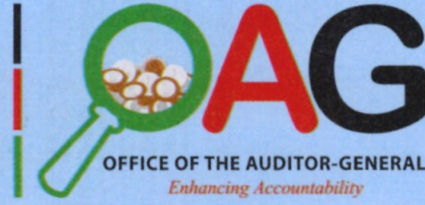
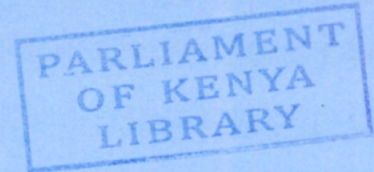


REPUBLIC OF KENYA



**REPORT**



**OF**

**THE AUDITOR-GENERAL**

**ON**

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

**FOR THE YEAR ENDED**

**THE NATIONAL ASSEMBLY  
PAPERS LAID  
30 JUNE, 2025**

DATE: 17 FEB 2026

DAY:

TUESDAY

TABLED  
BY:

DEPUTY MAJORITY  
LEADER

CLERK-AT  
THE-TABLE:

FINLAY



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NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

LUANDA 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 (NGCDF)*  
*Luanda Constituency*  
*Annual Report and Financial Statements for The Year Ended June 30, 2025*

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## **1. Acronyms and Definition of Key Terms**

### **A. Acronyms**

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

### **B. Definition of Key Terms**

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

**Comparative Year-** Means the prior period.

## **2. Key Constituency Information and Management**

### **(a) Background information**

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

### **Mandate**

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

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

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

### **Vision**

Equitable Socio-economic development countrywide.

### **Mission**

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

### **Core Values**

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

### **Functions of NG-CDF Committee**

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

#### **(b) Key Management**

The NGCDF Luanda 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	Justus Ogutu Noo
2.	National Sub-County Accountant	Agnes Kisémbé
3.	Chairman NGCDFC	Hannington Olukaka
4.	Member NGCDFC	Rosemary Adema Shivatchi
5.	Member NG CDFC	Penninah Khoyi Otwoma (deposit bank account)

#### **(c) Fiduciary Oversight Arrangements**

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

Luanda NG-CDFC Building  
Off Kima–Luanda road  
P.O Box **536-50307** LUANDA

**(e) NGCDF Luanda Constituency Contacts**

P.O. Box 536-50307,  
Luanda NG-CDF Office  
Kisumu Busia Road  
  
Telephone: (254) 0725607537  
  
E-mail: [cdfluanda@ngcdf.go.ke](mailto:cdfluanda@ngcdf.go.ke)  
Website: **Website**<http://www.ngcdf.go.ke>

**(f) NGCDF Luanda Constituency Bankers**

1. Luanda NG-CDF-Operational account  
Equity Bank Luanda Branch  
P.O. Box 75104-00200  
Nairobi
  
2. Luanda NG-CDF Deposit Account  
Equity Bank of Kenya  
P.O. Box 75104-00200  
Nairobi
  
3. Project management committee Accounts  
Equity Bank Luanda Branch  
P.O Box 75104-00200  
Nairobi  
  
KCB Bank Luanda Branch  
P.O Box 129  
Luanda

**(g) Independent Auditor**

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

**(h) Principal Legal Adviser**

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

**3. NGCDF Committee**

Name	Details
 Hannington Olukaka Chairman	He was born on 18 <sup>th</sup> April 1952. He is a retired high school principal. He has a degree in BA Arts in education. He joined Luanda constituency in November 2022 as the chairperson of NG-CDFC Luanda.
 Rosemary Adema Shivachi Secretary	She was born on 1 <sup>st</sup> January 1952. She a retired high school teacher. She has a degree in Bachelor of science in education. She joined Luanda constituency in November 2022 as the secretary of the NG-CDFC Luanda.
 Rebecca Otwelo Member	She was Born on 21 <sup>st</sup> November 1955 She is a retired high school teacher and holds a degree in Bachelor of science in education. She joined Luanda constituency in November 2022 as the female adult representative of the NG-CDFC Luanda.
 Refa Mosses Member	She was born on 15 <sup>th</sup> November 1960. She is a retired assistant chief and has a qualification of O-level. She joined Luanda constituency in November 2022 as the coopted member of the NG-CDFC Luanda.
 Richard Ogalo Member	He was born on 8 <sup>th</sup> April 1972. He has a qualification of O-level. He joined Luanda constituency in November 2022 as the representative for people living with disabilities member of the NG-CDFC Luanda.

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 Penninah Otwoma Member	<p>She was born on 15<sup>th</sup> February 1994 and holds a diploma in secretariat.</p> <p>She joined Luanda constituency in November 2022 as the female youth representative member of the NG-CDFC Luanda.</p>
 David Ochuka Member	<p>He was Born on 28<sup>th</sup> October 1997 and holds an O-level certificate.</p> <p>He joined Luanda constituency in November 2022 as the male youth representative member of the NG-CDFC Luanda.</p>
 Charles Etale Member	<p>He is an adult male representative born on 20<sup>th</sup>October 1959.</p> <p>He has a qualification of O-level.</p> <p>He joined Luanda constituency in November 2022.</p>
 Brian Kirui Member	<p>He was born on 10<sup>th</sup> January 1987 and is the acting Deputy County commissioner.</p> <p>He holds a degree in disaster management and international relations.</p> <p>He joined Luanda NG-CDFC in June 2025.</p>
 Justus Ogutu Noo Member	<p>He was born on 16<sup>th</sup> July 1987 and is Fund Account manager.</p> <p>He is a member of the NG-CDF committee as an ex-official.</p> <p>He holds bachelor's degree in economics, mathematics and political science, CPA K Master's degree in international relations and diplomacy.</p>

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



**Mr. Hannington Olukaka**  
**Chairman Luanda NGCDF Committee**

Being the chair of the body laying policies and overseeing the expenditure of the funds received by the constituency from the board, I am pleased to present to you the annual report and financial statement for the year ended 30<sup>th</sup> June 2025. The financial statements set out below were prepared on accrual basis of accounting regulated by the international public sector accounting standards.

Luanda NG-CDF aspires to be the best constituency in utilization of NGCDF funds in meeting the objectives of the fund that eventually leads to development in the lowest level of the nation. This is achieved by the constituency through satisfying the community needs and promoting good governance in management of the fund. The establishment of the fund was centered on channeling funds to grass root communities by enabling them to implement the projects identified through public participation.

We have had notable success in implementation of projects especially those that transform lives of our community in the constituency through areas such as Education, security, climate change mitigation and bursary awards to needy students within Luanda constituency.

In the current financial year, Luanda NG-CDF had a total budget allocation of ksh. 179,441,954.47 presented to the Board. In general, the NG-CDF received a total of ksh. 175,157,793 where ksh. 128,000,000 relates to the just ended financial 2024-2025 whereas the remaining ksh. 47,157,793 relates to the previous financial year. Compared to the

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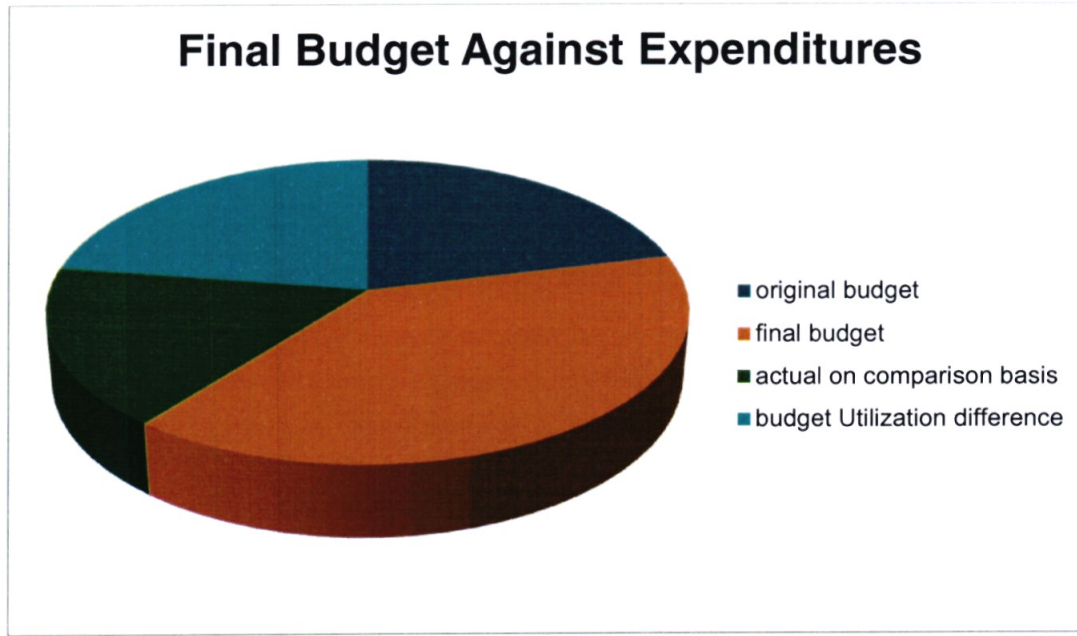
previous financial year, Luanda NG-CDF Received 71.33% of funds from the board an increase of 10.2%.

Despite the delay in disbursement of funds, we have been able to implement and complete more than 60% of projects. A number of new schools (both primary and secondary) were established by purchasing land and initiation of classroom construction. We were also able to expand infrastructure, mainly classrooms, in the existing schools. The fund has been able to acquire school buses to three secondary schools. These are the first buses to be purchased by the funds in Luanda constituency since inception. Through the fund, Luanda NG-CDF has ensured establishment of new security offices such as Iboona Chiefs office and Luanda police station. There has been improvement in the environmental activities that has enhanced climate change mitigation through afforestation.

Despite the successes achieved, there were challenges encountered along the way. This includes delays in disbursement of funds from the CDF Board, low capacity to implement projects by the PMCs hence there is need for training and inadequate allocation by the NG-CDF Board which makes it impossible to implement the number of projects proposed by the community. It also leads to little allocation to projects hence unable to complete all the budgeted projects in one financial year.

