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THE AUDITOR-GENERAL

ON

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

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



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

SIGOR CONSTITUENCY

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
30th JUNE 2025

Transitional International Public Sector Accounting Standards (IPSAS) Financial Statements

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

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1. Acronyms and Definition of Key Terms

A. Acronyms

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

B. Definition of Key Terms

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

Comparative Year- Means the prior period.

2. Key Constituency Information and Management

(a) Background information

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

Mandate

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

- a) Recognize the constituency as a platform for the identification, performance, and implementation of national government functions.
- b) Facilitate the performance and implementation of national government functions in all parts of the Republic pursuant to Article 6 (3) of the Constitution;
- c) Provide for the participation of the people in the determination and implementation of identified national government development projects at the constituency level pursuant to Article 10(2)(a) of the Constitution;
- d) Promote the national values of human dignity, equity, social justice, inclusiveness, equality, human rights, non-discrimination, and protection of the marginalized pursuant to Article 10(2)(b) of the Constitution;
- e) Provide for the sustainable development of all parts of the Republic pursuant to Article 10(2)(d) of the Constitution;
- f) Provide a legislative and policy framework pursuant to Article 21(2) of the Constitution for the progressive realization of the economic and social rights guaranteed under Article 43 of the Constitution;
- g) Provide mechanisms for the National Assembly to exercise oversight over the performance of exclusive national government functions at the constituency level as provided for under Article 95 of the Constitution;
- 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 Sigor 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	Wilson C. Koringura
2.	National Sub-County Accountant	Stephen Kontarit
3.	Chairman NGCDFC	Clement Lomuto
4.	Member NGCDFC	Nicholas Molo
5.	Member NG CDFC	Samson Rungai

(c) Fiduciary Oversight Arrangements

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

NGCDF Sigor Building
Kapenguria Marich Lomut Road
KAPENGURIA - KENYA.

(e) NGCDF Sigor Constituency Contacts

P.O. Box 622, Kapenguria
Telephone: (254) 721 730 821
E-mail: wchemkenei@ngcdf.go.ke
Website: ngcdfwww.go.ke

(f) NGCDF Sigor Constituency Bankers

1. Equity Bank (Operations Account).
Kapenguria Branch
P.O. Box 75104 - 00200
2. Equity Bank (Deposit account).
Kapenguria Branch
P.O. Box 75104 -00200
3. Equity Bank (All PMC Accounts are in Equity Bank, Kapenguria Branch)
Kapenguria Branch
P.O. Box 75104 - 00200

(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




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Nairobi, Kenya

3. NGCDF Committee

Name	Details
 NG CDF Chairman Clement Lomuto	-ID No:22988222 Date of Birth: 16.06.1980 -Academics: KCSE and KCPE -Profession: Farmer
 NG CDFC Secretary	-Date of Birth: 1966 -Academic: KCSE, KCPE -Profession: Businessman
 NGCDFC Jacob Kedikou Ngoriapeta PWD representative	-ID No: 24833175 Date of Birth: 1985 -Academic: KCPE -Profession: Farmer

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 <p>Samson Rongai Male youth representative</p>	<p>-Date of Birth: 15.8.1992 -Academic: KCSE, KCPE -Profession: Teacher</p>
 <p>Joseph Seketei Loringelech Co opted member</p>	<p>-ID No: 20253112 Date of Birth: 1978 -Academic: KCPE & KCSE -Profession: Businessman</p>
 <p>Rahab Chepkoriri Tuwot Female youth representative</p>	<p>-ID No: 31970852 Date of Birth: 06.11.1994 -Academic: KCPE & KCSE -Profession: House wife</p>

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	<p>-ID NO: 12814341 Date of Birth: 01.01.1971 -Academic: KCPE -Profession: Farmer</p>
<p>Rosaline Chepartul Female adult representative</p>	<p>-ID No: 23954193 Date of Birth: 1984 -Academic: KCPE -Profession: Farmer</p>
	<p>-ID No: 13259277 Date of Birth: 1972 -Academic: KCPE, KCSE, B,COM -Profession: Economist</p>
<p>Susan Chepintany Wilson Female Adult representative</p>	<p>FAM: Wilson Koringura</p>  <p>FAM: Wilson Koringura</p>

No one exited the committee during the financial year

4. NG-CDFC Chairman's Report

NGCDFC Chairman: Mr. Clement Lomuto



I have been serving as chairman for Sigor constituency from the year 2022 to date. I am now serving the constituency for the second term period of two which will be summing up to four years in total.

- Budget Performance: The Original budget for 2024/2025 is ksh170,469,857 plus previous years' outstanding balance of ksh54, 804,253 thus bringing up total final budget of ksh254,220,574 to be spend during financial year 2024/2025. Unfortunately; the NGCDFC managed to spend actual budget of Ksh92, 505,909 leaving budget utilization difference of ksh152, 714,665. This difference came as a result of delay release of funds from the Board during the financial year
- Emerging Issues; the following are emerging issues in Sigor Constituency:
 - i. High demand of bursary as compared with allocation of 54 million
 - ii. Terrain of the constituency is hilly thus allocation of ksh1.3 million per class is not enough.
 - iii. Hon. MP use of NGCDF Vehicle in oversighting constituency projects affect our admin operation
 - iv. Board to employ Clerk of Works and Records officer for smooth transition of power.
- Achievements of the entity: NGCDF Sigor
 - i. Education and Training:
 - a.) Conducive learning environment through Capital Infrastructure for schools
 - b.) Support needy and bright students from each ward
 - c.) Beneficiaries at secondary school levels transitioned to Tertiary institutions
 - d.) Beneficiary at tertiary level transitioned to the job market as employees or employers
 - e.) , 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.

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- ii. Security Sector Support:
 - a. Better working environment for the security providers
 - b. Eliminating crime and vices in the constituency
 - c. Better environment for law enforcement agencies while collaborating with the community in trust on matters of security.
- iii. Climate change mitigation:
 - a.) Budget to climate change mitigation activities such as afforestation,
 - b.) Reforestation of the constituency
 - c.) Grassroots sensitization for community to buy and plant trees in their homes
 - d.) Tree seedling production eg Lokarkar primary, Lomut primary Kaporon primary etc
- iv. Employee welfare; NGCDFC have managed to employ 20 staff in the office thus creating employment though it burden administration vote



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Name: Clement Lomuto
Chairman NGCDF Committee

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

Introduction

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

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

- 1. Education*
- 2. Security*
- 3. Climate Change and Mitigation*
- 4. Emergency*
- 5. ICT*

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	In FY 2024/25 -we increased number of classrooms from 130 to 160, dormitories from 34 to 38/laboratories from 2 to 6 in the following schools/institutions - Bursary

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			of bursary's beneficiaries at all levels	beneficiaries at all levels were as per the attached schedules
Security	To ensure the safety and the security of the people living within the constituency	Effective security measures leads to a reduction in crime and improved safety for the residents	Tracking the number of reported crimes, such as theft and violence, measuring the time it takes for security forces to respond to emergencies or incidents	Quickly and effectively security forces respond to the incidents or emergencies
Climate change mitigation activities	Promote sustainable land use practices ,support climate resilient infrastructure development	Minimized impacts on ecosystems and biodiversity	Tracking the changes in land use practices ,such as reforestation or sustainable agriculture	Assessing the effectiveness of climate policies and regulation in driving mitigation efforts
Emergency	Protect human life and prevent injuries during emergencies ,offer assistance and support to affected individual and communities ,facilitate the recovery and restoration of affected areas	Fewer casualties and injuries during emergencies ,quick and effective response to emergencies ,reduce damage to properties ,infrastructure and the environment	Timeliness and effectiveness of relief distribution	Ability to quickly and effectiveness to emergencies ,reduction in the number of casualties and injuries
Others (ICT)	Enhance access to information and knowledge for the	Effective ICT initiative lead to improved	-NGCDF sigor is construting ICT Hub at Lomut	ICT services will enable graduates access the

