

REPUBLIC OF KENYA



REPORT

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ON

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

FOR THE YEAR ENDED

30 JUNE, 2025

DATE: 25 FEB 2026 WEDNESDAY

TABLED
BY:

HON. NAOMI WARD, MP

DEPUTY MAJORITY WHIP

CLERK-AT
TABLE:

ROSEMARY NGINTO



OFFICE OF THE AUDITOR GENERAL
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NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

MAKUENI CONSTITUENCY

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
30th JUNE 2025

Transitional Financial Statements under International Public Sector Accounting Standard
(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
DFAC	Decentralized Funds Accounts Committee
IPSAS	International Public Sector Accounting Standards.
FAM	Fund Account Manager
NG-CDFB	National Government Constituencies Development Fund Board
NG-CDF	National Government Constituencies Development Fund
NG-CDFC	National Government Constituency Development Fund Committee
NSCA	National Sub-County Accountant
PFM	Public Finance Management
PMCs	Project Management Committees
PWD	Persons with Disability
FY	Financial Year

B. Definition of Key Terms

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

Comparative Year- Means the prior period.

2. Key Constituency Information and Management

(a) Background information

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

Mandate

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

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

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

Vision

Equitable Socio-economic development countrywide.

Mission

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

Core Values

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

Functions of NG-CDF Committee

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

(b) Key Management

The NGCDF Makueni Constituency's day-to-day management is under the following key organs:

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

Fiduciary Management

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

No	Designation	Name
1.	AIE holder	Peter Muthini Katoni
2.	National Sub-County Accountant	Gregory Mwanzia Mwaniki
3.	Chairman NGCDFC	Daniel Kavoi Mulelu
4.	Member NGCDFC	Purity Nthenya Muthama

(c) Fiduciary Oversight Arrangements

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

Located opposite governor's office
Behind Huduma Centre
P.O. Box 409-90300
WOTE- MAKUENI KENYA.

(e) NGCDF Makueni Constituency Contacts

P.O. Box 409-90300, Makueni
Telephone: (254) 712449205
E-mail: cdfmakueni@ngcdf.go.ke
Website: www.ngcdf.go.ke

(f) NGCDF Makueni Constituency Bankers

1. Makueni NGCDF Main A/C- 0670285148655
Equity Bank. (Operations Account).
Wote Branch
P.O. Box 450-90300
Makueni
2. Makueni NGCDF Deposit A/C- 0670284771335
Equity Bank. (Deposit account).
Wote Branch
P.O. Box 450-90300
Makueni
3. Makueni PMC Accounts
Equity Bank (Various) as per annex 2)
Wote Branch
P. O Box 350-90300
Makueni

Cooperative Bank
Wote Branch (Various) as per annex 2
P. O Box 537-90300
Makueni

KCB
Wote Branch (Various) as per annex 2
P.O Box 269-90300
Makueni



(g) Independent Auditor

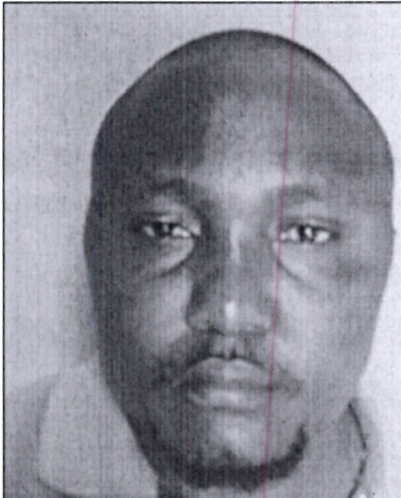
Auditor General
Office of the Auditor General
Anniversary Towers, University Way
P.O. Box 30084
GPO 00100
Nairobi, Kenya

(h) Principal Legal Adviser

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

3. NGCDF Committee

Name	Details
<p>Daniel Kavoi – Chairman</p> 	<ul style="list-style-type: none"> • Date of birth: 12/12/1980 • Holds a Bachelor of arts in Theatre arts and film technology • Worked in the media department at the County assembly of Makueni
<p>Purity Muthama</p> 	<ul style="list-style-type: none"> • Date of birth: 10/04/1991 • Has a diploma in community development and social work and certificate in transformation and social marketing. • Worked as a sales promoter and a clerk at the Makueni County Assembly.
<p>Nathan Mwololo</p>	<ul style="list-style-type: none"> • Date of Birth: 01/07/1993 • Has KCSE certificate • Has participated in various community activities



Wilson Kaviti



Faith Mulwa



Alphonse Wambua

- Date of Birth: 16/05/1963
- Attained a training under Kenya Shoe and Leather Workers Union
- Worked as a selector in raw hides and skins department in different companies

- Date of Birth: 21/05/1978
- Certificate in Hotel and Institutional Catering
- Worked as a community attendant with various NGOs

- Date of Birth: 09/02/1972
- Holds KCSE Certificate



- Works as a community leader in various projects
- Has served as NGCDFC before.

Esther Musuke



- Date of Birth: 01/01/1995
- Has KCSE certificate
- Has participated in various community activities

Peter Katoni- Fund Account
Manager



- Date of Birth: 03/08/1966
- Bachelor of Arts in Economics and Business
- Higher diploma in project management
- Fund Account Manager

There were no members who exited the NGCDF Committee during the financial year.

4. NG-CDFC Chairman's Report



Mr. Daniel Kavoi- Chairman NGCDF-Makueni Constituency

Brief constituency profile

Makueni constituency is one of six constituencies in Makueni County (County Number 17) which is located in the lower eastern part of Kenya. It lies in the northern-eastern part of the County and borders Kaiti constituency to the west and Kibwezi West to the south, Mbooni constituency to the southeast, Kitui County to the east and Machakos County to the north. It is made up of 3 administrative sub counties (Wote, Kathonzweni and Nzau), 29 locations, 59 sub-locations and 949 villages. It has 7 political wards.

Makueni Constituency Wards population and area covered

	ward	Locations	Sub Locations	Area in Km ²	Population
1.	Wote	2	Nziu, Unoa and Kamunyolo (57 Villages)	118.60	35,282
2.	Muvau/Kikumini	3	Kikumini, Kambimawe, Mumbuni, Muvau, Itaa and Kitonyoni (97 Villages)	245.80	26,736
3.	Mavindini	3	Yekanga, Kanthuni, Ivinganzia, Mavindini, Muusini, kiumoni and Katithi (172 Villages)	258.60	25,391
4.	Kitise/Kithuki	4	Mwania, Kitise, Kimundi, kithuki and Yinthungu (112 Villages)	323.30	24,026
5.	Kathonzweni	4	Kiangini, Kituluni, Kwa Kavisi, Thavu, Ituka Kavingoni & Kiteei (157 Villages)	301.10	34,341
6.	Mbitini	7	Mutyambua, Kyumbuni, Mutiswa, Mwambwani, Masue, Yumbani, Mbeletu, Kyemundu, Kaliini, Vulueni, Kavuthu, Manooni, Mungyani, Katani & Kithumani (132 Villages)	116.0	33,255
7.	Nzau/Kalamba/Kilili	6	Matiliku, Kwakukui, Nzeeni,	198.0	40,788

National Government Constituencies Development Fund (NGCDF)
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			Nduumoni, Kithumba, Wee, Muulenyu, Kilili, Kathatu, Ndovea, Mavia meu, Kawala, Kwakalui, Kalamba, Kalembwani & Ikangavya (222 Villages)		
	Total	29	59 (949 Villages)	1561.4	219,819

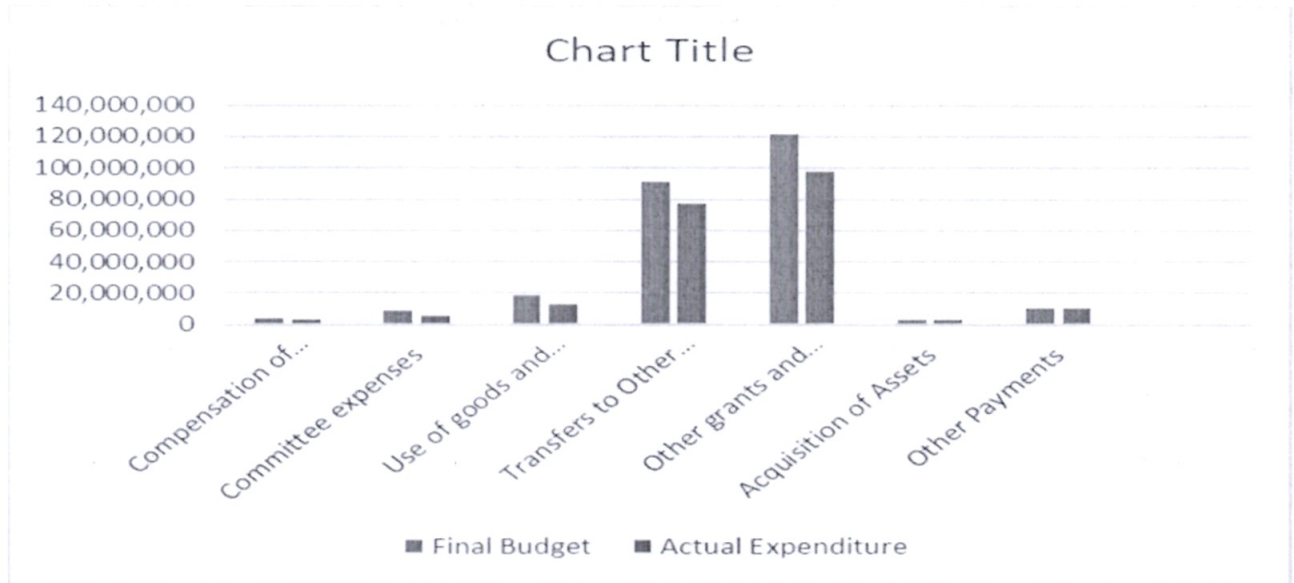
I am Glad to present Makueni NG-CDF Annual Financial statements for the FY 2024/2025. We had an allocation of Kshs. 197,386,150 and by the end of June 2025 we had received Kshs. 86,690,713 representing 50% of the total allocation. Out of this funding, we disbursed an amount of Kshs. 71,510,213 to bursaries. This was within the permissible limit by the NGCDF Act.

The funds disbursement to the constituency delayed considerably, the first disbursement of funds for the current year were received in the 3rd quarter of the FY 2024/25. This situation made it impossible for us to implement some projects during the just concluded financial year.

Below is a summary of the constituency performance in the year.

Expense item	Final Budget	Actual Expenditure
Compensation of Employees	4,053,219	3,537,377
Committee expenses	9,057,204	5,248,000
Use of goods and services	18,794,289	12,781,368
Transfers to Other Government Units	91,424,356	77,399,905
Other grants and transfers	121,532,242	97,956,032
Acquisition of Assets	3,427,000	3,317,500
Other Payments	10,673,193	10,667,500

Graph 1: Budget against actual performance (expenditure)



Key achievements

During the financial year 2024/2025, Makueni NG-CDF has been able to hit tremendous achievements in different sectors, as highlighted;

- a. The Entity prioritized awarding of bursaries to needy students in the constituency and thus posting a higher performance in this sector.
- b. Projects were implemented on time hence posting a recommendable performance too in the Education sector.
- c. Other programs i.e. climate change mitigation was also implemented as planned and were very beneficial to the constituents.

