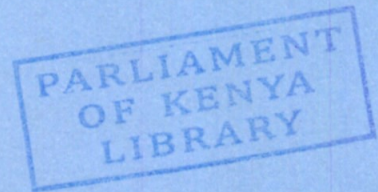


REPUBLIC OF KENYA



**REPORT**


**OF**

**THE AUDITOR-GENERAL**

**ON**

**NATIONAL GOVERNMENT**  
**CONSTITUENCIES DEVELOPMENT**  
**FUND - KAPSERET CONSTITUENCY**

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

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 17 FEB 2026	DAY: TUESDAY
TABLED BY:	DEPUTY MAJORITY LEADER
CHECK-OFF TABLE:	FINLAY



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NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

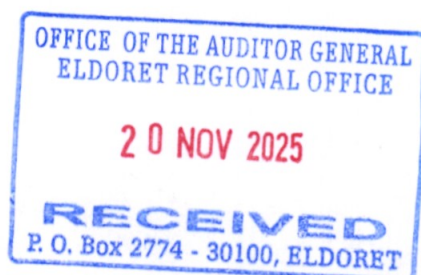
KAPSERET CONSTITUENCY

ANNUAL REPORT AND FINANCIAL STATEMENTS

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

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





NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

KAPSERET CONSTITUENCY

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED  
30 JUNE 2025

The financial statements were prepared in accordance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) as issued by the International Accounting Standards Board (IASB).

30 JUNE 2025

Prepared and approved for issue by the  
Members of the Constituency Development Committee

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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, the Cabinet Secretary for the Treasury, who is responsible for the Fund's general policy and strategic direction, represents NG-CDF.

### **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 Kapseret Constituency's day-to-day management is under the following key organs:

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

#### Fiduciary Management

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

No	Designation	Name
1.	AIE holder	Mathew K.Tanui
2.	National Sub-County Accountant	Lydia Chepsoi
3.	Chairman NGCDFC	Sammy K.Rutto
4.	Member NGCDFC	Caroline Kemboi –Alternate to operations account.
5.	Member NG CDFC	Evans Manga Ogoti- Deposit Account

#### (c) Fiduciary Oversight Arrangements

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

P.O. Box 2449  
NGCDF Office Building  
Outspan  
Eldoret, KENYA

**(e) NGCDF Kapseret Constituency Contacts**

Telephone: (254) 725732332  
E-mail: [cdfkapseret@ngcdf.go.ke](mailto:cdfkapseret@ngcdf.go.ke)  
Website: [www.ngcdf.go.ke](http://www.ngcdf.go.ke)

**(f) NGCDF Kapseret Constituency Bankers**

1. Co-operative Bank

Account: 1141443517600  
Branch  
P.O. Box 2928-30100  
Eldoret, Kenya

2. Kapseret National Government-Constituency fund-Deposit

Co-operative Bank  
Account: 1104435176001  
P.O. Box 2928-30100  
Eldoret, Kenya

3. Project Management Committees Accounts;

- a) Co-operative bank
- b) ABC bank
- c) Equity bank
- d) KCB bank
- e) National Bank
- f) Sidian Bank





**(g) Independent Auditor**

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

**(h) Principal Legal Adviser**

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

### 3. Kapseret NGCDF Committee

Name	Details
 Sammy K. Rutto-Chairman	Date Of Birth:24.06.1978 Academic Qualification: Diploma in Education. Work Experience:7 Years Professional Qualification: Teacher Male Adult representative
 Mercy Morogo -Secretary	Date Of Birth:03.04.1996 Academic Qualification: Bachelor of science in agricultural extension education. Work Experience: None. Professional Qualification: None. Female youth representative
 Evans Manga- Member	Date Of Birth:01.05.1984 Academic Qualification: A in criminology & security Work Experience: 10 Years. Professional Qualification: Certified mediator by MTI EA. Male Adult representative
 Hellen Meresei -Member	Date Of Birth:31.12.1975 Academic Qualification: Diploma in social work and community development. Work Experience: 6 years. Professional Qualification. None. CO-opted Member
	Date Of Birth:22.5.1984

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	<p>Academic Qualification: KCSE                  Work Experience: Farmer                  Professional Qualification: None.                  Female adult representative</p>
	<p>Date Of Birth: 20.02.1980                  Academic Qualification: KCSE                  Work Experience: 7 Years                  Professional Qualification: None.                  Female adult representative</p>
	<p>Date Of Birth: 07.03.1993                  Academic Qualification: Certificate in human resources management.                  Work Experience: None.                  Professional Qualification: None.                  Male youth representative</p>
	<p>Date Of Birth: 02.03.1959                  Academic Qualification: Kenya certificate of advanced education.                  Work Experience:                  Professional Qualification: None.                  PWD representative</p>

Caroline Kemboi-Member

Susan Murei-Member

Jerry Rowlings-Member

Jasper Kurgat-Member

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Matthew K. Tanui

Date Of Birth:29.12.1980  
Academic Qualification: MSC procurement and logistics.  
Work Experience:14 years  
Professional Qualification: None.  
Fund Account Manager



Edong'a Nanok

Date Of Birth:06.06.1978  
Academic Qualification: Masters  
Work Experience:22Years  
Professional Qualification: None.  
Deputy County Commissioner

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



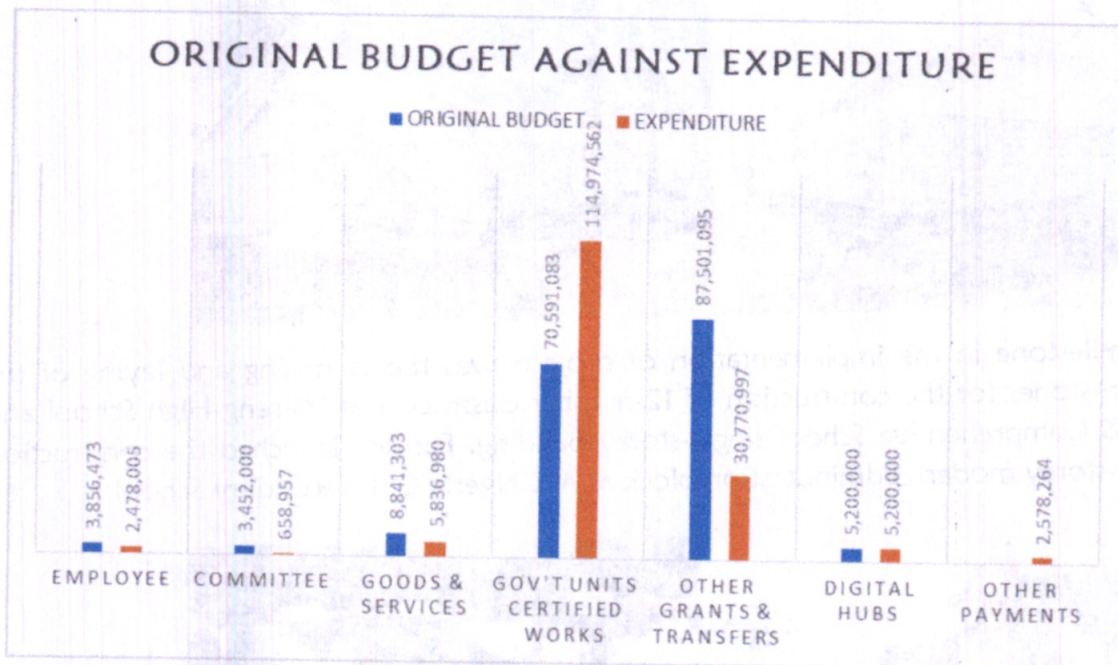
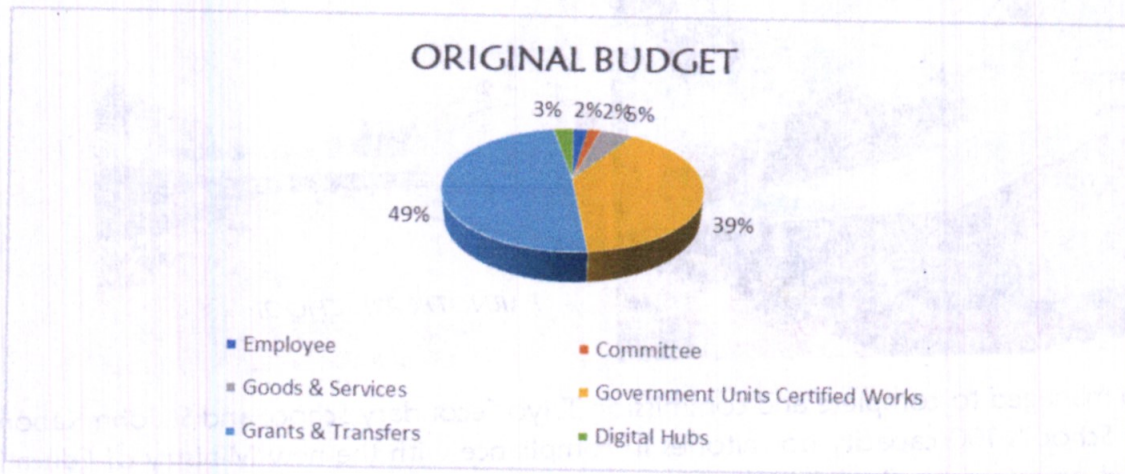
In the financial year 2024/2025, Kapseret Constituency was allocated Kshs 179,441,955 and raised aid A.I.A of Kshs 18,000 from the sale of tenders.

The fund, however, did not manage to fulfil its mandate on time due to various challenges, including the nullification of the Finance Bill 2024/2025 as a result of nationwide Gen Z demonstrations and other various litigation which delayed the disbursement and the transition on the renewal of term of the NG CDFCs members which took time to be Gazetted.

Kapseret NG-CDF undertook not all procedures after receiving its allocation table, as well as implementing the 2023/2024 projects whose funds had been disbursed as of 30th June 2024.

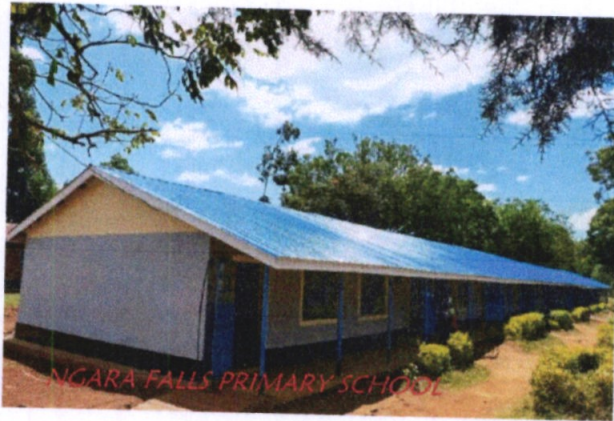
The budget for the financial year 2024/2025 was as shown in the table below.

	Original Budget Kshs	Budget Utilization Kshs
Revenue		
Transfers from the NGCDF Board	179,441,955	51,441,955
Grants/donations from other entities	-	-
Finance income	-	-
Miscellaneous income	-	-
<b>Totals</b>	<b>179,441,955.00</b>	<b>51,441,955</b>
Expenses		
Employee costs	3,856,473	2,911,173
Committee expenses	3,452,000	658,957
Use of Goods and Services	8,841,303	1,732,380
Other Government Units Certified Works	70,591,083	126,313,183
Other Grants and Transfers	87,501,095	27,693,278
Digital Hubs Expenses	5,200,000	-
Funds Pending Approval		836,000
Other Payments	-	7,649,022
<b>Total Expenditure</b>	<b>179,441,954</b>	<b>167,793,993</b>
Surplus for the period		(16,352,038)



Kapseret constituency commissioned complete projects, as well as the launching and laying of the foundation stones for the new projects.

The commissioned project has transformed learning across the constituency due to the improved learning environment in the renovated schools. These projects are Barnotik Primary School, Ngara Falls Primary School, Chebarus Primary School, and Kapkenduiwo Primary School, just to name a few.