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	<p>individual ,commu nities or organization ,lever age ICT to drive economic growth ,innovatio n and competitiveness</p>	<p>availability and accessibility of information for individual and communities</p>	<p>Trading center which is at intel stage. -Availability and quality of ICT infrastructure, such as fiber optic cables ,cell towers and data centers ,level of digital literacy among individuals and communities ,</p>	<p>following: i)employment through online application ii) Acquire communication faster. iii.)Reduce cost in terms of transport</p>
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6. Governance Statement

a. NG-CDFC process of appointment

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

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

The current NGCDFC members were gazetted in May 2025 and the first meeting was held in 30.7.2025

The persons appointed are drawn from different groupings as follows:

- Male Adult-Clement Lomuto -Chairman
- Male youth --Rongai Lingasia - Member
- Female adult- Roseline Chepartul- Member
- Female youth-Rahab Chepkorir - Member
- PWD REP-Jacob Kedikou - Member

- CO-opted Member-Nicholas Molo - Secretary
- Nominee of constituency Office-Joseph Seketei - Member
- Nominee of constituency Office-Susan Chepintany - Member

b. NG-CDFC Tenure

NGCDF Tenure of office is two year

c. The Role of the Constituency Committee

NGCDF Roles as stipulated in the Act is according to the act is summarize as follows:

- a) Build the capacity of PMCs and sensitise the community on operations of the fund
- b) Consider project proposals from all wards in the constituency
- c) Ensure that all proposed projects that are approved for funding meet the sec 24of the Act
- d) Consult with relevant line ministries in the implementing the projects
- e) Ensure adequate funding of the proposed projects
- f) Ensure project reports are prepared and forwarded to the board
- g) Submit financial reports to the board within stipulated time

d. Removal of a member

Removal of members is indicated in NGCDF Act 2015 section 13 as stated below;

A member of the Constituency Committee may be removed from office on any one ormore of the following grounds-

- i. Lack of integrity;
- ii. Gross misconduct;
- iii. Embezzlement of public funds;
- iv. Bringing the committee into disrepute through unbecoming

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- personal publicconduct;
- v. Promoting unethical practises;
- vi. Causing disharmony within the committee;
- vii. Physical or mental infirmity.

e. NG-CDFC Induction and training

The committee on being inaugurated are taken for induction by the Board and subsequent training are done the constituency as per there training plan

f. Number of meetings;

NG-CDF Act Section 14(11) stipulates that NG-CDFC shall have a maximum of twenty-four meetings per year and not less than twelve including sub-committee meetings.

In Sigor Constituency, the NG-CDF Committee conducted Sixteen meetings and two sub-committee meetings.

	Name of committee member	Meetings held										
		7/7/24	18/8/24	14/9/24	3/11/24	20/12/24	17/1/25	11/3/25	8/4/25	8/5/25	29/5/25	30/6/25
1	Clement Lomuto	√	√	√	√	√	√	√	√	√	√	√
2	Nicholas Molo	√	√	√	√	√	√	√	√	√	√	√
3	Rongai Lingasia	√	√	√	√	√	√	√	√	√	√	√
4	Jacob Kedikou	√	√	√	√	√	√	√	√	√	√	√
5	Roseline Cheparttul	√	√	√	√	√	√	√	√	√	√	√
6	Susan Chepintany	√	√	√	√	√	√	√	√	√	√	√
7	Rahab Chepkiror	√	√	√	√	√	√	√	√	√	√	√
8	Seketei Joseph	√	√	√	√	√	√	√	√	√	√	√

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9	Jeremiah Koech	√	√	√	√	√	√	√	√	√	√	√
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g. Remuneration Rates

NGCDFC Chairman Allowance rate is Ksh.7000 per sitting while the rest of member’s allowances is Ksh.5000 per sitting.

h. Disclose the policy on conflict of interest

The Members are required to declare any conflict during meetings, which whenever declared, would be recorded in the minutes and in the register.

i. Succession plan

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


j. Ethics and code of conduct

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

k. Risk Management

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

- Summons PMC that are in conflict
- Hear complaints from constituents
- Visit projects that have complains
- Risk committees forward their recommendation to CDFC



.....
 FAM Account Manager

Wilson C Koringura

7. Management Discussion and Analysis

NGCDF Sigor for the period Of 2024/2025 experiences challenges in receiving revenue from the NGCDF Board. The Board did not release money on time as was expected from them. The money was released toward the closing of the financial year thus NGCDFC Sigor could not have managed to spend all the fund of 2024/2025 during the financial year.

Late disbursement of revenue caused our utilization difference to ksh152,714,665 which is higher as compared with utilization difference ksh42,469,857 for the 2023/2024 financial year.

During the past five years, the fund managed to improve infrastructure on the following sectors:

- i. Education
- ii. Security
- iii. Bursary
- iv. Environment
- v. Poverty Alleviation

The table bellows shows how the fund performed for the last five years:

Sector	Infrastructure	Environment	Employment
Education	Construction of at least 150 classrooms laboratory, laboratories in various schools	Conducive learning environment and enrollment increased	Increased Engagement of Local contractors in providing employment through labour provision
Bursary	Approximated 40,000 students both in secondary and tertiary benefitted from Bursary	Relieved parents from the burden of fees payment	
Security	Approximately 20 security offices for chiefs and polices posts were built	Security improved by 90% along the borders of Turkana and Marakwet	



.....
Name: Wilson Koringura
Fund Account Manager

8. Environmental and Sustainability Reporting

v. Sustainability strategy and profile -

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

- a. **Education and Training:** Sigor 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, reafforestation, grassroots sensitization, and tree seedling production.

vi. Environmental performance

- *Outline clearly, the environmental policy guiding the constituency, and provide evidence of the policy. Outline successes, shortcomings, efforts to manage biodiversity, waste management policy, and efforts to reduce the environmental impact of the constituency's activities.*
- *Report on the frequency of how often NG-CDF supported students carry out environmental conservation activities, e.g., planting trees once in an academic calendar.*
- *Sensitization of youth/ community on the impact of drug abuse.*
- *Report on security activities, e.g., construction of police stations supported by NG-CDF*

vii. Employee welfare

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

The constituency promotes a healthy lifestyle and provides all employees with health insurance coverage through a reliable insurance Scheme. Employees are encouraged and supported to build on their skills and knowledge continually. Sigor 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.

viii. Marketplace practices-

Sigor Constituency is committed to fair and ethical market practices.

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

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

NGCDF has put in efforts to ensure:

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

ix. **Community Engagements-**

Sigor 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

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

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

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

Public Awareness

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

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



.....
Name: Wilson Koringura
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-Sigor 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-Sigor 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- Sigor 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 Sigor 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.

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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- Sigor Constituency financial statements were approved and signed by the Accounting Officer on 27/01 2025.



.....
Name: Clement Lomuto
Chairman – NGCDF Committee



.....
Name: Wilson Koringura
Fund Account Manager

REPUBLIC OF KENYA



Telephone: +254-(20) 3214000
Email: info@oagkenya.go.ke
Website: www.oagkenya.go.ke

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

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

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying transitional IPSAS financial statements of National Government Constituencies Development Fund - Sigor Constituency set out on pages 1 to 61, which comprise of the statement of financial position as at 30 June, 2025 and the

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

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the transitional IPSAS financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund - Sigor 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 National Government Constituencies Development Fund Act, 2015 and the Public Finance Management Act, 2012. The National Treasury and Economic Planning Circular No.3 of 14 April, 2025.

Basis for Qualified Opinion

1. Errors and Inaccuracies in the Annual Reports and Financial Statements

The annual report and financial statements presented for audit had the following errors and omissions:

- i. The statement of cash flows reflects employee costs of Kshs.4,804,762, while the statement of financial performance reflects Kshs.5,695,208, resulting in a variance of Kshs.890,446, which should have been reported as a payable.
- ii. Prior year adjustment amount of Kshs.982,419 does not have a corresponding Note to the financial statements to explain its nature.

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

2. Unsupported Project Management Committee Bank Account Balances

The statement of financial position shows cash and cash equivalents balance of Kshs.110,244,809 as disclosed in Note 19 to the financial statements. This includes PMC account balances amounting to Kshs.45,234,431. However, the Management did not provide authorized signatories, specimen signatures, cash books, bank statements, and bank reconciliation statements to support the PMC account balances.

In the circumstances, the accuracy, completeness and regularity of the PMC account balances of Kshs.45,234,431 could not be confirmed.

