

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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FY 2024/25

Description	In Kshs	Other currencies	Total
	Kshs	Kshs	Kshs
As at 30 th June (FY 2024/25)			
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

FY 2024/25

Description	In Kshs	Other currencies	Total
	Kshs	Kshs	Kshs
As at 30 th June (FY 2024/25)			
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
FY 2024/25			
Euro	10%	-	-
USD	10%	-	-
Previous FY 23/24			
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 xxx (FY 2024/25: Kshs xxx). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs xxx (FY 2024/25 – Kshs xxx)

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.

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

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Description	FY 2024/25	Opening Statement 1 st July 2024
	Kshs	Kshs
Revaluation Reserve	184,694,885	108,424,662
Retained Earnings	76,270,223	-
Capital Reserve	-	-
Total Funds	260,965,108	108,424,662
Total Borrowings	-	-
Less: Cash and Bank Balances	(132,387,486)	(50,889,887)
Net Debt/(Excess Cash And Cash Equivalents)	128,577,622	57,534,775
Gearing	0%	0%

32. Related Party Disclosures

	FY 2024/25	Opening Statement 1 st July 2025
	Kshs	Kshs
Committee Members Remuneration		
Sitting allowance of committee Members during the year	661,000	-
Transaction with the NGCDF Board		
Transfers from the NGCDF Board during the year	179,441,954	-
Total	179,442,615	-

33. Segment Information

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

34. Contingent Assets and Contingent Liabilities

Contingent Assets

Description	FY 2024/25	Opening Statement 1st 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 (Specify)	-	-
Total	-	-

(Give details)

Contingent Liabilities

Description	FY 2024/25	Opening Statement 1st July 2024
	Kshs	Kshs
Contingent Liabilities	-	-
Court Case xx against the Entity	-	-
Bank Guarantees in Favour of Subsidiary	-	-
Contingent Liabilities arising from Contracts Including PPPs	-	-
Others (Specify)	-	-
Total	-	-

35. Capital Commitments

Capital Commitments	FY 2024/25	Opening Statement 1st July 2024
	Kshs	Kshs
Authorized for	-	-
Authorized and Contracted for	-	-
Total	-	-

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

36. Events after the Reporting Period

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

37. Ultimate and Holding Entity

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

38. Currency

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

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18. Annexes

Annex 1: Summary of Asset Register

Asset class	Historical Cost/valuation cost balance brought forward (Kshs)	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) At Year End
Land	-	-	-	-
Buildings and structures	20,670,870	-	-	20,670,870
Transport equipment	6,329,130	-	-	6,329,130
Office equipment, furniture, and fittings	10,428,253	-	-	10,428,253
ICT Equipment and Other ICT Assets	1,385,450	-	-	1,385,450
Other Machinery and Equipment	-	-	-	-
Intangible assets	-	-	-	-
Total	38,813,703	-	-	38,813,703