**a. Pie chart showing utilization difference against total budget.**

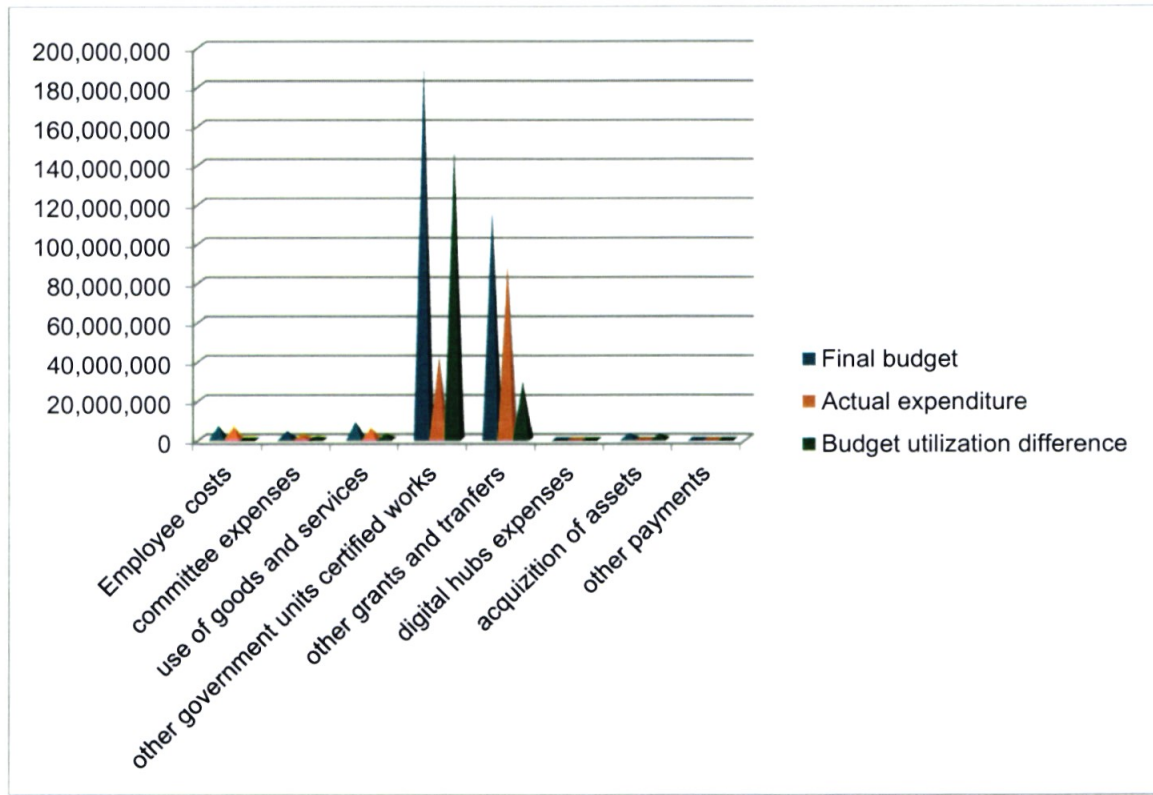
Original Budget	179,441,955
Final Budget	330,968,156.71
Actual on Comparable Basis	141,288,524.60
Budget Utilization Difference	189,679,632



**b. Bar chart showing utilization difference against total budget.**

Expenses	Final budget	Actual expenditure	Budget utilization difference
Employee costs	6,986,487	6,494,879	491,608
Committee expenses	4,159,970	2,789,850	1,370,120
Use of Goods and Services	8,927,138	5,903,183	3,023,955
Other Government Units Certified Works	189,823,186	41,824,922	147,998,264
Other Grants and Transfers	117,804,183	88,498,064	29,306,119
Digital Hubs Expenses	-	-	-
Acquization of assets	3,136,290	294,000	2,842,290
Other payments	7,972	-	7,972

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From the above analysis the performance of Luanda NG-CDF has been commendable given the circumstances and this was as a result of team work among the NG-CDFC and other stakeholders.

The construction of additional classrooms reduced the challenges that the various schools were facing more so the Junior Secondary schools

Bursaries issued to other 15,000 students across the constituency enabled the needy students to learn without interruptions

Rural Electrification project enabled connectivity of electricity to large number of homes thus making their economic activities effective and efficient.

**KEY ACHIEVEMENTS**

The following are some of the key projects that have been undertaken.



**Project 1:** Ebbiba Primary school: renovation of 2 No classrooms



**Project 2: Iboona Chiefs Office**



**Project 3: Irumbi Secondary School**

**Emerging issues**

The following are some of the emerging issues that are experienced as a result of the current economy.

**1. Restructuring of the Education Funding**

The move by the government to restructure the education funding for the tertiary institutions through changing of the HELB funding structure has brought a lot of pressure to the NGCDF Bursary Funds as many students are now seeking for scholarships from the constituency to enable them continue with their studies

**2. Junior Secondary School**

The introduction of the Junior Secondary School through the CBC Education system has brought a lot of pressure to the existing facilities in various primary schools. There

is need for construction and equipping of new classrooms and laboratories to accommodate the students.

### **3. Inflation Rates**

With the current economic position where the rate of exchange of Kenyan shillings to dollar continues to rise, there has been an increase in the cost of construction materials. Hence those projects that were submitted to the board before inflation may not be completed with the original budgeted cost necessitating need for variations and additional funding.

#### **Challenges and solutions**

- Many projects delayed due to late disbursement of public funds. We hope that this will improve to enable us do the projects in time. We have however been able to utilize the funds adequately as they are disbursed by the Board
- There is also a challenge in the education funds set for bursary. The number of needy students within Luanda constituency is too high compared to the available funds for the same. We wish to increase the amount allocated to bursary funds in the coming financial years.
- Getting Acknowledgement Receipts from the members of the Public when they are issued with bursary has been a challenge. We have been able to disburse combined cheque to those schools that are closer or where students are many in one school and this has enabled us get a few Bursary Acknowledgement Receipts and hence meet the requirements set for the same. We have also been doing civic education and awareness of the need for the bursary beneficiaries to bring back bursary acknowledgement receipts from the institutions once they have collected their cheques and taken them to schools.

Otherwise the impact of the NG-CDF kitty is felt in the constituency and we hope and pray that the fund lives longer and longer in order to impact positively more and more lives in Kenya.

#### **Way forward**


As we appreciate the continued support from the National Government in making slight additions to the kitty, we however regrettably wish to say that it`s not enough to assist the constituency make the rapid anticipated challenge of providing proper infrastructure for the education sector and security organs. The National Government

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should seriously consider the re-introduction of the poverty index scheme for the distribution of the national cake.

- It's common knowledge that there are certain pocket of regions in this country that have a high poverty index like Luanda and they have to be jump started economically to catch up with region that have huge strides in matters development.
- We remain committed as a committee to ensure that the fund makes the expected impact in the constituency in terms of enabling needy and bright students attend and complete their formal education in a convenient environment.
- We are also focused to ensure our constituency achieve the lowest regional and national crime indices

  
Name **HANNINGTON N. BULEKAKA**  
Chairman NGCDF Committee  
LUANDA CONSTITUENCY  
536-50307, LUANDA

## 5. Statement of Performance against Predetermined Objectives for FY2024/2025

### Introduction

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

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

1. To improve on security issues within the constituency and facilitate access to electricity to villages within the constituency.
2. To improve infrastructure in learning institutions and facilitate uninterrupted learning to needy students within the constituency through issuance of bursaries.
3. To provide aid in case of emergencies
4. To curb soil erosion and promote planting of environment friendly trees to improve forest cover 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:  
on attaining the stated objectives:

Sector	Objective	Outcome	Indicator	Performance
Education	To have all children of school going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	number of usable physical infrastructure build in primary, secondary, and tertiary institutions number of bursary's beneficiaries at all levels	In FY 2024/2025- Luanda NG-CDF purchased school buses for 3 secondary schools. Kwiliba Sec Essong'olo Esiandumba, put in place one new primary school 'Ochuore primary school, and one new secondary school;Ebusiralo

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				secondary school. We build 17 classrooms in primary schools (2 Classrooms in esiututo primary, Ebwiranyi primary and Mulwakhi primary, 3 classrooms each in Ebbiba, Emukhuya, Emuhaya, and Waluka . -approximately 5,000 students benefited in secondary schools and 25,000 in tertiary institutions.
Security	To have modern police station and post at the constituency	Access quality police services and reduce crime rate	Number of crime reported	Luanda CDF built lboona chiefs office, ebusundi chiefs office and Emusenjeli chief's office.
Environment	Have clean and healthy environment	Access to good sanitation facilities	No of sanitary facilities constructed	Luanda NG-CDF office did afforestation in the selected Public institutions and Emmatsi Hill under climate change mitigation activities
Emergency	To cater for unforeseen occurrences in the constituency	Preparedness and ready for any unforeseen events and occurrences	No of unbudgeted projects in the constituency	Luanda NG CDF catered for unforeseen events in the education and security sectors the office constructed 6 door pit latrines in 4 primary schools. <ol style="list-style-type: none"> <li>1. Emmutsa</li> <li>2. Irumbi</li> <li>3. Esibeye</li> <li>4. Ebusiratsi Special</li> </ol>

## **6. Governance Statement**

### **Introduction**

The National Government Constituencies Development Fund Act 2015 (Amended 2016) in section 43(1), (2), (3) and 57(1) and its regulations, provides for establishment of National Government Constituency Development Committee (NG-CDFC) for every constituency. The officer of the board facilitated the process of nomination of the NG CDFC for onward forwarding to the board for appointment through gazette notice.

In this regard section 5 and 6 of NG CDF regulations provides for procedure for nomination of the five members of the NG CDFC as outlined in section 43 (2) paragraph (b), (c), and (d) of the principal Act through a selection panel composed of:

- a) One person nominated by national Government official in charge of Sub County or designated representative who shall chair the panel
- b) Officer of the Board seconded to the constituency who is to be the secretary of the selection panel
- c) Two persons one of either gender nominated by the constituency office (established under regulations made pursuant to the parliamentary service act)

Further the NG-CDF regulations require that one to serve as member of the NGCDF committee he or she must be;

- a) citizen of Kenya
- b) ordinarily resident voter of the constituency
- c) able to read and write and communicate in English and Kiswahili
- d) meet the chapter six of the constitution
- e) Available to participate in the activities of the constituency
- f) For youth nominee he or she must have attained age of 18 years but below age of 35yrs and
- g) For persons with disability nominee must be nominated by a registered group representing persons with disability within the constituency.

**Appointment of National Government Constituency Development Fund Committee**

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

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(7) The quorum of the Constituency Committee shall be one half of the total membership.

(8) The term of office of the members of the Constituency Committee shall be two years and shall be renewable but shall expire upon the appointment of a new Constituency Committee in the manner provided for in the Act, or as may be approved by the Board.

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

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

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

**Process of Formation of the NGCDF Committee**

To facilitate this, the selection panel invited interested and qualified members of the public for appointment to the NG-CDF committee. The panel invited the public through advertisement publicized in churches, public offices notice boards at the chiefs and assistant Chiefs offices and other public areas in the constituency.