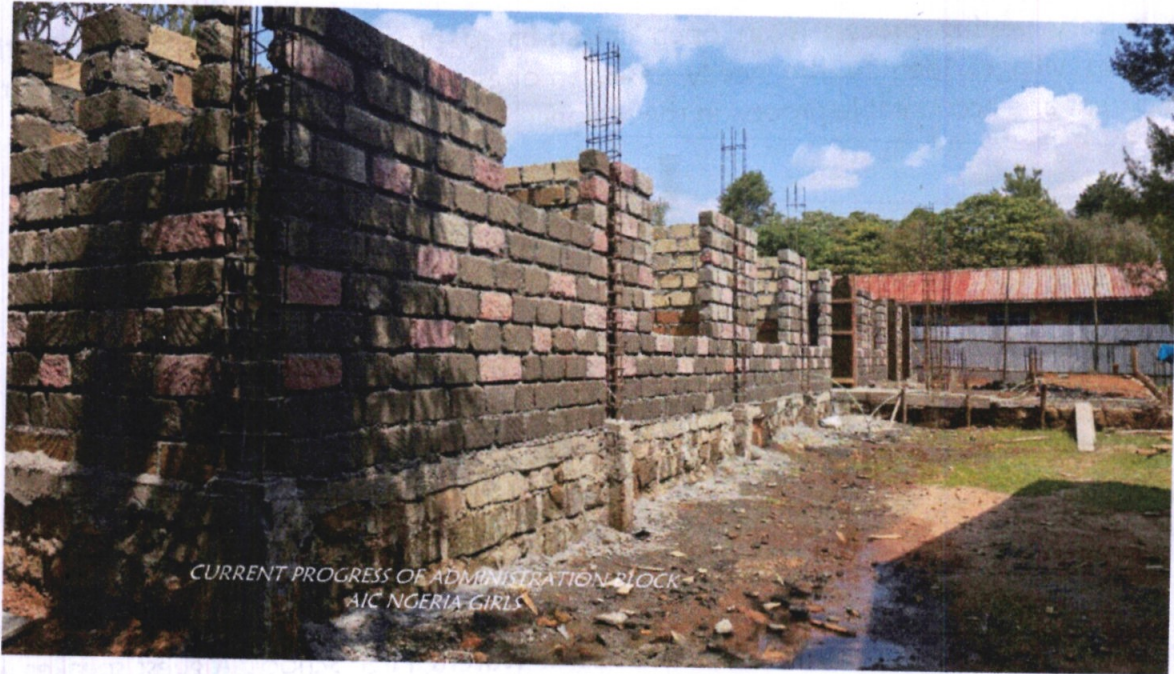


We also managed to complete and commission Tuiyo Secondary School and St. John Kabongo Primary School's 100 capacity dormitories in compliance with the new Ministry of Education guidelines on safety standards laid.



Another milestone in the implementation of projects was the launching and laying of the foundation stones for the construction of 12-number classrooms at Wareng High School and Kimalel JSS Comprehensive School single-storey building. Further, launched the construction of a single-storey modern administration block at AIC Ngeria Girls Secondary School.





As a way of ensuring the retention of learners in school, all the day-schoolers were awarded affirmative bursaries, where the students would only pay Kshs 1,000 per term. This will go a long way in improving students' results due to reduced absenteeism due to fee constraints. In summary, a total of 1757 learners benefited from the bursary kitty. Kapseret NGCDF also awarded bursaries to students with special needs.

### **KAPSERET NG- CDF BURSARY REPORTS FY 2024/2025**

SN	BURSARY	APPROVED ALLOCATION	TYPE OF SCHOLARSHIP	NG-CDFC EXPENDITURE	TOTAL BENEFICIARIES
1	SECONDARY SCHOOLS BENEFICIARIES	47,903,000	PARTIAL	42,153,699	5471
			FULL	5,742,344	167
			SUB-TOTALS	47,896,043	5638
2	TERTIARY SCHOOLS BENEFICIARIES	18,721,788	PARTIAL	14,756,043	981
			FULL	1,835,382	45
			SUB-TOTALS	14,756,043	1026
5	PWD/ SPECIAL	1,791,994	PARTIAL	1,324,054	88
			FULL	117,450	5
			SUB-TOTALS	1,441,504	93
<b>TOTALS</b>		<b>68,416,782</b>		<b>64,093,590</b>	<b>1757</b>

The bursary vetting process is an open citizen-based process where the people in their respective villages identify the needy cases amongst themselves. It is one of the most transparent and accountable process in the region.



The bursary disbursement was officially flagged off by the area Member of the National Assembly, Hon Oscar Sudi, on 28th March 2025 at Wareng High School. A guest speaker was also invited to motivate the learners and encourage them to be disciplined and hardworking for the betterment of their futures, since education is the only equalizer.



On the constituency Amendment Bill to entrench the NG CDF, Senate, and NGAF into the Kenyan Constitution, Kapseret constituency on 6th May, 2025 in compliance with the provisions of the Public Participation Act, together with the other 290 constituencies, conducted stakeholders engagement, where the turnout was overwhelming, and many supported the amendment since they believed that NG-CDF plays a crucial role in their livelihood and that of other Kenyans.



From 8th to 15th June 2025, Kapseret NG-CDF Staff attended the NG-CDF Board Training held at Starbucks on emerging trends in E-Procurement. Members in attendance were FAM, Sub County Accountant, Supply Chain Officer, NG-CDF Accounts assistant, Clerk of work, and Records assistant. In addition, the NG CDFCs of Kapseret attended the regional Training held at Starbucks from 4th to 9th July, 2025, after the renewal of their terms in office. This capacity building will go a long way in improving the service delivery to the residents of Kapseret.



In support of the president's directive on climate mitigation, Kapseret NG CDF managed to plant 25,800 tree seedlings of cypress and assorted indigenous trees in various institutions in line to meet the presidential target of planting 15 billion trees by 2032 and stressed on climate mitigation.



The success of Kapseret Constituency is teamwork, strict adherence to and compliance with the law, and stakeholders' inclusivity in decision-making. It is also anchored on quality service delivery support from all the players, including other government departments, non-interference in the operation of NG-CDF, and compliance to the presidential directive.

Kapseret NG-CDF is also alive to the current challenges facing the fund, including several litigations on the constitutionality of the fund. Another challenge is the delay in the disbursement of the funds by the National Treasury to the NG CDF Board. This greatly hinders the timely implementation of the projects.

Long live NG CDF Board, long live NG CDF Kapseret constituency.

  
.....  
**Name: Sammy Kipchumba Rutto**

**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 Kapseret Constituency 2022-2027 plan are to:

1. To increase access to quality education in the constituency.
2. To improve security and safety of the constituency.
3. To combat impact of climate change and reduce environmental pollution and degradation.
4. To improve access and skill enhancement in ICT within the constituency.

Progress on the attainment of Strategic development objectives

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

NO.	Strategic issue	Strategic objective	strategies
1	Education	To ensure access to quality education in the constituency	<ul style="list-style-type: none"> <li>• Providing necessary infrastructural facilities.</li> <li>• Provision of bursary to needy and deserving Students.</li> <li>• Engaging other development partners in education.</li> </ul>
2	Security	To foster security and safety of the constituents	<ul style="list-style-type: none"> <li>• Acquisition and provision Of facilities.</li> <li>• Encouraging community Policing.</li> </ul>
3	Environment	To promote environmental conservation programmes	<ul style="list-style-type: none"> <li>• Establishing tree planting programme</li> <li>• Support establishment of nurseries</li> <li>• Water harvesting</li> </ul>
4	Project Implementation	To strengthen the PMC capacity in	<ul style="list-style-type: none"> <li>• Capacity building</li> <li>• Developing a consistent</li> </ul>

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	capacity	project implementation	Technical support system.
6	ICT and Communication	To enhance public information on constituency development projects	<ul style="list-style-type: none"> <li>• Provide a platform for utilisation of information technology and dissemination of Information.</li> </ul>

Progress on attainment of Strategic development objectives

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

Constituency Program	Objective	Outcome	Indicator	Performance
ICT and Communication	To enhance public information on constituency development projects	<p>Increased public awareness on constituency development projects.</p> <p>Increase dissemination of information among the public.</p>	<p>Number of people interacting with the website and Online feedbacks</p> <p>On the developments projects.</p> <p>Number of computers and quality of system installed.</p>	<p>The NGCDF Office purchased more four computers to improve the ICT sector.</p> <p>Availability of internet services and provision of communication services among staff and public access line.</p>
Education	To ensure access to quality education in the constituency.	<p>Develop and enhance schools infrastructure facilities.</p> <p>Increase enrolment and number of students completing</p> <p>Schools and tertiary colleges.</p>	<p>Number of usable physical infrastructure built in primary and secondary.</p> <p>Number of students completed school on bursary both secondary</p>	<p>Constructed seven classrooms in primary schools and five classrooms in secondary schools.</p> <p>Renovated thirteen primary schools and seven secondary</p>

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Constituency Program	Objective	Outcome	Indicator	Performance
			and tertiary.	schools  Constructed five science laboratories in secondary schools
Security	To foster security and safety of the constituents.	To acquire and improve facilities.	Number of pieces of land purchased.  Number of sub-chiefs' offices constructed.	Constructed two police station  Constructed eight sub-chiefs' offices
Project Implementation Capacity	To strengthen the PMC capacity in project implementation	To establish training for and improve capacity building for projects implementation.	Establishment of feedback from PMCs.  Reduced outcomes of cases with non-compliance to policies.	Received more feedback from the PMCs through creation of communication channels with the PMCs The NG-CDFC carried out benchmarking in the coastal region to learn more and improve on project implementation for PMC. The NG-CDFC were able to attend training in Embu.
Environment	To promote environmental conservation programmes.	Supply of tree seedlings to various public institutions	Number of tree seedlings supplied	Purchased and supplied six hundred tree seedlings to twelve primary

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Constituency Program	Objective	Outcome	Indicator	Performance
				schools and seventeen secondary schools

## 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:

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

#### 1. 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

#### 2. 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 sub-section (3) shall be submitted by the Board to the National Assembly for approval before appointment and gazettment by the board.

The current NGCDFC members were gazetted on 21st May 2025 and the first meeting was held on 17<sup>th</sup> June 2025.

The persons appointed are drawn from different groupings as follows:

- Male Adult representative -Sammy Kipchumba Rutto-Chairman
- Male youth representative –Jerry Rowlings - Member
- Female adult representative – Susan Jeruto Murei -Member

- Female youth representative - Mercy Chemutai Morogo - Secretary
- PWD representative -Jasper Sammy Kurgat -Member
- CO-opted Member- Hellen Jepkosgei Meresei- Member
- Male Adult representative - Evans Manga Agoti- Member
- Female adult representative –Caroline Jelimo Kemboi - Member

**b. NG-CDFC Tenure**

The Chairperson or a member of the Board other than ex officio members shall, subject to the provisions of this Schedule, hold office for a period of three years, on such terms and conditions as may be specified in the instrument of appointment, but shall be eligible for appointment for one further term.

**c. The Role of the Constituency Committee**

- (a) Ensure that project proposals submitted to the Board include detailed budget proposals, procurement plans and work plans;
- (b) In approving a project and before submitting the project to the Board for consideration, satisfy itself and make a declaration to the effect that such project (works and services) fall within the functions of the National Government under the Constitution;
- (c) Consult with relevant government departments to ensure that cost estimates for projects are realistic;
- (d) In considering joint projects, ensure that the participating constituencies - enter into negotiations for effective implementation of such projects;
- (e) Subject to the provisions of the Act and these Regulations, enter into a memorandum of understanding with collaborating partners, detailing all aspects of funding and implementation, before respective constituencies approve such a project for joint funding;
- (f) Rank projects proposals in order of priority while ensuring that on-going projects take precedence;
- (g) Ensure that all projects receive adequate funding and are completed within three years;
- (h) Where a project involves purchase of a parcel of land or a building, ensure that the ownership thereof is duly verified and ownership documents authenticated with relevant government agencies;
- (i) Ensure that projects proposed for funding fulfil the requirements provided in the Act and relevant circulars issued by the Board;
- (m) Monitor the implementation of projects in accordance with the monitoring and evaluation framework prescribed by the Board;

- (n) Ensure that project reports are prepared and submitted to the Board;
- (o) Ensure formation of project management committees, opening of project accounts, project implementation and closure of projects;
- (p) Ensure that the principles of public finance as provided for under Chapter Twelve of the Constitution and the Public Finance Management legislation are observed in the management of the Fund;
- (q) Submit financial statements to the Board within sixty days of the end of the financial year to enable the Board comply with section 39(4) of the Act;
- (m) Collaborate with the officer of the Board seconded to the Constituency in the management of the Fund, including the keeping of proper records and maintenance of books of account in accordance with section 38(b) of the Act
  - (n) Ensure that the reports referred to in paragraph (x) are received before funding is released for each phase of the project being implemented;
  - (o) Record the names of all the signatories of the accounts of a project management committee as communicated to a Constituency Committee by the project management committee upon assumption of office;
  - (a) Receive and address all complaints concerning the implementation of projects and collectively respond to audit queries concerning the Fund at the Constituency level;
  - (b) Ensure that the committee does not enter into commitments for which funding has not been allocated;
  - (c) Ensure projects are labelled in accordance with the guidelines issued by the Board; and
  - (d) Perform any other function assigned to it by the Board.