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

Pmc	Bank	Account Number	Bank Balance Fy 2024/25	Bank Balance Fy 2023/24
GACIGONGO PRIMARY SCHOOL NG-CDF	SIDIAN	AC01016710002865	2,000,000.00	
IKUU PRY SCH NG-CDF	SIDIAN	AC01016710002985	36.00	
GITHUNGURI PRIMARY SCHOOL NG-CDF	SIDIAN	AC01016710003633	20,017.00	
NTUMBARA PRIMARY SCHOOL NG-CDF	SIDIAN	AC01016710003033	50,322.00	
NGUNGA LOW-COST PRIMARY SCHOOL NG-CDF	SIDIAN	AC01016710003013	238,686.00	
CHUKA TOWNSHIP PRIMARY SCHOOL NG-CDF	SIDIAN	AC01016710002475	3,000,000.00	
NJURI PRIMARY SCHOOL NG-CDF	SIDIAN	AC01016710002895	1,000,000.00	
PCEA KANWA PRIMARY SCHOOL NG-CDF	SIDIAN	AC01016710002965	1,016,880.00	
CIAGAKUU PRIMARY SCHOOL NG-CDF	SIDIAN	AC01016710002975	101,004.00	
Kathigiririni Primary School	SIDIAN	01016710002545	2,000,000.00	
Magumoni Primary School	SIDIAN	AC01016710002875	1,999,970.00	
Kathagara Primary School	SIDIAN	01016710003093	1,000,000.00	
kiunguni primary school	SIDIAN	01016710003003	1,000,000.00	
Maabi Primary School	SIDIAN	01016710003043	1,000,000.00	
Magenka Primary School	SIDIAN	01016710003433	1,000,000.00	
Mariani Primary School	SIDIAN	01016710003113	1,000,000.00	
Mpukoni Primary School	SIDIAN	01016710003073	1,000,000.00	
Mutuguni Primary School	SIDIAN	01016710003063	1,000,000.00	
Ndagoni Primary School	SIDIAN	01016710003193	1,000,000.00	
Rubate Primary School	SIDIAN	01016710003053	1,000,000.00	
Kabururu Primary School	SIDIAN	01016710003173	1,000,000.00	
Mubukuro Primary School	SIDIAN	01016710003823	1,000,000.00	
Mukuthuku Primary School	SIDIAN	01016710003453	700,000.00	
Iruku Primary School	SIDIAN	01016710003693	700,000.00	

National Government Constituencies Development Fund (NGCDF)

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Pmc	Bank	Account Number	Bank Balance Fy 2024/25	Bank Balance Fy 2023/24
Kibumbu Primary School	SIDIAN	01016710003703	700,000.00	
Karwiro Primary School	SIDIAN	01016710003643	700,000.00	
Ndagoni Primary School	SIDIAN	01016710003193	700,000.00	
Kathigiririni Primary School	SIDIAN	01016710002545	700,000.00	
Mpukoni Primary School	SIDIAN	01016710003073	700,000.00	
Mutuguni Primary School	SIDIAN	01016710003063	700,000.00	
Karembuni Primary School	SIDIAN	01016710003533	700,000.00	
Karengi Primary School	SIDIAN	01016710003555	700,000.00	
Kiaritha Low-Cost Primary School	SIDIAN	01016710003563	700,000.00	
Kabariange Primary School	SIDIAN	01016710003523	700,000.00	
Kagumo Primary School	SIDIAN	01016710003593	700,000.00	
Murigi Primary School	SIDIAN	01016710003583	700,000.00	
Kiamuchii Primary School	SIDIAN	01016710003613	700,000.00	
Kiamuriuki Primary School	SIDIAN	01016710003603	700,000.00	
Rubate Primary School	SIDIAN	01016710003053	1,000,000.00	
Gacigongo Primary School	SIDIAN	01016710002865	1,000,000.00	
Kathagara Primary School	SIDIAN	01016710003093	1,000,000.00	
Chera Primary School	SIDIAN	01016710003573	1,500,000.00	
Mwanjati Primary School	SIDIAN	01016710003483	1,000,000.00	
Karurini Primary School	SIDIAN	01016710003473	1,000,000.00	
Chuka DEB Primary School	SIDIAN	01016710003503	1,500,000.00	
EAPC Itagatani Primary School	SIDIAN	01016710003673	800,000.00	
Kathwana Primary School	SIDIAN	01016710003493	1,500,000.00	
NTUMBARA SECONDARY SCHOOL	SIDIAN	0101671000	1,000,000.00	
NJURI SECONDARY SCHOOL	SIDIAN	01016710002515	(145,699.00)	