The selection panel developed a short listing criterion which enabled identification of the nominees for interviews. Two additional nominees were proposed by Luanda Constituency Office as per section 43 of the NG-CDF Act, 2015.

NO	NAME	CATEGORY	WARD
1.	Rebecca Otwelo	Female (Adult)	Luanda South
2.	Charles Etale	Male(Adult)	Luanda Township

**Nominee of the Body representing Persons with Disability**

NO	NAME	NOMINATING ORGANIZATION	NATURE OF PHYSICAL IMPAIRMENT	WARD
1.	Richard Ogalo	Luanda Special SHG	Ambulatory	Luanda South

**CO-opted member**

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NO	NAME	CATEGORY	OCCUPATION	WARD
1.	Refa Moses	female	business	Wemilabi

**Nominee of the Constituency Office**

NO	NAME	CATEGORY	OCCUPATION	WARD
1.	Charles Etale	Male	farmer	Luanda Township

The list of the selected and recommended members was forwarded to the NG-CDF Board is as below.

Name	Category	Statutory Provision Under Ng-Cdf
Hannington Olukaka	Male Adult Representative	Appointment, Pursuant To Sect. 43(2)(B)
Charles Etale	Male Adult Representative	Appointment, Pursuant To Sect. 43(2)(B)
Peninnah Otwoma	Female Youth Representative	Appointment, Pursuant To Sect. 43(2)(C)
Rebecca Otwelo	Female Adult Representative	Appointment, Pursuant To Sect. 43(2)(C)
Richard Ogalo	Representative Of Persons Living With Disabilities	Appointment, Pursuant To Sect. 43(2)(D)
David Ochuka	Male Youth Representative	Appointment, Pursuant To Sect. 43(2)(E)
Rosemary Adema	Female Adult Representative	Appointment, Pursuant To Sect. 43(2)(E)

The above committee was gazetted on 21<sup>st</sup> May 2025 by the Chief Executive Officer of the Board via Gazette Notice Vol. CXXVII-No. 98

The members took over the office on the first meeting on 11<sup>th</sup> June 2025 and went through the process electing the chairperson and the secretary of the committee. The following members were elected.

- |                |                                |                |
|----------------|--------------------------------|----------------|
| 1. Chairperson | <b>-Ms. Hannington Olukaka</b> | ID No. 0234431 |
| 2. Secretary   | <b>-Mrs. Rosemary Adema</b>    | ID No. 184564  |

During its first meeting, a Constituency Committee established Sub-Committees necessary for the proper performance of its functions in accordance with the guidelines issued by the Board. The two sub-committee are as follows:

- i. Bursary Sub Committee
- ii. Monitoring and evaluation Sub Committee

The following were appointed to the different committee

**a. Bursary committee**

1. Rosemary Adema - Chair
2. Rebeccah Otwelo - secretary
3. Penninah Otwoma -member

**b. Monitoring and evaluation Sub Committee**

1. David Ochuka - Member
2. Richard Ogalo - chair
3. Refa Moses - Member

The chairperson and the secretary are members of all the committees. The DCC is the member of the complaints committee, while representative from the ministry of education office is also co-opted to be in the Bursary committee.

**The NG-CDF tenure**

The term of office for the members of the Constituency Committee is two years and will be renewable but shall expire upon the appointment of a new Constituency Committee in the manner provided for in the Act. The outgoing committee handed over the office on 31<sup>st</sup> May and the incoming committee became active immediately for a period of two years till 31<sup>st</sup> March 2027 as per the constituency guidelines.

**Roles and functions of NG-CDFC**

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

- Convene public meetings in every ward in the constituency to deliberate to on development matters.

- Deliberate on project proposals and any other projects considers beneficial to constituency.
- List of projects to be submitted in accordance with the Act to be submitted to the to the Board and ensure that all proposed projects that are approved for funding meet the requirements of section 24 of the Act.
- Ensure formation of project management committees, opening of project accounts, project implementation and closure of projects build the capacity of project management committees and sensitize the Community on the operations of the Fund
- Ensure that all projects receive adequate funding and are completed within three years.
- Monitor the implementation of projects in accordance with the monitoring and evaluation framework prescribed by the Board.
- 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.
- Recommend to the Board the removal of a committee member in accordance with section 43(13) and (14) of the Act.
- Enter into performance contracting with the Board on an annual basis.

#### **Removal of NG-CDFC Members**

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

- (i) lack of integrity;
- (ii) gross misconduct;
- (iii) embezzlement of public funds;
- (iv) bringing the committee into disrepute through unbecoming personal public conduct;
- (v) promoting unethical practices
- (vi) causing disharmony within the committee;
- (vii) Physical or mental infirmity.

A decision to remove a member under subsection (13) is made through a resolution of at least five members of the Committee and the member ought to be removed shall be given a fair hearing before the resolution is made.

In Luanda the NG-CDFC has found four (4) members to have contravened the laid down regulations and law to warrant removal. The due process is ongoing and the Board is yet to give its verdict.

#### **Handing over**

The handing over of office by the outgoing NG-CDF Committee to the incoming committee was carried out smoothly on 31<sup>st</sup> May 2025.

#### **Training of NG-CDFC Members**

In the financial year 2024/2025 the NGCDF Board organized training of NGCDFC members. During the training, critical areas were handled. This enabled the committee to acquire knowledge and skills to ensure effective and efficient management of NG-CDF Luanda. Trained issues were as stated below:

1. Strategic Planning & Performance Contracting
2. Rationale for Strategic Planning & PC at NG-CDF
3. Complaints handling mechanism
4. Conduct of meetings and minute writing
5. Minutes filing
6. Effective Communication and ICT Solutions
7. Brand Management
8. Project Cycle Management in NG-CDF operations
9. Technical aspects of Project Planning and Management
10. Architectural plan
11. Bill of Quantities description, interpretation and utilization in Project
12. Technical aspects of Project Planning and Management
13. Monitoring and Evaluation of NG-CDF Projects
14. Taxation in NG-CDF operations
15. Public Finance Management in NG-CDF Operations
16. Role of the committee in financial management.

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**Number of Meetings Held**

According to the NG-CDF Act 2015, Section 43(1), the NGCDF Committee is required to hold a maximum of 24 meetings in a year including any subcommittee meetings. Luanda Constituency Held a total of 12 meetings in the financial year 2024-2025 and the attendance was as follows.

NO	NG-CDFC COMMITTEE MEMBERS	23rd July 2024	8th August 2024	14th Nov 2024	2nd Jan 2024	17th Dec 2024	30th Jan 2025	4th Feb 2025	16th Feb 2025	18th Feb 2025	28th Feb 2025	8th April 2025	11th June 2025
1	Hannington Olukaka-Chair	√	√	√	√	√	√	√	√	√	√	√	√
2	Rebecca Otwelo-Member	√	√	√	√	√	√	√	√	√	√	√	√
3	Richard Ogalo-Member	√	√	√	√	√	√	√	√	√	√	√	√
4	Rosemary Adema-Secretary	√	√	√	√	√	√	√	√	√	√	√	√
6	Abraham Kemboi-DCC	√	√	√	√	√	√	√	√	√	√	√	√
8	David Ochuka-member	√	√	√	√	√	√	√	√	√	√	√	√
9	Charles Etale-Member	√	√	√	√	√	√	√	√	√	√	√	√
10	Refa Moses-member	√	√	√	√	√	√	√	√	√	√	√	√

**Ethics & Conduct**

Members of NGCDFC are required to observe the following ethical issues

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

During the financial year 2024/2025, most members of NGCDFC Luanda adhered to the above ethical issues

### **Members Remuneration**

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

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

### **Disclose policy on conflict of interest**

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

### **Risk management**

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

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

### 7. Management Discussion and Analysis

The National Government Constituency Development Fund has been instrumental in Kenya's development. As it has allocated billions of shillings to various constituencies since its inception. Here's an overview of Luanda NG-CDF operational and financial performance over the past five years.

Financial Year	Amount allocated	AMOUNT DISBURSED	EXPENDITURE
2020/2021	137,088,879	120588879	120588879
2021/2022	137,088,879	137,088,879	137,088,879
2022/2023	145,087,603	145,087,603	145,087,603
2023/2024	<b>175,361,810</b>	<b>175,361,810</b>	158,861,810
2024/2025	<b>179,441, 954</b>	128,000,000	128,000,000

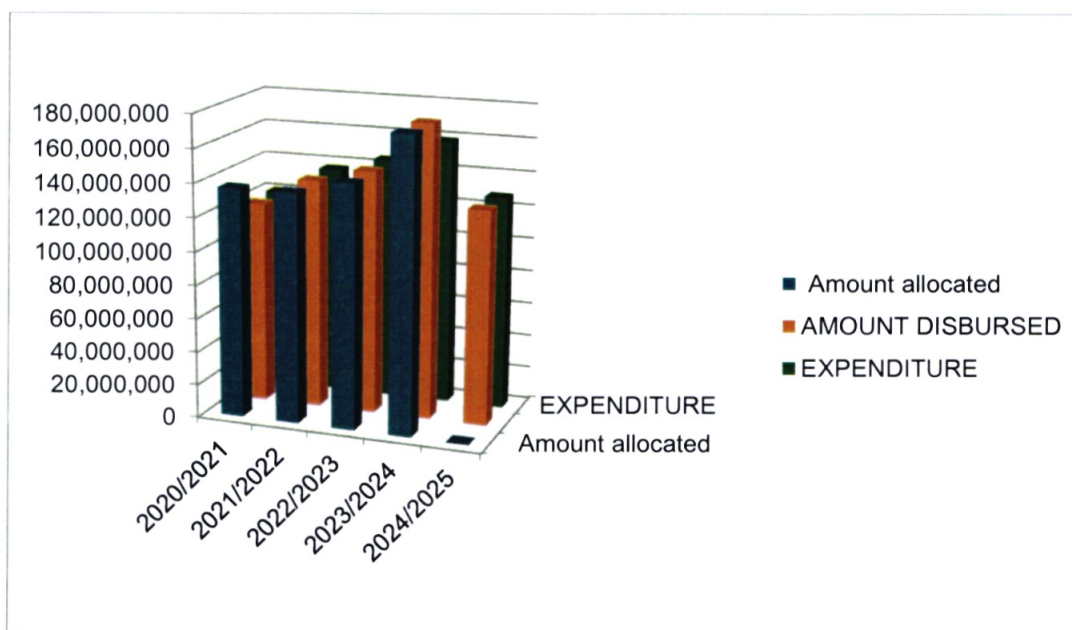


Figure 1. Luanda NG-CDF Financial Performance

#### Operational Performance:

Luanda NG-CDF has implemented various projects across the constituency, focusing on education, security, and infrastructure development.