3. Unsupported Committee Expenses

The statement of financial performance reflects committee expenses amount of Kshs.3,648,540 as disclosed in Note 11 to the financial statements. However, review of

the payment vouchers provided for audit revealed that the expenditure was not supported by minutes, attendance registers, work programs projects visited and reports after field visits.

In the circumstances, the accuracy, completeness and validity of the Committee expenditure amounting to Kshs.3,648,540 could not be confirmed.

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

Emphasis of Matter

1. Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final revenue budget and actual revenue on comparable basis of Kshs.245,220,574 and Kshs.202,750,718 respectively resulting in an under-funding of Kshs.42,469,857 or 17% of the budget. Similarly, the statement reflects total actual revenue of Kshs.202,750,718 against actual expenditure of Kshs.92,505,909 resulting to under-utilization of Kshs.110,244,809 or 54% of the actual receipts.

In the circumstances, the under-funding and under-utilization may have affected the planned activities of the Fund and impacted negatively on service delivery to the public

2. Compliance with International Public Sector Accounting Standards (IPSAS)

The financial statements presented for audit for the year ended 30 June, 2025 are transitional financial statements. Sigor Constituency has taken advantage of the provisions of IPSAS 33. This provision gives them three years window to fully comply with IPSAS Accrual Basis of accounting. The management has disclosed non-current assets balance of Kshs.1,998,231. The valuation of the assets will be undertaken within the next two years. In addition, the value of the non-current assets excludes value of land, motor vehicles, buildings and furniture and fittings whose estimated value could not be available in the first year of transition.

Key Audit Matters

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

Other Information

The Management is responsible for the Other Information set out on page iii to xxiv which comprise of key constituency information and management, NG-CDF committee, NG-CDF chairman's report, statement of performance against predetermined objectives, governance statement, management discussion and analysis, environmental and sustainability reporting, and statement of management responsibilities, The Other Information does not include the transitional IPSAS financial statements and my audit report thereon.

In connection with my audit on the Constituency'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 transitional IPSAS 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 USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Non-Preparation of Quarterly Financial Reports

During the year under review, Management did not prepare and submit quarterly financial statements to Cabinet Secretary responsible for the entity and the National Treasury. This was contrary to Section 83 (3) of the Public Finance Management Act, 2012 which states that not later than fifteen (15) days after the end of each quarter, the accounting officer shall submit the quarterly report to the Cabinet Secretary responsible for the entity and the National Treasury.

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

2. Lack of Procurement Plan and List of Registered Suppliers

The audit of the National Government Constituencies Development Fund - Sigor Constituency procurement process revealed that the Fund did not have an approved

procurement plan for the year under review. This was contrary to Section 53(2) of the Public Procurement and Asset Disposal Act, 2015 which states that an accounting officer shall prepare an annual procurement plan which is realistic in a format set out in the Regulations within the approved budget prior to commencement of each financial year as part of the annual budget preparation process. In addition, the Management did not maintain a list of registered suppliers, contractors, and consultants categorized by its procurement needs for goods, works, or services, contrary to the requirements of Section 57(1) and (2) of the Public Procurement and Asset Disposal Act, 2015.

In the circumstances, the regularity and validity of the procurement processes used could not be confirmed.

3. Construction of a Classroom at Ptokou Primary School

The Management of National Government Constituencies Development Fund - Sigor Constituency disbursed Kshs.1,200,000 to Ptokou Primary School for the construction of one (1) classroom to completion. However, during a field verification conducted on 5 June, 2025, it was observed that while the classroom was complete and in use, the classroom had leaking roof, some windows had broken glasses and missing rain gutters. Available information revealed that the windows were broken due to strong winds.

In the circumstances, the value for money was not obtained from the project.

4. Incomplete Construction of Laboratory at Lomut Primary School

In the financial year under review, National Government Constituencies Development Fund - Sigor Constituency disbursed funds amounting Kshs.4,610,533 to Lomut Primary School for the construction of laboratory. However, during a project inspection conducted on 5 June, 2025, it was noted that while the laboratory structure had been completed, the laboratory had not been fully equipped and was not in use. Despite being included in the Bill of Quantities, the outstanding works included the installation of sinks and plumbing, gas pipes and taps, and the gas chamber.

In the circumstances, the students will not benefit from the incomplete laboratory.

5. Non-Remittance of Public Procurement Capacity Building Levy

During the financial year 2024/2025, the Fund paid Kshs.18,752,937 in respect of use of goods and services, other government units certified works, and digital hubs expenses. However, the Management did not deduct and remit the public procurement capacity building levy. This was contrary to Paragraph 3(1) of Legal Notice 206 of the Levy Order 2023 which states that there shall be paid a Levy by a supplier on all procurement contracts signed between the supplier and a procuring entity, at the rate of zero point zero three per centum (0.03%) of the value of the signed contract, exclusive of applicable taxes.

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

6. Non-Compliance with Law on Employment of Casual Employees

The personnel records provided for audit indicate that the Fund had eleven (11) employees on contract terms and 8 (eight) casuals as at 30 June, 2025 who were engaged in various areas. However, payroll records indicates that the casuals were engaged for more than three (3) months continuously which is above the prescribed maximum period of three (3) months contrary to the provisions of Section 37(3) of the Employment Act, 2007.

In the circumstances, the continued engagement of casual employees is contrary to the provisions of the law and indicates non-compliance with statutory employment requirements.

7. Outstanding Tax Arrears Owing to Kenya Revenue Authority

Following a tax audit covering the five-year period from 2014 to 2018, the Fund was assessed to have tax arrears amounting to Kshs.187,878 which had not been settled as at 31 May, 2025. However, the tax liability was not disclosed in the financial statements.

In the circumstances, the Management was in breach of tax laws.

The audit was conducted in accordance with ISSAIs 3000 and 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 transitional IPSAS financial statements comply in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON THE EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Lack of Memorandum Cashbook and Imprest Register

Review of the operations of the Constituency imprest management system revealed that the Management does not maintain an imprest register to record issued imprests, applicants, or corresponding amounts. This is contrary to Regulation 93(4)(c) of the Public Finance Management (National Government) Regulations, 2015. In addition, the Fund did not maintain a memorandum cashbook to manage its standing imprest, as required by Regulation 93(14) of the Public Finance Management (National Government) Regulations, 2015.

In the circumstances, the effectiveness of imprest and cash book management could not be confirmed.

2. Overstaffing in the Constituency Committee Office

Review of the Constituency's Payroll data revealed that Management had recruited nineteen (19) staff which exceeded the approved number of staff of five (5) by fourteen (14). This is contrary to Circular Reference No. CDF/BOARD/CIRCULARS/VOL11/166 dated 24 June, 2013 which provided such guidelines on human resource management practices in regards to Constituency committee staff who should be five (5) in number and shall include a Clerical Officer (GOK Job Group G), Accounts Assistant (GOK Job Group H), Clerk of Works (GOK Job Group J), Records Management Officer (GOK Job Group H) and a driver (GOK Job Group G).

In the circumstances, the overstaffing in the Constituency reflects weak human resource planning and failure to follow staffing guidelines.