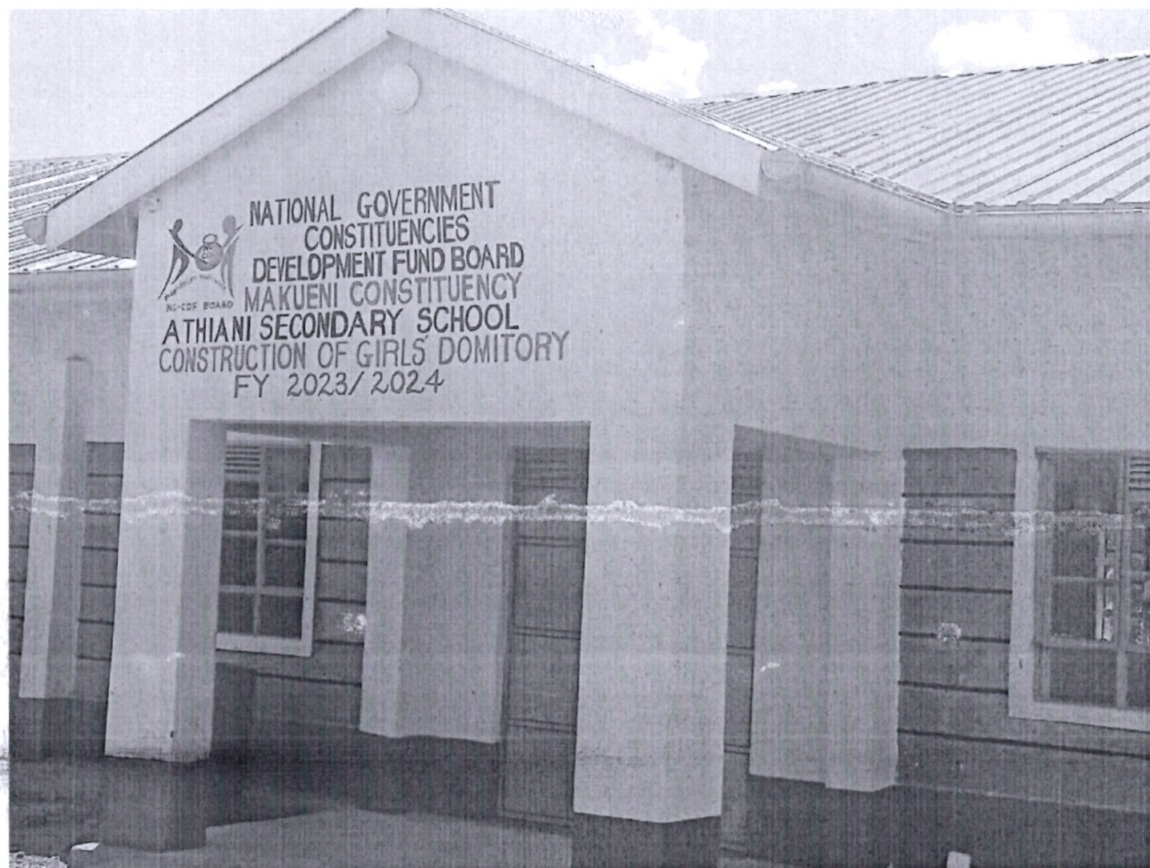
I have sampled a photo of the projects that were implemented during the financial year as shown below;

- i) **Kikumini Assistant Chief's Office: Construction to completion of Kikumini Assistant Chief's Office**



The above office is located in Muvau/Kikumini ward. The office is complete and in use. This project is the pride of the Makueni constituency because it serves residents in the location. The project is a clear indication of the milestones Makueni NGCDF is willing to take to ensure security of residents, and promote the big 4 agenda.

- ii) **St Peter Athiani Secondary School: Construction to Completion of 200 Capacity Girls dormitory.**



St Peter Athiani Secondary school is located in Kitise/Kithuki ward. The 200 capacity Dormitory is complete and in use. This project is the pride of the Makueni constituency because it serves 200 students in the school. The project is a clear indication of the milestones Makueni NGCDF is willing to take to achieve modern education facilities, reduce illiteracy, and promote the big 4 agenda.

iii) Mungyani Primary School



Mungyani Primary school is located in Mbitini ward. The JSS Classroom is complete and in use. This project is the pride of the Makueni constituency because it serves 200 students in the school. The project is a clear indication of the milestones Makueni NGCDF is willing to take to achieve modern education facilities, reduce illiteracy, and promote the big 4 agenda.

Emerging issues

1. The rapidly increasing population in the constituency demanding for more expenditure on projects e.g. more classrooms
2. Declining sources of income for constituents leading to more needy students for bursary
3. Increasing emergency cases due to heavy rainfall and frequent wind storms
4. The rapid rate of inflation. This leads to more expenditure on projects than previously projected

Implementation challenges and steps being taken to address the challenges.

- I. Lack of knowledge on the part of PMCs on procurement procedures and guidelines.
Makueni NG-CDF is conducting frequent PMC training in all the wards to enhance skills for the PMCs.

- II. Inadequate funds for emergency projects.

Most emergency cases are left unfunded because the available funds are not sufficient to meet the increasing emergency cases due to heavy rainfall and frequent wind storms. The constituency usually seeks support from other government and non-governmental entities to fund all or some of the emergency cases not factored by Makueni NG-CDF.

- III. Delay in disbursement of funds from the board leading to delayed project implementation.

The committee is in constant communication with the NG-CDF board to enhance project approval and timely disbursement of funds to ensure timely project implementation.



.....

Daniel Kavoi

Chairman NGCDF Committee

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

Introduction

The Makueni 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.

The Makueni NGCDF is run by approvals from the NGCDFC.

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.

- i. The key development objectives of the **NGCDF Makueni Constituency 2023-2028** plan are to: To act as an overarching Constituency development framework for guiding socio-economic transformation between 2023 and 2028.
- ii. To provide a local framework for actualizing the achievement of the Big 4 agenda and the Kenya vision 2030.
- iii. To reduce inequality through equitable distribution of resources across the wards within the constituency.
- iv. To create a firm foundation for socio-economic transformation through education and security infrastructural development.
- v. To enhance local resource mobilization from other development partners and actors within and outside the constituency.
- vi. To Facilitate annual planning and budgeting for the identified projects that will spur development in the constituency, and facilitate annual review of plans and budgets to track progressing implementation and draw lessons for incorporation in subsequent planning and budgeting.
- vii. To provide a framework for continuous monitoring and systematic evaluation of development projects.

Progress on the attainment of Strategic development objectives

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

Sector	Objective	Outcome	Indicator	Performance
Education	To have all children of school going age attending school	Increased enrolment in primary schools and improved transition to 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 24/25 we increased number of classrooms from 60 to 80 in primary schools and 30 to 34 in secondary schools. - Bursary beneficiaries at all levels were 13,000 as per the attached schedules
Security	Equip, facilitate and enhance capacity of provincial administration and other security organs in order to improve	Develop and enhance provincial administration and other security organs infrastructure to enhance service delivery	Number of usable physical infrastructure built in locations, sub locations and police stations	Number of renovated chiefs' offices increased From 24 to 25 Number of assistant chiefs' offices increased from 16 to 18

*National Government Constituencies Development Fund (NGCDF)
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	service delivery			Number of police lines increased from 8 to 9
Climate change mitigation activities	Conserved environment through natural resources conservation initiatives	Environment conservation Equip schools and public facilities with sanitation	Number of drifts Number of sanitation facilities built in primary and secondary Number of trees	Installation of water tanks for water harvesting across the constituency Construction of sand dams for water harvesting
Emergency	To cater for unforeseen occurrences in the constituency during the financial year	Enhanced smooth running of operations.	Number of primary School of pit latrines sunk due to heavy rainfalls have been constructed by the emergency program	Constructed a modern toilet in Ngutwa and Ilumani Primary Schools.
Others (Distribution of revision books in secondary schools)	To distribute revision books across all secondary schools in the constituency	Ensure learners have enough revision books	Number of books per school	Each secondary school in the constituency got at least 110 revision books for all subjects from different publishers and authors

6. Governance Statement

Introduction

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

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

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

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

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

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

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

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

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

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

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

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

1952 Kenya Subsidiary Legislation, 2016

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

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

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

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

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

The gazetted members are appointed in accordance with the NGCDF Act 2015. They comprise of two female members one of whom must be a youth at the time of appointment and two male members one of whom must be a youth at the time of appointment and one member who is a person living with disabilities and two nominees of the Constituency office. Five members are selected by a selection panel chaired by the Deputy County Commissioner or his nominee and the Officer of the board is the secretary. The Officer of the board invites applications from persons who qualify for appointment within fourteen of the first meeting of the selection panel. The panel

considers all applications and selects five applicants considering age, gender social interest and regional balance, the officer of the board submits the five qualified applicants to the board for appointment. The board co-opts one person to ensure equity in representation in the committee. Through the national assembly the constituency office nominates two persons of either gender to and forward he names to the officer of the board at the constituency. All the names of the seven appointees are presented to parliament for approval and subsequent gazettelement.

The National Government Constituencies Development Fund Act 2015 (Amended 2016) in section 43 and its regulations provides for establishment of National Government Constituency Development Committee (NG-CDFC) for every constituency.

Appointment of NGCDFC Members

The selection Panel

The selection panel was appointed in the month of October 2022. This constituted four members as follows;

no	Name	Designation
1	KELVIN TIAMPATI	chairman
2	FRANCIS MUSYOKA	member
3	SUSAN MULWA	member
4	DANIEL M. MALUKI	secretary

The panel invited through advertisement publicised in churches, public offices notice boards and other public areas in the constituency on 11th October 2022.

The selection panel developed a shortlisting criterion which enabled picking of the nominees. Two additional nominees were proposed by Makueni Constituency Office as per section 43 of the NG-CDF Act, 2015.

S/N	Name	Category representation	Ward
1.	Daniel Mulelu	Male (Adult)	Wote/Nziu
2.	Nathan Mwololo	Male (Youth)	Muvau/ Kikumini
3.	Faith Mulwa	Female (Adult)	Kitise/Kithuki
4.	Purity Muthama	Female (Youth)	Kathonzweni

Nominee of the body representing persons with disability

S/N	Name	Nature of physical Impairment	Ward
1.	Alphonse wambua	Physical.	Mavindini

Nominee of the constituency Office

S/N	Name	Category	Ward
1	Wilson Kaviti	Male	Nzaui/Kilili/Kalamba
2	Esther Musuke	Female	Mbitini

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

S/N	Name	Gender	Ward
1.	Ruth Nthenya	Female	Kikumini /Muvau

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

1. Chairperson position – Daniel Mulelu
2. Secretary position – Purity Muthama

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

The appointed committee members were gazetted through gazetted volume number vol **cxiv** No 254 on 29th November 2022

The new committee held its first meeting on 2nd December 2022

Sno.	Name	Position
1	Daniel mulelu	Chair person

2	Purity Muthama	secretary
3	Eric Muange	member
4	Alphonse wambua	member
5	Esther Musuke	member
6	Faith Mulwa	member
7	Nathan mwololo	member
8	Ruth Nthenya	member
9	Wilson kaviti	member

Removal of NGCDFC Members

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

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

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

Roles and functions of NG-CDFC

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

- i. Convene public meetings in every ward in the constituency to deliberate to on development matters.
- ii. Deliberate on project proposals and any other projects considers beneficial to constituency.