The fund has been instrumental in

- a. Education: Funding schools, classrooms and bursaries
- b. Security: Constructing National Government Administration offices, chief's/assistant chief's offices and police offices.
- c. Infrastructure Development: Supporting various infrastructural projects.

- d. Climate Change Mitigation: Enhancing conservation and restoration of forests in the constituency.

**Key projects implemented or On-going.**

**1. Ekwanda police station**

**Background information of Ekwanda police station**

Ekwanda police station has been working as an AP camp since its initiation till 2024 December when it was upgraded to a Police station.

**Location**

This project is situated at Ekwanda, in Maseno, musikomoli Sub-location, Luanda south Ward.

**Activities done**

- i. Construction to completion of Ekwanda police station

**Summary of funding for the Administration Block Project:**

Financial Year	Amount Disbursed	Contract (Kshs)	Sum	Project Start Date	Project Status
2022/2023	7,000,000	9,000,000		November 2023	Complete and handed over
2023/2024	2,000,000				

**Anticipated Project Impact**

1. Increased security of Luanda south ward within constituency
2. Improved economic Performance of within locality of the project



**2. Esiembero primary school**

**Background information of Esiembero primary school**

Esiembero primary school is an old school situated in Wemilabi ward. It is a school with a rapidly growing population. To save space, Luanda NG-CDF built a storey building for classrooms.

**Activities done**

- i. Construction to completion of one storey building consisting of six classrooms.

**Summary of funding for the Administration Block Project:**

Financial Year	Amount Disbursed	Contract (Kshs)	Sum	Project Start Date	Project Status
2022/2023	7,500,000	15,000,000		November 2023	Complete and handed over
2023/2024	7,500,000				

**Anticipated Project Impact**

- 1. the project has led to improved learning environment to learners.



**Compliance with statutory requirements**

Luanda NG-CDF is an entity that is fully guided by the constitution of Kenya 2010, NGOCDF Act 2015, PFM Act 2012, PPADA2015 and many other relevant laws and has been in full compliance of the same.

Luanda NG-CDF has been able to meet its obligations for instance payment of taxes like VAT withholding tax, Pay as you Earn tax among others and the constituency is committed to operate within the law even in the future.

**Major Risks facing the Fund**

Despite its successes, NG-CDF faces challenges such as:

1. Delayed Disbursement of funds- NG-CDF has faced challenges with delayed disbursement of funds from National Treasury, which affects project implementation and service delivery
2. Inadequate Budget Allocation- The funds allocation is based on the percentage of the national revenue, which may not be sufficient to meet the development needs of constituencies.
3. Fiscal pressure- The country's fiscal pressure such as debt repayment can impact availability of funds for NG-CDF

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4. Institutional Challenges- NG-CDF faces institutional challenges that hinder effective utilization of funds, including inadequate monitoring and evaluation.

**Fund's Review on Economy**

NG-CDF has been a crucial factor in Kenya's economic development, particularly at the grassroots level. Here's a review of its economic impact:

- Funding Allocation- NG-CDF allocates funds directly to constituencies, supporting local development projects in education, infrastructure, and other essential services.
- Development projects: The fund has implemented various projects including construction of schools improving living standards and access to basic services.
- Economic Growth: By investing in local projects, NG-CDF contributes to economic growth, job creation, and poverty reduction in constituencies.

**Future Development of the Fund**

NG-CDF in Kenya is expected to continue focusing on key areas like education, infrastructure, and economic empowerment with a growing emphasis on digital literacy and sustainable development.

The fund will expand its reach through initiatives like constituency innovation hubs and digital hubs at the ward level to enhance access to online opportunities and improve efficiency through automation.

NG-CDF is involved in tree planting projects highlighting a growing focus on environmental sustainability.

Projects like police offices, provision of bursaries, construction of educational infrastructure, demonstrate a commitment to community development, improve security, support students' education, and improve public service.

It also partners with National Health Insurance Fund to provide health insurance to vulnerable households contributing to government's universal health coverage goals.

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND	
.....	
Name	TRISTUS NOD
P. O. of Fund Account Manager	MA

## **8. Environmental and Sustainability Reporting**

Luanda NGCDF is committed to climate change mitigation and environmental conservation as envisaged in its service charter.

In this regard, the constituency through the NG-CDFC allocated sufficient funds towards planting indigenous trees in Emmatsi Hill and most public Institutions as a response to sustainable environmental conservation

### **1. Sustainability strategy and profile -**

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

- a. **Education and Training:** Luanda 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**

Environmental matters relate to mitigation of the climate change effects that has been put forward as a government agenda. The recent amendment of NGCDF Act 2015 to increase the allocation to climate change mitigation activities from 2% to 5% has ensured this objective is achieved through the NGCDF Fund. Luanda NG-CDF in its 2024-2025 planted 9000 seedlings in selected areas within the constituency.

### **Employee welfare**

We invest in providing the best working environment for our employees. The constituency's 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. Luanda 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.

### **3. Marketplace practices-**

Luanda Constituency is committed to fair and ethical market practices.

Procurement of goods and services is done through a transparent and competitive bidding process which 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.

### **4. Community Engagements-**

The Constituency endeavors 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**

Luanda 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.

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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.

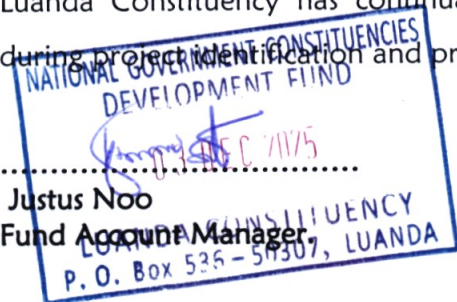
The NG-CDFC engaged the community through community leaders during the bursary program to identify the needy students to be awarded the bursary.

**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.

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

.....  
Justus Noo  
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-Luanda 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 maintain 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-Luanda 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- Luanda Constituency further confirms the completeness of the accounting records maintained for the constituency, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

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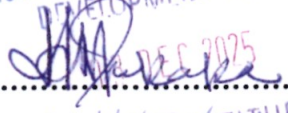
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The Accounting Officer in charge of the NGCDF Luanda Constituency confirms that the constituency has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds 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- Luanda Constituency financial statements were approved and signed by the Accounting Officer on \_\_\_\_\_ 2025.

  
Name: HANWINGA  
LUANDA CONSTITUENCY  
Chairman – NGCDF Committee  
P. O. Box 536 – 50307, LUANDA

  
Name: JUSTUS  
LUANDA CONSTITUENCY  
Fund Account Manager  
P. O. Box 536 – 50307, LUANDA

## **REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - LUANDA 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 National Government Constituencies Development Fund - Luanda Constituency set out on pages 1 to 63, which comprise of the statement of financial position as at

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

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

## **Basis for Qualified Opinion**

### **1. Variances in the Financial Statements**

Review of the annual report and financial statements submitted for audit revealed various inaccuracies as detailed below;

<b>Component</b>	<b>Financial Statements Amount Kshs.</b>	<b>Ledger Amount Kshs.</b>	<b>Variance Kshs.</b>
Security Projects	6,230,004	11,800,000	5,569,996
Climate Change Mitigation Projects	6,570,175	6,690,000	119,825
Emergency Projects	9,582,881	16,044,819	6,461,938
Others Specify	5,000,000	-	5,000,000

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

### **2. Misclassification of Expenditure**

The statement of financial performance and as disclosed in Note 11 to the financial statements reflects committee expenses of Kshs.2,789,850 comprising sitting allowances of Kshs.1,139,350 and other committee expenses of Kshs1,650,500. However, review of payment records and supporting documentation revealed that Management charged expenses totalling Kshs.894,500, being payment for internal security services, under committee expenses. The misclassification was contrary to Section 43(2)(b) of the Public Finance Management Act, 2012 which allows an Accounting Officer of a National Government entity to reallocate funds between programs or between sub votes if a request for the reallocation has been made to The

National Treasury explaining the reasons for the reallocation and The National Treasury has approved the request on reallocation of funds.

In the circumstances, the classification, accuracy and completeness of committee expenses amounting to Kshs.2,789,850 could not be confirmed.

### **3. Omitted Security Projects Expenses**

The statement of financial performance reflects other grants and transfers of Kshs.88,921,092 as disclosed in Note 14 to the financial statement. Included in this amount is Kshs.6,230,004 in respect of security projects. Review of the payment records provided for audit revealed that Management incurred an amount of Kshs.1,999,000 for construction of 5-roomed office at Emusenjeli Chief's office whose expenditure details were omitted in the financial statements.

In the circumstances, the completeness and accuracy of security projects amount of Kshs.6,230,004 could not be confirmed.

### **4. Unsupported Cash and Cash Equivalents**

The statement of financial position and as disclosed in Note 19 to the financial statements reflects cash and cash equivalents balance of Kshs.117,098,374. The balance comprises of operations account, deposit account and PMCs accounts of Kshs.39,328,619, Kshs.125,662 and Kshs.77,644,092 respectively. Review of cashbooks, bank statements and bank reconciliation statements revealed the following anomalies;

- i. Review of operations account bank reconciliation statement provided for audit in support of cash and cash equivalents revealed that payments of Kshs.59,538,501 were made in cash book but not in the bank (unpresented cheques) which relates to issuance of bursaries and operation expenses. No details of payees and dates of presentation were provided by Management for audit review.
- ii. Similarly, Note 19 to the financial statements reflects Deposit Account balance of Kshs.125,662 and Project Management Committee (PMC) account balances of Kshs.77,644,092 held in eight-one (81) bank accounts. However, Management did not provide cashbooks, bank statements, bank reconciliation statements and certificates of bank balances to support the balances.

In the circumstances, the accuracy and completeness of cash and cash equivalents balance of Kshs.117,098,374 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 - Luanda 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 comparison of budget and actual amounts reflects final receipts budget and actual amounts on comparable basis of Kshs.330,845,226 and Kshs.262,903,272 respectively resulting to an under-receipt of Kshs.67,941,954 or 26% of the receipts budget. Similarly, the Fund spent Kshs.145,804,898 out of the approved budget of Kshs.330,845,226 resulting to an under expenditure of Kshs.185,040,328 or 44% of the approved budget.

The under-funding and under-expenditure may impact negatively on delivery of services to the intended recipients.