The audit was conducted in accordance with ISSAIs 2315 and 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 transitional IPSAS 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 transitional IPSAS 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

28 November, 2025

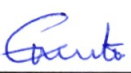
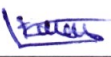

National Government Constituencies Development Fund (NGCDF)
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11. Statement of Financial Performance for the Year Ended 30th June 2025

	Note	Period Ended June 2025 Kshs.
Revenue from non-exchange transactions		
Transfers from the NGCDF Board	6	170,469,857
Grants/donations from other entities	7	-
Revenue from exchange transactions		
Finance income	8	-
Miscellaneous income	9	-
Total revenue		170,469,857
Expenses		
Employee costs	10	5,695,208
Committee expenses	11	3,648,540
Use of Goods and Services	12	5,248,356
Other Government Units Actual expenditure	13	13,500,241
Other Grants and Transfers Actual expenditure	14	59,075,000
Depreciation and amortization expense	15	40,780
Digital Hubs Actual expenditure	16	4,600,000
Total expenses		91,808,125
Other gains/(losses)		
Gain/Loss on Sale of Assets	17	-
Impairment loss	18	-
Surplus/(Deficit) for the year		78,661,731

The Constituency financial statements were approved by the NGCDFC on 27/11/ 2025 and signed by:

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

		
Chairman Committee Name: Clement Lomuto	NG-CDF National Accountant Name: Stephen Kontarit ICPAK M/No: 22482	Sub-County Fund Account Manager Name: Wilson Koringura

(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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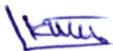

Statement Of Financial Position As At 30th June, 2025

	Note	Period as at June 2025	Opening Statement 1st July 2024
		Kshs	Kshs
Assets			
Current Assets			
Cash And Cash Equivalents	19	110,244,809	18,964,047
Prior Year Adjustment	19		982,419
Receivables from Exchange Transactions	20	-	-
Receivables from Non-Exchange Transactions	21	42,469,857	54,804,253
Prepayments	22	-	-
Total Current Assets		152,714,665	74,750,719
Non-Current Assets			
Property, Plant and Equipment	23	1,998,231	-
Intangible Assets	24	-	-
Right-of-use assets	25	-	-
Total Non- Current Assets		1,998,231	-
Total Assets (A)		154,712,896	74,750,719
Liabilities			
Current Liabilities			
Trade and Other Payables	26	3,300	-
Third-Party Deposits	27	410,000	-

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Lease Liabilities	28	-	-
Gratuity provision	29	1,866,956	979,810
Total Current Liabilities		2,280,256	979,810
Non-Current Liabilities			
Lease Liabilities	28	-	-
Total Liabilities (B)		2,280,256	979,810
Net Assets (A-B)			
		152,432,640	73,770,908
Represented by:			
Revaluation Reserves		73,770,908	73,770,908
Accumulated Surplus		78,661,731	
Total Net Assets		152,432,640	73,770,908

The Constituency financial statements set out on pages 1 to 15 approved by NG CDFC on 27/11/2025 and signed by:

		
Chairman Committee Name: Clement Lomuto	NG-CDF National Accountant Name: Stephen Kontarit ICPAK M/No: 22482	Sub-County Fund Account Manager Name: Wilson Koringura

National Government Constituencies Development Fund (NGCDF)
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12. Statement of Changes in Net Assets for the year ended 30 June 2025

Description	Reserves	Accumulated surplus/Deficit	Total
	Kshs	Kshs	Kshs
As at 30 th June 2024 (cash basis)	16,412,890	-	16,412,890
Adjustments: (to recognize assets and liabilities)		-	
Add Assets	57,358,018	-	57,358,018
Less Liabilities	-	-	-
As at July 1, 2024	73,770,908	-	73,770,908
Surplus/(Deficit) For the Period		78,661,731	78,661,731
Revaluation Gain/Loss	-	-	-
As at 30th June	73,770,908	78,661,731	152,432,640

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

	Notes	Period ended June 2025
		Kshs.
Cash flows from operating activities		
Receipts		
Transfers from the NGCDF Board		182,804,253
Grants/donations from other entities		-
Finance income		-
Miscellaneous income		-
Total Receipts		182,804,253
Payments		
Employee costs		4,804,762
Committee expenses		3,648,540
Use of Goods and Services		5,248,356
Other Government Units Certified Works		13,500,241
Other Grants and Transfers		58,925,000
Digital Hubs Expenses		4,340,000
Total Payments		90,466,899
Net Cash Flows from/ (used in) Operating Activities	30	92,337,354
Cash flows From Investing Activities		
Purchase of PPE		2,039,010
Purchase of Intangible assets		-
Proceeds From Sale of PPE		-
Net Cash Flows from Investing Activities		2,039,010
Net increase/(decrease) in cash & Cash equivalents		90,298,344
Cash Flows from Financing Activities		
Lease payment		-
Net Cash Flows from Financing Activities		90,298,344
Cash and cash equivalents at Period Start	19	19,946,465
Cash and cash equivalents at Period End	19	110,244,809

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

14. Statement of 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 (operational, deposit and PMCs C/Bk) and AIA	Previous Years' Outstanding disbursements	2024-2025	2024-2025		
Revenue							
Transfers From the NGCDF Board	170,469,857	19,946,465	54,804,253	245,220,574	202,750,718	42,469,857	83%
Grants/donations from other entities	-	-	-	-	-	-	
Finance income	-	-	-	-	-	-	
Miscellaneous income	-	-	-	-	-	-	
Totals	170,469,857	19,946,465	54,804,253	245,220,574	202,750,718	42,469,857	83%
Expenses							

National Government Constituencies Development Fund (NGCDF)

Sigor Constituency

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Employee costs	5,328,356	2,609,490	-	7,937,846	4,804,762	3,133,084	61%
Committee expenses	2,248,000	2,170,000	-	4,418,000	3,648,540	769,460	83%
Use of Goods and Services	7,263,931	2,613,209	-	9,877,140	5,248,356	4,628,784	53%
Other Government Units Certified Works	74,423,227	12,523,965	35,836,274	122,783,466	13,500,241	109,283,225	11%
Other Grants and Transfers	78,033,354	29,800	12,328,968	90,392,122	58,925,000	31,467,122	65%
Other Payments	1,133,979	-	6,639,010	7,772,989	4,340,000	3,432,989	56%
Acquisiton Of Asset	-	-	-	-	-	-	-
Funds Pending Approval**	-	-	-	-	-	-	-
Total Recurrent Expenditure	168,430,847	19,946,464	54,804,252	243,181,564	90,466,899	152,714,665	
Capital Expenditure	2,039,010	-	-	2,039,010	2,039,010	-	100%
Total Expenditure	170,469,857	19,946,464	54,804,252	245,220,574	92,505,909	152,714,665	38%
Surplus for the period	-	-	-	-	110,244,809		

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

Explanatory Notes.

The under absorption was occasioned due to the delay and late disbursement of funds from the exchequer.

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilization difference totals	152,714,665
Less undisbursed funds receivable from the Board as at period 30 th June, 2025	42,469,857
Cash and Cash Equivalents at the end of the 30 th June 2025	110,244,808

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 27/11/2025 and signed by:



Fund Account Manager

Name: Wilson Koringura



National Sub-County Accountant

Name: Stephen Kontarit
ICPAK M/No:22482



Chairman NG-CDF Committee

Name: Clement Lomuto

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15. 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) AIA	and Previous Years' Outstanding disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent						
1.1 Compensation of employees	5,328,356	2,609,490		7,937,846	4,804,762	3,133,084
1.2 Committee allowances	1,248,000	2,170,000		3,418,000	1,385,540	2,032,460
1.3 Use of goods and services	3,149,835	2,613,209		5,763,044	2,055,656	3,707,388
Sub-total	9,726,191	7,392,699	-	17,118,891	8,245,958	8,872,932
2.0 Monitoring and evaluation						
2.1 Capacity building	1,047,812			1,047,812		1,047,812
2.2 Committee allowances	1,000,000			1,000,000	2,263,000	(1,263,000)
2.3 Use of goods and services	3,066,284			3,066,284	3,192,700	(126,416)
Sub-total	5,114,096	-	-	5,114,096	5,455,700	(341,604)
4.0 Emergency						
Skak Pry Sch	500,000			500,000		500,000
Too Sikirio Sec Sch	300,000			300,000		300,000

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Too Sikirio Pry Sch	300,000			300,000		300,000
Wakor Sec Sch	200,000			200,000		200,000
Akiriemet Sec Sch	200,000			200,000		200,000
Kamanau Pry Sec	900,000			900,000		900,000
Aic Sintai Pry Sch	500,000			500,000		500,000
Rcea Marich Pry Sch	2,000,000			2,000,000		2,000,000
unutilized	4,072,098			4,072,098		4,072,098
Sub-total	8,972,098	-	-	8,972,098	-	8,972,098
5.0 Bursary and Social Security						
5.1 Primary Schools				-		-
5.2 Secondary Schools	30,576,777			30,576,777	30,575,000	1,777
5.3 Tertiary Institutions	24,000,000			24,000,000	24,000,000	-
5.4 special needs				-		-
5.5 Education Support Programmes				-		-
5.6 Social Security				-		-
Sub-total	54,576,777	-	-	54,576,777	54,575,000	1,777
7.0 Environment						
Kaporon Pry Sch	2,130,873		332,968	2,463,841		2,463,841
Lokarkar Pry Sch	2,130,873		332,000	2,462,873		2,462,873
Lomut Pry Sch	2,130,870		332,000	2,462,870		2,462,870
Ngoyomwo Pry Sch	2,130,873		332,000	2,462,873		2,462,873
Sub-total	8,523,489	-	1,328,968	9,852,457	-	9,852,457
8.0 Primary Schools Projects						
Arpollo Pry Sch	1,500,000			1,500,000		1,500,000
Chepkokogh Pry Sch	1,500,000			1,500,000		1,500,000