- iii. List of projects to be submitted in accordance with the Act to be submitted to the to the Board and ensure that all proposed projects that are approved for funding meet the requirements of section 24 of the Act.
- iv. Ensure formation of project management committees, opening of project accounts, project implementation and closure of projects build the capacity of project management committees and sensitize the Community on the operations of the Fund.
- v. Ensure that all projects receive adequate funding and are completed within three years.
- vi. Monitor the implementation of projects in accordance with the monitoring and evaluation framework prescribed by the Board.
- vii. Submit financial statements to the Board within sixty days of the end of the financial year to enable the Board comply with section 39(4) of the Act.
- viii. Recommend to the Board the removal of a committee member in accordance with section 43(13) and (14) of the Act.
- ix. Enter into performance contracting with the Board on an annual basis.

Training of NG-CDFC Members

In the financial year 2024/2025 the NGCDF Board organized training of NGCDFC members from 27th -31st May 2025. During the training, critical areas such as overview of NG-CDF Act 2015 and Regulations, public finance, project planning, procurement, complaint management, and performance management were covered to equip them with the prerequisite knowledge and skills to ensure effective and efficient management of NG-CDF Makueni.

Number of meetings held

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

During the financial year 2024/2025 the NGCDFC Makueni held 8 meetings through the year as illustrated below;

SCHEDULE OF MEETINGS HELD DURING THE FY 2024/2025

Sno	NG-CDFC COMMITTEE MEMBERS	18/10/24	21/11/24	14/1/25	6/2/25	13/3/25	3/4/25	16/5/25	26/6/25
1	Daniel Mulelu	✓	✓	✓	✓	✓	✓	✓	✓
2	Purity Muthama	✓	✓	✓	✓	✓	✓	✓	✓
3	Peter Katoni	✓	✓	✓	✓	✓	✓	✓	✓
4	Alponce Wambua	✓	✓	✓	✓	✓	✓	✓	✓
5	Esther Musuke	✓	✓	✓	✓	✓	✓	✓	✓
6	Faith Mulwa	✓	✓	✓	✓	✓	✓	✓	✓
7	Nathan Mwololo	✓	✓	✓	✓	✓	✓	✓	✓
8	Ruth Nthenya	✓	✓	✓	✓	✓	✓	✓	✓
9	Wilson Kaviti	✓	✓	✓	✓	✓	✓	✓	✓

Ethics & conduct

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

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

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

Members remuneration

NG-CDFC members are not entitled to payment of salary. However, the chairperson of NGCDFC is entitled to an allowance of ksh.7,000 per meeting and all other members an allowance of ksh.5,000 per sitting. All NGCDFC members should adhere to general ethics and code of conduct as stipulated in the NGCDF Act.

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

Disclose policy on conflict of interest

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

Risk management

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

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

7. Management Discussion and Analysis

The Makueni 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. The Makueni NGCDF is run by approvals from the NGCDFC. This report provides an overview of the Makueni NG-CDF operational and financial performance over the past 5 years (2019-2024). The report highlights key achievements, operational and financial performance, key projects implemented, major risks and challenges facing the fund. The allocations for the fund for the past five years are as follows;

2020/2021- Kshs. 137,088,879.31

2021/2022- Kshs. 137,088,879

2022/2023- Kshs. 158,832,745

2023/2024- Kshs. 192,917,991

2024/2025- Kshs. 197,386,149.92

The allocations for the fund have been increasing significantly every financial year.

Operational Performance

Makueni NG-CDF has implemented various projects across the seven wards, focusing on education, security, infrastructure, and sports development.

Key Achievements

- Construction of over 200 classrooms, improving access to education for thousands of students.
- The fund has also constructed and equipped science laboratories and dining halls in schools.
- Completion of numerous security facilities, enhancing security services in rural areas.
- NGCDF has provided bursaries to needy students, supporting education at the grassroots level, with the number of bursary beneficiaries increasing in each financial year.

National Government Constituencies Development Fund (NGCDF)
MAKUENI Constituency
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Some of the major projects implemented by Makueni NGCDF include;

PROJECT	ACTIVITY	FINANCIAL YEAR	AMOUNT
Sia Secondary School	Construction of 45 capacity science laboratory	2023/2024 2024/2025	7,000,000
ACK St Joseph Maaueli Sec School	Purchase of 51-seater School Bus	2023/2024	3,000,000
Kavingoni Secondary School	Construction of 45 capacity science laboratory	2023/2024 2024/2025	7,000,000
St peter Athiani Secondary School	Construction of 200 capacity Dormitory	2022/2023 2023/2024	3,500,000
DCI Office Makueni	Construction of office block	2021/2022 2022/2023	2,000,000
KMTC Makueni Campus	Construction of 2 classrooms	2023/2024	2,700,000
Mbuthani Secondary School	Construction of 45 capacity science laboratory	2021/2022 2022/2023	6,000,000
Kitonyoni Secondary School	Construction of 45 capacity science laboratory	2021/2022 2022/2023	6,000,000
Kalaani Secondary Schol	Construction of 100 capacity Dining hall	2019/2020 2021/2022	2,500,000

Financial Performance

- Makueni NG-CDF received significant funding from the national government, with allocations increasing annually.
- Total allocations for the 5-year period is Kshs 823,314,644

Expenditure

- Makueni NG-CDF utilized funds for project implementation, administrative costs, and capacity building.
- Expenditure breakdown:
 - Project implementation: 85%
 - Administrative costs: 10%
 - Capacity building: 5%

MAJOR RISKS FACING THE FUND

Recent legal challenges have put NGCDF's future at stake with the High Court declaring the Fund unconstitutional in November, 2023. However, the National Assembly has unanimously passed the Constitution of Kenya (Amendment) Bill, 2025, which seeks to anchor three critical development funds into the Constitution including the NG-CDF full determination of the fate of the fund is still unclear as at the reporting date.

MATERIAL ARREARS IN STATUTORY AND OTHER FINANCIAL OBLIGATIONS

Makueni NGCDF has fully complied to presidential directives and laws and does not have material arrears in statutory and other financial obligations.

REVIEW OF THE ECONOMY

Kenya's economy is experiencing a period of mixed performance. While some sectors show strong growth, others are facing challenges, and the overall outlook is subject to various risks. Real GDP growth is projected to be moderate, with the services sector and improved agricultural productivity playing key roles. However, factors like high debt levels, inflation, and potential currency depreciation pose significant risks.

Key Highlights:

- **GDP Growth:**

Kenya's GDP grew by 4.9% in the first quarter of 2025, with positive growth across most sectors, according to the Kenya National Bureau of Statistics. This growth was supported by a rebound in the agriculture sector due to favorable weather conditions and government subsidies on farm inputs.

- **Sector Performance:**

- **Agriculture:** The agriculture sector has seen a recovery, particularly in 2023, following improved weather conditions and government support programs.

- **Services:** The services sector, including tourism, is expected to be a key driver of growth, with a strong performance anticipated in accommodation and food services.

- **Industry:** Industrial activities have shown mixed performance, with some sectors experiencing growth while others face challenges due to rising production costs and global economic slowdown.

- **Inflation:**

Inflation remains a concern, with rates exceeding the government's target band, particularly due to rising food and fuel prices.

- **Monetary Policy:**

The Central Bank has taken steps to ease monetary policy by cutting the Central Bank Rate, aiming to stimulate economic growth, but this could also put upward pressure on inflation.

- **Fiscal Policy:**

Kenya faces fiscal challenges, including high debt levels and a need for more efficient and equitable fiscal policies.

- **Risks:**

Several factors pose risks to Kenya's economic outlook, including high debt levels, inflationary pressures, potential currency depreciation, and the impact of global economic conditions.

• **Government Initiatives:**

The government is focused on implementing the Bottom-Up Economic Transformation Agenda (BETA), prioritizing key sectors like agriculture, MSMEs, housing, healthcare, and the digital economy to drive inclusive growth and job creation, according to The National Treasury.

In conclusion, while Kenya's economy shows resilience and growth potential, it also faces significant challenges that require careful management and policy interventions.

REVIEW OF THE SECTOR

The NGCDF has been a cornerstone of Kenya's development model since its inception two decades ago. Over the last five years it has played a critical role in funding projects in education, security and climate change mitigation.

FUTURE DEVELOPMENTS

The Fund has continuously embarked on capacity building of NGCDFC members, staff and stakeholders as well as adoption of best practices in its implementation targeting high impact projects. It is also on e-GP trajectory and is putting a lot of emphasis on climate change mitigation.

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Peter Katoni

Fund Account Manager

8. Environmental and Sustainability Reporting

Makueni 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 Makueni Constituency, the committee funds the following key sectors with the following sustainable priorities.

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

2. Environmental performance

The environmental policy guiding the Makueni NGCDF is;

- **Conserve and Protect Natural Resources:** The constituency will promote sustainable management and conservation of natural resources, including water, land, forests, and wildlife.
- **Reduce Pollution:** The constituency will implement measures to reduce pollution, including proper waste management, minimizing single-use plastics, and promoting clean energy.
- **Promote Sustainable Agriculture:** The constituency will support sustainable agricultural practices, including organic farming, agroforestry, and conservation agriculture.
- **Enhance Climate Resilience:** The constituency will develop and implement climate-resilient strategies, including climate-smart agriculture, disaster risk reduction, and climate change adaptation measures.
- **Community Engagement and Education:** The constituency will engage with local communities, educate them on environmental issues, and promote environmental stewardship.
- **Collaboration and Partnerships:** The constituency will collaborate with local, national, and international partners to leverage resources, expertise, and funding for environmental initiatives.

The constituency has established the policy below to ensure effective waste management;

- **Waste Reduction and Minimization:** The constituency will promote practices that reduce waste generation, including reducing single-use plastics, encouraging sustainable consumption, and implementing waste reduction programs.
- **Proper Waste Collection and Disposal:** The constituency will establish an efficient waste collection system, including segregation of waste at source, and ensure safe disposal of waste in designated facilities.

- **Recycling and Composting:** The constituency will promote recycling and composting of organic waste, and establish recycling programs for paper, plastic, glass, and other materials.
- **Community Education and Participation:** The constituency will educate residents on proper waste management practices, and encourage community participation in waste reduction and management initiatives.
- **Infrastructure Development:** The constituency will invest in waste management infrastructure, including waste collection vehicles, recycling facilities, and waste-to-energy plants.
- **Regulatory Framework:** The constituency will establish and enforce regulations and bylaws to ensure compliance with waste management standards and practices.
- **Partnerships and Collaborations:** The constituency will collaborate with private sector, NGOs, and community groups to leverage resources, expertise, and funding for waste management initiatives.

The NGCDFC hold forums to sensitize the youth and the community on the impact of drug abuse.

It has also supported in equipping police stations and remand prisons to ensure security is enhanced in the constituency.

3. Employee welfare

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

Makueni 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-

Makueni 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

Makueni 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.

Makueni 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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Peter Katoni
Fund Account Manager.

9. Statement of Management Responsibilities

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

The Accounting Officer in charge of the NGCDF-Makueni Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2025. This responsibility includes: Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; Designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; Safeguarding the assets of the entity; Selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.