**d. Removal of a Constituency Committee member.**

- (1) The members of a Constituency Committee may remove a member in accordance with section 43 (13) and (14) of the Act upon receipt of a complaint against a member.
- (2) A complaint against a member of a Constituency Committee shall be deposited with the National Government Constituency Office.
- (3) The complaint referred to in paragraph (2) shall clearly set out the particulars of the issues complained of.
- (4) The Secretary shall convene a special meeting in accordance with these Regulations to deliberate on the complaint, but the member against whom the complaint is raised shall not participate in such a meeting.

- (5) If, at a meeting held pursuant to paragraph (4), members determine that sufficient grounds exist requiring the member against whom the complaint is raised to respond to the issues complained of, the secretary shall by notice, require the member to respond to the issues received in the complaint within fourteen days of the date of the notice.
- (6) A copy of the complaint and any other grounds of removal shall be attached to the notice issued under paragraph (5).
- (7) The member against whom the complaint is raised may be required to respond to the complaint in writing.
- (8) The member against whom a complaint is raised may, in addition to the written response required under paragraph (7), elect to be heard orally, and a Constituency Committee may hear such a member.
- (9) The member against whom a complaint is made may call witnesses.
- (10) If the member against whom a complaint is raised chooses not to submit a response in writing or to attend the hearings, a Constituency Committee may proceed to determine the matter.
- (11) Notwithstanding paragraph (10), a Constituency Committee may summon the member against whom the complaint is made to clarify any issue, and such member shall attend the hearing.
- (12) If the member against whom a complaint is made fails to respond to the complaint as may be directed by a Constituency Committee, the Committee may proceed and make a determination based on the evidence available.
- (13) A Constituency Committee shall issue its decision on the complaint within seven days after the conclusion of the hearing.
- (14) If a Constituency Committee resolves to remove the member against whom a complaint is made, the secretary shall communicate the decision of the Constituency Committee to the Board within fourteen days of the decision.
- (15) The communication to the Board under paragraph (14) shall include duly executed proceedings, together with all the supporting documents.
- (16) The Board shall, within thirty days after receipt of the communication in paragraph (14), consider the matter and issue a final declaration which shall be binding on all parties.

- (17) A member against whom a complaint is made shall not, participate in the deliberations and activities of a Constituency Committee from the time the Constituency Committee starts considering the complaint.
- (18) If a member against whom a complaint is made responds to the allegations to the satisfaction of a Constituency Committee and the committee makes a determination in favour of such member, the member shall resume duties as a member of the Committee.
- (19) A Constituency Committee may remove the Chairperson or secretary from their respective positions for failing to perform their functions, under regulations 8 and 9 respectively.
- (20) A Constituency Committee shall inform the Chairperson or Secretary of the reasons for the proposed removal, and shall give the Chairperson or Secretary reasonable opportunity to be heard.
- (21) A Chairperson or secretary who is removed pursuant to paragraph (19) shall continue to discharge duties as a member of the Constituency Committee.
- (22) At least two thirds of the total membership of a Constituency Committee shall be required to remove the Chairperson or secretary from office.

**E. NG-CDFC Induction and training**

All the NGCDF members attended NGCDF North Rift Region training in Eldoret held on 8th July 2025 to 15th July 2025. The NGCDF Members have had seven meetings in the financial year 2024/2025.

f. Number of meetings;

Name of Committee	Desgination	3.7.24	25.7.24	23.10.24	28.11.24	20.1.25	3.3.25	17.6.25
Sammy Kipchumba Rutto	Chairman	✓	✓	✓	✓	✓	✓	✓
Edong'a Nanok	Deputy County Commissioner			✓				✓
Grace Njuguna	Assistant County Commissioner.	✓	✓		✓	✓	✓	
Mercy Morogo	Secretary-Incoming							✓
Jerry Rowlings	Member -Incoming							✓
Caroline Jelimo Kemboi	Member	✓	✓	✓	✓	✓	✓	✓
Jasper Sammy Kurgat	Member	✓	✓	✓	✓	✓	✓	✓
Hellen Jepkosgei Meresei	Member	✓	✓	✓	✓	✓	✓	✓
Evans Manga Agoti	Member	✓	✓	✓	✓	✓	✓	✓
Susan Jeruto Murei	Member	✓	✓	✓	✓	✓	✓	✓
Edwin kurgat	Member(outgoing)	✓	✓	✓	✓	✓	✓	
Benter ogot	Member(outgoing)	✓	✓	✓	✓	✓	✓	

NG-CDF Act No.24 of Section.19 stipulates that NG-CDFC shall have a maximum of twenty-four meetings per year and not less than twelve including sub-committee meetings.

In Kapseret Constituency, the NG-CDF Committee conducted nine (9) meetings and Seven (7) sub-committee meetings.

g. Remuneration Rates

The Chairman of the NGCDFC is paid Kshs.7, 000 and other committee members are paid Kshs.5, 000 as sitting allowance for the meetings they hold.

h. Disclose the policy on conflict of interest

1) A member who has an interest in any contract, or other matter present at a meeting shall at the meeting and as soon as reasonably practicable after the commencement, disclose the fact thereof and shall not take part in the consideration or discussion of, or vote on, any questions with respect to the contract or other matter, or be counted in the quorum of the meeting during consideration of the matter.

(2) A disclosure of interest made under subparagraph (1) shall be recorded in the minutes of the meeting at which it is made.

(3) A member of the committee who contravenes subparagraph (1) shall cease to be a member of the committee.

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

- Coordinate and monitor the implementation of Risk management initiatives within the constituency.

- Conduct Risk assessment and develop monitoring systems of the risks.
- Monitoring risks in the constituency.

## 7. Management Discussion and Analysis

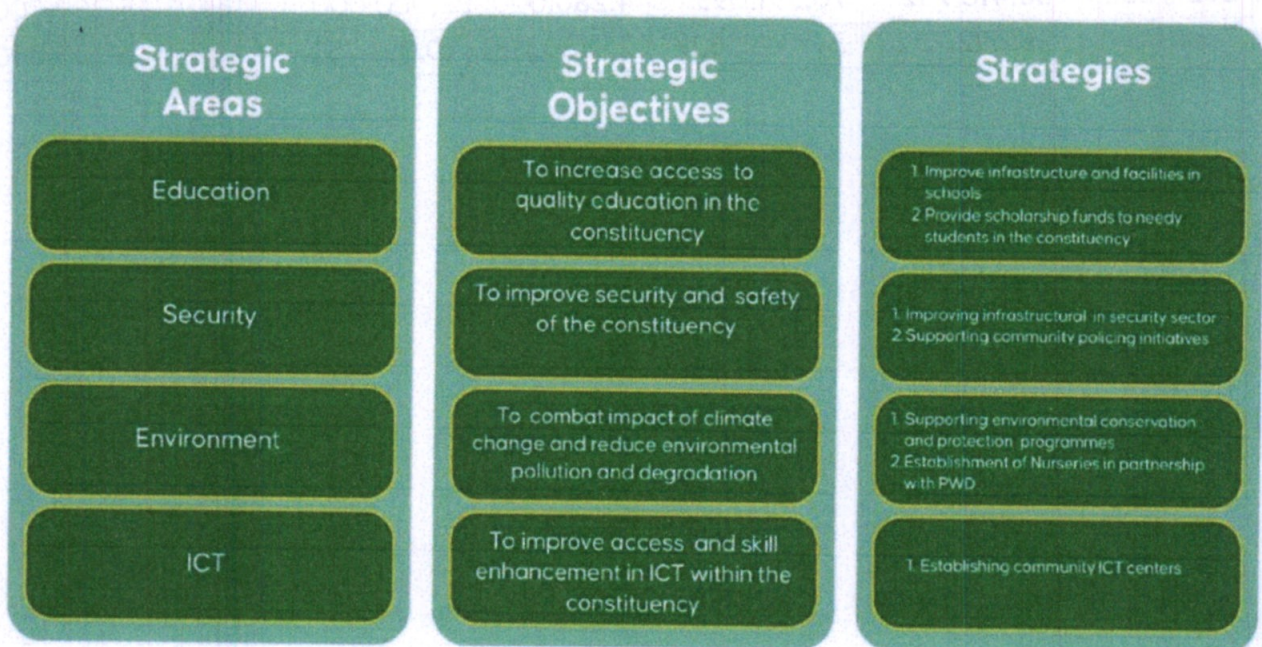
Kapseret Constituency has set forth its vision, accelerating socioeconomic development across the entire constituency; and mission, providing leadership in resource distribution, utilization and management of funds. The constituency strategic objectives include;

1. To increase access to quality education in the constituency
2. To improve security and safety of the constituency.
3. To combat impact of climate change and reduce environmental pollution and degradation.
4. To improve access and skills enhancement in ICT within the constituency

The operational and financial performance of the fund for the past five (5) years was assessed against the four aforementioned strategic objectives. A review of the implementation of the constituency strategic objectives demonstrates that the management made significant achievement of its planned projects and activities in the past five year period. Specifically, the key achievement were as follows;

- I. Increased access to quality education in the constituency through improved infrastructural facilities in schools and providing bursary funds to needy students.
- II. Improved security and safety of the constituency through improving infrastructure in the security sector.
- III. Combating impact of climate change and reduced environmental pollution and degradation through supporting environmental conservation and protection programs.
- IV. Increased access and skills improvement in ICT within the constituency through establishment of ICT centers

Fig 1. Strategic areas, strategic objectives and strategies.



The Constituency for the past five years has received an accumulative disburKshs.701,725,771 against accumulative allocation of Kshs.774,167,725

Table 1: Disbursement of funds from the Board for the past five years.

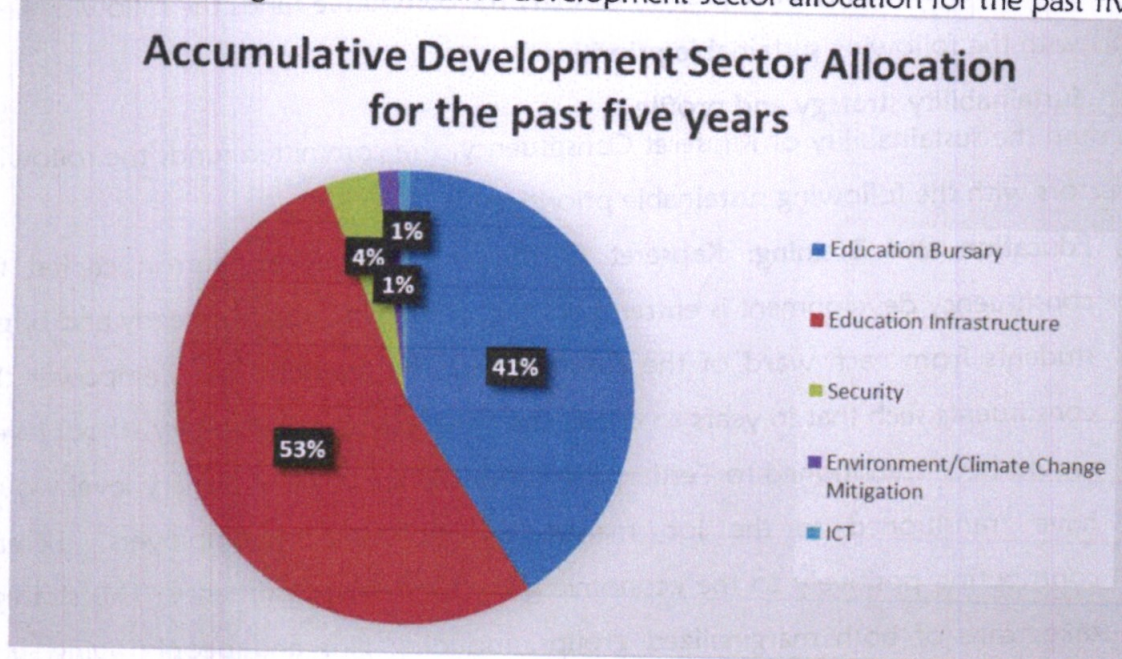
NO.	FINANCIAL YEAR	AMOUNT ALLOCATED KSHS.	AMOUNT DISBURSEMENT KSHS.	OUTSTANDING BALANCE KSHS.
1.	2020/2021	137,157,879	137,157,879	NIL
2.	2021/2022	137,088,879	137,088,879	NIL
3.	2022/2023	145,087,603	145,087,603	NIL
4.	2023/2024	175,391,410	175,391,410	NIL
5.	2024/2025	179,441,954	107,000,000	72,441,954
	<b>TOTALS</b>	<b>774,167,725</b>	<b>701,725,771</b>	<b>72,441,954</b>

For the purpose of implementation and cascading the strategic development objectives to specific sectors, all the development objectives were made specific, measurable, achievable, realistic and time-bound and converted into the development outcomes. The management in attaining the strategic development objective allocated funds to specific sectors for the past five years as follows;

Table 1: Allocation of funds to specific development sectors for the past five years.