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Chuka Igambang'ombe Constituency
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Pmc	Bank	Account Number	Bank Balance Fy 2024/25	Bank Balance Fy 2023/24
MAKAMBANI SECONDARY SCHOOL NG-CDF	SIDIAN	01016710003363	100,360.00	
KIAMURIUKI SEC SCH NG CDF	SIDIAN	01016710002505	159,610.00	
CHIEF PETRO MIXED SEC SCH NG CDF	SIDIAN	01016710003353	1,000,000.00	
KABURURU SECONDARY SCHOOL	SIDIAN	01016710001330	2,000,000.00	
Kiereni High School	SIDIAN	01016710003133	3,000,000.00	
Mubukuro Day Secondary School	SIDIAN	01016710003443	3,000,000.00	
Kanthanje Secondary School	SIDIAN	01016710003623	700,000.00	
kiereni Secondary School	SIDIAN	01016710003133	700,000.00	
Kamwimbi Secondary School	SIDIAN	01016710003713	1,000,000.00	
St. Paul Njaina Secondary school	SIDIAN	01016710003573	1,000,000.00	
Chuka Technical & Vocational College	SIDIAN	01016710002845	6,000,000.00	
Itugururu Chief's Office	SIDIAN		1,500,000.00	
Constituency innovation Hubs	SIDIAN	01016710003763	2,000,000.00	
Kithangani Social Hall	SIDIAN	01016710003783	2,094,832.00	
ENVIRONMENTAL CONSERVATION	SIDIAN	01016710002285	-	
MPANGUA PRIMARY	SIDIAN	01016710002285	33,666.40	
NKORONGO PRIMARY	SIDIAN	01016710002285	-	
KATHWANA SECONDARY	SIDIAN	01016710003243	300,000.00	
MATUNTU PRIMARY	SIDIAN	01016710001647	1,100.00	
NG-CDF OFFICE EQUIPMENT	FAMILY	054000007200	11,575.00	
KINORU ASS. CHIEF OFFICE	SIDIAN	01016710002585	800,000.00	
KATHWANA SECONDARY SCHOOL	SIDIAN	01016710003243	1,000,000.00	
Gacuuri Primary School	SIDIAN	01016030000542	700,000.00	
Total			71,882,359.40	

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)
OAG/ER/AUD/NGCDF/CHUKA IGAMBANGOM BE/2023-24/(2)	Un-supported expenditure on bursary - The statement of receipts and payments as disclosed in Note 8 to the financial statements reflects other grants and transfers amounting to Kshs 109,153,665. Included in this amount were bursary disbursements to support the education of the needy students totaling to Kshs 57,357,500 comprising of amounts of Kshs 54,424,500 and Kshs 2,933,000 to secondary schools and tertiary institutions respectively. However, review of payment vouchers and other supporting documents revealed that bursary disbursements totaling to Kshs 20,715,500 were not acknowledged through official receipts or acknowledgement letters by the beneficiary institutions. Further, bursary application registers and application forms reviewed by bursary committee were not provided for audit review.	Acknowledgement letters and official receipts, Dispatch register, Bursary application forms and Minutes from NG-CDF Committee approving payment provided.	Not Resolved	In Consultation with the Auditor pending appearance before DFAC
OAG/ER/AUD/NGCDF/CHUKA IGAMBANGOM BE/2023-24/(2)	Undisclosed pmc bank balances - Annex 5 to the financial statements reflects a nil balance in respect to Project Management Committee PMC Bank balances being the unspent project funds held by various institutions. However, from the sampled projects files presented for audit revealed	All PMC Bank statements have been provided	Not Resolved	In Consultation with the Auditor pending

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	balances to the various PMCs that were not disclosed by the Management of the fund. Further, cashbooks, bank certificates and bank reconciliation statements in respect to PMC balances and accounts were not provided for audit review.			appearance before DFAC
OAG/ER/AUD/NGCDF/CHUKA IGAMBANGOM BE/2023-24/(2)	<p>Unsupported expenditure on construction and renovation of classes –</p> <p>The statement of receipts and payments and as disclosed in Note 7 to the financial statements reflects to other government units amount of Kshs 83,382,017. The amount includes expenditure amount totaling to Kshs 4,400,000 in respect to construction and renovation of classrooms in four primary schools and one secondary school. However, review of the procurement records and project files revealed that tender advertisement or quotation for the bidders, filled bills of quantities, architectural designs, certificates of practical completion, project closure and handover reports were not provided for audit review.</p>	Advertisement and tender notice, Contract agreement documents, award letter, BQS, for architectural designs, drawings, Receipts, minutes, schedules, Bank statement and returns attached in the files.	Not Resolved	In Consultation with the Auditor pending appearance before DFAC
OAG/ER/AUD/NGCDF/CHUKA IGAMBANGOM BE/2023-24/(2)	<p>Unsupported sports expenditure –</p> <p>The statement of receipts and payments and as disclosed in Note 8 to the financial statements reflects Kshs 109,153,665 in respect to other grants and transfers which includes an expenditure amount of Kshs 2,601,752 in respect to sports projects paid to a supplier for purchase of uniforms. However,</p>	The PMC have thoroughly been capacity builded on procurement process and public finance management.	Not Resolved	In Consultation with the Auditor pending appearance before DFAC