The Accounting Officer in charge of the NGCDF-Makueni 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- Makueni 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 Makueni 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- Makueni Constituency financial statements were approved and signed by the Accounting Officer on 12/11 2025.



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Daniel Kavoi
Chairman – NGCDF Committee



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Peter Katoni
Fund Account Manager

REPUBLIC OF KENYA



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REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - MAKUENI 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.

An Unmodified Opinion is issued when the Auditor-General concludes that 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 aim to address the Auditor-General's statutory roles and responsibilities 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

Opinion

I have audited the accompanying transitional International Public Sector Accounting Standards (IPSAS) financial statements of National Government Constituencies Development Fund - Makueni Constituency set out on pages 1 to 76, which comprise of

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

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

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

Basis for Opinion

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.349,988,962 and Kshs.231,998,525 respectively resulting to under-funding of Kshs.117,990,437 or approximately 34% of the approved budget. Similarly, the Fund expended Kshs.196,832,682 against actual receipts of Kshs.231,998,525 resulting to under-absorption of Kshs.35,165,843 or approximately 15% of actual receipts.

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

My opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

Other Matter

Unresolved Prior Year Matters

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

No.	Financial Year	Audit Issue
1	2023/2024	Lack of Ownership documents in respect to Kikumini Assistant Chief's Office.
2	2023/2024	Lack of approved Information and Communication Technology Security Policy.

Other Information

The Management is responsible for the Other Information set out on pages iii to xl which comprise of Key Constituency Information and Management, National Government Constituencies Development Fund Committee Chairman's Report, Statement of Performance Against Pre-Determined Objectives, Governance Statement, Environmental and Sustainability Reporting and Statement of Management Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effects of the matter 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.

Delay in Implementation of Projects

Review of the project implementation status report as at 30 June, 2025 revealed that the Fund allocated Kshs.118,158,982 for implementation of seventy-seven (77) projects. However, sixty-one (61) projects worth Kshs.99,057,426 were completed and in use, while sixteen (16) projects worth Kshs.19,101,556 had not started. Management attributed the delay to late disbursements of funds by the Board. **See Appendix I**

In the circumstances, the constituents of Makueni Constituency did not obtained value for money from the incomplete projects.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of the Management and those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

27 November, 2025

Appendix 1: Delay in Project Implementation

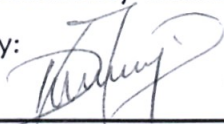
	Project Name	Project Activity	Allocated Amount (Kshs.)	Project Status
A	Projects not Started			
1	Kamunyolo Sand Dam	Construction of sand dams	620,000	Not started
2	Kwa Malii wa Kithu Sand Dam	Construction of sand dams	620,000	Not started
3	Nduenguu Sand Dam	Construction of sand dams	497,000	Not started
4	Kwa Muema Nthangu Sand Dam	Construction of sand dams	500,000	Not started
5	Mayuu Primary School	Renovations of three classrooms	900,025	Not started
6	Mutini Primary School	Renovations of three classrooms	1,050,000	Not started
7	Ngoi Primary School	Construction of pit latrines	514,389	Not started
8	Ndovea Primary School	Construction of classroom	1,350,000	Not started
9	Matheani Primary School	Renovation of three classrooms	900,000	Not started
10	Muambwani Primary School	Construction of administration block	1,500,000	Not started
11	Kalaani Mixed Secondary School	Construction of administration block	1,800,000	Not started
12	Kitonyoni Secondary School	Construction of Laboratory Phase 1	2,000,000	Not started
13	Kyumbuni Sec School	Construction of pit latrine	625,000	Not started
14	Makueni Girls Secondary School	Construction of classroom	1,200,000	Not started
15	Makueni County Police Headquarters	Renovation of Building	3,929,142	Not started
16	Purchase of Furniture and Fittings.	Purchase of furniture and fittings	1,096,000	Not started
	Total Projects not Started		19,101,556	

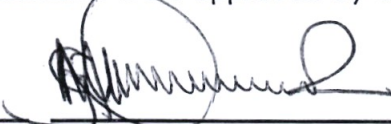
National Government Constituencies Development Fund (NGCDF)
Makueni Constituency
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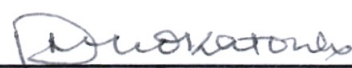
Statement of Financial Performance for the Year Ended 30th June 2025

	Note	2024/2025
		Kshs
Revenue from non-exchange transactions		
Transfers from the NGCDF Board	6	197,386,150
Transfers from domestic and foreign partners	7	-
Revenue from exchange transactions		
Finance income	8	-
Miscellaneous income	9	140,944
Total revenue		197,527,094
Expenses		
Employee costs	10	4,084,276
Committee expenses	11	5,248,000
Use of Goods and Services	12	12,781,368
Other Government Units Actual expenditure	13	77,881,805
Other Grants and Transfers Actual expenditure	14	94,598,232
Depreciation and amortization expense	15	604,078
Digital Hubs Expenses Actual expenditure	16	-
Total expenses		195,197,759
Other gains/(losses)		
Gain/Loss on Sale of Assets	17	-
Impairment loss	18	-
Surplus/(Deficit) for the year		2,329,334

The Constituency financial statements were approved by the NGCDFC on 12/11 2025 and signed by:


 Chairman NG-CDF
 Committee
 Daniel Kavoi


 National Sub-County
 Accountant
 Gregory Mwaniki
 ICPAK M/No: 12536


 Fund Account Manager
 Peter Katoni

NATIONAL SUB-COUNTY
 ACCOUNTANT
 MAKUENI 1
 P.O. BOX 249 40300
 WOTE - MAKUENI

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(Paragraph 79 of IPSAS 33 allows for the election by an MDA to present one statement of financial performance, one statement of cash flow, one statement of net assets and the statement of financial position, and an opening statement of financial position at the time of adoption of the accrual basis of accounting. In preparing this financial reporting template, this election has been made; therefore, there are no comparatives in the first year of transition.)

National Government Constituencies Development Fund (NGCDF)
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12. Statement of Financial Position as at 30th June, 2025

	Note	2024/2025	Opening Statement 1st July 2024
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash Equivalents	19	35,165,843	66,346,994
Receivables from Exchange Transactions	20	-	-
Receivables from Non-Exchange Transactions	21	117,990,437	86,114,874
Prepayments	22	-	-
Total Current Assets		153,156,280	152,461,868
Non-Current Assets			
Property, Plant and Equipment	23	3,010,047	296,625
Intangible Assets	24	-	-
Right-of-use assets	25	-	-
Total Non- Current Assets		3,010,047	296,625
Total Assets (A)		156,166,327	152,758,493
Liabilities			
Current Liabilities			
Trade and Other Payables	26	370,860	370,860
Third Party Deposits	27	531,600	-
Lease Liabilities	28	-	-
Gratuity Provision	29	546,899	-
Total Current Liabilities		1,449,359	370,860
Non-Current Liabilities			
Lease Liabilities	28	-	-
Total Liabilities (B)		1,449,359	370,860
Net Assets (A-B)		154,716,968	152,387,633
Represented by:			

National Government Constituencies Development Fund (NGCDF)
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Revaluation Reserves			
Accumulated Surplus		154,716,968	152,387,633
Total Net Assets		154,716,968	152,387,633

The Constituency financial statements set out on pages 1 to 25 approved by NG CDFC on 12.11.2025 and signed by:



 Chairman NG-CDF
 Committee
 Daniel Kavoi



 National Sub-County
 Accountant
 Gregory Mwaniki
 ICPAK M/No: 12536



 Fund Account Manager
 Peter Katoni



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 30th June 2024		60,991,157	60,991,157
Adjustments			
Recognition of Assets		91,767,336	91,767,336
Recognition of Liabilities		370,860	370,860
As at July 1, 2024		152,387,633	152,387,633
		-	
Surplus/(Deficit) For the Period		2,329,334	2,329,334
Revaluation Gain/Loss		-	-
As at June 30, 2025		154,716,968	154,716,968

Note:

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

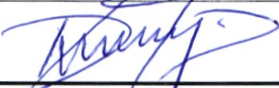
National Government Constituencies Development Fund (NGCDF)
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14. Statement of Cash Flows for The Year Ended 30th June 2025

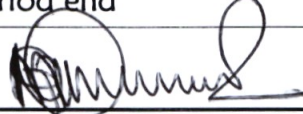
	Notes	2024/2025
		Kshs
Cash flows from operating activities		
Receipts		
Transfers from the NGCDF Board		165,510,587
Transfers from domestic and foreign partners		-
Finance income		-
Miscellaneous income		140,944
Total Receipts		165,651,531
Payments		
Employee costs		3,537,377
Committee expenses		5,248,000
Use of Goods and Services		12,781,368
Other Government Units Certified Works		77,399,905
Other Grants and Transfers		94,548,532
Digital Hubs Expenses		-
Total Payments		193,515,182
Net Cash Flows from/ (used in) Operating Activities	30	(27,863,651)
Cash flows From Investing Activities		
Purchase of PPE		3,317,500
Purchase of Intangible assets		-
Proceeds From Sale of PPE		-
Net Cash Flows from Investing Activities		3,317,500
Net increase/(decrease) in cash & Cash equivalents		(31,181,151)
Cash Flows from Financing Activities		
Lease Payment		

National Government Constituencies Development Fund (NGCDF)
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Net Cash Flows from Financing Activities		
Cash and cash equivalents at 1 July	19	(31,181,151)
Cash and cash equivalents at 30 June 2024	19	66,346,994
Cash and cash equivalents at period end		35,165,843



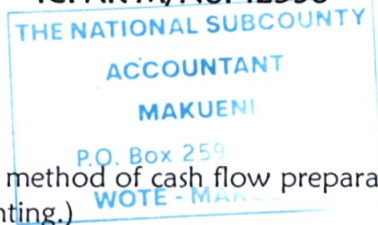
**Chairman NG-CDF
Committee
Daniel Kavoi**



**National Sub-County
Accountant
Gregory Mwaniki
ICPAK M/No: 12536**



**Fund Account Manager
Peter Katoni**



(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
	2024/2025	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements	2024/2025	2024/2025		
Revenue							
Transfers from the NGCDF Board	197,386,150	66,346,994	86,114,874	349,848,018	231,857,581	117,990,437	66%
Transfers from domestic and foreign partners	-	-	-	-	-	-	0%
Finance income	-	-	-	-	-	-	0%
Miscellaneous income		140,944	-	140,944	140,944	-	100%
Totals	197,386,150	66,487,938	86,114,874	349,988,962	231,998,525	117,990,437	66%
Expenses							
Employee costs	4,053,219	-	-	4,053,219	3,537,377	515,842	87%
Committee expenses	3,733,592	5,323,612	-	9,057,204	5,248,000	3,809,204	58%
Use of Goods and Services	9,977,942	8,816,347	-	18,794,289	12,781,368	6,012,921	68%
Other Government Units Certified Works	-	36,194,356	55,230,000	91,424,356	77,399,905	14,024,451	85%
Other Grants and Transfers	84,388,745	14,574,835	11,552,383	110,515,962	85,876,032	24,639,930	78%
Acquisition of Assets	-	1,096,000	1,432,000	2,528,000	1,322,500	1,205,500	52%
Others	-	67,703	10,605,491	10,673,194	10,667,500	5,694	100%
Digital Hubs Expenses	-	-	-	-	-	-	0%