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Cheposangiy Pry Sch	1,500,000			1,500,000		1,500,000
Cheptamas Pry Sch	1,500,000			1,500,000		1,500,000
Cheptoch Pry Sch	1,500,000			1,500,000		1,500,000
Cheptokol Pry Sch	4,400,000			4,400,000		4,400,000
Cheptokol Pry Sch	600,000			600,000		600,000
Karapogh Pry Sch	1,500,000			1,500,000		1,500,000
Kasaka Pry Sch	1,500,000			1,500,000		1,500,000
Masat Pry Sch	1,500,000			1,500,000		1,500,000
Onoch Pry Sch	4,000,000	50		4,000,050		4,000,050
Parkino Pry Sch	1,500,000			1,500,000		1,500,000
Ptulongwo Pry Sch	1,500,000			1,500,000		1,500,000
Ruk Pry Sch	1,500,000			1,500,000		1,500,000
Sapoyi Pry Sch	1,500,000		500,000	2,000,000		2,000,000
Sororo Pry Sch	2,800,000			2,800,000		2,800,000
Takar Pry Sch	1,500,000			1,500,000		1,500,000
Tinwa Pry Sch	1,500,000			1,500,000		1,500,000
St. John Komigh Primary School		1,200,000	1,200,000	2,400,000		2,400,000
Sasach Primary School		1,200,000	1,200,000	2,400,000		2,400,000
Skak Primary School		1,200,000	1,200,000	2,400,000	1,196,261	1,203,739
St. Peters Korelach pri		500		500		500
Chemutlokotyo primary		247		247		247
RCEA Nasolot primary		18,790		18,790		18,790
Chepkondol primary		2,000		2,000		2,000
Kokworitit primary		469		469		469
Cherelio Primary		2,355		2,355		2,355
Lomut Primary		520	4,610,533	4,611,053		4,611,053
Kositot Primary		3,356		3,356		3,356

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AIC Katinot Primary		25		25		25
Sakat Primary		930	500,000	500,930		500,930
Parek Primary		621		621		621
Chesta Primary		4,325		4,325		4,325
Koros Primary		797,590		797,590		797,590
Sewera Primary		797,590		797,590		797,590
Simotwo Primary		797,590		797,590		797,590
Kokwosoywo primary		602		602		602
Chirkii primary school		15		15		15
Marich Pass Primary School		2,613	4,610,533	4,613,146	4,605,346	7,800
Komugh Primary School			500,000	500,000		500,000
RCEA Marich Primary School			500,000	500,000		500,000
Silip Primary School			500,000	500,000		500,000
Katinot Primary School			500,000	500,000		500,000
Cheratak Primary School			500,000	500,000		500,000
Tilakai Primary School			1,000,000	1,000,000		1,000,000
Tumeiwo Primary Dschool			115,208	115,208		115,208
Wakor Primary School			200,000	200,000		200,000
Sankat Primary School			1,200,000	1,200,000		1,200,000
Temow Primary School			1,200,000	1,200,000		1,200,000
Ptokou Primary School			1,200,000	1,200,000		1,200,000
Sub-total	32,800,000	6,030,188	21,236,274	60,066,462	5,801,607	54,264,855
9.0 Secondary Schools Projects (List all the Projects)						
RCEA Sarmach Sec Sch	9,923,227	360	-	9,923,587		9,923,587
Aic Chesombur Sec Sch	4,000,000	1,820		4,001,820		4,001,820

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Akiriemet Sec Sch	3,500,000	3,201,760	3,200,000	9,901,760		9,901,760
Annet Sec Sch	10,500,000			10,500,000	2,499,135	8,000,865
Chemutlokoty Sec Sch	1,700,000			1,700,000		1,700,000
Cheptulel Girls Sec Sch	1,000,000			1,000,000		1,000,000
Kadungdung Sec Sch	3,500,000			3,500,000		3,500,000
Nyangaita Sec Sch	3,500,000	3,204,047	3,200,000	9,904,047	3,199,500	6,704,547
Sigor Mixed Sec Sch	4,000,000	5,000	2,000,000	6,005,000		6,005,000
ACK Sangat Mixed Day/ Boarding sec		810		810		810
Katugh Mixed sec		120		120		120
Otiot Secondary		79,820		79,820		79,820
Fr. Leo Staples Girls Sec		40		40		40
RCEA Marich Secondary School			3,000,000	3,000,000		3,000,000
Kim Adventist Secondary School			3,200,000	3,200,000	2,000,000	1,200,000
Sub-total	41,623,227	6,493,777	14,600,000	62,717,004	7,698,635	55,018,369
10.0 Tertiary institutions Projects (List all the Projects)						
Sub-total						
11.0 Security Projects						
DCC's Office Sigor	3,000,000			3,000,000		3,000,000
Lomut Police Post	5,000,000			5,000,000		5,000,000
Amolem Chiefs office		29,400		29,400		29,400
Sigor Police Station		400		400		400
Amolem Security Camp			6,500,000	6,500,000		6,500,000
Chepkokogh Chief's Officw			500,000	500,000	500,000	0
Mbara Chief's Office			500,000	500,000	500,000	0
Lomut Chief's Office			500,000	500,000	500,000	0

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Masol Chief's office			500,000	500,000	500,000	0
Wakor Chief's Office			500,000	500,000	500,000	0
Sekerot Chief's Office			500,000	500,000	500,000	0
Porkoyo Chief's Office			500,000	500,000	500,000	0
Muino Chief's Office			500,000	500,000	500,000	0
Mosop Chief's Office			500,000	500,000	500,000	0
Sub-total	8,000,000	29,800	11,000,000	19,029,800	4,500,000	14,529,800
12.0 Acquisition of assets						
12.1 Motor Vehicles (including motorbikes)	-	-	-	-	-	-
12.2 Purchase of furniture and fittings	-	-	-	-	-	-
12.2 Construction of CDF office	-	-	-	-	-	-
Sub-total	-	-	-	-	-	-
13.0 Others						
NG-CDF Office Repairs	1,133,979	-	2,039,010	3,172,989	1,889,010	1,283,979
Sigor Digital Hub		-	4,600,000	4,600,000	4,340,000	260,000
Sub-total	1,133,979	-	6,639,010	7,772,989	6,229,010	1,543,979
Funds pending approval**		-		-		-
unapproved projects		-		-		-
AiA	-	-	-	-	-	-
Sub-total	-	-	-	-	-	-
Total	170,469,857	19,946,464	54,804,252	245,220,574	92,505,910	152,714,664

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(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

16. 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 Sigor Constituency principal activity is Education.

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared in accordance with the Public Finance Management Act, 2012 and the entity *has taken advantage of the transitional provisions under IPSAS 33 and therefore these 1st/ 2nd/ 3rd/ years financial statements are transitional financial statements and the following elements of the financial statements have not been recognised as the entity has taken advantage of the transition provisions outlined in IPSAS 33.*

- i) Land – Valuation and full recognition to be completed in the subsequent 2 years of transition*
- ii) Inventories – Full recognition in the subsequent 2 years of transition*
- iii) Recognition of PPEs is based on historical figures. Full recognition of PPEs will be in subsequent 2 years of the transition.*

These financial statements were authorised for issue by the accounting officer on _____

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

The financial statements have been prepared in accordance with the Public Finance Management (PFM) Act and the International Public Sector Accounting Standards (IPSAS). The NG-CDF Sigor has taken advantage of the transitional provisions under IPSAS 33 and adopted a phased approach. Accordingly, this is the first transitional financial statement.

The NG-CDF Sigor has recognized all financial assets, including cash and cash equivalents held in the operational account, deposit account, and PMC bank accounts; receivables (amounts due from the Board and other parties); prepayments; property, plant, and equipment (PPE); and intangible assets acquired during the financial year 2023/2024 up to the reporting date. Liabilities recognized include trade and other payables, third-party deposits, and gratuity provisions.