My opinion is not modified in respect of this matter.

### Key Audit Matters

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

### Other Matter

### Unresolved Prior Year Matters

In the prior year's audit report, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance. Review of the status during audit of the Luanda Constituency in 2024/2025 revealed that the following nine (9) issues remained unresolved:

1.	2023-2024	Inaccuracies in the Financial Statements
2.	2023-2024	Inaccurate Cash and Cash Equivalents
3.	2023-2024	Unsupported Expenditure on Bursaries
4.	2023-2024	Budgetary Control and Performance
5.	2023-2024	Other Matters
6.	2023-2024	Unauthorized Reallocations
7.	2023-2024	Unplanned Procurement
8.	2023-2024	Stalled Construction of Administration Offices, Laboratories and Classrooms
9.	2023-2024	Incomplete Construction of Ablution Block Project

### Other Information

The Management responsible for the Other Information set out on page iv to xxxix which comprise of Key Entity Information and Management, Chairman's Statement, Statement of Performance Against Predetermined Objectives, Governance

Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Statement of Management Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

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

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

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

### **Conclusion**

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the 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. Long Outstanding Receivables from Non-Exchange Transactions**

The statement of financial position and as disclosed in Note 21 to the financial statements reflects receivables from non-exchange transaction balance of Kshs.67,941,954. The balance includes receivables of Kshs.63,657,793 or 93% of the total receivables which have been outstanding for over two (2) years. The long outstanding receivables affected the funds cashflow and effective service delivery.

Failure by the NGCDF board to disburse the grants affected the planned activities and may have impacted negatively on service delivery to the public.

#### **2. Construction of Classrooms at Itabalia Primary Schools**

The Management awarded a contract for construction to completion of two (2) classrooms at Itabalia Primary School to a company at a contract sum of Kshs.1,998,488 for a contract period of four (4) months commencing 27 November, 2024. Review of the project status report revealed that twelve (12) months had lapsed and that the project was at 84% completion level. Further, review of Interim Certificate No.1 revealed that an amount of Kshs.1,696,538 had been certified for payment. However, as at the time of audit in October, 2025, the Project had not been completed while no further extension of contract had been granted. This was contrary to Section 139(2) of the Public Procurement and Asset Disposal Act, 2015 which requires an

accounting officer of a procuring entity to approve extension of contract period on the recommendation of an evaluation committee and the be justified by the tenderer.

In the circumstances, value for money has not been realized with the continued delay in completion of the Project.

### **3. Construction of One Storey Classrooms Building at Ebulako Primary School**

The Management engaged a contractor for the construction of one-storey eight (8) Classrooms Building at Ebulako Primary School at a cost of Kshs.19,875,386. The contract was signed on 28 November, 2024 and works were to be executed within six (6) months. Despite the extended timeline, the project was 21% complete with certified works to date totalling Kshs.4,356,192 as per the first interim certificate raised on 11 April, 2023. No evidence of contract extension was provided for audit review. This was contrary to Section 139(2) of the Public Procurement and Asset Disposal Act, 2015 which requires an accounting officer of a procuring entity to approve extension of contract period on the recommendation of an evaluation committee and the be justified by the tenderer.

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

### **4. Non-Compliance with Fiscal Responsibility on Development Projects**

The statement of financial performance and as disclosed in Note 13 to the financial statements reflects other government units' actual expenditure of Kshs.41,824,922 against an approved budget of Kshs.189,823,186 representing 22% of allocation for development activities. This was contrary to Regulation 26 (1)(f) of Public Finance management (National Government) Regulations 2015 which states pursuant to section 15(5) of the Act, the national government expenditure on development shall be at least thirty percent in line with the requirement under Section 15(2)(a) of the Act.

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

### **5. Failure to Provide the Emergency Reserve Utilization Report**

The statement of financial performance and as disclosed in Note 14 to the financial statements reflect an amount of Kshs.88,921,092 in respect of other grants and transfers which includes Kshs.16,044,819 in respect of emergency projects. However, the Management have not provided for audit review a report submitted to the Board on utilization of emergency reserve contrary to Regulation 20 (2) of the National Government Constituencies Development Fund Regulations, 2016 which states that the utilization of the emergency reserve shall be reported to the Board within thirty (30) days of the occurrence of the emergency, in the format prescribed by the Board.

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

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply in all material respects, with

the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

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

### **Conclusion**

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

### **Basis for Conclusion**

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

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

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

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

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

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

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

in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

### **Auditor-General's Responsibilities for the Audit**

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

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

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

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

  
FCPA Nancy Gathungu, CBS  
**AUDITOR-GENERAL**

**Nairobi**

**03 December, 2025**

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

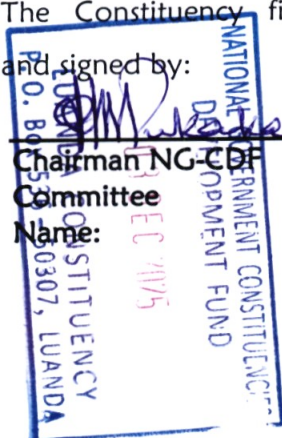
**11. Statement of Financial Performance for the Year Ended 30th June 2025**

	Note	Period ended June
		Kshs
<b>Revenue from non-exchange transactions</b>		
Transfers from the NGCDF Board	6	179,441,954
Grants/donations from other entities	7	-
<b>Revenue from exchange transactions</b>		
Finance income	8	-
Miscellaneous income	9	-
<b>Total revenue</b>		<b>179,441,954</b>
<b>Expenses</b>		
Employee costs	10	5,459,157
Committee expenses	11	2,789,850
Use of Goods and Services	12	5,836,558
Other Government Units Actual expenditure	13	44,482,971
Other Grants and Transfers Actual expenditure	14	88,921,092
Depreciation and amortization expense	15	32,813
Digital Hubs Actual expenditure	16	-
<b>Total expenses</b>		<b>147,522,441</b>
<b>Other gains/(losses)</b>		
Gain/Loss on Sale of Assets	17	-
Impairment loss	18	-
<b>Surplus/(Deficit) for the year</b>		<b>31,919,513</b>

The Constituency financial statements were approved by the NGCDFC on.....

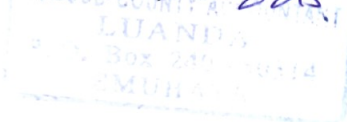
and signed by:

Chairman NG-CDF  
Committee  
Name:



National Sub-County  
Accountant

Name: *A. G. K. K. K.*  
ICPAK M/No: *8815*



Fund Account Manager

Name:



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

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

	Note	Period as at June 2025	Opening Statement 1st July 2024
		Kshs	Kshs
<b>Assets</b>			
<b>Current Assets</b>			
Cash And Cash Equivalents	19	117,098,374	87,745,479
Receivables from Exchange Transactions	20	-	-
Receivables from Non-Exchange Transactions	21	67,941,954	63,657,793
Prepayments	22	134,724	-
<b>Total Current Assets</b>		<b>185,175,052.00</b>	<b>151,403,272</b>
<b>Non-Current Assets</b>			
Property, Plant and Equipment	23	523,688	262,500
Intangible Assets	24	-	-
Right-of-use assets	25	-	-
<b>Total Non- Current Assets</b>		<b>523,688</b>	<b>262,500</b>
<b>Total Assets (A)</b>		<b>185,698,740</b>	<b>151,665,772</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and Other Payables	26	-	-
Third Party Deposits	27	11,391,208	8,310,130
Lease Liabilities	28	-	-
Gratuity Provision	29	125,662	1,161,384
<b>Total Current Liabilities</b>		<b>11,516,869</b>	<b>9,471,514</b>
<b>Non-Current Liabilities</b>			
Lease Liabilities	28	-	-
<b>Total Liabilities (B)</b>		<b>11,516,869</b>	<b>9,471,514</b>
<b>Net Assets (A-B)</b>		<b>174,113,771</b>	<b>142,194,258</b>
<b>Represented by:</b>			
Revaluation Reserves		174,113,771	142,194,258
Accumulated Surplus			
<b>Total Net Assets</b>		<b>174,113,771</b>	<b>142,194,258</b>

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

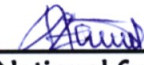
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The Constituency financial statements set out on pages 1 to 11 approved by NG CDFC on \_\_\_\_\_ 2025 and signed by:

  
Chairman NG-CDF  
Committee  
Name: *HANDELO DOKAKA*


*11 DEC 2025*

*NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND  
LUANDA CONSTITUENCY  
P.O. Box 536-50307*

  
National Sub-County  
Accountant  
Name: *AGREZ VESEMBE*  
ICPAK M/No: *8815*

*11 DEC 2025*

*NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND  
LUANDA CONSTITUENCY  
P.O. Box 240-50314  
EXMOBATA*

  
Fund Account Manager  
Name: *JUSTUS*

*11 DEC 2025*

*NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND  
LUANDA CONSTITUENCY  
P. O. Box 536-50307, LUANDA*

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

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

Description	Reserves	Accumulated surplus/Deficit	Total
	Kshs	Kshs	Kshs
<b>As at 30<sup>th</sup> June 2024 (cash basis)</b>	51,360,245	-	51,360,245
Adjustments: (to recognize assets and liabilities)			
Add Assets	100,305,527		100,305,527
Less Liabilities	9,471,514		9,471,514
<b>As at July 1, 2024</b>	142,194,258		142,194,258
Surplus/(Deficit) For the Period	31,919,513		31,919,513
Revaluation Gain/Loss	-	-	-
<b>As at 30<sup>th</sup> June (current year)</b>	<b>174,113,771</b>	-	174,113,771

Note:

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

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

	Notes	Period ended June Kshs
<b>Cash flows from operating activities</b>		
<b>Receipts</b>		
Transfers from the NGCDF Board		175,157,793
Grants/donations from other entities		-
Finance income		-
Miscellaneous income		-
<b>Total Receipts</b>		<b>175,157,793</b>
<b>Payments</b>		
Employee costs		6,494,879
Committee expenses		2,789,850
Use of Goods and Services		5,903,183
Other Government Units Certified Works		41,824,922
Other Grants and Transfers		88,498,064
Digital Hubs Expenses		-
<b>Total Payments</b>		<b>145,510,898</b>
<b>Net Cash Flows from/ (used in) Operating Activities</b>	28	<b>29,646,895</b>
<b>Cash flows From Investing Activities</b>		
Purchase of PPE		294,000
Purchase of Intangible assets		-
Proceeds From Sale of PPE		-
<b>Net Cash Flows from Investing Activities</b>		<b>294,000</b>
<b>Net increase/(decrease) in cash &amp; Cash equivalents</b>		<b>29,352,895</b>
<b>Cash Flows from Financing Activities</b>		
Lease payment		-
<b>Net Cash Flows from Financing Activities</b>		<b>29,352,895</b>
Cash and cash equivalents at Period Start	17	<b>87,745,479</b>
<b>Cash and cash equivalents at Period End</b>	17	<b>117,098,374</b>