Financial Year	Specific Development Sector Allocation				
	Education Bursary	Education infrastructure	Security	Environment/Climate Change Mitigation	ICT
2020/2021	40,539,956	66,799,940	5,260,000	1,792,000	-
2021/2022	42,800,000	70,550,446	667,528	1,450,000	-
2022/2023	47,523,865	60,041,575	7,972,585	2,909,252	-
2023/2024	66,648,736	79,860,575	7,000,000	1,940,000	-
2024/2025	68,416,732	70,591,093	4,280,000	2,000,000	5,200,000
Totals	265,928,929	347,843,629	25,180,113	10,091,752	5,200,000

Pie Chart showing the accumulative development sector allocation for the past five years



Name: Mathew K. Tanui  
Fund Account Manager

## 8. Environmental and Sustainability Reporting

To ensure sustainability of Kapseret NG CDF, the committee funds the following key sectors with the following sustainable priorities.

### 1. Sustainability strategy and profile -

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

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

## 2. Environmental performance

Funding for environment for planting of trees to schools across the constituency in line with the presidential directive of planting 15 billion trees as a measure to mitigate the effects of climate and harvesting of water in various schools.

### **3. Employee welfare**

We invest in providing the best working environment for our employees. Kapseret 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. Kapseret Constituency invests in capacity-building programs for employees. These include courses on technical competencies relevant to each employee and continuous sensitization on cross-cutting issues.

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

#### **4. Marketplace practices-**

Kapseret Constituency is committed to fair and ethical market practices.

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

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

NGCDF has put in efforts to ensure:

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

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

Kapseret 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

Kapseret Constituency deliberated on project proposals from all the wards in the constituency and considered the most beneficial to the constituents, considering the national development plans and policies and the constituency strategic development plan.

The identified list of priority projects, both immediate and long-term, was submitted to the NG CDF Board in accordance with the Act.

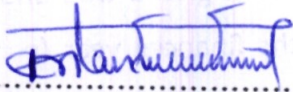
**Public participation** is a process that directly engages the concerned stakeholders in decision-making and fully considers public input.

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

**Public Awareness**

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

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



.....  
**Name:** Mathew K. Tanui  
**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-Kapseret 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.

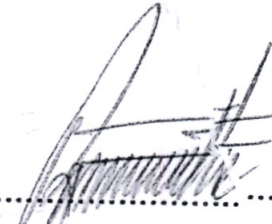
The Accounting Officer in charge of the NGCDF-Kapseret Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Accrual Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting 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- Kapseret 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 Kapseret Constituency confirms that the constituency has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further, the Accounting Officer confirms that the constituency's financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

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

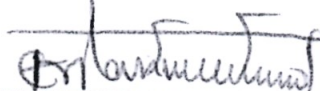
#### Approval of the financial statements

The NGCDF- Kapseret Constituency financial statements were approved and signed by the Accounting Officer on 8/8/2025.



.....

Name: Sammy K. Rutto  
Chairman – NGCDF Committee



.....

Name: Mathew K. Tanui  
Fund Account Manager

# REPUBLIC OF KENYA

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Anniversary Towers  
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NAIROBI

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

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### PREAMBLE

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

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

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

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

### REPORT ON THE FINANCIAL STATEMENTS

#### Qualified Opinion

I have audited the accompanying transitional IPSAS financial statements of Kapseret National Government Constituency Development Fund set out on pages 1 to 63, which comprise of the statement of financial position as at 30 June, 2025 and statement of

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

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

### **Basis for Qualified Opinion**

#### **Project Management Committee (PMC) Bank Account Balances**

Annex 2 to the financial statements reflects Project Management Committee (PMC) bank balances amounting to Kshs.57,325,270 held in eighty-one (81) bank accounts in various commercial banks. However, Cash Books, bank reconciliation statements and bank statements for the eighty one (81) bank accounts were not provided for audit review.

In the circumstances, the accuracy and completeness of the PMC accounts balance of Kshs.57,325,270 could not be confirmed.

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

### **Emphasis of Matter**

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

The statement of comparative budget and actual amounts reflects final receipts budget and actual on a comparable basis of Kshs.296,300,515 and Kshs.244,858,560 respectively resulting to an under realization of Kshs.51,441,955 or 17 % of the budget. Similarly, the Fund expended Kshs.128,506,120 against actual receipts of Kshs.244,858,560 resulting to under-expenditure of Kshs.77,064,165 or 31% of the budget.

The underfunding and under absorption of the budget may have negatively affected implementation of the planned programmes and thus adversely affecting service delivery in the constituency.

My opinion is not modified in respect of this matter.

### **Key Audit Matters**

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

### **Other Matter**

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

In the audit report of the previous year, one (1) issue was raised under report on Financial Statements, and another one (1) issue was raised under Report on Lawfulness and Effectiveness in the use of Public Resources. However, the issues remain unresolved. **(See Appendix I).**

### **Other Information**

The Management is responsible for the Other Information set out on page ii to xxxviii which comprise of Acronyms and Definition of Key Terms, Key Constituency Information and Management, NGCDF 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 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 financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

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

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

## **Conclusion**

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

## **Basis for Conclusion**

### **1. Delay in Disbursements of Funds from the Board**

The statement of financial performance reflects transfers from National Government Constituencies Development Fund Board amount of Kshs.179,441,955 which includes Kshs.107,000,000 for the financial year. However, budgeted funds amounting to Kshs.72,441,964 or 40 % were not received during the year.

Delays in funding jeopardized the operations of the constituency's ability to implement projects as planned resulting into harming the public interest of the constituents.

### **2. Long Outstanding Taxes from NGCDF Operations**

Review of NG-CDF board letter dated 16 September, 2025 on feedback to the Decentralized Funds Accounts Committee of the National Assembly and Kenya Revenue Authority letter dated 17 June, 2025 on enforcement of outstanding taxes owed by National Government Constituency Development Funds revealed that Kapseret NG-CDF had tax arrears totalling Kshs.97,935 made up of outstanding PAYE of Kshs.26,993; withholding VAT Kshs.13,233 and withholding income tax of Kshs.57,709 contrary to Section 92 of the Income Tax Act (Cap 470) which stipulates that tax charged in any assessment shall be due and payable. Failure to remit these taxes can result in penalties, with unremitted taxes being recovered from the respective Constituency accounts.

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

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

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

### **Conclusion**

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

### **Basis for Conclusion**

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

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

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

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

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

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

Those charged with governance 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**

## Appendix I

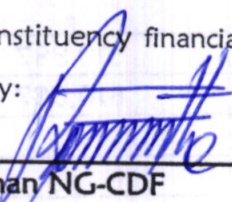
### Unresolved Prior Year Matters

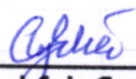
No	Issue
	<b>Report on the Financial Statements</b>
1	Unsupported Project Management Committee) Bank Balances
	<b>Report on Lawfulness and Effectiveness in the Use of Public Resources</b>
2	Unitized Funds

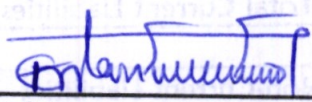
**11. Statement of Financial Performance for the Year Ended 30th June 2025**

	Note	As at 30th June 2025
		Kshs
<b>Revenue from non-exchange transactions</b>		
Transfers from the NGCDF Board	6	179,441,955
Grants/donations from other entities	7	-
<b>Revenue from exchange transactions</b>		
Finance income	8	-
Miscellaneous income	9	418,000
<b>Total revenue</b>		<b>179,859,955</b>
<b>Expenses</b>		
Employee costs	10	3,922,950
Committee expenses	11	3,517,830
Use of Goods and Services	12	9,159,947
Other Government Units Actual expenditure	13	38,302,306
Other Grants and Transfers Actual expenditure	14	75,821,101
Depreciation and amortization expense	15	-
Digital Hubs Actual expenditure	16	-
<b>Total expenses</b>		<b>130,724,134</b>
<b>Other gains/(losses)</b>		
Gain/Loss on Sale of Assets	17	-
Impairment loss	18	-
<b>Surplus/(Deficit) for the year</b>		<b>49,135,821</b>

The Constituency financial statements were approved by the NGCDFC on 8/8/2025 and signed by:

  
 Chairman NG-CDF  
 Committee  
 Name: Sammy K. Rutto

  
 National Sub-County  
 Accountant  
 Name: Lydia Chepsoi  
 ICPAK M/No: 27713

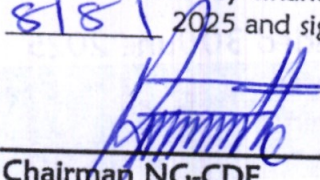
  
 Fund Account Manager  
 Name: Mathew K. Tanui

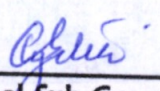
## 12. Statement Of Financial Position As At 30th June, 2025

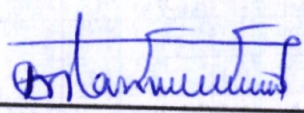
	Note	Period as at 30th June 2025	Opening Statement 1st July 2024
		Kshs	Kshs
<b>Assets</b>			
<b>Current Assets</b>			
Cash And Cash Equivalents	19	116,352,441	64,331,867
Receivables from Exchange Transactions	20	-	-
Receivables from Non-Exchange Transactions	21	51,441,955	52,108,693
Prepayments	22	38,060	-
<b>Total Current Assets</b>		<b>167,832,456</b>	<b>116,440,560</b>
<b>Non-Current Assets</b>			
Property, Plant and Equipment	23	-	-
Intangible Assets	24	-	-
Right-of-use assets	25	-	-
<b>Total Non- Current Assets</b>		<b>-</b>	<b>-</b>
<b>Total Assets (A)</b>		<b>167,832,456</b>	<b>116,440,560</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and Other Payables	26	-	-
Third-Party Deposits	27	1,822,907	-
Lease Liabilities	28	-	-
Gratuity provision	29	1,044,055	610,887
<b>Total Current Liabilities</b>		<b>2,866,962</b>	<b>610,887</b>
<b>Non-Current Liabilities</b>			
Lease Liabilities	28	-	-
<b>Total Liabilities (B)</b>		<b>2,866,962</b>	<b>610,887</b>
<b>Net Assets (A-B)</b>		<b>164,965,494</b>	<b>115,829,673</b>
<b>Represented by:</b>			
Revaluation Reserves		164,965,494	115,829,673
Accumulated Surplus			
<b>Total Net Assets</b>		<b>164,965,494</b>	<b>115,829,673</b>

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

The Constituency financial statements set out on pages two to three approved by NG CDFC on 8/8/2025 and signed by:

  
Chairman NG-CDF  
Committee  
Name: Sammy K.Rutto

  
National Sub-County  
Accountant  
Name: Lydia Chepsoi  
ICPAK M/No:27713

  
Fund Account Manager  
Name: Mathew K.Tanui

### 13. Statement of Changes in Net Assets for the year ended 30 June 2025

Description	Reserves	Accumulated	Total
	Kshs	surplus/Deficit	
As at 30 <sup>th</sup> June 2024 (cash basis)	10,952,771	-	10,952,771
<b>Adjustments: (to recognize assets and liabilities)</b>			
Add Assets	104,876,902		104,876,902
Less Liabilities			-
<b>As at July 1, 2024</b>	<b>115,829,673</b>		<b>115,829,673</b>
Surplus/(Deficit) For the Period	49,135,821		49,135,821
Revaluation Gain/Loss	-	-	-
<b>As at 30<sup>th</sup> June 2025</b>	<b>164,965,494</b>	-	<b>164,965,494</b>

Note:

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

#### 14. Statement of Cash Flows for The Year Ended 30th June 2025

	Notes	As at 30th June 2024
		Kshs
<b>Cash flows from operating activities</b>		
<b>Receipts</b>		
Transfers from the NGCDF Board		180,108,693
Grants/donations from other entities		-
Finance income		-
Miscellaneous income		418,000
<b>Total Receipts</b>		<b>180,526,693</b>
<b>Payments</b>		
Employee costs		3,489,782
Committee expenses		3,517,830
Use of Goods and Services		9,198,007
Other Government Units Certified Works		36,871,671
Other Grants and Transfers		75,428,830
Digital Hubs Expenses		-
<b>Total Payments</b>		<b>128,506,120</b>
<b>Net Cash Flows from/ (used in) Operating Activities</b>	<b>30</b>	<b>52,020,573</b>
<b>Cash flows From Investing Activities</b>		
Purchase of PPE		-
Purchase of Intangible assets		-
Proceeds From Sale of PPE		-
<b>Net Cash Flows from Investing Activities</b>		<b>-</b>
<b>Net increase/(decrease) in cash &amp; Cash equivalents</b>		<b>52,020,573</b>
<b>Cash Flows from Financing Activities</b>		
Lease payment		-
<b>Net Cash Flows from Financing Activities</b>		<b>52,020,573</b>
Cash and cash equivalents at Period Start	19	64,331,867
<b>Cash and cash equivalents at Period End</b>	<b>19</b>	<b>116,352,440</b>

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

**15. Statement of Comparison of Budget and Actual Amounts for the Year ended 30 June 2025**

	Original Budget	Adjustments		Final Budget	Actual on	Budget utilization	% of Utilization					
					comparable basis	difference						
	Kshs	Kshs		Kshs	Kshs	Kshs						
	a	b		C=(a+b)	d	e=(c-d)	f=d/c*100					
	FY 2024.2025	Opening Balance (operational, deposit and PMCs C/Bk) and AIA	Previous Years' Outstanding disbursements	FY 2024.2025	FY 2024.2025							
<b>Revenue</b>												
Transfers From the NGCDF Board	179,441,955		64,331,867					52,108,693	295,882,515	244,440,560	51,441,955	83%
Grants/donations from other entities	-	-	-	-	-	-						
Finance income	-	-	-	-	-	-						
Miscellaneous income	-	418,000	-	418,000	418,000	-						
<b>Totals</b>	<b>179,441,955</b>	<b>64,749,867</b>	<b>52,108,693</b>	<b>296,300,515</b>	<b>244,858,560</b>	<b>51,441,955</b>	<b>83%</b>					
<b>Expenses</b>												
Employee costs	3,856,473	2,040,544	503,938	6,400,955	3,489,782	2,911,173	55%					
Committee expenses	3,452,000	706,273	18,514	4,176,787	3,517,830	658,957	84%					

National Government Constituencies Development Fund (NGCDF)  
 Kapseret Constituency  
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Use of Goods and Services	8,841,303	2,066,892	22,192	10,930,387	9,198,007	1,732,380	84%
Other Government Units Certified Works	70,591,083	49,013,879	43,579,892	163,184,853	36,871,671	126,313,183	23%
Other Grants and Transfers	87,501,095	7,660,263	7,961,152	103,122,510	75,428,830	27,693,680	73%
Acquisition of Asset	-	-	-	-	-	-	
Funds Pending Approval**	-	418,000	418,000	836,000	-	836,000	
Other payments	5,200,000	2,426,418	22,604	7,649,022	-	7,649,022	0%
<b>Total Expenditure</b>	<b>179,441,954</b>	<b>64,332,269</b>	<b>52,526,292</b>	<b>296,300,515</b>	<b>128,506,120</b>	<b>167,794,395</b>	<b>43%</b>
<b>Surplus for the period</b>				<b>(0)</b>		<b>(116,352,440)</b>	

\*\*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.

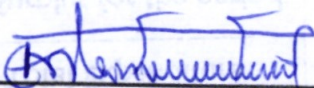
National Government Constituencies Development Fund (NGCDF)  
 Kapseret Constituency  
 Annual Report and Financial Statements for The Year Ended June 30, 2025

**Explanatory Notes.**

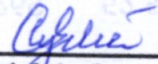
The under utilization was due to the late release of funds from the exchequer.

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilization difference totals	167,793,993
Less undisbursed funds receivable from the Board as at 30th June 2025	51,441,955
Cash and Cash Equivalents at the end of the 30 <sup>th</sup> June 2025	116,352,038

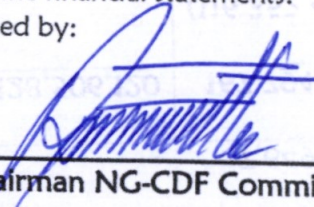
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.  
 The Constituency financial statements were approved by NG CDFC on 8/8/2025 and signed by:

  
 \_\_\_\_\_  
**Fund Account Manager**

**Name:** Mathew K. Tanui

  
 \_\_\_\_\_  
**National Sub-County Accountant**

**Name:** Lydia Chepsoi  
**ICPAK M/No:** 27713

  
 \_\_\_\_\_  
**Chairman NG-CDF Committee**

**Name:** Sammy K. Rutto

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget FY.2024.25	Actual on comparable basis FY.2024.25	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
		Kshs	Kshs			
<b>1.0 Administration and Recurrent</b>						
1.1 Compensation of employees	3,856,473	2,040,544	503,938	6,400,955	3,489,782	2,911,173
1.2 Committee allowances	2,028,000	706,273		2,734,273	2,133,700	600,573
1.3 Use of goods and services	4,882,044	1,940,746		6,822,790	6,370,507	452,283
<b>Sub-total</b>	<b>10,766,517</b>	<b>4,687,563</b>	<b>503,938</b>	<b>15,958,018</b>	<b>11,993,989</b>	<b>3,964,029</b>
<b>2.0 Monitoring and evaluation</b>						
2.1 Capacity building	2,309,000			2,309,000	637,500	1,671,500
2.2 Committee allowances	1,424,000		18,514	1,442,514	1,384,130.00	58,384
2.3 Use of goods and services	1,650,259	126,146	22,192	1,798,597		1,798,597
<b>Sub-total</b>	<b>5,383,259</b>	<b>126,146</b>	<b>40,706</b>	<b>5,550,111</b>	<b>2,021,630</b>	<b>3,528,481</b>
<b>3.0 Emergency</b>						
3.1 Primary Schools						
3.2 Secondary schools	9,444,313	231,563	2,549,821	12,225,697	1,200	12,224,497
3.3 Tertiary institutions						
3.4 Security projects						

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget FY.2024.25	Actual on comparable basis FY.2024.25	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
<b>Sub-total</b>	<b>9,444,313</b>	<b>231,563</b>	<b>2,549,821</b>	<b>12,225,697</b>	<b>1,200</b>	<b>12,224,497</b>
<b>4.0 Bursary and Social Security</b>						
4.1 Primary Schools						
4.2 Secondary Schools	47,903,000	351,315		48,253,913	48,212,046	41,867
4.3 Tertiary Institutions	18,721,788		47,262	18,769,050	14,562,005	4,207,045
4.4 special needs	1,791,994		14,069	1,806,063	1,437,450	368,613
4.5 Social Security	3,360,000			3,360,000	503,000	2,857,000
<b>Sub-total</b>	<b>71,776,782</b>	<b>351,315</b>	<b>61,331</b>	<b>72,189,026</b>	<b>64,714,501</b>	<b>7,474,525</b>
<b>5.0 Climate Change Mitigation</b>						
5.1 Various Institutions	2,000,000	1,940,000		3,940,000	1,939,965	2,000,035
5.2						
<b>Sub-total</b>	<b>2,000,000</b>	<b>1,940,000</b>	<b>-</b>	<b>3,940,000</b>	<b>1,939,965</b>	<b>2,000,035</b>
<b>6.0 Primary Schools Projects (List all the Projects)</b>						
Ngeria Primary School	2,572,306	73,569		2,645,875	-	2,645,875
Inder Primary School	3,294,950	297,888		3,592,838	3,571,389	21,449
Tuiyo Primary School	3,176,560		174,203	3,350,763	174,203	3,176,560
Kaptinga Primary School	3,320,550	67,894		3,388,444	-	3,388,444
Gitwe Primary School	2,994,000	281,191	1,000,000	4,275,191	526,629	3,748,562
Nairiri Primary School	1,275,000	202,556		1,477,556	197,071	1,280,485

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget FY.2024.25	Actual on comparable basis FY.2024.25	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
		Kshs	Kshs			
Kanetik Primary School	1,275,000	11,428		1,286,428	-	1,286,428
Kimalel Primary School	10,000,000	30,230	13,493,766	23,523,996	367,891	23,156,105
Songoliet Primary School	6,000,000	47,566	4,000,000	10,047,566	-	10,047,566
Kipsamoo Primary School	3,176,252	713,135		3,889,387	657,880	3,231,507
Langas Primary School		305,263		305,263	-	305,263
Kabongwa Primary School		20,069		20,069	-	20,069
Ngarafalls Primary School		38,347	3,930,840	3,969,187	3,689,792	279,395
St Anne Primary School Simat		139,992		139,992	-	139,992
Belekenya Primary School		443,863		443,863	433,147	10,716
Chepyakwai Primary School		3,030		3,030	-	3,030
Kosyin Ngara Primary school		2,740,893	400,000	3,140,893	2,807,537	333,356
Kapseret Primary School		2,530		2,530		2,530
Nandi Gaa Primary School		206,742		206,742	202,760	3,982
Jasho Primary School		155,735		155,735	-	155,735
A.I.C Tuiyobei Primary School		410,772		410,772	-	410,772
Nganiat Primary School		128,988		128,988	-	128,988
Lemook Primary School		289,941		289,941	(84,165)	374,106
A.I.C Mutwot Primary school		158,764	174,203	332,967	305,342	27,625
Kibabet Primary School		57,974		57,974	-	57,974

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget FY.2024.25	Actual on comparable basis FY.2024.25	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
St James Leberio Primary School		75,318		75,318	-	75,318
PMCA Chepkongi Primary School		34,045		34,045	31,000	3,045
Kipkaren Road Primary School		1,138,483		1,138,483	899,830	238,653
St Marys Chelabal Primary School		2,863	3,176,252	3,179,115	2,955,463	223,652
Kimuri Primary School		124,097		124,097	27,685	96,412
Konyit Primary School		5,993		5,993	-	5,993
Legetet Primary School		107,706		107,706	-	107,706
Kipkaren Airport Primary School		197,955		197,955	-	197,955
St John Kabongo Primary School		10,523		10,523	-	10,523
Kapkagaron Primary School		10,560		10,560	-	10,560
ACK Aturei Primary School		436,033		436,033	78,037	357,996
Davis Primary School		2,425		2,425	-	2,425
A.I.C Kosirai Primary School		23,613		23,613	-	23,613
Simat Primary School		158,945		158,945	153,255	5,690
St Josephs Kapseret Primary School		204,309		204,309	(71,750)	276,059