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

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

3. Adoption of New and Revised Standards

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

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

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

Standard	Effective date and impact:
IPSAS 43: Leases	<i>Applicable 1st January 2025</i> The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities. Not applicable
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<i>Applicable 1st January 2025</i> The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance. Not applicable
IPSAS 45: Property Plant and Equipment	<i>Applicable 1st January 2025</i> The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under-

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	<p>maintenance of assets and distinguishing significant parts of infrastructure assets.</p> <p>Not applicable</p>
IPSAS 46: Measurement	<p>Applicable 1st January 2025</p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS. iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p>Not applicable</p>
IPSAS 47: Revenue	<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>Not applicable</p>
IPSAS 48: Transfer Expenses	<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>Not applicable</p>
IPSAS 49: Retirement Benefit Plans	<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>

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	Not applicable
IPSAS 50: Exploration For Evaluation of Mineral Resources	<p><i>Applicable 1st January 2027</i></p> <p>The objective of this Standard is to specify the financial reporting for the & exploration for and evaluation of mineral resources. The Standard requires:</p> <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>Not applicable</p>

iii. Early adoption of standards

The Constituency Fund 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 *Fund*.

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 18 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 fund's financial statements. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

a) Financial assets

Classification of financial assets

The entity classifies its financial assets as subsequently measured at amortised cost, fair value through net assets/ equity or fair value through surplus and deficit on the basis of both the entity's management model for financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost when the financial asset is

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

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

Trade and other receivables

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

Fair value through surplus or deficit

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

Impairment

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

b) Financial liabilities

Classification

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

g) Inventories

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

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

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

h) Provisions

Provisions are recognized when the Entity has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Entity expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is

recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement

i) Social Benefits

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

j) Contingent liabilities

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

k) Contingent assets

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

l) Employee benefits

Retirement benefit plans

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

employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

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 Constituency Fund 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	<i>Period ended June 2025</i>
	Kshs.
NGCDFB Transfers (Allocation for the FY)	170,469,857
TOTAL	170,469,857

7. Grants/donations from other entities

Description	<i>Period ended June 2025</i>
	Kshs
Grants	-
Total	-

8. Finance income

Description	<i>Period ended June 2025</i>
	Kshs
Interest Income on Bank Deposits	-
Total	-

9. Miscellaneous income

	<i>Period ended June 2025</i>
	Kshs
Rental Income	-
Income from sale of tenders	-
Hire of plant/equipment/facilities	-
Other Income Not Classified Elsewhere	-

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Total	-
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10. Employee cost

Description	Period ended June 2025
	Kshs
NG-CDFC Basic staff salaries	4,028,490
Personal allowances paid as part of salary	-
House Allowance	-
Transport Allowance	-
Leave allowance	-
Gratuity to contractual employees	887,146
Employer Contributions Compulsory national social security schemes	660,961
Employer Contributions Compulsory Housing levy	25,761
Employer contributions to National Industrial Training Authority	3,300
Employer contributions-SHIF	89,550
Total	5,695,208

11. Committee Expenses

Description	Period ended June 2025
	Kshs
Sitting allowance	1,137,000
Other Committee expenses	2,511,540
Total	3,648,540

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12. Use of Goods and services

Description	<i>Period ended June 2025</i>
	Kshs
Utilities, supplies and services	-
Communication, supplies and services	294,006
Domestic travel and subsistence	-
Printing, advertising and information supplies & services	120,000
Office Rent	-
Training expenses	2,274,400
Hospitality supplies and services	-
Insurance costs	-
Specialized materials and services	-
Office and general supplies and services	667,450
Fuel, oil & lubricants	1,000,000
Bank Charges	-
Routine maintenance – vehicles and other transport equipment	366,360
Routine maintenance – other assets	-
Strategic plan expenses	-
Other operating expenses	526,140
Total	5,248,356

13. Other Government Units Actual expenditure

Description	<i>Period ended June 2025</i>
	Kshs
Primary Schools Actual expenditure	5,801,606
Secondary Schools Actual Expenditure	7,698,635
Tertiary Institutions Actual Expenditure	-
Total	13,500,241

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14. Other Grants and transfers Actual expenditure

Description	Period ended June 2025
	Kshs
Bursary – secondary schools	30,575,000
Bursary – tertiary institutions	24,000,000
Bursary – special schools	-
Bursary - Education Support programmes	-
Social Security programmes (SHIF)	-
Security projects Actual Expenditure	4,500,000
Climate change mitigation projects	-
Emergency projects Actual Expenditure	-
Roads projects	-
Others specify	-
Total	59,075,000

15. Depreciation and Amortization Expenses

Description	Period ended June 2025
	Kshs.
Property Plant and Equipment	40,780
Intangible Assets	-
Total	40,780

16. Digital Hubs Expenses

Description	Period ended June 2025
	Kshs.
Construction/ renovation/Actual Expenditure	4,600,000
Digital Hub utility costs Water, Electricity,	-
Maintenance of ICT equipment	-
Maintenance of building	-
Total	4,600,000

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17. Gain/loss on Sale of Assets

Description	Period ended June 2025
	Kshs
Property, Plant and Equipment	-
Intangible Assets	-
Total Gain/loss on Sale of Asset	-

18. Impairment Loss

Description	Period ended June 2025
	Kshs
Property, Plant and Equipment	-
Intangible Assets	-
Total Impairment Loss	-

19. Cash and Cash Equivalentents

Name Of Bank and Account No.	Period ended June 2025	Opening Statement 1st July 2024
	Kshs	Kshs
Bank Accounts (Cash Book Bank Balance)		
Equity Bank, 107029696337 (Operations account)	62,733,421	16,412,890
Equity Bank, account No. (Deposit account)	2,276,956	
Prior Year Adjustment		979,810
Equity Bank, Access Bank (PMC's account)	45,234,431	2,551,157
Prior Adjustment		2,608
Total	110,244,809	19,946,465
Cash Balances		
Location 1	-	-

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Location 2	-	-
Other Locations	-	-
Total	-	-

20. Receivables from Exchange Transactions

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

i. Ageing Analysis for Receivables

Description	Period ended June 2025		Opening Statement 1st July 2024	
	Kshs	% of the total	Kshs	% of the total
	2024/2025	% of the total	Opening Balance	% of the total
Less than 1 year	-	%	-	%
Between 1- 2 years	-	%	-	%
Between 2-3 years	-	%	-	%
Over 3 years	-	%	-	%

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	-		-	
Total (a+b)	-	%	-	%

21. Receivables from Non-Exchange Transactions

Description	Period ended June 2025		Opening Statement 1st July 2024	
	Kshs		Kshs	
Transfers from NGCDFB	42,469,857		54,804,253	
Outstanding imprest	-		-	
Total	42,469,857		54,804,253	

Ageing Analysis for Receivables

Description	Period ended June 2025		Opening Statement 1st July 2024	
	Kshs		Kshs	
	2024/2025	% of the total	Opening Balance	% of the total
Less than 1 year	42,469,857	100%	54,804,253	100%
Between 1- 2 years		0%	-	
Between 2-3 years	-	0%	-	0%
Over 3 years	-	0%	-	0%
Total (a+b)	42,469,857	100%	54,804,253	100%

22. Prepayments

Description	Period ended June 2025		Opening Statement 1st July 2024	
	Kshs		Kshs	
Prepaid Rent				

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	-	-
Prepaid Insurance	-	-
Prepaid Electricity Costs	-	-
Other Prepayments (<i>Specify</i>)	-	-
Total	-	-

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23. Property, Plant and Equipment

	Land	Buildings	Motor vehicles	Furniture and fittings	Computers & ICT Equipment	Capital Work in progress	Total
Depreciation Rate		2%	25%	12.5%	30%		
Cost	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Opening Bal as 1 st July 2024	-	-	-	-	-	-	-
Additions	-	2,039,010	-	-	-	-	2,039,010
Disposals	-	-	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-	-	-
As At 30 th June 2025	-	2,039,010	-	-	-	-	2,039,010
Depreciation And Impairment	-		-	-	-	-	-
Opening Depreciation	-	-	-	-	-	-	-
Depreciation	-	40,780	-	-	-	-	40,780
Disposals	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-