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

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

	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilization
	Kshs	Kshs		Kshs	Kshs	Kshs	
	a	b		C=(a+b)	d	e=(c-d)	f=d/c*100
	2024-2025	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements	2024-2025	2024-2025		
<b>Revenue</b>							
Transfers From the NGCDF Board	179,441,954	87,745,479	63,657,793	330,845,227	262,903,272	67,941,954	79%
Transfers from domestic and foreign partners	-	-	-	-	-	-	
Finance income	-	-	-	-	-	-	
Miscellaneous income	-	-	-	-	-	-	
<b>Totals</b>	<b>179,441,954</b>	<b>87,745,479</b>	<b>63,657,793</b>	<b>330,845,227</b>	<b>262,903,272</b>	<b>67,941,954</b>	<b>79%</b>
<b>Expenses</b>							
Employee costs	5,525,317	299,786	1,161,384	6,986,487	6,494,879	491,608	93%
Committee expenses	3,000,000	1,159,970	-	4,159,970	2,789,850	1,370,120	67%
Use of Goods and Services	7,624,460	1,302,678	-	8,927,138	5,903,183	3,023,955	66%
Other Government Units Certified Works	88,947,865	48,568,913	52,306,408	189,823,186	41,824,922	147,998,264	22%
Other Grants and Transfers	74,344,312	33,277,842	10,190,001	117,812,156	88,498,064	29,314,092	75%
Digital Hubs Expenses	-	-	-	-	-	-	
Acquisition of assets		3,136,290	-	3,136,290	294,000	2,842,290	9%
Funds Pending				-		-	

*National Government Constituencies Development Fund (NGCDF)  
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	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilization
	Kshs	Kshs		Kshs	Kshs	Kshs	
	a	b		C=(a+b)	d	e=(c-d)	f=d/c*100
	2024-2025	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements	2024-2025	2024-2025		
Approval**							
<b>Total Expenditure</b>	<b>179,441,954</b>	<b>87,745,480</b>	<b>63,657,793</b>	<b>330,845,227</b>	<b>145,804,898</b>	<b>185,040,329</b>	<b>44%</b>
<b>Surplus for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>117,098,374</b>	<b>(117,098,375)</b>	<b>-</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)**  
**Luanda Constituency**  
**Annual Report and Financial Statements for The Year Ended June 30, 2025**

**Explanatory Notes.**


All the items below 90% can be summarized as below:

S/NO	ITEM	PERCENTAGE	REASON
1	Committee expenses	67%	
2	Use of Goods and Services	66%	Late disbursement of funds
3	Other Government Units Certified Works	22%	Late disbursement of funds
4	Other Grants and Transfers	75%	Late disbursement of funds
5	Acquisition of assets	9%	Reallocation process took long

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	185,040,329
Less undisbursed funds receivable from the Board as at 30 <sup>th</sup> June 2025	67,941,954
Cash and Cash Equivalents at the end of the 30 <sup>th</sup> June 2025	117,098,375

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 \_\_\_\_\_ 2025 and signed by:

**Fund Account Manager**  
 Name: \_\_\_\_\_  


  
 National Sub-County Accountant

Name: AGNES VILEMBE  
 ICPAK M/No: 8815



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


*National Government Constituencies Development Fund (NGCDF)*  
*Luanda Constituency*  
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**16. Budget Execution by Sectors And Projects For The Year Ended 30<sup>th</sup> June 2025**

Programme/Sub-Programme	Original Budget 2024-2025	Adjustments		Final Budget 2024-2025	Actual on comparable basis	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	5,525,317	299,786	1,161,384	6,986,487	6,494,879	491,608
1.2 Committee Allowances	1,500,000	-	-	1,500,000	1,409,100	90,900
1.3 Use Of Goods And Services	3,744,200	763,963	-	4,508,163	2,996,230	1,511,933
<b>Sub-Total</b>	<b>10,769,517</b>	<b>1,063,749</b>	<b>1,161,384</b>	<b>12,994,650</b>	<b>10,900,209</b>	<b>2,094,441</b>
<b>2.0 Monitoring And Evaluation</b>						
2.1 Capacity Building	-	939,720	-	939,720	591,100	348,620
2.2 Committee Allowances	1,500,000	220,250	-	1,720,250	1,380,750	339,500
2.3 Use Of Goods And Services	3,880,260	538,715	-	4,418,975	2,315,853	2,103,122
<b>Sub-Total</b>	<b>5,380,260</b>	<b>1,698,685</b>	<b>-</b>	<b>7,078,945</b>	<b>4,287,703</b>	<b>2,791,242</b>
<b>3.0 Emergency</b>						
	9,444,312	10,780,140	-	20,224,452		20,224,452
3.1 Primary Schools	-	-	-	-	3,063,204	(3,063,204)
3.2 Secondary Schools	-	-	-	-	-	-
3.3 Tertiary Institutions	-	-	-	-	-	-
3.4 Security Projects		-	-	-	6,229,069	(6,229,069)
<b>Sub-Total</b>	<b>9,444,312</b>	<b>10,780,140</b>	<b>-</b>	<b>20,224,452</b>	<b>9,292,273</b>	<b>10,932,179</b>

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

Programme/Sub-Programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
	2024-2025	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements	2024-2025		
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
<b>4.0 Bursary And Social Security</b>						
4.1 Primary Schools						
4.2 Secondary Schools	40,000,000	1,014,885	-	<b>41,014,885</b>	41,014,885	-
4.3 Tertiary Institutions	12,000,000	1,010,500	3,500,000	<b>16,510,500</b>	16,510,500	-
4.4 Special Schools	500,000	165,000	-	<b>665,000</b>	665,000	-
4.5 Social Security	3,500,000	6,100		<b>3,506,100</b>	3,347,647	158,453
<b>Sub-Total</b>	<b>56,000,000</b>	<b>2,196,485</b>	<b>3,500,000</b>	<b>61,696,485</b>	<b>61,538,032</b>	<b>158,453</b>
<b>5.0 Climate Change Mitigation</b>						
5.1 Environment	-	-	6690001.01	6,690,001	6,570,175	119,826
<b>Sub-Total</b>	<b>-</b>	<b>-</b>	<b>6,690,001</b>	<b>6,690,001</b>	<b>6,570,175</b>	<b>119,826</b>
<b>6.0 Primary Schools Projects (List All The Projects)</b>						
6.1						
6.1 Mumboha Primary School	-	899,670	-	899,670	850,378	49,292
6.2 Ebusyubi Primary School	-	722,736	222,284	945,020	937,144	7,876
6.3 Ebulonga Primary Cdf-Jnr Sec	-	1,063	-	1,063	756	307
6.4 Esiembero Primaryschool Pmc	-	606,884	-	606,884	630	606,254
6.5 Kayila Primary School -Cdf Account	-	70,651	-	70,651	877	69,774
6.6 Emmatsi Primary School-Cdf	-	4,645	-	4,645	-	4,645

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Programme/Sub-Programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	2024-2025	Kshs	Kshs	2024-2025	Kshs	Kshs
6.7 Ebukuya Primary School-Cdf	-	26,466	-	26,466	504	25,962
6.8 Ebusiralo Primary School	-	2,985	-	2,985	493	2,492
6.9 Ebulako Primary School-Pmc	7,500,000	7,500,000	-	15,000,000	3,983,148	11,016,852
6.10itabilia Primary School	-	13,624	2,391,966	2,405,590	415,000	1,990,590
6.11 Khumuseno Primary School-Cdf	-	33,944	2,000,000	2,033,944	1,778,297	255,647
6.12 Musinaka Primary School	-	43,090	-	43,090	-	43,090
6.13 Emmatsi Primary School	-	409,522	-	409,522	361,395	48,127
6.14 Mulwanda Primary School-Cdf	-	3,567	3,000,000	3,003,567	-	3,003,567
6.15 Asiongo Primary School	-	3,170	-	3,170	3,170	-
6.16 Emmaloba Primary School(Cdf)	-	2,180	-	2,180	-	2,180
6.17 Esiandumba Primary School	-	1,381,268	-	1,381,268	999,048	382,220
6.18 Epanga Primary School	5,000,000	201,000	-	5,201,000	-	5,201,000
6.19mulwakhi Primary School	-	1,000	2,000,000	2,001,000	2,000,779	221
6.20 Ebubayi Primary School-Cdf	-	200,600	-	200,600	-	200,600
6.21 Elukhambi Primary	-	277	2,200,000	2,200,277	2,074,519	125,758
6.22 Esiututo Primary School	2,400,000	2,000,000	-	4,400,000	1,817,234	2,582,766
6.23 Ebumbayi Primary	2,400,000	3,893,773	-	6,293,773	3,665,299	2,628,474
6.24 Ebussamba Primary School	-	2,007,635	-	2,007,635	1,799,596	208,039

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Programme/Sub-Programme	Original Budget 2024-2025	Adjustments		Final Budget 2024-2025	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
		Kshs	Kshs			
6.25 Emuhaya Primary School	-	1,380	3,000,000	3,001,380	2,995,535	5,845
6.26 Waluka Primary School	-	125	3,000,000	3,000,125	2,713,852	286,273
6.27 Ebwiranyiprimary School	-	200,916	3,000,000	3,200,916	2,721,110	479,806
6.27 Emukhuya Primary School	-	874	3,000,000	3,000,874	2,373,118	627,756
6.28 Ebbiba Primary Primary	-	1,080	3,000,000	3,001,080	2,769,205	231,875
6.29 Emusenjeli Primary School	-	72,237	-	72,237	49,951	22,286
6.30 Musitinyi Primary School	2,400,000	-	-	2,400,000	-	2,400,000
6.31 Ebusiratsi Ac	2,400,000	1,560	-	2,401,560	-	2,401,560
6.32 Wanakhale Primary	3,000,000	-	-	3,000,000	-	3,000,000
6.34 Emutsuru Primary	2,400,000	-	-	2,400,000	-	2,400,000
6.35 Ochuore Primary	2,400,000	-	2,000,000	4,400,000	1,220,000	3,180,000
6.36 `Ebusakami Primary	2,400,000	-	-	2,400,000	-	2,400,000
6.37 Kima Primary	5,000,000	-	-	5,000,000	-	5,000,000
6.38 Ebuhando Primary	2,400,000	68	-	2,400,068	-	2,400,068
6.40 Khwiliba Primary	-	2,064,123	-	2,064,123	-	2,064,123
6.41 Esibeye Primary	-	4,665,311	8,000,000	12,665,311	-	12,665,311
6.42 Ebwali Primary	-	200,000	-	200,000	-	200,000
6.43 Wandече Special	-	1,290	-	1,290	-	1,290
6.44 Emululu Primary	-	2,600	-	2,600	-	2,600
6.45 Ebulako Primary School-	-	247	-	247	-	247