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget FY.2024.25	Actual on comparable basis FY.2024.25	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
		Kshs	Kshs			
St Georges Sinendet Primary School		614,836		614,836	-	614,836
Kamuzee primary school		191,129		191,129	185,611	5,518
Kapkenduiywo Primary School		688,577	3,712,050	4,400,627	1,579,396	2,821,231
Kingwal Primary School		353,341		353,341	251,816	101,525
Ochemina Primary School		475,274		475,274	451,250	24,024
Aturei Adventist Day & Boarding School		2,492,021	1,734,157	4,226,178	3,050,678	1,175,501
Koibasui Primary School		424,570		424,570	318,701	105,869
St Marys Chebarus Primary School			3,176,252	3,176,252	2,860,506	315,747
Barnotik Primary School			3,911,248	3,911,248	3,334,483	576,765
Kipkenyo Primary School			2,255,792	2,255,792	1,636,782	619,010
Boarderlands Primary School			174,203	174,203	174,203	(0)
<b>Sub-total</b>	<b>37,084,618</b>	<b>14,600,973</b>	<b>41,312,966</b>	<b>92,998,557</b>	<b>30,766,419</b>	<b>62,232,138</b>
<b>7.0 Secondary Schools Projects (List all the Projects)</b>						
Wareng High School	9,000,000	9,667,554	1,046,361	19,713,915	-	19,713,915
Ngeria Girls Secondary School	9,000,000.00	9,164,339	872,158	19,036,497	2,420,271	16,616,226

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget FY.2024.25	Actual on comparable basis FY.2024.25	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
St Joseph Secondary School	2,100,000.00	377,968		2,477,968	377,968	2,100,000
Kiambaa Secondary School	5,231,465.08	5,000,265		10,231,730	60,000	10,171,730
Oscar Sudi Secondary School	1,325,000.00	309,683		1,634,683	271,233	1,363,450
Kipkenyo Secondary School	6,500,000.00			6,500,000	-	6,500,000
NgaraFalls Secondary School		174,086	174,203	348,289	-	348,289
A.I.C Chepyakwai Secondary School	-	961,253		961,253	(39,139)	1,000,392
DEB Mutwot Secondary School	-	2,609,485		2,609,485	2,130,385	479,100
Kipkaren Road Secondary School	-	961,253		961,253	338,535	622,718
A.I.C Lemook Secondary School	-	3,488		3,488		3,488
Davies Secondary School	-	409,938		409,938	-	409,938
Koros Secondary School Chemina		3,218		3,218	2,768	449
ACK Aturei Secondary School		136,707		136,707	-	136,707
A.I.C Kosirai Secondary		4,448,002		4,448,002	241,570	4,206,432

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget FY.2024.25	Actual on comparable basis FY.2024.25	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
		Kshs	Kshs			
School						
Mwiruti Secondary School		11,465		11,465	-	11,465
Simat High School		174,203	174,203	348,406	301,661	46,745
<b>Sub-total</b>	<b>33,156,465</b>	<b>34,412,906</b>	<b>2,266,925</b>	<b>69,836,296</b>	<b>6,105,252</b>	<b>63,731,045</b>
8.0 Tertiary institutions Projects (List all the Projects)						
Ngeria Technical Training Institute	350,000	-	-	350,000	-	350,000
<b>Sub-total</b>	<b>350,000</b>	<b>-</b>	<b>-</b>	<b>350,000</b>	<b>-</b>	<b>350,000</b>
9.0 Security Projects						
Kapelach Police Station	380,000	1,511,247	650,000	2,541,247	1,381,182	1,160,065
Kapseret Sub-County Dcio Office	3,500,000		-	3,500,000		3,500,000
Kapseret Sub-County Deputy County Commissioner Office	400,000	972,231		1,372,231	948,885	423,346
Gitwe police post		603,903		603,903	474,382	129,521
Kiambaa Police Station		26,050		26,050	-	26,050
Megun Location Chiefs Office		2,565		2,565	-	2,565
Langas Police Station		71,567	3,650,000	3,721,567	3,470,311	251,256
Ngeria Location Chiefs Office		19,635	650,000	669,635	608,645	60,990
Megun Assistant Chiefs Office		1,834,781		1,834,781	1,716,557	118,224

National Government Constituencies Development Fund (NGCDF)  
 Kapseret Constituency  
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Programme/Sub-programme	Original Budget	Adjustments		Final Budget FY.2024.25	Actual on comparable basis FY.2024.25	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
		Kshs	Kshs			
Pioneer Chiefs Office		93,991	400,000	493,991	-	493,991
Langas DCI Office		1,405		1,405	-	1,405
Chepkatet chief's office		11		11	-	11
<b>Sub-total</b>	<b>4,280,000</b>	<b>5,137,385</b>	<b>5,350,000</b>	<b>14,767,385</b>	<b>8,599,961</b>	<b>6,167,424</b>
10.0 Acquisition of assets						
10.1 Motor Vehicles (including motorbikes)						
10.2 Construction of CDF office						
10.3 Purchase of furniture and equipment						
10.4 Purchase of computers						
10.5 Purchase of land						
Sub-total						
11.0 Digital Hubs						
Lemook Costituency digital Hub	5,200,000.0 0		-	5,200,000		5,200,000
<b>Sub total</b>	<b>5,200,000.0 0</b>		<b>-</b>	<b>5,200,000</b>		<b>5,200,000</b>
12.0 Others						
Kapseret subcounty		15,854		15,854		15,854

National Government Constituencies Development Fund (NGCDF)  
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Programme/Sub-programme	Original Budget	Adjustments		Final Budget FY.2024.25	Actual on comparable basis FY.2024.25	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
		Kshs	Kshs			
Education office						
Kapseret NG-CDF Office		233,16		233,168	173,203	59,965
Kapseret NG-CDF Strategic Plan		2,177,396	22,604	2,200,000	2,190,000	10,000
<b>Sub total</b>		<b>2,426,418</b>	<b>22,604</b>	<b>2,449,022</b>	<b>2,363,203</b>	<b>85,818.89</b>
13.0 Funds pending approval**						
13.1 Unapproved projects						
13.2 AIA		418,000	418,000	836,000		836,000
13.3						
<b>Sub-total</b>		<b>418,000</b>	<b>418,000</b>	<b>836,000</b>	<b>418,000</b>	<b>836,000</b>
<b>Total</b>	<b>179,441,954</b>	<b>64,331,867</b>	<b>52,526,292</b>	<b>296,300,113</b>	<b>128,506,120</b>	<b>166,957,993</b>

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

## 17. Notes to the Financial Statements

### 1. General information

The National Government Constituencies Development Fund (NG-CDF) formerly Constituencies Development Fund (CDF), is established by and derives its authority and accountability from the NG-CDF Act 2015 (amended 2023). The NG-CDF is wholly owned by the Government of Kenya and is domiciled in Kenya. The NG-CDF Kapseret Constituency principal activity is 2025.

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

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

The financial statements have been prepared in accordance with the Public Finance Management (PFM) Act and the International Public Sector Accounting Standards (IPSAS). The NG-CDF Kapseret 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 Kapseret 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.

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

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

### 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	<b>Applicable 1<sup>st</sup> January 2025</b>  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.
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<b>Applicable 1<sup>st</sup> January 2025</b>  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.
IPSAS 45: Property Plant and Equipment	<b>Applicable 1<sup>st</sup> January 2025</b>  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

	<p>IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under-maintenance of assets and distinguishing significant parts of infrastructure assets.</p>
<p>IPSAS 46: Measurement</p>	<p><b>Applicable 1<sup>st</sup> January 2025</b></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> <li>i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.</li> <li>ii. Clarifying transaction costs guidance to enhance consistency across IPSAS.</li> <li>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</li> </ul> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
<p>IPSAS 47: Revenue</p>	<p><b>Applicable 1<sup>st</sup> January 2026</b></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the 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>IPSAS 48: Transfer</p>	<p><b>Applicable 1<sup>st</sup> January 2026</b></p> <p>The objective of the standard is to establish the principles that a transfer</p>

Expenses	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.
IPSAS 49: Retirement Benefit Plans	<b>Applicable 1<sup>st</sup> January 2026</b> 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.
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<b>Applicable 1<sup>st</sup> January 2027</b> The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires: 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.

### iii. Early adoption of standards

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

## 4. Summary of Significant Accounting Policies

### a) Revenue recognition

#### i) Revenue from non-exchange transactions

### **Transfers from other government entities**

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

### **ii) Revenue from exchange transactions**

#### **Sale of goods**

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

#### **Interest income**

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

#### **Rental income**

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

### **b) Budget information**

The original budget was approved by Parliament on xx June 20xx for the period 1<sup>st</sup> July 2024 to 30<sup>th</sup> June 2025 as required by law. Included in the adjustments are Cash book opening balance, AIA generated during the year and constituency allocations not yet disbursed at the beginning of the financial year.

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

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

**c) Property, plant and equipment**

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

**d) Leases**

Finance leases are leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item to the Entity. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The Entity also

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

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

#### **e) Intangible assets**

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

**f) Financial instruments**

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

**a) Financial assets**

**Classification of financial assets**

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

### **Subsequent measurement**

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

### **Amortized cost**

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

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

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

### **Trade and other receivables**

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

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

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

### **Impairment**

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

### **b) Financial liabilities**

#### **Classification**

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

### **g) Inventories**

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

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

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

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

#### **h) Provisions**

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

#### **i) Social Benefits**

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

#### **j) Contingent liabilities**

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

#### **k) Contingent assets**

The Entity does not recognize a contingent asset but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Entity in the notes to the financial statements.

Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

**l) Employee benefits**

**Retirement benefit plans**

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

**m) Foreign currency transactions**

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

**n) Related parties**

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

**o) Cash and Cash Equivalents**

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

**p) Comparative figures**

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

**q) Subsequent events**

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

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

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

### **Estimates and assumptions.**

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

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

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

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

### **Provisions**

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

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

**6. Transfers from the NGCDF Board**

Description <sup>2</sup>	As at 30th June 2025
NGCDFB Transfers (Allocation for the FY 2024.2025)	179,441,955
<b>TOTAL</b>	<b>179,441,955</b>

**7. Transfers from domestic and foreign partners**

Description	As at 30th June 2025
	Kshs
Grants	-
<b>Total</b>	<b>-</b>

**8. Finance income**

Description	As at 30th June 2025
	Kshs
Interest Income on Bank Deposits	-
<b>Total</b>	<b>-</b>

**9. Miscellaneous income**

Description	As at 30th June 2025
	Kshs
Rental Income	-
Income from sale of tenders	418,000
Hire of plant/equipment/facilities	-
Other Income Not Classified Elsewhere (specify)	-
<b>Total</b>	<b>418,000</b>

**10. Employees cost**

Description	As at 30th June 2025
	Kshs
NG-CDFC Basic staff salaries	2,641,967
Personal allowances paid as part of salary	-
House Allowance	385,500
Transport Allowance	228,000
Leave allowance	8,000
Gratuity to contractual employees	433,168
Employer Contributions Compulsory national social security schemes	176,464
Employer Contributions Compulsory Housing levy	45,901
Employer contributions to National Industrial Training Authority	3,950
<b>Total</b>	<b>3,922,950</b>

**11. Committee Expenses**

Description	As at 30th June 2025
	Kshs
Sitting allowance	2,133,700
Other Committee expenses	1,384,130
<b>Total</b>	<b>3,517,830</b>

**12. Use of Goods and services**

Description	As at 30th June 2025
	Kshs
Utilities, supplies and services	65,953
Communication, supplies and services	417,510
Domestic travel and subsistence	341,000
Printing, advertising and information supplies & services	430,000
Office Rent	-
Training expenses	637,500
Hospitality supplies and services	1,090,902
Insurance costs	112,940
Specialized materials and services	82,698
Office and general supplies and services	2,156,385
Fuel, oil & lubricants	688,082
Bank Charges	150,977
Routine maintenance – vehicles and other transport equipment	389,600
Routine maintenance – other assets	-
Strategic plan expenses	2,190,000
Other operating expenses	406,400
<b>Total</b>	<b>9,159,947</b>

**13. Other Government Units Actual expenditure**

Description	As at 30th June 2025
	Kshs
Primary Schools Actual expenditure	31,817,326
Secondary Schools Actual Expenditure	6,484,981
Tertiary Institutions Actual Expenditure	-
<b>Total</b>	<b>38,302,306</b>