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Transfer/Adjustment	-	-	-	-	-	-	-
As At 30 th June 2025	-	40,780	-	-	-	-	40,780
Net Book Values	-	-	-	-	-	-	-
Opening Bal as at 1 st July 2024	-	-	-	-	-	-	-
As At 30 th June 2025	-	1,998,230	-	-	-	-	1,998,230

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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	2,039,010	40,780	1,998,230
Plant And Machinery	-	-	-
Motor Vehicles, Including Motorcycles	-	-	-
Computers And Related Equipment	-	-	-
Office Equipment, Furniture, And Fittings	-	-	-
Total	2,039,010	40,780	1,998,230

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	Period ended June 2025	Opening Statement 1st July 2024
	Kshs	Kshs
Cost		
Opening balance at the beginning of the Period	-	-
Additions	-	-
Disposal	-	-
At end of the Period	-	-
Additions–internal development	-	-

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Disposal	-	-
At end of the Period	-	-
Amortization and impairment		
At beginning of the Period	-	-
Amortization	-	-
At end of the Period	-	-
Impairment loss	-	-
At end of the Period	-	-
NBV	-	-

25. Right-of use assets

Description	Buildings	Plant	Equipment	Total
	Kshs	Kshs	Kshs	Kshs
Cost				
As At 1 July 2023	-	-	-	-
Additions	-	-	-	-
As At 30 June 2024	-	-	-	-
Additions	-	-	-	-
As At 30 June 2025	-	-	-	-
	-	-	-	-
Accumulated Depreciation				
As At 1 July 2023	-	-	-	-
Charge for the period	-	-	-	-
As At 30 June 2024	-	-	-	-
Charge for the period	-	-	-	-
As At 30 June 2025	-	-	-	-
	-	-	-	-
Carrying Amount				
As At 30 June 2025 (Current FY)	-	-	-	-
As At 30 June 2024. (Comparative Period)	-	-	-	-

26. Trade and Other Payables

Description	<i>Period ended June 2025</i>	<i>Opening Statement 1st July 2024</i>
	Kshs	Kshs
Trade payables	-	-

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Employee payables	3,300	-
Other payables	-	-
Total trade and other payables	3,300	-

Aging analysis: (Trade and other payables)	Period ended June 2025	% of the Total	1 st July 2024	% of the Total
Under one year	3,300	100%	-	%
1-2 years	0	%	-	%
2-3 years	0	%	-	%
Over 3 years	0	%	-	%
Total (tie to above total)	3,300	100%	-	-

27. Third-Party deposits

	<i>Period ended June 2025</i>	<i>Opening Statement 1st July 2024</i>
	Kshs	Kshs
Retention as at start of the period (A)	-	-
Retention held during the period (B)	410,000	-
Retention paid during the period (C)	-	-
Closing Retention as at June 2025, D= A+B-C	410,000	-

Retentions aging analysis.

	Period ended June 2025	% of the total	Opening statement 1 st July 2024	% of the total
Less than 1 year	410,000	100%	-	-%
1-2 years		%	-	-%
2-3 years		%	-	-%
Over 3 years		%	-	-%
Total	410,000	100%	-	-

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28. Lease Liabilities

Description	Period ended June	Opening Statement
	2025	1st July 2024
	Kshs	Kshs
Balance at the beginning of the period	-	-
Discount interest on lease liability	-	-
Paid during the period	-	-
At end of the period	-	-

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	Period ended June	Opening Statement
	2025	1st July 2024
	Kshs	Kshs
Gratuity at the beginning of the period (A)	979,810	-
Gratuity held during the period (B)	887,146	979,810
Gratuity paid during the period (C)	-	-

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Total Gratuity provision as at June 2025 D=(A+B-C)	1,866,956	979,810
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30. Cash Generated from Operations

	<i>Period ended June 2025</i>
	Kshs
Surplus for the period before tax	78,661,731
Adjusted for:	
Depreciation	40,780
Non-cash grants received	-
Contributed assets	-
Impairment	-
Gains and losses on disposal of assets	-
Contribution to provisions	-
Contribution to impairment allowance	-
Working capital adjustments	
Changes in inventory	-
Changes in receivables	(12,334,396)
Changes in deferred income	
Changes in Total trade and other payables	(3,300)
Changes in Third party deposits	(410,000)
Changes in gratuity provision	(887,146)
Changes in payments received in advance	-
Net cash flow from operating activities	92,337,354

31. Financial Risk Management

The Constituency Fund's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The Constituency Fund'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 Fund 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 Constituency Fund's financial risk management objectives and policies are detailed below:

i) Credit risk

The Constituency Fund 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	42,469,857	42,469,857	-	-
Bank balances	110,244,809	110,244,809	-	-
Total	152,714,666	152,714,666	-	-
As at 30 June 2024			-	-
Receivables from exchange transactions	-	-	-	-

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Receivables from non-exchange transactions	54,804,253	54,804,253	-	-
Bank balances	19,946,465	19,946,465	-	-
Total	74,750,718	74,750,718	-	-

Financial Risk Management

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the Entity has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The Entity has significant concentration of credit risk on amounts due from the Board. 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	413,300	-	-	-
Current proportion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Gratuity Provision			1,866,956	
Total	413,300	-	1,866,956	-
As at 30th June 2024				
Trade payables	-	-	-	-

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Description	Less than 1	Between 1-3	Over	Total
	month	months	5	
	Kshs	Kshs	Kshs	Kshs
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Employee benefit obligation	979,810	-	-	-
Total	979,810	-	-	-

iii) Market risk

The Constituency Fund has put in place an internal audit function to assist it in assessing the risk faced by the Fund on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls. Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the Entity's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee. The Fund'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 Fund's exposure to market risks or the way it manages and measures the risk.

a) Foreign currency risk

The Constituency Fund has no foreign 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 Constituency Fund manages foreign exchange risk from future commercial transactions and recognised assets and liabilities by projecting for expected sales proceeds and matching the same with expected payments.

Financial Risk Management

The following table demonstrates the effect on the Constituency Fund's statement of comprehensive income on applying the sensitivity for a reasonable possible change in the exchange rate of the three main transaction currencies, with all other variables held constant.

The reverse would also occur if the Kenya Shilling appreciated with all other variables held constant.

b) Interest rate risk

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

Management of interest rate risk

To manage the interest rate risk, management has 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 Constituency Fund's market assumptions. These two types of inputs have created the following fair value hierarchy:

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

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

iv) Capital Risk Management

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

Description	Period ended June 2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Revaluation Reserve	73,770,908	73,770,908
Retained Earnings	78,661,731	-
Capital Reserve	-	-
Total Funds	152,432,640	73,770,908
Total Borrowings	-	-
Less: Cash and Bank Balances	110,244,809	19,946,465
Net Debt/(Excess Cash And Cash Equivalents)	42,187,831	53,824,443
Gearing	28%	73%

32. Related Party Disclosures

	Period ended June 2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Committee Members Remuneration		
Sitting allowance of committee Members during the year	1,137,000	2,885,500
Transaction with the NGCDF Board		
Transfers from the NGCDF Board during the year	182,804,253	171,215,033
Total	183,941,253	174,100,533

33. Segment Information

NG CDF Sigor Constituency operates within the same geographical location and is not segmented.