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Programme/Sub-Programme	Original Budget 2024-2025 Kshs	Adjustments		Final Budget 2024-2025 Kshs	Actual on comparable basis Kshs	Budget utilization difference Kshs
		Opening Balance (C/Bk) and AIA Kshs	Previous Years' Outstanding Disbursements Kshs			
Pmc						
<b>Sub-Total</b>	<b>39,700,000</b>	<b>27,241,560</b>	<b>36,814,250</b>	<b>103,755,810</b>	<b>35,531,038</b>	<b>68,224,771</b>
<b>7.0 Secondary Schools Projects (List All The Projects)</b>						
7.1 Esiandumba Secondary	10,000,000	2,893	2,600,000	12,602,893	-	12,602,893
7.2 Ibubi Girls Secondary School-Cdf	-	301,029	500,000	801,029	301,029	500,000
7.3 Ebwali Secondary School	-	14,703	-	14,703	-	14,703
7.4 Ekwanda Secondary School	-	817	-	817	252	565
7.5 Esibeye Secondary School-Cdf Acc	-	2,870	-	2,870	252	2,618
7.6ebusyubi Secondary	1,500,000	-	-	1,500,000	-	1,500,000
7.7 Ebusiralo Secondary	8,500,000	8,300,000	500,000	17,300,000	1,800,000	15,500,000
7.8 Esibembe Secondary	5,000,000	1,500,000	-	6,500,000	-	6,500,000
7.9 Khwiliba Secondary	10,000,000	-	-	10,000,000	-	10,000,000
7.10 Essong'olo Secondary	10,000,000	-	-	10,000,000	-	10,000,000
7.11 Ebubayi Secondary	4,247,865	-	-	4,247,865	-	4,247,865
7.12 Mumboha Secondary	-	7,000,336	11,892,158	18,892,494	-	18,892,494
7.13 Ebussamba Secondary School	-	5,000	-	5,000	-	5,000
7.14 Irumbi Secondary School	-	4,198,598	-	4,198,598	4,192,351	6,247

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Programme/Sub-Programme	Original Budget 2024-2025	Adjustments		Final Budget 2024-2025	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
7.15 Ebusiratsi Sec	-	1,109		1,109	-	1,109
<b>Sub-Total</b>	<b>49,247,865</b>	<b>21,327,354</b>	<b>15,492,158</b>	<b>86,067,377</b>	<b>6,293,884</b>	<b>79,773,493</b>
<b>8.0 Tertiary Institutions Projects (List All The Projects)</b>						
8.1	-	-	-	-	-	-
<b>Sub-Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>9.0 Security Projects</b>						
9.1						
9.1luanda Police Station	8,900,000	4,100,770	-	13,000,770	504	13,000,266
9.2ebuhando Ass/Chiefs Office	-	2,700,000	-	2,700,000	-	2,700,000
9.3deputy County Commissioners Office-Pmc Accounty	-	475,000	-	475,000	-	475,000
9.4 Ehubayi Chiefs Office	-	395,000	-	395,000	-	395,000
9.5iboona Chiefs Office	-	2,700,000	-	2,700,000	2,095,452	604,548
9.6 Emusenjeli Chiefs Office	-	2000000	-	2,000,000	1,129,864	870,136
9.7 Maseno Location	-	272056	-	272,056	230,504	41,552
9.8 Ebusybi Admin Police	-	4347	-	4,347	4,347	0
9.9 Mukhalakhala Ap Camp	-	3273	-	3,273	-	3,273
9.10 Luanda Township Chiefs Office	-	768	-	768	-	768
9.11 Rerec	-	5,000,000	-	5,000,000	5,000,000	-

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Programme/Sub-Programme	Original Budget 2024-2025	Adjustments		Final Budget 2024-2025	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
		Kshs	Kshs			
9.12 Esiandumba Ap Cam	-	6,090	-	6,090	6,090	-
9.13ekwanda Police Station	-	2,632,821	-	2,632,821	2,630,823	1,998
9.14ekwanda Chiefs Camp	-	1,705	-	1,705	-	1,705
9.15 Ebusiratsi Ap Camp	-	1,416	-	1,416	-	1,416
<b>Sub-Total</b>	<b>8,900,000</b>	<b>20,293,246</b>	<b>-</b>	<b>29,193,246</b>	<b>11,097,584</b>	<b>18,095,662</b>
<b>10.0 Acquisition Of Assets</b>						
10.1 Motor Vehicles (Including Motorbikes)	-	300,000	-	300,000	-	300,000
10.2 Construction Of CDF Office	-	1,775,828	-	1,775,828	-	1,775,828
10.3 Purchase Of Furniture And Equipment	-	1,060,462	-	1,060,462	294,000	766,462
10.4 Purchase Of Computers	-	-	-	-	-	-
10.5 Purchase Of Land	-	-	-	-	-	-
<b>Sub-Total</b>	<b>-</b>	<b>3,136,290</b>	<b>-</b>	<b>3,136,290</b>	<b>294,000</b>	<b>2,842,290</b>
<b>11.0 Digital Hubs</b>						
<i>(Itemize As Per The Code List)</i>						
<b>Sub Total</b>						
<b>12.0 Others</b>						
12.1 Strategic Plan	-	-	-	-	-	-
12.2 Sports	-	7,972.00	-	<b>7,972</b>	-	7,972

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Programme/Sub-Programme	Original Budget 2024-2025	Adjustments		Final Budget 2024-2025	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
<b>Sub Total</b>	-	<b>7,972</b>	-	<b>7,972</b>	-	<b>7,972</b>
<b>13.0 Funds Pending Approval**</b>						
13.1 Unapproved Projects	-	-		-	-	-
13.2 Aia	-			-		-
13.3	-	-	-	-	-	-
<b>Sub-Total</b>	-	-	-	-	-	-
<b>Total</b>	<b>179,441,954</b>	<b>87,745,479</b>	<b>63,657,793</b>	<b>330,845,227</b>	<b>145,804,898</b>	<b>185,040,329</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 Luanda Constituency principal activity is based on infrastructure in education and security sectors, climate change and mitigation activities, bursary to needy students and social programs.

### **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 Luanda 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 Luanda has recognised all financial assets, including cash and cash equivalent 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 the intangible assets acquired during the financial year 2023/2024 up to the reporting dates.

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

The recognition of all the 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 cash flows of an Entity. The new standard requires entities to recognize, measure and present information on right of use assets and lease liabilities. Not applicable.
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<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. Not applicable.
IPSAS 45: Property Plant and	<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

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Equipment	<p>and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognized as assets if they meet the criteria in the standard. IPSAS 45 has additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under-maintenance of assets and distinguishing significant parts of infrastructure assets.</p> <p>Not applicable.</p>
<p>IPSAS 46: Measurement</p>	<p><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>Not applicable.</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</p>

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	cash flow arising from revenue transactions.
IPSAS 48: Transfer Expenses	<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 provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p> <p><b>Not applicable.</b></p>
IPSAS 49: Retirement Benefit Plans	<p><b>Applicable 1<sup>st</sup> January 2026</b></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p> <p><b>Not applicable.</b></p>
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<p><b>Applicable 1<sup>st</sup> January 2027</b></p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ul style="list-style-type: none"> <li>i. Limited improvements to existing accounting practices for exploration and evaluation expenditures.</li> <li>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.</li> <li>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.</li> </ul> <p><b>Not applicable.</b></p>

**iii. Early adoption of standards**

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

#### **4. Summary of Significant Accounting Policies**

##### **a) Revenue recognition**

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

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

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

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

##### **Sale of goods**

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

##### **Interest income**

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

##### **Rental income**

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

**b) Budget information**

The original budget was approved by Parliament on 30<sup>th</sup> June 2024 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 the entire 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 amortized cost, fair value through net assets/ equity or fair value through surplus and deficit on the basis of both the entity's management model for financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost when the financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. A financial asset is measured at fair value through net assets/ equity if it is held within the management model whose objective is achieved by both collecting contractual cash flows 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 recognizes a social benefit as an expense for the social benefit scheme at the same time that it recognizes a liability. The liability for the social benefit scheme is measured at the best estimate of the cost (the social benefit payments) that the entity will incur in fulfilling the present obligations represented by the liability.

**j) Contingent liabilities**

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

**k) Contingent assets**

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

reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

**l) Employee benefits**

**Retirement benefit plans**

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

**m) Foreign currency transactions**

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

**n) Related parties**

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

**o) Cash and Cash Equivalents**

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

**p) Comparative figures**

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

**q) Subsequent events**

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

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

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

**Estimates and assumptions.**

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

**Useful lives and residual value**

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

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

**Provisions**

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

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**6. Transfers from the NGCDF Board**

Description	Period ended June 2025
NGCDFB Transfers (Allocation for the FY)	179,441,954
<b>TOTAL</b>	<b>179,441,954</b>

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

Description	2024-2025
	Kshs
Grants	-
<b>Total</b>	<b>-</b>

**8. Finance income**

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

(Provide a brief explanation for this revenue)

**9. Miscellaneous income**

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

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**10. Employees cost**

Description	Period ended June 2025
	Kshs
NG-CDFC Basic staff salaries	4,017,485
Personal allowances paid as part of salary	-
House Allowance	-
Transport Allowance	-
Leave allowance	-
Gratuity to contractual employees	1,161,384
Employer Contributions Compulsory national social security schemes	216,716
Employer Contributions Compulsory Housing levy	54,172
Employer contributions to National Industrial Training Authority	9,400
Other Specify	-
<b>Total</b>	<b>5,459,157</b>

**11. Committee Expenses**

Description	Period ended June 2025
	Kshs
Sitting allowance	1,139,350
Other Committee expenses	1,650,500
<b>Total</b>	<b>2,789,850</b>

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**12. Use of Goods and services**