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

Description	As at 30th June 2025
	Kshs
Bursary – secondary schools	48,212,046
Bursary – tertiary institutions	14,562,005
Bursary – special schools	1,437,450
Bursary - Education Support programmes	-
Social Security programmes (SHIF)	503,000
Security projects Actual Expenditure	8,992,232
Climate change mitigation projects	1,939,965
Emergency projects Actual Expenditure	1,200
Other projects (Kapseret Ngcdf office)	173,203
Strategic Plan	-
<b>Total</b>	<b>75,821,101</b>

**15. Depreciation and Amortization Expenses**

Description	As at 30th June 2025
	Kshs
Property Plant and Equipment	-
Intangible Assets	-
<b>Total</b>	<b>-</b>

**16. Digital Hubs Expenses**

Description	As at 30th June 2025
	Kshs
Construction/ renovation/Actual Expenditure	-
Digital Hub utility costs Water, Electricity,	-
Maintenance of ICT equipment	-
Maintenance of building	-
Others (specify)	-
<b>Total</b>	<b>-</b>

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

Description	As at 30th June 2025
	Kshs
Property, Plant and Equipment	-
Intangible Assets	-
<b>Total Gain/loss on Sale of Asset</b>	<b>-</b>

**18. Impairment Loss**

Description	As at 30th June 2025
	Kshs
Property, Plant and Equipment	-
Intangible Assets	-
<b>Total Impairment Loss</b>	<b>-</b>

**19. Cash and Cash Equivalents**

Name Of Bank and Account No.	Period ended June 2025	Opening Statement 1st July 2024
	Kshs	Kshs
Bank Accounts (Cash Book Bank Balance)		
Co-operative Bank ACC NO.01141443517600(Operations account-Cashbook balance)	57,983,115	10,952,770.82
Operations account pending closure (Indicate name & account no.)	-	-
Co-operative Bank ACC NO.1104435176001 (Deposit account)	1,044,055	610,887.00
PMC's accounts		
1.Co-operative bank		
2.ABC bank		
3.Equity bank		
4.KCB bank		
5.National Bank		
6.Sidian Bank		
<b>Total</b>	<b>116,352,441</b>	<b>64,331,867</b>

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Cash Balances			
Location 1		-	-
Location 2		-	-
Other Locations (Specify)		-	-
<b>Total</b>		-	-
[Provide Cash Count Certificates for Each]			

**20. Receivables from Exchange Transactions**

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

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

**i. Ageing Analysis for Receivables**

Description	Period ended June 2025		Opening Statement 1st July 2024	
	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	-		-	
<b>Total (a+b)</b>	-		-	

**21. Receivables from Non-Exchange Transactions**

Description	FY 2024.2025		Opening Statement 1 <sup>st</sup> July 2024	
	Kshs		Kshs	
Transfers from NGCDFB		51,441,955		52,108,693.00
Outstanding imprest				
<b>Total</b>		<b>51,441,955</b>		<b>52,108,693</b>
Ageing Analysis- Receivables from non- exchange transactions	FY 2024.2025		Opening Balance	% of the total
		% of the total		
Less than 1 year	-	%	-	%
Between 1-2 years	-	%	-	%
Over 3 years	-	%	-	%
<b>Total</b>	-	<b>%</b>	-	<b>%</b>

**22. Prepayments**

Description	As at 30 <sup>th</sup> June 2025	Opening Statement 1 <sup>st</sup> July 2024
	Kshs	Kshs
Prepaid Rent	-	-
Prepaid Vehicle Insurance (GKB 289V)	38,060	-
Prepaid Electricity Costs	-	-
Other Prepayments (Specify)	-	-
<b>Total</b>	<b>38,060</b>	<b>-</b>

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**23. Property, Plant and Equipment**

	Land	Buildings	Motor vehicles	Furniture and fittings	Computers & ICT Equipment	Other Assets (specify)	Capital Work in progress	Total
Depreciation Rate(specify)		2%	25%	12.5%	30%	x%		
Cost	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Opening Bal as 1 <sup>st</sup> July 2024	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-
Disposals	(-)	(-)	-	-	-	(-)	(-)	(-)
Transfer/Adjustments	(-)	(-)	-	-	(-)	(-)	-	(-)
As At 30 <sup>th</sup> June 20xx	-	-	-	-	-	-	-	-
Depreciation And Impairment								
Opening Depreciation	-	-	-	-	-	-	-	-
Depreciation	-	(-)	(-)	(-)	(-)	(-)	-	(-)
Disposals	-	-	-	-	-	-	-	-
Impairment	-	(-)	(-)	-	-	(-)	-	(-)
Transfer/Adjustment	-	-	(-)	(-)	-	(-)	(-)	-
As At 30 <sup>th</sup> June 20xx	-	-	-	-	-	-	-	-
Net Book Values								
Opening Bal as at 1 <sup>st</sup> July 20xx	-	-	-	-	-	-	-	-
As At 30 <sup>th</sup> June 20xx	-	-	-	-	-	-	-	-

**Valuation**

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

**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	6,827,082		
Plant And Machinery			
Motor Vehicles, Including Motorcycles	11,088,727		
Computers And Related Equipment	2,436,990		
Office Equipment, Furniture, And Fittings	2,009,048		
<b>Total</b>	<b>22,361,847</b>		

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

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

**24. Intangible Assets**

Description	FY 2024.2025
	Kshs
<b>Cost</b>	
Opening balance at 1 <sup>st</sup> July 2024	
Additions	
Disposal	(-)
<b>At end of the 2025</b>	
<b>Amortization and impairment</b>	
At beginning of the year	
Amortization	
<b>At end of the year</b>	
Impairment loss	
At end of the year	
<b>NBV at July 1<sup>st</sup> 2024</b>	
<b>NBV at June 30<sup>th</sup> 2025</b>	

**25. Right-of use assets**

Description	Buildings	Plant	Equipment	Total
	Kshs	Kshs	Kshs	Kshs
<b>Cost</b>				
As At 1 July (Comparative period)	-	-	-	-
Additions	-	-	-	-
As At 30 June 2024 (2023.2024)	-	-	-	-
Additions	-	-	-	-
As At 30 June 2025 (FY 2024.2025)	-	-	-	-
<b>Accumulated Depreciation</b>				
As At 1 July 2024 (Comparative period)	-	-	-	-
Charge for the period	-	-	-	-
As At 30 June 2024 (Comparative period))	-	-	-	-
Charge for the period	-	-	-	-
As At 30 June 2025 (Current FY)	-	-	-	-
<b>Carrying Amount</b>				
As At 30 June 2025 (Current FY)	-	-	-	-
As At 30 June 2025. (Comparative	-	-	-	-

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Period)				
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**26. Trade and Other Payables**

Description	FY 2024.2025		Opening Statement 1 <sup>st</sup> July 2024	
	Kshs		Kshs	
Trade payables				
Employee payables				
Other payables				
<b>Total trade and other payables</b>				
<b>Aging analysis: (Trade and other payables)</b>	<b>Current FY</b>	<b>% of the Total</b>	<b>1<sup>st</sup> July</b>	<b>% of the Total</b>
Under one year		%		%
1-2 years		%		%
2-3 years		%		%
Over 3 years		%		%
<b>Total (tie to above total)</b>				

### 27. Third-Party deposits

	Period ended June 2025	Opening Statement 1st July 2024
	Kshs	Kshs
Retention as at start of the period (A)		
Retention held during the period (B)	3,096,253	
Retention paid during the period (C)	1,273,346	
<b>Closing Retention as at period xx, D= A+B-C</b>	<b>1,822,907</b>	<b>-</b>

### Retentions aging analysis.

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

	FY 2024.2025	% of the total	FY 2023.2024	% of the total
Less than 1 year	1,822,907	%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
<b>Total</b>	<b>1,822,907</b>		<b>-</b>	

### 28. Lease Liabilities

Description	FY 2024.2025	Opening Statement 1st July 2024
	Kshs	Kshs
Balance at the beginning of the year	-	-
Discount interest on lease liability	-	-
Paid during the year	-	-
<b>At end of the year</b>	<b>-</b>	<b>-</b>

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**Maturity Analysis**

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

**Analysed as:**

Description	Amount
Current	
Non- Current	
<b>Total</b>	

**29. Gratuity Provision**

Description	As at 30th June 2025	Opening Statement
	Kshs	1st July 2024 Kshs
Gratuity at the beginning of the period (A)	610,887	-
Gratuity held during the period (B)	433,168	610,887
Gratuity paid during the period (C)	-	-
<b>Total Gratuity provision D=(A+B-C)</b>	<b>1,044,055</b>	<b>610,887</b>

### 30. Cash Generated from Operations

	Period ended 30TH JUNE 2025
<b>Surplus for the period before tax</b>	<b>49,135,821</b>
<b>Adjusted for:</b>	
Depreciation	-
Non-cash grants received	-
Contributed assets	-
Impairment	-
Gains and losses on disposal of assets	-
Contribution to provisions	-
Contribution to impairment allowance	-
<b>Working capital adjustments</b>	
Changes in inventory	-
Changes in receivables	(628,678)
Changes in deferred income	
Changes in Third party deposits	(1,822,907)
Changes in gratuity provision	(433,168)
Changes in payments received in advance	-
<b>Net cash flow from operating activities</b>	<b>52,020,573</b>

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

### 31. Financial Risk Management

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

**i) Credit risk**

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

**Financial Risk Management**

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

Description	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
<b>As at 30<sup>th</sup> June (FY 2024.2025)</b>				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	51,441,955	51,441,955	-	-
Bank balances	116,352,038	116,352,038	-	-
<b>Total</b>	<b>167,793,993</b>	<b>167,793,993</b>	-	-
<b>As at 30 June (FY 2023.2024)</b>				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	52,108,693	52,108,693	-	-
Bank balances	52,768,209	52,768,209	-	-
<b>Total</b>	<b>104,876,902</b>	<b>104,876,902</b>	-	-

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

### Financial Risk Management

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the Entity has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The Entity has significant concentration of credit risk on amounts due from xxx. The board of directors sets the Entity's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

#### ii) Liquidity risk management

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
<b>As at 30<sup>th</sup> June (FY 2024.2025)</b>				
Trade payables	1,822,907			
Current proportion of borrowings				
Provisions				
Deferred income				
Gratuity Provision	1,044,055			
<b>Total</b>	<b>2,866,962</b>			
<b>As at 30<sup>th</sup> June (FY2023.2024)</b>				
Trade payables				
Current portion of borrowings				
Provisions				
Deferred income	-	-	-	-
Employee benefit obligation	-	-	-	-
<b>Total</b>				

#### iii) Market risk

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

**a) Foreign currency risk**

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

## **Financial Risk Management**

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

### **b) Interest rate risk**

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

### **Management of interest rate risk**

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

### **Fair value of financial assets and liabilities**

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

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

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

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges.
- 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

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observable market data when available. The Entity 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**

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

Description	FY 2024.2025	Opening Statement 1 <sup>st</sup> July 2024
	Kshs	Kshs
Revaluation Reserve	-	-
Retained Earnings	-	-
Capital Reserve	-	-
<b>Total Funds</b>	-	-
Total Borrowings	-	-
Less: Cash and Bank Balances	-	-
Net Debt/(Excess Cash And Cash Equivalents)	-	-
<b>Gearing</b>	-	-

### 32. Related Party Disclosures

	FY 2024.2025	Opening Statement 1 <sup>st</sup> July 2024
	Kshs	Kshs
<b>Committee Members Remuneration</b>		
Sitting allowance of committee Members during the year	3,517,830	5,480,580
<b>Transaction with the NGCDF Board</b>		
Transfers from the NGCDF Board during the year		188,087,603
<b>Total</b>		

### 33. Segment Information

Not applicable

### 34. Contingent Assets and Contingent Liabilities

#### Contingent Assets

Description	FY 2024.2025	Opening Statement 1 <sup>st</sup> 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)	-	-
<b>Total</b>	-	-

### **Contingent Liabilities**

Description	FY 2024.2025	Opening Statement 1st July 2024
	Kshs	Kshs
Contingent Liabilities		
Court Case xx against the Entity	-	-
Bank Guarantees in Favour of Subsidiary	-	-
Contingent Liabilities arising from Contracts Including PPPs	-	-
Others (Specify)	-	-
<b>Total</b>	-	-

### **35. Capital Commitments**

Capital Commitments	FY 2024.2025	Opening Statement 1st July 2024
	Kshs	Kshs
Authorised for	-	-
Authorised and Contracted for	-	-
<b>Total</b>	-	-

(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 Kapseret 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.