*National Government Constituencies Development Fund (NGCDF)
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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
	2024/2025	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements	2024/2025	2024/2025		
Funds Pending Approval**	95,232,652	415,086	7,295,000	102,942,738	-	102,942,738	0%
Total Expenditure	197,386,150	66,487,938	86,114,874	349,988,962	196,832,682	153,156,280	56%

**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%)]
 Employee costs has a utilization of 87% due to delay in disbursement of funds
 Committee expenses has a utilization of 58% due to delay in disbursement of funds
 Use of goods and services has a utilization of 85% due to delay in disbursement of funds
 Other government units certified works has a utilization of 87% due to delay in disbursement of funds
 Acquisition of Assets has a utilization of 52% due to delay in disbursement of funds

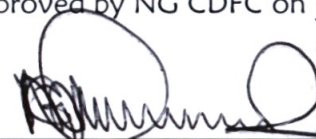
Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	153,156,280
Less undisbursed funds receivable from the Board as at 30 th June 2025	117,990,437
Cash and Cash Equivalents at the end of the 30 th June 2025	35,165,843

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.
 The Constituency financial statements were approved by NG CDFC on 12/11/2025 and signed by:



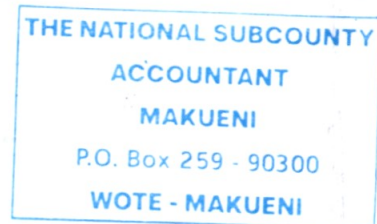
 Fund Account Manager

Peter Katoni



 National Sub-County Accountant

Gregory Mwaniki
 ICPAK M/No: 12536





 Chairman NG-CDF Committee

Daniel Kavoi

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

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

Programme/Sub-programme	Original Budget	Adjustments		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	4,053,219	-	-	4,053,219	3,537,377	515,842
1.2 Committee allowances	1,589,547	4,323,612	-	5,913,159	2,210,000	3,703,159
1.3 Use of goods and services	6,200,403	6,841,347	-	13,041,750	9,340,608	3,701,142
Sub-total	11,843,169	11,164,959	-	23,008,128	15,087,985	7,920,143
2.0 Monitoring and evaluation						
2.1 Capacity building	50,000	-	-	50,000	35,460	14,540
2.2 Committee allowances	2,144,045	1,000,000	-	3,144,045	3,038,000	106,045
2.3 Use of goods and services	3,727,539	1,975,000	-	5,702,539	3,405,300	2,297,239
Sub-total	5,921,584	2,975,000	-	8,896,584	6,478,760	2,417,824
3.0 Emergency						
3.1 Primary Schools	10,388,745	6,035,610	-	16,424,355	7,032,655	9,391,700
3.2 Secondary schools						

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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
3.3 Tertiary institutions						
3.4 Security projects						
Sub-total	10,388,745	6,035,610	-	16,424,355	7,032,655	9,391,700
4.0 Bursary and Social Security						
4.1 Primary Schools	-	-	-	-	-	-
4.2 Secondary Schools	51,000,000	2,040,081	2,100,000	55,140,081	47,194,776	7,945,305
4.3 Tertiary Institutions	22,800,000	-	2,144,883	24,944,883	24,025,437	919,446
4.4 Special schools	200,000	0	-	200,000	200,000	-
4.5 Social Security	-	-	-	-	-	-
Sub-total	74,000,000	2,040,081	4,244,883	80,284,964	71,420,213	8,864,751
5.0 Climate Change Mitigation						
Kamunyolo sand dam	-	620,000	-	620,000	-	620,000
Kwa Malii wa Kithu sand dam	-	620,000	-	620,000	-	620,000
Kwa Kithae San dam	-	-	550,000	550,000	525,521	24,479
Kwa Kavendela sand dam	-	-	500,000	500,000	477,972	22,028

National Government Constituencies Development Fund (NGCDF)
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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Nduenguu Sand Dam	-	-	497,000	497,000		497,000
Kwa Mathuli Sand Dam	-	-	450,000	450,000	447,575	2,425
Kwa Muema Nthangu Sand Dam	-	-	500,000	500,000	-	500,000
Sub-total	-	1,240,000	2,497,000	3,737,000	1,451,068	2,285,932
6.0 Primary Schools Projects (List all the Projects)						
liani Primary School	-	-	1,350,000	1,350,000	1,345,328	4,672
liani Primary School	-	-	2,400,000	2,400,000	2,278,885	121,115
Ivinganzia Primary School	-	-	1,350,000	1,350,000	1,315,480	34,520
Kaiani Pri school	-	900,000	1,500,000	2,400,000	1,918,912	481,088
Kalaani Primary School	-	-	1,350,000	1,350,000	1,347,950	2,050
Kalamba Primary School	-	-	1,350,000	1,350,000	1,348,860	1,140
Kambi Mawe Primary School	-	475	1,350,000	1,350,475	1,288,537	61,938
Kasambani Primary School	-	-	1,350,000	1,350,000	1,349,389	611

National Government Constituencies Development Fund (NGCDF)
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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Kathuma Primary School	-	-	1,350,000	1,350,000	1,347,039	2,961
Kimundi Primary School	-	-	900,000	900,000	898,510	1,490
Kingutheni Primary School	-	-	1,350,000	1,350,000	1,349,670	330
Kithathaaini Primary School	-	-	1,350,000	1,350,000	1,319,623	30,377
Kithiani Primary School	-	-	1,350,000	1,350,000	1,294,533	55,467
Kithumani Primary School	-	-	1,350,000	1,350,000	1,290,787	59,213
Kwa Kalelo Primary School	-	-	1,350,000	1,350,000	1,334,714	15,286
Makueni NGCDF Water tanks project	-	-	1,820,000	1,820,000	1,820,000	-
Mathemba Primary School	-	-	1,350,000	1,350,000	1,350,000	-
Matooni Primary School	-	-	1,350,000	1,350,000	1,349,305	695
Mayuu Primary School	-	25	900,000	900,025	-	900,025
Mbalani Primary School	-	-	1,000,000	1,000,000	949,489	50,511
Mikauni Primary School	-	120	900,000	900,120	899,663	458
Mungyani Primary School	-	-	-	-	1,348,440	-

National Government Constituencies Development Fund (NGCDF)
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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
		-	1,350,000	1,350,000		1,560
Mutini Primary School	-	-	1,350,000	1,350,000	1,349,048	952
Mutini Primary School	-	-	1,050,000	1,050,000	-	1,050,000
Mwaani Pri School	-	-	260,000	260,000	240,075	19,925
Mwania Primary School	-	-	1,350,000	1,350,000	1,345,298	4,702
Ndumoni Primary School	-	-	1,000,000	1,000,000	994,256	5,744
Ngangani Primary School	-	-	1,350,000	1,350,000	1,348,700	1,300
Vulueni Primary School	-	-	1,350,000	1,350,000	1,281,886	68,114
Senda Primary School	-	-	1,350,000	1,350,000	1,348,170	1,830
Athiani Primary School	-	629	-	629	-	629
Kikome Primary School	-	205	-	205	205	-
Kithayooni Primary School	-	1,458	-	1,458	1,458	-
Kiuani Primary School	-	870	-	870	870	-
Kiuuku Primary School	-	2,630	-	2,630	-	2,630

National Government Constituencies Development Fund (NGCDF)
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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Makutano Primary School	-	435	-	435	-	435
Mangauni Primary School	-	448	-	448	-	448
Muangen Primary School	-	20	-	20	-	20
Munathi Primary School	-	39	-	39	39	-
Nzueni Primary School	-	2,979	-	2,979	-	2,979
St Francis Maanzani	-	4,153	-	4,153	-	4,153
St. Johns Malivani Primary School	-	5,706	-	5,706	5,706	-
Kasayani Primary School	-	45,489	-	45,489	-	45,489
Kitheini Primary School	-	722	-	722	-	722
Kwambata Primary School	-	11,667	-	11,667	11,667	-
Kyase Primary School	-	3,175	-	3,175	-	3,175
Muthwani Primary School	-	1,295	-	1,295	-	1,295
Nthangu Primary School	-	6,267	-	6,267	-	6,267
Syandoo Primary School	-				1	

National Government Constituencies Development Fund (NGCDF)
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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
		1	-	1		-
Maviaume Primary School	-	620	-	620	-	620
Ngoi Primary School	-	514,389	-	514,389	-	514,389
Muthwani Primary School	-	1,295	-	1,295	-	1,295
Kyase Primary School	-	3,175	-	3,175	-	3,175
Nthangu Primary Sch	-	6,267	-	6,267	-	6,267
Iiani Primariesch	-	418	-	418	-	418
Maviaume Primary School	-	620	-	620	-	620
Kaiani Primary School	-	1,112	-	1,112	-	1,112
Mikauni Primary School	-	120	-	120	-	120
Mayuu Primary School	-	25	-	25	-	25
Uiini Primary School	-	1,430	-	1,430	-	1,430
Mikisi Primary School	-	17	-	17	-	17
Thavu Primary School	-	509	-	509	-	509

National Government Constituencies Development Fund (NGCDF)
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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
Ngosini Primary School	-	2,660	-	2,660	-	2,660
Kithiani Primary School	-	48,250	-	48,250	-	48,250
kyuasini pri school	-	510	-	510	510	-
maumba primary school	-	800	-	800	800	-
Kithumba primary school	-	2,482	-	2,482	2,482	-
kwanzula primary school	-	896	-	896	896	-
Katithi Primary School	-	32,752	-	32,752	32,752	-
Ngutwa Primary School	-	630	-	630	630	-
Kwanyaa Primary School	-	204	-	204	204	-
Kwanyaa Primary School	-	797	-	797	797	-
Ngoi Primary School	-	14,449	-	14,449	14,449	-
Kikome Primary School	-	722	-	722	722	-
Kitikyumu Primary School	-	3,600	-	3,600	3,600	-
Manzani Primary School	-				434	

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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
		434	-	434		-
Kitonyoni Primary School	-	390	-	390	390	-
Mandoi Sec school	-	23,712	-	23,712	23,712	-
St Marys Sec School	-	907	-	907	907	-
xx primary school	-	19,960	-	19,960	19,951	9
Ungatani Primary School	-	1,207	-	1,207	1,207	-
Mathangathani Primary School	-	700	-	700	700	-
Kalembwani Primary School	-	94	-	94	94	-
Mbuvo Sec School	-	4,118	-	4,118	4,118	-
xx primary school	-	119	-	119	119	-
Kathamboni Primary School	-	3,150	-	3,150	3,150	-
Yiuma Pri Sch.	-	1,350,000	-	1,350,000	1,347,571	2,429
Yinthungu Pri.Sch.	-	1,350,000	-	1,350,000	1,349,154	846
Katangini Pri. Sch.	-	1,350,000	-	1,350,000	1,346,110	3,890