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	quotations, evaluation minutes, and acceptance of the tender, contract agreement, stores receipts and issue voucher were not provided for audit. In addition, review of the PMC bank statements presented for audit revealed unsupported cash withdraws totaling Kshs 800,000 on various dates by the constituency staff. Further, physical inspections carried out at the constituency store in the month of November, 2024 revealed existence of sports and other items purchased in the previous financial years but not issued out. No explanation was provided for these anomalies.	The PMC account balances have been provided.		
OAG/ER/AUD/NGCDF/CHUKA IGAMBANGOM BE/2023-24/(2)	Unsupported expenditure on social security programme – The statement of receipts and payments as disclosed in Note 8 to the financial statement reflects a balance of Kshs 109,248,665 being transfers to other grants and transfers. Included in this expenditure is an amount of Kshs 5,400,000 being transfers to social security programme (NHIF). However, applications, vetting and minutes of the committee approving the expenditure were not provided for audit verification.	Social security programme for chuka igambangombe has been explained, Criteria used for identification of the beneficiaries, List of applicants with signatures, telephone numbers, and NG-CDF minutes attached	Not Resolved	In Consultation with the Auditor pending appearance before DFAC
OAG/ER/AUD/NGCDF/CHUKA IGAMBANGOM BE/2023-24/(2)	Budgetary Control and Performance – The summary statement of appropriation reflects a final receipts budget and actual on comparable basis of Kshs 285, 422,076 and Kshs 226,688,633 respectively resulting in an underfunding of Kshs 58,733,443 or	All funds have been received from the board and disbursed.	Not Resolved	In Consultation with the Auditor pending

**National Government Constituencies Development Fund (NGCDF)
Chuka Igambang'ombe Constituency
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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	20% of the budget. Similarly, the Fund spent Kshs 214,308,723 against an actual receipt of Kshs 226,688,633 resulting in an underutilization of Kshs 12,379,910 or 5% Of the actual receipts.			appearance before DFAC
OAG/ER/AUD/ NGCDF/CHUKA IGAMBANGOM BE/2023-24/(2)	Employment of Staff in Excess of the Guideline by the Board – The statement of receipts and payments and as disclosed in note to the financial statements reflects an amount of Kshs 5,785,473 in respect to compensation of Employees. However, review of personnel records revealed that the Fund had a total of ten members of staff which exceeded the recommended establishment of 5 by five employees or 100%. This is contrary to National Government Constituencies Development Fund Board Circular Ref. No. CDF Board/ Circular? Volume 166 dated 24 th June 2013, that directed Funds not to employ more than five employees in the constituency office	The matter will be corrected once staff finish the current contracts since they can't be terminated lawfully, the committee will be keen to follow the guidelines by the board. Compliance has been done according to the board circular and further deliberations will be done between the NG-CDF Committee and the NG-CDF Board	Not Resolved	In Consultation with the Auditor pending appearance before DFAC
OAG/ER/AUD/ NGCDF/CHUKA IGAMBANGOM BE/2023-24/(2)	Irregular Award of Contracts – The statement of receipts and payments and as disclosed in Note 7 to the financial statements reflects transfer to other government units amount of kshs	Contract agreement documents, award letter, BQS, for architectural designs,	Not Resolved	In Consultation with the Auditor pending