### **39. Unpaid leave allowance**

There was unpaid leave allowance amounting tssso Kshs.16,000. This was because no employee proceeded for annual leave in the financial year.

**18. Annexes**

**Annex 1: Summary of Asset Register**

Asset class	Historical Cost balance brought forward (Kshs)	Additions during the period (Kshs)	Disposals during the period (Kshs)	Historical Cost (Kshs) At 30TH JUNE 2025
Land				
Buildings and structures	6,827,082	-	-	6,827,082
Transport equipment	11,088,727 <sup>s</sup>	-	-	11,088,727
Office equipment, furniture, and fittings	2,009,048	-	-	2,009,048
ICT Equipment and Other ICT Assets	2,436,990	-	-	2,436,990
Other Machinery and Equipment				
Intangible assets				
<b>Total</b>	<b>22,361,847</b>			<b>22,361,847</b>

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

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

PMC	Bank	Account number	Bank Balance	Opening Statement 1 <sup>st</sup> July 2024
			30TH JUNE 2025	
<b>PRIMARY SCH. PROJECTS</b>				
Langas Primary School	1141672996000	Co-operative Bank	305,263.00	305,263.00
Kanetik Primary School	1139674456600	Co-operative Bank	11,428.25	11,428.25
Kabongwa Primary School	1141674221700	Co-operative Bank	20,068.50	20,068.50
Ngarafalls Primary School	1141441086800	Co-operative Bank	279,395.00	38,346.50
St Anne Primary School Simat	1141672528400	Co-operative Bank	139,991.60	139,991.60
Nairiri Primary School	1141674247000	Co-operative Bank	5,485.10	202,556.10
Belekenya Primary School	1141761705700	Co-operative Bank	10,715.91	443,862.91
Chepyakwai Primary School	1141443076400	Co-operative Bank	3,030.10	3,030.10
Kosyin Ngara Primary school	1141674146600	Co-operative Bank	333,356.15	2,740,893.15
Kapseret Primary School	1139672002400	Co-operative Bank	2,530.00	2,530.00
Nandi Gaa Primary School	1141673092700	Co-operative Bank	3,981.50	206,741.50
Jasho Primary School	1139045198201	Co-operative Bank	155,734.90	155,734.90
A.I.C Tuiyobei Primary School	1141598408601	Co-operative Bank	410,772.25	410,772.25
Ngeria Primary School	1141598408601	Co-operative Bank	73,569.10	73,569.10
Nganiat Primary School	1141674221000	Co-operative Bank	128,988.00	128,988.00
Lemook Primary School	1141674389000	Co-operative Bank	374,105.80	289,940.80
A.I.C Mutwot Primary school	1141673100100	Co-operative Bank	27,624.71	158,764.00
Kibabet Primary School	1141443869000	Co-operative Bank	157,974.00	157,974.00
Songoliet Primary School	1139046739301	Co-operative Bank	4,147,565.57	147,565.57
St James Leberio Primary School	1141674337000	Co-operative Bank	175,317.55	175,317.55
Gitwe Primary School	1141443996200	Co-operative Bank	754,562.00	281,190.96

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PMCA Chepkongi Primary School	1024027782501	National Bank	3,045.00	34,045.00
Kipkaren Road Primary School	1024028215701	National Bank	238,653.15	1,138,483.15
St Marys Chelabal Primary School	1024029133901	National Bank	223,652.36	2,863.00
Kaptinga Primary School	1024027686001	National Bank	67,894.15	67,894.15
Kimuri Primary School	1090297648452	Equity Bank	96,411.85	124,096.60
Konyit Primary School	1090299149267	Equity Bank	5,993.17	5,993.17
Legetet Primary School	1090297360171	Equity Bank	107,706.00	107,706.00
Inder Primary School	1090262605801	Equity Bank	1,945,100.13	5,297,888.13
Kipkaren Airport Primary School	1090299757831	Equity Bank	197,954.80	197,954.80
St John Kabongo Primary School	1008030000596	Sidian Bank	10,628.47	10,628.47
Kapkagaron Primary School	1008030013329	Sidian Bank	10,560.10	10,560.10
ACK Aturei Primary School	1008030007752	Sidian Bank	357,996.05	436,032.55
Davis Primary School	1008030000847	Sidian Bank	2,425.00	2,425.00
A.I.C Kosirai Primary School	1090299158371	Sidian Bank	23,612.60	23,612.60
Simat Primary School	85000068843	Family Bank	5,689.55	158,944.55
St Josephs Kapseret Primary School	5215001001168	ABC Bank	943,644.00	871,894.00
St Georges Sinendet Primary School	5215001002293	ABC Bank	726,050.00	726,050.00
Kamuzee primary school	1136513779	KCB Bank	5,518.47	191,129.47
Kimalel Primary School	1141440706000	Co-operative Bank	13,156,105.29	30,229.79
Kapkenduiwo Primary School	1141443996200	Co-operative Bank	2,821,231.00	688,576.85
Kipsamoo Primary School	1141443076400	Co-operative Bank	55,254.65	713,135.10
Kingwal Primary School	5215001001168	ABC Bank	101,524.65	353,340.50
Ochemina Primary School	1139046523701	Co-operative Bank	24,023.99	475,273.99
Aturei Adventist Day & Boarding	1141674221700	Co-operative Bank	1,175,500.65	2,492,021.30
Koibasui Primary School	1008030013329	Sidian Bank	105,868.92	424,569.92
Barnotik Primary School	1139441402500	Co-operative Bank	679,098.05	102,332.80
St.Marys Chebarus Primary School	1024028714701	National Bank	315,746.50	-
Kipkenyo Primary School	1141957842800	Co-operative Bank	625,004.85	5,994.25

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Boarderlands Primary School	1024027563501	National Bank	500,000.00	500,000.00
Tuiyo Primary School	1141672714700	Co-operative Bank	500,000.00	500,000.00
<b>SECONDARY SCHOOL PROJECTS</b>				
Wareng high school	1141672694800	Co-operative Bank	10,695,775.11	9,649,414.00
Aic Ngeria girls secondary school	2128066001	National Bank	7,611,976.10	9,160,089.00
NgaraFalls Secondary School	1141086651900	Co-operative Bank	18,140.00	18,140.00
ACK St Barnabas Kipkenyo Secondary	1141672460300	Co-operative Bank	4,250.00	4,250.00
A.I.C Chepyakwai Secondary School	1139672002400	Co-operative Bank	136,210.00	193,721.00
DEB Mutwot Secondary School	1141086776003	Co-operative Bank	454,100.30	2,609,485.00
Kipkaren Road Secondary School	1141761684600	Co-operative Bank	622,718.00	961,253.00
Kiambaa Secondary School	1141672534100	Co-operative Bank	76,858.00	136,858.00
Davies Secondary School	1022028257300	National Bank	409,938.24	409,938.24
Jasho Secondary School	1025027502602	National Bank	115,703.15	309,682.77
Koros Secondary School Chemina	1025029665003	National Bank	449.36	3,217.56
ACK Aturei Secondary School	0 300280520075	Equity Bank	436,706.85	436,706.85
A.I.C Kosirai Secondary School	85000003280	Family Bank	136,298.05	377,868.05
St Josephs Kapseret secondary school	1136514279	KCB Bank	-	377,968.05
Mwiruti Secondary School	1021028199200	National Bank	13,073.00	13,073.00
Simat High School	1021028199200	National Bank	472,486.05	599,944.00
Tuiyo Secondary School	1022028257300	National Bank	366,276.15	366,276.15
Songoliet Secondary School	1024028215701	National Bank	861,247.00	861,247.00
<b>SECURITY PROJECTS</b>				
Gitwe police post	1100639640001	Co-operative Bank	129,521.10	603,903.00
Kaplelach Police Post	1141958809300	Co-operative Bank	130,065.00	861,247.10
Kiambaa Police Station	1141674382100	Co-operative Bank	26,050.10	26,050.10
Megun Location Chiefs Office	1141443972900	Co-operative Bank	2,564.60	2,564.60
Langas Police Station	1141761027200	Co-operative Bank	251,256.30	71,566.80
Ngeria Location Chiefs Office	1134673088100	Co-operative Bank	60,990.25	19,635.00

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Megun Assistant Chiefs Office	1141958692600	Co-operative Bank	118,224.00	1,834,781.00
Pioneer Chiefs Office	1141674222900	Co-operative Bank	493,990.65	93,990.65
Langas DCI Office	1141958693600	Co-operative Bank	1,405.00	1,405.00
Chepkatet chief's office	1141958917700	Co-operative Bank	11.00	11.00
Kapseret subcounty DCC Office	1090285260479	Equity Bank	23,346.40	972,231.00
A.I.C Lemook Secondary School	1024028215701	National Bank	1,102,288.10	3,488
		<b>TOTAL</b>	<b>57,325,270</b>	<b>52,768,209</b>

**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)
Unsupported project Management Committee(PMC)Bank Balances	Note 19.4 and Annex 5 to the financial statements reflects PMC accounts balance of Ksh.52,768,209 in the respect of seventy – nine(79)bank accounts held in the various local commercial banks which had not utilized as at the end of the financial year under review. However ,cashbooks,certificates of bank balance,bank reconciliation statement ,bank statements and board of survey reports for the bank accounts were not provided for audit review.	The management regrets the non-availing of the said documents. The documents have been made available for your review.	Not resolved	Responses and evidences forwarded to Office of the Auditor General for review.

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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>In the circumstances, the accuracy and completeness of PMC accounts balance of the Kshs.52,768,209 could not be confirmed.</p>			
<p>Unresolved Prior Year Audit matters</p>	<p>In the audit of the previous year, several paragraphs were raised under Report on the Financial Statements, Report on the Lawfulness and Effectiveness in the use of Public resources. However, no report or recommendation from the management and oversight bodies were submitted for the audit verification. Therefore, the issues remain unresolved contrary to Section 68(2)(1) of the Public Finance Management Act 2012</p>	<p>The management has tried to resolve many of the unresolved prior year matters and it awaits to appear before devolved fund accounts committee (DFAC) to resolve and clear the pending issues.</p>	<p>Not resolved</p>	<p>Responses and evidences forwarded to Office of the Auditor General for review.</p>

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>which require accounting officers designated for the national government entities to try to resolve any issues resulting from an audit remain outstanding.</p>			
Project Verification	<p>During the year under review, thirty-three (33) projects with total disbursements of Kshs.72,824,122 were physically verified in the month of November, 2024. It was observed that twenty-six (26) projects with disbursement of Kshs.54,767,287 were complete, three(3) projects with disbursement of Kshs.7,450,000 were ongoing and four(4) projects with disbursement 606,835, had stalled.</p>	<p>It's the mandate of the NG-CDFC to ensure that money is disbursed to the approved projects and implementation done by the project management committee (PMC) within the stipulated period so that residents benefit in time. However delayed disbursements from the board often drags implementation. The projects were completed and in use.</p>	Not resolved	Responses and evidences forwarded to Office of the Auditor General for review.

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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)
Unutilized Funds	<p>Note 19.3 and Annex 3 to the financial statements reflects unutilized fund balance of kshs.81,898,090 and kshs.63,269,261 for the financial years 2022-2023 and 2023-2024 respectively. However, there was no explanation under Annex 3 on why the funds were not utilized and the reasons for delays in the utilization by the fund. This was contrary to Regulations 11(1)(j) of the National Government Constituencies Development Fund Regulations, 2016 which states that the functions of a Constituency committee shall be to ensure that all projects receive adequate</p>	<p>The management ensures that project funds are utilized for the intended purpose within reasonable time except when there is delay of funds disbursed from NG-CDF Board and release of AIE to station for expenditure. The management has taken note of the recommendation.</p>		<p>Responses and evidences forwarded to Office of the Auditor General for review.</p>

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

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 Name: Mathew K. Tanui  
 Fund Account Manager.