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		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Kwa Nyaa Pri.Sch.	-	1,350,000	-	1,350,000	1,348,898	1,102
Ndovea Pri.Sch	-	1,350,000	-	1,350,000	-	1,350,000
Mangauni Pri.Sch	-	1,050,000	-	1,050,000	1,002,242	47,758
Kanthuni Pri.Sch	-	2,700,000	-	2,700,000	2,652,440	47,560
Ngomeni Pri Sch	-	1,350,000	-	1,350,000	1,348,049	1,951
Matiliku Day&Boarding Pri.Sch	-	1,350,000	-	1,350,000	1,349,270	730
Malooi Primary Sch	-	700,000	-	700,000	699,044	956
Kalumbi Primary Sch	-	1,000,000	-	1,000,000	962,732	37,268
Matheani Primary Sch	-	900,000	-	900,000	-	900,000
Wee Special Sch For The Deaf	-	2,400,000	-	2,400,000	2,222,969	177,031
St John Malivani Pri Sch	-	575,000	-	575,000	574,000	1,000
St. John Malivani Pri.Sch	-	1,100,000	-	1,100,000	1,098,575	1,425
Muambwani Primary school	-	1,500,000	-	1,500,000	-	1,500,000
Sub-total						

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		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
	-	23,057,341	38,730,000	61,787,341	54,086,168	7,701,173
7.0 Secondary Schools Projects (List all the Projects)						
ACK St Joseph Maauei Sec School	-	-	3,000,000	3,000,000	3,000,000	-
AIC Muthyoi Secondary School	-	1,100,000	1,000,000	2,100,000	2,099,125	875
AIC Mutulani Secondary School	-	-	1,500,000	1,500,000	1,497,560	2,440
Athiani Secondary School	-	-	1,500,000	1,500,000	1,412,341	87,659
Kalaani mixed Secondary School	-	1,800,000	-	1,800,000	-	1,800,000
Kambi Mawe girls Secondary School	-	48,800	1,350,000	1,398,800	1,398,800	-
Kambi Mawe Secondary School	-	475	-	475	-	475
Kathamboni Secondary School	-	-	900,000	900,000	899,893	107
Kavingoni Secondary School	-	2,000,000	-	2,000,000	2,000,000	-
Kimuumo Secondary School	-	-	1,300,000	1,300,000	1,299,808	192
Kitonyoni Sec School	-	2,000,000	-	2,000,000	-	2,000,000

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		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Kyangwasi sec	-	430	900,000	900,430	898,145	2,285
Kyumbuni Sec School	-	625,000	-	625,000	-	625,000
Makueni Girls Secondary School	-	1,200,000	-	1,200,000	-	1,200,000
Mavindini education office	-	-	1,000,000	1,000,000	989,762	10,238
Mavindini Girls Secondary School	-	1,000,000	-	1,000,000	998,233	1,767
Nduumoni Secondary School	-	1,350,000	-	1,350,000	1,281,797	68,203
Sia Secondary School	-	2,000,000	-	2,000,000	1,900,474	99,526
Uiini Secondary School	-	1,430	1,350,000	1,351,430	1,273,537	77,893
Yekanga Secondary School	-	4,530	-	4,530	-	4,530
Sub-total	-	13,130,665	13,800,000	26,930,665	20,949,475	5,981,190
8.0 Tertiary institutions Projects (List all the Projects)						
Makueni Kenya Medical Training College		6,350	2,700,000	2,706,350	2,583,739	122,611
Sub-total	-	6,350	2,700,000	2,706,350	2,583,739	122,611

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		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
9.0 Security Projects						
Muusini Assistant chiefs Office	-	-	600,000	600,000	597,983	2,017
Wote Chiefs Office	-	-	950,000	950,000	949,085	915
Directorate of Criminal Investigation Office- Makueni	-	1,263	260,000	261,263	258,701	2,562
kiangini chief's office	-	874	-	874	874	-
Nzau Chief s Office	-	1,500,000	-	1,500,000	1,496,795	3,205
Kanthuni Ass.Chiefs Office	-	-	1,000,000	1,000,000	996,510	3,490
Makueni County Police Hqs	-	3,757,007	172,135	3,929,142	-	3,929,142
Makueni Gk Remand Prison	-	-	1,028,365	1,028,365	937,752	90,613
Makueni Police Station	-	-	800,000	800,000	735,270	64,730
Sub-total	-	5,259,144	4,810,500	10,069,644	5,972,970	4,096,674
10.0 Acquisition of assets						
Motor Vehicles (including motorbikes)	-	-	772,000	772,000	772,000	-
Purchase of furniture and fittings	-	1,096,000	-	1,096,000	-	1,096,000

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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
Renovation of CDF Office	-	-	-	-	-	-
Makueni NGCDF Water Tank	-	-	260,000	260,000	260,000	-
NGCDF Office- Power Generator	-	-	400,000	400,000	290,500	109,500
Sub-total	-	1,096,000	1,432,000	2,528,000	1,322,500	1,205,500
11.0 Digital Hubs						
	-	-	-	-	-	-
Sub total	-	-	-	-	-	-
12.0 Others						
Strategic Plan	-	-	-	-	-	-
Purchase of revision books	-	-	10,003,712	10,003,712	9,998,100	5,612
Makueni NG-CDF Office	-	67,702.00	601,779	669,481	669,400	81
			-	-		-
Sub-total	-	67,702	10,605,491	10,673,193	10,667,500	5,693
13.0 Funds pending approval**						
13.1 Unapproved projects	95,232,652	-	7,295,000	102,527,652	-	102,527,652

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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
13.2 AIA						
13.3 PMC Savings	-	415,086	-	415,086	-	415,086
Sub-total	95,232,652	415,086	7,295,000	102,942,738	-	102,942,738
Total	197,386,150	66,487,938	86,114,874	349,988,962	197,053,032	152,935,930

(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 Makueni Constituency principal activity is to address socio economic development 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 NG-CDF Makueni Constituency has taken advantage of the transitional provisions under IPSAS 33 and adopted a phased approach. Accordingly, this is the first transitional financial statements. The NG-CDF Makueni Constituency has recognized all financial assets, including cash and cash equivalents held in the operational account, deposit account, and PMC accounts; receivables (amount 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 NG-CDF Makueni Constituency has not recognized fixed assets acquired before FY 2023/2024 and inventories in the year under review.

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The Fund is planning periodical stock take for inclusion of inventory in the 2nd year.

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

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

3. Adoption of New and Revised Standards

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

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

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

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

Standard	Effective date and impact:
IPSAS 43: Leases	<p>Applicable 1st January 2025</p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p> <p>The new standard requires entities to recognize, measure and present</p>

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	<p>information on right of use assets and lease liabilities.</p> <p>This IPSAS is has no impact at the constituency</p>
<p>IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations</p>	<p>Applicable 1st January 2025</p> <p>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.</p> <p>This IPSAS has no impact at the constituency</p>
<p>IPSAS 45: Property Plant and Equipment</p>	<p>Applicable 1st January 2025</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 effective 1st July,2025</p>
<p>IPSAS 46: Measurement</p>	<p>Applicable 1st January 2025</p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <p>i. Providing further detailed guidance on the implementation of</p>

	<p>commonly used measurement bases and the circumstances under which they should be used.</p> <p>ii. Clarifying transaction costs guidance to enhance consistency across IPSAS.</p> <p>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</p> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p>This IPSAS is applicable effective 1st July,2025</p>
<p>IPSAS 47: Revenue</p>	<p>Applicable 1st January 2026</p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> <p>This IPSAS is applicable effective 1st July,2026</p>
<p>IPSAS 48: Transfer Expenses</p>	<p>Applicable 1st January 2026</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 at the constituency</p>

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<p>IPSAS 49: Retirement Benefit Plans</p>	<p>Applicable 1st January 2026</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 at the constituency</p>
<p>IPSAS 50: Exploration For & Evaluation of Mineral Resources</p>	<p>Applicable 1st January 2027</p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ul style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized. <p>This IPSAS is not applicable at the constituency</p>

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

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

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

c) Property, plant and equipment

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

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

d) Leases

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

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

e) Intangible assets

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

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

f) Financial instruments

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

a) Financial assets

Classification of financial assets

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

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

Trade and other receivables

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

Fair value through surplus or deficit

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

Impairment

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

b) Financial liabilities

Classification

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

g) Inventories

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

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

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

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

h) Provisions

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

i) Social Benefits

Social benefits are cash transfers provided to i) specific individuals and / or households that meet the eligibility criteria, ii) mitigate the effects of social risks and iii) Address the need of society as a whole. The entity 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.

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6. Transfers from the NGCDF Board

Description	2024/2025
	Kshs
NGCDFB Transfers (Allocation for the FY)	197,386,150
Total	197,386,150

7. Transfers from domestic and foreign partners

Description	2024/2025
	Kshs
Grants	-
Total	-

8. Finance income

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

(Provide a brief explanation for this revenue)

9. Miscellaneous income

	2024/2025
	Kshs
Rental Income	-
Income from sale of tenders	140,944
Hire of plant/equipment/facilities	-
Other Income Not Classified Elsewhere (specify)	-
Total	140,944

10. Employees cost

	2024/2025
	Kshs
NG-CDFC Basic staff salaries	1,886,220
Personal allowances paid as part of salary	-
House Allowance	290,600
Hardship Allowance	415,200
Transport Allowance	252,000
Leave allowance	22,000
Gratuity to contractual employees	546,899
Employer Contributions Compulsory national social security schemes	326,821
Employer Contributions Compulsory Housing levy	81,888
Employer contributions to National Industrial Training Authority	3,350
SHIF	71,298
Casuals	188,000
Other Specify	-
Total	4,084,276

11. Committee Expenses

	2024/2025
	Kshs
Sitting allowance	2,210,000
Other Committee expenses	3,038,000
Total	5,248,000

12. Use of Goods and services

	2024/2025
	Kshs
Utilities, supplies and services	63,330
Communication, supplies and services	729,340
Domestic travel and subsistence	2,481,300
Printing, advertising and information supplies & services	35,460
Office Rent	-
Training expenses	581,400
Hospitality supplies and services	630,537
Insurance costs	-
Specialized materials and services	29,000
Office and general supplies and services	3,348,128
Fuel, oil & lubricants	4,520,100
Bank charges	9,783
Routine maintenance – vehicles and other transport equipment	342,600
Routine maintenance – other assets	-
Strategic plan expenses	-
Other operating expenses	10,390
Total	12,781,368

13. Other Government Units Actual expenditure

Description	2024/2025
	Kshs
Primary Schools Actual expenditure	54,187,076
Secondary Schools Actual expenditure	21,110,990
Tertiary Institutions Actual expenditure	2,583,739
Total	77,881,805

14. Other Grants and transfers Actual expenditure

	2024/2025
	Kshs
Bursary – secondary schools	47,194,776
Bursary – tertiary institutions	24,025,437
Bursary – special schools	200,000
Bursary - Education Support programmes	-
Social Security programmes (SHIF)	-
Security projects Actual expenditure	6,021,796
Climate change mitigation projects	1,451,068
Emergency projects Actual expenditure	5,037,655
Roads projects Actual expenditure	-
Others specify	10,667,500
Total	94,598,232

15. Depreciation and Amortization Expenses

Description	2024/2025
	Kshs
Property Plant and Equipment	604,078
Intangible Assets	-
Total	604,078

16. Digital Hubs Expenses

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

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17. Gain/loss on Sale of Assets

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

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

18. Impairment Loss

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

(Provide brief explanation on assets impairment loss)