34. Contingent Assets and Contingent Liabilities

Contingent Assets

Description	Period ended June 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	-	-

Contingent Liabilities

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

35. Capital Commitments

Capital Commitments	Period ended June 2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Authorised for	-	-
Authorised and Contracted for	-	-
Total	-	-

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

36. Events after the Reporting Period

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

37. Ultimate And Holding Entity

The NG CDF Sigor 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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17. 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	22,484,931	-	-	22,484,931
Transport equipment	10,330,000	-	-	10,330,000
Office equipment, furniture, and fittings	2,510,000	-	-	2,510,000
ICT Equipment and Other ICT Assets	878,000	-	-	878,000
Other Machinery and Equipment	1,781,000	-	-	1,781,000
Intangible assets	-	-	-	-
Total	37,983,931	-	-	37,983,931

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

PMC	Bank	Account number	Bank Balance 2024/2025	Bank Balance 2023/2024
St. Peters Korelach Pri	EQUITY	1070281015957	500	500
Chemutlokotyo Primary	EQUITY	1070282067976	247	247
RCEA Nasolot Primary	EQUITY	1070282789900	18,790	18,790
Chepkondol Primary	EQUITY	1070282056706	2,000	2,000
Kokworitit Primary	EQUITY	1070297276058	469	469
Cherelio Primary	EQUITY	1070177643489	2,355	2,355
Lomut Primary	EQUITY	1070281025847	520	520
Kositot Primary	EQUITY	1070298186839	3,356	3,357
Aic Katinot Primary	EQUITY	1070279269949	25	25
Onoch Primary	EQUITY	1070284492601	50	50
Sakat Primary	EQUITY	170177682442	930	930

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Parek Primary	EQUITY	1070162527104	621	622
Chesta Primary	EQUITY	1070296892917	4,325	4,326
Koros Primary	ACCESS	260130000406	797,590	797,590
Sewera Primary	ACCESS	260130000407	797,590	797,590
Simotwo Primary	ACCESS	260130000408	797,590	797,590
Kokwosoywo Primary	EQUITY	260130000409	602	602
Chirkii Primary School	EQUITY	1070177647571	15	15
Lomut Primary	EQUITY	1070281025847	-	-
Marich Pass Pry	EQUITY	1170197037599	7,801	-
Sangat Pry Schl	EQUITY	1070284484495	1,200,000	-
Lomut Pry	EQUITY	1070281025847	4,610,533	-
Temow Pry Schl	EQUITY	1070279372026	1,200,000	-
Ptokou Pry	EQUITY	1070286016975	1,200,000	-
Skak Pry	EQUITY	1070279306782	3,739	-

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St. John Komigh Pry	EQUITY	1070286010085	1,200,000	-
Sapoyi Pry Sch	EQUITY	1070286147617	500,000	-
Komugh Pry Sch	EQUITY	1070277808442	500,000	-
Rcea Marich Pry Sch	EQUITY	1070286188882	500,000	-
Sakat Pry Sch	EQUITY	1070281025847	500,000	-
Katinot Pry Sch	EQUITY	107027969949	500,000	-
Cheratak Pry Sch	EQUITY	1070282021373	500,000	-
Tilakai Pry Sch	EQUITY	1070286127224	1,000,000	-
Kronyo Pry Sch	EQUITY		1,500,000	-
Sasach Pry Sch	EQUITY	170278741527	1,200,000	-
Kaponpon Pry Sch	EQUITY		1,200,000	-
Poriokrut Pry Sch	EQUITY		1,200,000	-
Silip Pry Sch	EQUITY	1070279309713	500,000	-
Cheptokol Pry Sch	EQUITY	1070280134715	4,400,000	-
Endow Primary School				2
TOTAL				2,427,580

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			25,849,648	
SECONDARY SCHOOL PROJECTS	EQUITY			
KIM Adventist Sec	EQUITY	1070285704106	1,200,000	
Nyangaita sec	EQUITY	1070281065770	500	
Akiriamet sec	EQUITY	1070281059561	700,865	
ACK Sangat Mixed Day/ Boarding sec	EQUITY	1070280166736	810	810
Katugh Mixed sec	EQUITY	1070280162645	120	120
Otiot Secondary	EQUITY	1070282022160	79,820	79,820
Akiriamet secondary	EQUITY	1070279818056	1,760	1,760
AIC Chesombur Mixed sec	EQUITY	1070282046822	1,820	1,820
Fr. Leo Staples Girls Sec	EQUITY	1070281042898	40	40
RCEA Sarmach Mixed sec	EQUITY	1070281993305	360	360
Sigor Mixed Day/Boarding secondary	EQUITY	1070284482557	5,000	5,000
Nyangaita Secondary	EQUITY	1070279843965	4,047	4,047
Sigor Mixed Sec	EQUITY	1070284482557	2,000,000	

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Rcea Marich Pass Sec Sch	EQUITY	1070187037599	3,000,000	
Cheptulel Girls Sec Sch	EQUITY		1,000,000	
TOTAL			7,995,142	93,777
CLIMATE CHANGE M PROJECTS				
Lomut Pry Sch	EQUITY	1070281025847	332,000	
Ngoyomwo Pry Sch	EQUITY	1070281753959	332,000	
Lokarkar Pry Sch	EQUITY	1070283992859	332,000	
Kaporon Pry Sch	EQUITY	1070280132021	332,968	
Lokarkar Pry Sch	EQUITY	1070283992859	2,130,873	
TOTAL			3,459,841.00	0
SECURITY PROJECTS				
Amolem security	EQUITY	1070279818294	3,000,000	
Amolem Chiefs office	EQUITY	1070279818294	29,400	29,400
Sigor Police Station	EQUITY	1070280475001	400	400
Totals				29,800

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			3,029,800	
Emergency projects				
Skak Pry Sch	EQUITY	1070279306782	500,000	
Too Sikirio Sec Sch	EQUITY		300,000	
Too Sikirio Pry Sch	EQUITY		300,000	
Wakor Sec Sch	EQUITY	1070280383764	200,000	
Akiriamet Sec Sch	EQUITY	1070279818056	200,000	
Kamanau Pry Sch	EQUITY	1070282194871	900,000	
Aic Sintai Pry Sch	EQUITY	1070281026214	500,000	
Rcea Marich Pry Sch	EQUITY	1070286188882	2,000,000	
TOTAL			4,900,000	0
DIGITAL HUBS (ASSET/PROJECT)				
TOTAL			-	
GRANT TOTAL			45,234,431	2,551,157

2,551,157

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. Accuracy of Fixed Assets Records	The land on which the fund's building and structures are built on has not been valued and included in fixed assets register and disclosed in the financial statements. In addition, land ownership documents or land title deed were not provided for audit review. In the circumstances, the accuracy, completeness and ownership of fixed assets historical balance of Kshs.37,983,931 could not be confirmed.	Sigor constituency had not been adjudicated by Ministry of Land & Adjudication	Not Resolved	Waiting Adjudication for

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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)
2.Unsupported Project Management Committee (PMC) Account balances	<p>Note 19.4 to the financial statements reflects an amount of Kshs.2,551,157 which relates to PMC account balances as disclosed in Annex 5 to the financial statements. However, certificate of bank balances, cash books and bank reconciliation statements for the individual PMC accounts were not provided for audit.</p> <p>In the circumstances, the accuracy, ownership and existence of project management committee bank balance amounting to Kshs.2,551,157 as at 30 June 2024 could not be confirmed.</p>	Certificate of bank balances, cash books and reconciliation for the PMC projects were provided	Resolved	
3.Arithmetic Inaccuracies I the Appropriation	Statement of Budget execution by sectors and projects for the year ended 30 June 2024 reflects arithmetic variances:	The arithmetical error in the budget execution were corrected to the	Resolved	

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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)
		correct figures:		
4.Unutilized Funds	Annex 3 to the financial statements reflects an amount of Kshs.4,048,066 which relates to amounts due to other government entities-primary school projects. However, the correct arithmetical calculation amounts to Ksh.41,721,066 resulting in unexplained variance of Kshs.37,673,000. Further Note 19.3 reflects an amount of Kshs.71,217,143 which relates to Unutilized fund. However, corresponding annex 3 reflects a total amount of Kshs.35,217,132 resulting in a variance of Kshs.36,000,011	The unutilized funds relates to the delayed funds not released from the Board.	Resolved	
5.Cash and Cash Equivalent	The statement of assets and liabilities reflects cash and cash equivalents balance of Kshs.16,412,889 as at 30 June	Stale cheques were reversed and replaced in the cash book	Resolved	

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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>2024. The entity bank reconciliation statement for 30 June 2024 reflects unrepresented cheques amounting to Kshs.37,126,273. Unrepresented cheques totalling to Kshs.124,460 become stale as at 30 June 2024. However, there was no evidence provided to show that stale cheques were reversed and replaced in the cashbook. In the circumstance, the accuracy of the cash and cash equivalents balance of Kshs.16,412,889 as at 30 June 2024 could be confirmed.</p>			



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 Name *Wilson K. Chemkenyot*
 Fund Account Manager.

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