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)
OAG/ER/AUD/ NGCDF/CHUKA IGAMBANGOM BE/2023-24/(2)	<p>83,382,017, which further includes transfers amounting to kshs 4,400,000 in respect to construction and renovation of five classrooms in various primary schools and secondary schools. However, review of procurement records revealed that the contract agreements from these projects were signed before lapse of 14 days after giving the notification of award. This was contrary to Section 135(3) of the Public Procurement and Assets Disposal Act, 2015 which states that the written contract shall be entered into within the period specified in the notification but not before fourteen days have elapsed following the giving of notification provided that a contract shall be signed within the tender validity period.</p>	<p>drawings, Receipts, minutes, attendance and returns attached in the files.</p> <p>Contract agreement documents, award letter and returns attached in the files.</p>	Not Resolved	In Consultation with the Auditor pending appearance before DFAC
	<p>Irregular variation of Contracts – The contract of construction of one classroom at Magumoni Primary school as per the approved coded list was awarded to the winning bidder on 30th October, 2023 at a contract sum of Kshs 939,000. However, physical verification carried out on the project in the month of November, 2024 revealed that the approved construction of the classroom was irregularly varied to involved the construction of a 42 meters long perimeter wall at the school without relevant justification or approval NG-CDF Board.</p>			

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
OAG/ER/AUD/NGCDF/CHUKA IGAMBANGOM BE/2023-24/(2)	<p>Delayed Implementation Projects –</p> <p>The Fund had a budget amount of Kshs 169,959,880 to finance projects in various sectors including primary schools, secondary schools, bursaries, security, emergency, sports and environment within the constituency. However, the project implementation status report presented for audit disclosed an amount of Kshs 172,950,880 as total funds allocated to 80 projects. analysis of the project implementation status provided for audit revealed that five projects valued at Kshs 76,419,263 were complete, six projects ongoing with a cost of Kshs 15,500,000 while 69 projects amounting to 81,031,617 Had not started. No explanation was given as to why the 69 projects had not started and still remained incomplete.</p>	<p>Pmc projects have been implemented since</p> <p>The projects have since started; majority are complete others are ongoing.</p>	<p>Not Resolved</p>	<p>In Consultation with the Auditor pending appearance before DFAC</p>
OAG/ER/AUD/NGCDF/CHUKA IGAMBANGOM BE/2023-24/(2)	<p>Unbalanced Budget –</p> <p>Summary statement of appropriation for the year ended 30 June 2024 reflects final receipt budget of Kshs 285,422,076 against total final expenditure budget amount of Kshs 282,422,076 resulting in to budget deficit of Kshs 3,000,000 contrary to Regulations 33 of the Public Finance Management(National Governments) Regulations, 2015, which stipulates that unless provided otherwise in the Act, these regulations or any other guidelines developed in furtherance of the Act or these</p>	<p>At the time, all funds had not been received from the board.</p>	<p>Not Resolved</p>	<p>In Consultation with the Auditor pending appearance before DFAC</p>

National Government Constituencies Development Fund (NGCDF)
Chuka Igambang'ombe Constituency
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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	regulations, the following guidelines shall be observed at all times during budget formulation and approval - (c) budget shall be balanced and (e) total budget revenue shall cover total budget expenditure.			
OAG/ER/AUD/NGCDF/CHUKA IGAMBANGOM BE/2023-24/(2)	Failure to Tag Assets - Annex 4 to the financial statements reflects kshs 38,813,703 in respect to total historical cost of assets owned by the Constituency as at 30 th June 2024. However, review of the fixed assets registers and physical verification of the assets revealed that the office equipment, furniture and fittings valued at an amount of kshs 10,428,253 were not tagged from ease of identification and movement.	Office furniture, equipment and fittings are labelled and tagged with NG-CDF tags. FAM has written to the board requesting tagging of the remaining items.	Not Resolved	In Consultation with the Auditor pending appearance before DFAC

Lorna Muthoni Njoroge

Name; LORNA MUTHONI NJOROGE
Fund Account Manager.

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