19. Cash and Cash Equivalents

Name Of Bank and Account No.	2024/2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Bank Accounts (Cash Book Bank Balance)		
Equity Bank, 0670285148655. (Operations account)	7,879,811	63,031,237.99
Operations account pending closure (Indicate name & account no.)	-	-
Equity Bank, 0670284771335. (Deposit account)	1,001,929	415,086.00
Equity Bank, KCB, Cooperative Bank, account No. (PMC accounts)	26,284,103	2,900,670.35
Total	35,165,843	66,346,994
Cash Balances		
Location 1	-	-
Location 2	-	-
Other Locations (Specify)	-	-

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Total	-	-
[Provided Cash Count Certificates for Each]		

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

20. Receivables from Exchange Transactions

Description	2024/2025	Opening Statement 1 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.)

i. Ageing Analysis for Receivables

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

21. Receivables from Non-Exchange Transactions

Description	2024/2025		Opening Statement 1 st July 2024	
	Kshs		Kshs	
Transfers from NGCDFB	117,990,437		86,114,874.00	
Outstanding imprest	-		-	
Total	117,990,437		86,114,874	
Ageing Analysis- Receivables from non-exchange transactions	2024/2025	% of the total	Opening Balance	% of the total
Less than 1 year	117,990,437	100%	86,114,874.00	100%
Between 1-2 years	-	%	-	%
Over 3 years	-	%	-	%
Total	117,990,437	100%	86,114,874.00	100%

22. Prepayments

Description	2024/2025		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	Infrastructure	Furniture and fittings	Computers & ICT Equipment	Other Assets (specify)	Capital Work in progress	Total
Depreciation Rate(specify)		2%	25%	20%	12.5%	30%	x%		
Cost	Kshs	Kshs	Kshs		Kshs	Kshs	Kshs	Kshs	Kshs
Opening Bal as 1 st July 2024	-	-	-	-	339,000	-	-	-	339,000
Additions	-	-	1,062,500	260,000	1,995,000	-	-	-	3,317,500
Disposals	-	-	-	-	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-	-	-	-	-
As At 30th June 2025	-	-	1,062,500	260,000	2,334,000	-	-	-	3,656,500
Depreciation and Impairment									
Opening Depreciation	-	-	-	-	42,375	-	-	-	42,375
Depreciation	-	-	265,625	52,000	286,453	-	-	-	604,078
Disposals	-	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-	-	-	-
As At 30th June 2025	-	-	265,625	52,000	328,828	-	-	-	646,453
Net Book Values									
Opening Bal as at 1 st July							-	-	

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2024	-	-	-	-	296,625	-	-	-	296,625
As At 30 th June 2025	-	-	796,875	208,000	2,005,172	-	-	-	3,010,047

Valuation

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

23 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	-	-	-
Infrastructure	260,000	52,000	208,000
Motor Vehicles, Including Motorcycles	1,062,500	265,625	796,875
Computers And Related Equipment		-	-
Office Equipment, Furniture, And Fittings	2,334,000	328,828	2,005,172
Total	3,656,500	646,453	3,010,047

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	-	-

24. Intangible Assets

Description	2024/2025
	Kshs
Cost	
Opening balance at 1 st July 2024	-
Additions	-
Disposal	-
At end of the 2025	-
Amortization and impairment	-
At beginning of the year	-
Amortization	-
At end of the year	-
Impairment loss	-
At end of the year	-
NBV at July 1 st 2024	-
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 2024	-	-	-	-
Additions	-	-	-	-
As at 30 Sept/Dec/ March/June 2025	-	-	-	-
Accumulated Depreciation				
As at 1 July 2024				

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	-	-	-	-
Charge for the year	-	-	-	-
As at 30 Sept/Dec/ March/June 2025	-	-	-	-
Carrying Amount				
As at 30 Sept/Dec/ March/June 2025	-	-	-	-

26. Trade and Other Payables

Description	2024/2025		Opening Statement 1 st July 2024	
	Kshs		Kshs	
Trade payables	370,860.00		370,860.00	
Employee payables	-		-	
Other payables	-		-	
Total trade and other payables	370,860.00		370,860.00	
Aging analysis: (Trade and other payables)	2024/2025	% of the Total	1st July 2024	% of the Total
Under one year	-	%	-	%
1-2 years	370,860.00	100%	370,860.00	100%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total (tie to above total)	370,860.00	100%	370,860.00	100%

27. Third-Party deposits

	2024/2025
	KShs
Retention as at 1 st July (A)	-
Retention held during the year (B)	569,000
Retention paid during the Year (C)	37,400
Closing Retention as at 30 th June D= A+B-C	531,600

Retentions aging analysis.

	2024/2025	% of the total	Opening Statement 1 st July 2024	% of the total
Less than 1 year	531,600	100%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total	531,600	100%	-	

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

28. Lease Liabilities

Description	2024/2025	Opening Statement 1 st 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	-	-

Maturity Analysis

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

Analysed as:

Description	Amount
Current	-
Non- Current	-
Total	-

29. Gratuity Provision

Description	2024/2025
	Kshs
Gratuity at the beginning of the year 1 st of July	
Gratuity held during the year	546,899
Gratuity paid during the year	-
Total Gratuity Provision 30th June (A+B-C)	546,899

30. Cash Generated from Operations

	2024/2025
	Kshs
Surplus/Deficit for the year	2,329,334
Adjusted for:	
Depreciation	604,078
Impairment	-
Gains and losses on disposal of assets	-
Working capital adjustments	
Increase/decrease in receivables	31,875,563
Increase/decrease in payables	531,600
Increase/decrease in payables	546,899
Net cash flow from operating activities	(27,863,651)

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

31. Financial Risk Management

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

i) Credit risk

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

Financial Risk Management

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

Description	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
As at 30th June 2025				
Receivables from exchange transactions		--	-	-
Receivables from non-exchange transactions	117,990,437	117,990,437	-	-
Bank balances	35,165,843	35,165,843	-	-
Total	153,156,280	153,156,280	-	-
As at 30 June 2024				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	86,114,874	86,114,874	-	-
Bank balances	66,346,994	66,346,994	-	-
Total	152,461,868	152,461,868	-	-

(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 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 2025				
Trade payables	-	-	370,860.00	370,860.00
Current poportion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Gratuity Provision	-	-	546,899.00	546,899.00
Total	-	-	917,759	917,759
As at 30th June 2024				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Employee benefit obligation	-	-	-	-

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

iii) Market risk

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

a) Foreign currency risk

The Entity has no transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate. The Entity manages foreign exchange risk from future commercial transactions and recognized assets and liabilities by projecting for expected sales proceeds and matching the same with expected payments.

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
2024/2025			
Euro	10%	-	-
USD	10%	-	-
2023/2024			
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.

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.

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- 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.

iv) Capital Risk Management

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

Description	2024/2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Revaluation Reserve	152,387,633	152,387,633
Retained Earnings	2,329,334	-
Capital Reserve	-	-
Total Funds	154,716,968	152,387,633
Total Borrowings	-	-
Less: Cash and Bank Balances	35,165,843	66,346,994
Net Debt/(Excess Cash And Cash Equivalents)	35,165,843	66,346,994
Gearing	0%	0%

32. Related Party Disclosures

	2024/2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Committee Members Remuneration		
Sitting allowance of committee Members during the year	5,248,000	-
Transaction with the NGCDF Board		
Transfers from the NGCDF Board during the year	165,510,587	-
Total	165,510,587	-

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

35. Capital Commitments

Capital Commitments	2024/2025	Opening Statement 1 st 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 Makueni 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	14,916,520	260,000.00	-	15,176,520
Transport equipment	8,345,250	772,000.00	-	9,117,250
Office equipment, furniture, and fittings	1,292,931	1,995,000.00	-	3,287,931
ICT Equipment and Other ICT Assets	812,000	-	-	812,000
Other Machinery and Equipment	-	290,500.00	-	290,500
Intangible assets	-	-	-	-
Total	25,366,701	3,317,500	-	28,684,201

(Attached a complete asset register showing all the assets in the constituency with the date of purchase, cost of the asset, depreciation rate, depreciation for the year, accumulated depreciation and the NBV of the assets)

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

PMC	Bank	Account number	Bank Balance 30 th June 2025	Bank Balance 30 th June 2024
IIANI PRIMARY SCHOOL- KITEEI	EQUITY	0670281011567	121,715.00	-
IIANI PRIMARY SCHOOL	EQUITY	0670285616098	54,522	-
IVINGANZIA PRIMARY SCHOOL	EQUITY	0670285538076	35,520	-
KALAANI PRIMARY SCHOOL	EQUITY	0670285491286	51,654	-
KALAMBA PRIMARY SCHOOL	EQUITY	0670285960822	1,340	-
KAMBI MAWE PRIMARY SCHOOL	EQUITY	0670276263609	61,938	-
KASAMBANI PRIMARY SCHOOL	EQUITY	0670285475812	611	-
KATHUMA PRIMARY SCHOOL	EQUITY	0670285508249	3,961	-
KINGUUTHENI PRIMARY SCHOOL	EQUITY	0670285490696	330	-
KITHAATHAINI PRIMARY SCHOOL	EQUITY	0670285523494	31,377	-
KITHIIANI PRIMARY SCHOOL	EQUITY	0670285579614	55,467	-
KITHUMANI PRIMARY SCHOOL	EQUITY	0670285491310	59,213	-
KWAKALELO PRIMARY SCHOOL	EQUITY	0670285624331	16,286	-
MAKUENI WATER TANKS PROJECTS	EQUITY	0670285919754	-	-
MATHEMBA PRIMARY SCHOOL	EQUITY	0670285936021	979	-
MATOONI PRIMARY SCHOOL	EQUITY	0670285903425	1,195	-
MAYUU PRIMARY SCHOOL	EQUITY	0670297050268	900,025	-
MBALANI PRIMARY SCHOOL	EQUITY	0670285490591	50,511	-

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PMC	Bank	Account number	Bank Balance 30 th June 2025	Bank Balance 30 th June 2024
MIKAUNI PRIMARY SCHOOL	EQUITY	0670293622424	1,558	-
MUNGYANI PRIMARY SCHOOL	EQUITY	0670285957959	2,560	-
MUTINI PRIMARY SCHOOL	EQUITY	0670285579632	1,051,952	-
MWANIA PRIMARY SCHOOL	EQUITY	0670285932782	4,902	-
NDUUMONI PRIMARY SCHOOL	EQUITY	0670197144857	-	-
GNCA NGANGANI PRIMARY SCHOOL	EQUITY	0670285490551	1,300	-
SENDA PRIMARY SCHOOL	EQUITY	0670285490701	1,830	-
VULUENI PRIMARY SCHOOL	EQUITY	1810285529299	68,114	-
KAMBI MAWE SECONDARY SCHOOL	EQUITY	0670281185277	-	-
YEKANGA PRIMARY SCHOOL	EQUITY	0670285490639	1,000	-
AIC MUTULANI SECONDARY SCHOOL	EQUITY	0670285551591	3,440	-
KATHAMBONI SEC SCHOOL	EQUITY	0760285465977	107	-
KIMUUMO SEC SCHOOL	EQUITY	06702855610038	1,192	-
KYANGWASI SECONDARY SCHOOL	EQUITY	0670282213160	2,285	-
MAVINDINI GIRLS SEC SCHOOL	EQUITY	0670285575676	2,767	-
ST JOSEPH MAUUELI SEC SCHOOL	EQUITY	0670285417492	2,000	-
UIINI SECONDARY SCHOOL	EQUITY	0670280786971	77,893	-
ST PETER ATHIANI SEC SCHOOL	EQUITY	0670298758368	-	-
KIANGINI CHIEF'S OFFICE	EQUITY	0670164225573	-	-
WOTE CHIEF'S OFFICE	EQUITY	0670285470800	915	-

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PMC	Bank	Account number	Bank Balance 30 th June 2025	Bank Balance 30 th June 2024
MUUSINI ASSISTANT CHIEF'S OFFICE	EQUITY	0670285475789	3,017	-
NGUTWA PRIMARY SCHOOL	EQUITY	0670285504457	44,937	-
MWAANI PRIMARY SCHOOL	EQUITY	0670297828893	21,390	-
ILUMANI PRIMARY SCHOOL	EQUITY	0670285505641	17,196	-
ST STEPHEN KANYONGA SEC SCHOOL	EQUITY	0670294087398	737	54,177
WOTE CSO OFFICE	EQUITY	0670285783508	410	-
KATHEKA PRIMARY SCHOOL	EQUITY	1810285613128	2,579	-
KWA KITHAE SAND DAM	EQUITY	0670285611981	24,679	-
KWA KAVENDELA SAND DAM	EQUITY	0670285500404	22,028	-
YIUMA PRIMARY SCHOOL	EQUITY	0670285961080	2,629	-
YINTHUNGU PRIMARY SCHOOL	EQUITY	0670285510282	1,046	-
KATANGINI PRIMARY SCHOOL	EQUITY	0670285944502	3,990	-
KWANYAA PRIMARY SCHOOL	EQUITY	0670285935491	2,102	-
NDOVEA PRIMARY SCHOOL	EQUITY	0670285951680	1,351,000	-
MANGAUNI PRIMARY SCHOOL	EQUITY	0670285573035	48,758	-
KANTHUNI PRIMARY SCHOOL	EQUITY	0670285508273	48,560	-
NGOMENI PRIMARY SCHOOL	EQUITY	0670285944581	2,951	-
MAVINDINI EDUCATION OFFICE	EQUITY	0670285500946	11,438	-
NDUENGUU SAND DAM	EQUITY	0670285869757	600	-
KWA MATHULI SAND DAM	EQUITY	0670285514158	2,525	-

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PMC	Bank	Account number	Bank Balance 30 th June 2025	Bank Balance 30 th June 2024
ST THOMAS KAVINGONI SEC SCHOOL	EQUITY	0670285944328	90,744	-
KALUMBI PRIMARY SCHOOL	EQUITY	0670285523239	37,368	-
MAKUENI GK REMAND	EQUITY	0670285573608	130,713	-
MAKUENI POLICE STATION	EQUITY	0670285909476	64,830	-
WEE SPECIAL SCHOOL FOR THE DEAF	EQUITY	0670286239774	177,131	-
NDUUMONI SEC SCHOOL	EQUITY	0670285661183	68,303	-
SIA SEC SCHOOL	EQUITY	0670285540214	99,626	-
AIC MUTHYOI SEC SCHOOL	KCB	1181960525	131.50.00	-
MAKUENI DCI	KCB	1288774559	2,562	-
KANTHUNI ASSISTANT CHIEF'S OFFICE	EQUITY	06702855516705	4,490	-
MATILIKU PRIMARY SCHOOL	EQUITY	0670286083684	1,730	-
ST JOHNS MALIVANI PRIMARY SCHOOL PIT LATRINE	EQUITY	0670286254911	1,100	-
ST JOHNS MALIVANI PRIMARY SCHOOL FENCING	EQUITY	0670286254933	1,525	-
NZAU CHIEF'S OFFICE	EQUITY	0670286055157	3,305	-
MALOII PRIMARY SCHOOL	EQUITY	0670286117093	1,056	-
KIMUNDI PRIMARY SCHOOL	EQUITY	0670285575705	2,490	-
KALAANI SECONDARY SCHOOL	EQUITY	0670286275395	1,800,200	-
KMTC MAKUENI	EQUITY	0670278760378	122,611	-
KITHONI PRIMARY SCHOOL	EQUITY	0670286520490	1,300,100	-

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PMC	Bank	Account number	Bank Balance 30 th June 2025	Bank Balance 30 th June 2024
MULANGONI PRIMARY SCHOOL	EQUITY	1810286527775	100	-
ST DOMINIC KITISE SEC SCHOOL	EQUITY	0670286520475	1,700,200	-
MUAMBWANI PRIMARY SCHOOL	EQUITY	0670286404373	1,500,100	-
NZIU ASSISTANT CHIEF'S OFFICE	EQUITY	0670286520708	1,200,100	-
MANOONI ASSISTANT CHIEF'S OFFICE	EQUITY	1810286521149	1,450,100	-
KAMUNYOLO SAND DAM	EQUITY	0670286506794	620,300	-
KYUMBUNI SECONDARY SCHOOL	EQUITY	1810286436214	625,500	-
NTHANGU PRIMARY SCHOOL	EQUITY	0670286520461	750,200	-
MAKUENI GIRLS SEC SCHOOL	EQUITY	0670286353979	1,200,100	-
KITONYONI SEC SCHOOL	EQUITY	0670285587135	2,001,000	-
Makutano Primary School	Equity	670270267511	465,197	-
Athiani Primary School	Equity	0670192887807	629	629
Kiuuku Primary School	Equity	670279590480	2,630	2,630
Makutano Primary School	Equity	670299813566	435	435
Mangauni Primary School	Equity	670197096817	448	448
Muangueni Primary School	Equity	670270263840	20	20
Nzueni Primary School	Equity	670192902410	2,979	2,979
St Francis Maanzani	Equity	670270267511	4,153	4,153
Kasayani Primary School	Equity	670297051259	45,489	45,489
Kitheini Primary School	Equity	670192894928	722	722

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PMC	Bank	Account number	Bank Balance 30 th June 2025	Bank Balance 30 th June 2024
Kyase Primary School	Equity	670280497819	3,175	3,175
Muthwani Primary School	Equity	670272214695	1,295	1,295
Nthangu Primary School	Equity	670299714850	6,267	6,267
Maviaume Primary School	Equity	670266552837	620	620
Ngoi Primary School	Equity	670192898398	514,389	514,389
Muthwani Primary School	EQUITY	670272214695	1,295	1,295
Kyase Primary School	EQUITY	670280497819	3,175	3,175
Nthangu Primary Sch	EQUITY	670299714850	6,267	6,267
Iiani Primarysch	EQUITY	1810284324740	418	418
Maviaume Primary School	EQUITY	670266552837	620	620
KAIANI PRIMARY SCHOOL	EQUITY	670294933653	1,112	1,112
MIKAUNI PRIMARY SCHOOL	EQUITY	670293622424	120	120
MAYUU PRIMARY SCHOOL	EQUITY	670297050268	25	25
UIINI PRIMARY SCHOOL	EQUITY	670280786971	1,430	1,430
Mikisi Primary School	COOP	1139540040100	17	17
Thavu Primary School	COOP	1139539692000	509	509
Ngosini Primary School	COOP	11175396600	2,660	2,660
Kithiani Primary School	COOP	1100049452002	48,250	48,250
Makueni County Police Headquarters	EQUITY	0670286520490	3,929,142	-
Kitonyoni Sec School	EQUITY	0670285587135	2,000,000	-

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PMC	Bank	Account number	Bank Balance 30 th June 2025	Bank Balance 30 th June 2024
			26,284,103	703,326

Annex 3: Progress on Follow Up of Auditor Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.0	<p>Lack of Ownership documents The statement of receipts and payments and as disclosed in Note 8 to the financial statements reflect other grants and transfers of Kshs. 75,869,901 which includes Kshs. 7,600,000 for security projects. Included in the amount is Kshs. 2,000,000 for the construction of Kikumini Assistant Chief's Office. However, review of documents revealed that the land purchased for the project did not have a title deed and a valuation report. This is contrary to Regulation 11(1)(k) of the National Government Constituencies Development Fund Regulations, 206, which requires Constituency committees to obtain and maintain ownership documents for assets.</p>	<p>The title deed for the said land is in the process of being obtained.</p>	<p>Not Resolved</p>	<p>In consultation with the OAG. Pending appearance before DFAC</p>
2.0	<p>Failure to report Emergency Projects Expenditure The statement of receipts and payments and as disclosed in Note 8 to the financial</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)
	<p>statements reflects other grants and transfers of Kshs. 75,869,901 which includes Kshs. 2,480,095 for emergency projects. However, the expenditure on emergency projects was not reported to the National Government Constituencies Development Fund Board. This is contrary to Regulation 20(2) of the National Government Constituencies Development Fund Regulations, 2016, which stipulates that the utilization of emergency reserve shall be reported to the Board within thirty days of the occurrence of the emergency, in the format prescribed by the Board.</p>	<p>Emergency projects were reported to the Board within 30 day after occurrence of the emergency</p>	<p>Not Resolved</p>	<p>In consultation with the OAG. Pending appearance before DFAC</p>
<p>3.0</p>	<p>Delay in completion of projects During the financial year under review, a total of Kshs. 121,598,699 was allocated for implementation of ninety-four projects. However, review of the project implementation status report as at 30th June, 2024 revealed that only twenty-four projects with an allocation of Kshs. 14,005,232 were completed, forty-four projects with an allocation of Kshs. 82,872,987 had not started and twenty-six projects with an allocation of Kshs. 25,020,480 were still ongoing.</p>	<p>The delay in implementation of projects was occasioned by delay in disbursement of funds from the Board which was beyond our control.</p>	<p>Not Resolved</p>	<p>In consultation with the OAG. Pending appearance before DFAC</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)
4.0	<p>Lack of approved Information Technology Security Policy Review of the fund's information technology revealed that the fund did not have an approved IT Policy for governance and management of its ICT resources. In addition, there is no ICT Steering Committee in place to assist in the development of ICT Policy Framework to enable the fund realize long term ICT strategic goals. Lack of an approved IT policy may result in unclear direction regarding maintenance of information security across the organization and safeguarding the Fund's ICT assets. Further, without a sound and approved framework, users do not have any rules and procedures to follow in order to minimize risk of errors, fraud and the loss of data confidentiality, integrity and availability.</p>	<p>The Fund is in the process of recruiting an ICT Officer and thereafter establish an IT policy to ensure security of its ICT Resources.</p>	Not Resolved	<p>In consultation with the OAG. Pending appearance before DFAC</p>
5.0	<p>Lack of Risk Management Policy and Strategy The Fund management had not put in place risk management policy, strategies and risk register to mitigate against risk. It was, therefore, not clear how management</p>	<p>The Fund uses the risk management policy and strategy that has been set by the National Government Constituencies</p>	Not Resolved	<p>In consultation with the OAG. Pending appearance before DFAC</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)
	reduces risk exposures. This is in contravention of Regulation 158(1)(a) and (b) of the Public Finance Management (County Governments) Regulations, 105 which requires the accounting officer to ensure that the county governments entity develops risk management strategies, which include fraud prevention mechanism; and the county government entity develops a system of risk management and internal control that builds robust business operations.	Development Fund Board		



Peter Katoni

Fund Account Manager.

12.11.2025