Description	Period ended June 2025
	Kshs
Utilities, supplies and services	30,000
Communication, supplies and services	371,950
Domestic travel and subsistence	1,250,140
Printing, advertising and information supplies & services	183,800
Office Rent	-
Training expenses	591,100
Hospitality supplies and services	460,739
Insurance costs	148,579
Specialized materials and services	-
Office and general supplies and services	767,410
Fuel, oil & lubricants	970,207
Bank Charges	18,087
Routine maintenance – vehicles and other transport equipment	577,745
Routine maintenance – other assets	52,451
Strategic plan expenses	-
Other operating expenses	414,350
<b>Total</b>	<b>5,836,558</b>

**13. Other Government Units Actual expenditure**

Description	Period ended June 2025
	Kshs
Primary Schools Actual expenditure	38,456,731
Secondary Schools Actual Expenditure	6,026,240
Tertiary Institutions Actual Expenditure	-
<b>Total</b>	<b>44,482,971</b>

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

Description	Period ended June 2025
	Kshs
Bursary – secondary schools	47,647,532
Bursary – tertiary institutions	13,675,500
Bursary – special schools	215,000
Bursary - Education Support programme	-
Social Security programme (SHIF)	-
Security projects Actual Expenditure	6,230,004
Climate change mitigation projects	6,570,175
Emergency projects Actual Expenditure	9,582,881
Roads projects	-
Others specify	5,000,000
<b>Total</b>	<b>88,921,092</b>

**15. Depreciation and Amortization Expenses**

Description	Period ended June 2025
	Kshs
Property Plant and Equipment	32,813
Intangible Assets	-
<b>Total</b>	<b>32,813</b>

**16. Digital Hubs Expenses**

Description	Period ended 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>

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

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

**18. Impairment Loss**

Description	Period ended June 2025
	Kshs
Property, Plant and Equipment	-
Intangible Assets	-
(Include financial instruments that are impaired)	-
<b>Total Impairment Loss</b>	-

**19. Cash and Cash Equivalents**

Name Of Bank and Account No.	Period ended June 2025	Opening Statement 1st July 2024
	Kshs	Kshs
<b>Bank Accounts (Cash Book Bank Balance)</b>		
Name Of Bank, Account No. (Operations account)	39,328,620	51,360,245
Operations account pending closure (Indicate name & account no.)	-	-
Name of Bank, account No. (Deposit account)	125,662	-
Name of Bank, account No. (PMC's account)	77,644,092	36,385,234
<b>Total</b>	<b>117,098,374</b>	<b>87,745,479</b>

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**20. Receivables from Exchange Transactions**

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

**i. Ageing Analysis for Receivables**

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

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

Description	Period ended June 2025	Opening Statement 1st July 2024
	Kshs	Kshs
Transfers from NGCDFB	67,941,954	63,657,793
Outstanding imprest	-	-
<b>Total</b>	<b>67,941,954</b>	<b>63,657,793</b>

**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	-	0%	-	0%
Between 1- 2 years	51,441,954	76%	44,557,793	0.70
Between 2-3 years	16,500,000	24%	19,100,000	30%
Over 3 years	-	0%	-	0%
<b>Total (a+b)</b>	<b>67,941,954</b>	<b>100%</b>	<b>63,657,793</b>	<b>100%</b>

**22. Prepayments**

Description	Period ended June 2025	Opening Statement 1st July 20XX
	Kshs	Kshs
Prepaid Rent	-	-
Prepaid Insurance	134,724	-
Prepaid Electricity Costs	-	-
Other Prepayments (Specify)	-	-
<b>Total</b>	<b>134,724</b>	<b>-</b>

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**23. Property, Plant and Equipment**

	Land	Buildings	Motor vehicles	Infrastructure assets	Furniture and fittings	Computers & ICT Equipment	Work in progress	Service concession assets	Total
<b>Depreciation Rate</b>		<b>10%</b>	25 %	<b>20%</b>	12.50%	<b>30 %</b>			
<b>Cost</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
<b>Opening Bal as 1<sup>st</sup> July 2024</b>	-	-	-	-	300,000	-	-	-	300,000
Additions	-	-	-	-	294,000	-	-	-	294,000
Disposals	-	-	-	-	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-	-	-	-	-
<b>As At June 2025</b>	-	-	-	-	594,000	-	-	-	594,000
<b>Depreciation And Impairment</b>									
Opening bal accumulated depreciation 1st July 2024	-	-	-	-	37,500	-	-	-	37,500
Depreciation	-	-	-	-	32,813	-	-	-	32,813
Disposals	-	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-	-	-	-
<b>As At30 June 2025</b>	-	-	-	-	70,313	-	-	-	70,313
<b>Net Book Values</b>									
Opening Bal as at 1 <sup>st</sup> July 2024	-	-	-	-	262,500	-	-	-	262,500
<b>As At 30<sup>th</sup> June, 2025</b>	-	-	-	-	523,688	-	-	-	523,688

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**Valuation**

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

**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:

	<b>Cost</b>	<b>Accumulated Depreciation</b>	<b>NBV</b>
	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
Land	-	-	-
Buildings	-	-	-
Plant And Machinery	-	-	-
Motor Vehicles, Including Motorcycles	-	-	-
Computers And Related Equipment	-	-	-
Office Equipment, Furniture, And Fittings	594,000	70,313	523,688
<b>Total</b>	<b>594,000</b>	<b>70,313</b>	<b>523,688</b>

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

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

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**24. Intangible Assets**

Description	Period ended June 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	-
<b>At end of the year</b>	-
<b>NBV at July 1<sup>st</sup> 2024</b>	-
<b>NBV at June 30<sup>th</sup> 2025</b>	-

Not applicable to Luanda NG-CDF

**25. Right-of use assets**

Description	Buildings	Plant	Equipment	Total
	Kshs	Kshs	Kshs	Kshs
<b>Cost</b>				
As At 1 July 2024 (Comparative period)	-	-	-	-
Additions	-	-	-	-
As At 30 June 2024 (Comparative Period)	-	-	-	-
Additions	-	-	-	-
As At 30 June 2025 (Current FY)	-	-	-	-
	-	-	-	-
<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 2024. (Comparative Period)	-	-	-	-

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**26. Trade and Other Payables**

Description	Period ended June 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>2024-2025</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 1 <sup>st</sup> July 2024	
	Kshs		Kshs	
Retention as at start of the period (A)	8,310,130		-	
Retention held during the period (B)	5,857,873		8,310,130	
Retention paid during the period (C)	2,776,795		-	
<b>Closing Retention as at 30<sup>th</sup> June 2025 , D= A+B-C</b>	<b>11,391,208</b>		<b>8,310,130</b>	

**Retentions aging analysis.**

	2024-2025	% of the total	2023-2024	% of the total
Less than 1 year	11,391,208	100%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
<b>Total</b>	<b>11,391,208</b>		<b>-</b>	

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**28. Lease Liabilities**

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

**Maturity Analysis**

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

**Analysed as:**

Description	Amount
Current	-
Non- Current	-
Total	-

**29. Gratuity Provision**

Description	Period ended June 2025	Opening Statement 1 <sup>st</sup> July 2024
	Kshs	Kshs
Gratuity at the beginning of the period (A)	1,161,384	1,161,384
Gratuity held during the period (B)	1,161,384	-
Gratuity paid during the period (C)	2,197,106	-
Total Gratuity provision as at period ended 30th June 2025 D=(A+B-C)	125,662	1,161,384

### 30. Cash Generated from Operations

	Period ended June 2025
	Kshs
Surplus for the period before tax	31,919,513
<b>Adjusted for:</b>	
Depreciation	32,813
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	4,350,786
Changes in deferred income	-
Changes in Third party deposits	(3,081,078)
Changes in gratuity provision	1,035,722
Changes in payments received in advance	-
<b>Net cash flow from operating activities</b>	<b>29,646,895</b>

### 31. Financial Risk Management

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

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extended to customers with an established credit history. The Entity's financial risk management objectives and policies are detailed below:

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**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 (Current FY)</b>				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	67,941,954	67,941,954	-	-
Bank balances	39,328,320	39,328,320	-	-
<b>Total</b>	<b>107,270,274</b>	<b>107,270,274</b>	-	-
<b>As at 30 June (Previous FY)</b>				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	63,657,793	63,657,793	-	-
Bank balances	51,360,245	51,360,245	-	-
<b>Total</b>	<b>115,018,038</b>	<b>115,018,038</b>	-	-

**Financial Risk Management**

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the Entity has recognized in the financial statements is considered

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adequate to cover any potentially irrecoverable amounts. The Entity has significant concentration of credit risk on amounts due from no Organization. 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 (Current FY)</b>				
Trade payables	-	-	-	-
Current proportion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Gratuity Provision	-	-	2,322,768	2,322,768
<b>Total</b>	-	-	<b>2,322,768</b>	<b>2,322,768</b>
<b>As at 30<sup>th</sup> June (Previous FY)</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 optimizing the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee. The Entity's Finance Department is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee) and for the day-to-day implementation of those policies. There has been no change to the Entity's exposure to market risks or the way it manages and measures the risk.

**a) Foreign currency risk**

Luanda NG-CDF 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. Luanda manages foreign exchange risk from future commercial transactions and recognized assets and liabilities by projecting for expected sales proceeds and matching the same with expected payments. The carrying amount of the NG-CDF foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

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**2024-2025**

Description	In Kshs	Other currencies	Total
	Kshs	Kshs	Kshs
<b>As at 30<sup>th</sup> June (Current FY)</b>			
<b>Financial Assets</b>	-	-	-
Investments	-	-	-
Cash	-	-	-
Debtors	-	-	-
<b>Total Financial Assets</b>	-	-	-
<b>Financial Liabilities</b>			
Trade And Other Payables	-	-	-
Borrowings	-	-	-
<b>Total Financial Liabilities</b>	-	-	-
<b>Net Foreign Currency Asset/(Liability)</b>	-	-	-

**Foreign currency sensitivity analysis**

**2024-2025**

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

### **Financial Risk Management**

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

Description	Change in currency rate	Effect on Profit before tax	Effect on Equity/Net assets
	Kshs	Kshs	Kshs
<b>Current FY</b>			
Euro	NA	-	-
USD	NA	-	-
<b>Previous FY</b>			
Euro	NA	-	-
USD	NA	-	-

Not applicable to Luanda NG-CDF

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

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

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

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

#### **Sensitivity analysis**

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

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one percentage point as a decrease/increase of Kshs 0 (Current FY: Kshs 0). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs 00 (2024-2025 – Kshs 0 )

**Fair value of financial assets and liabilities**

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

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

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

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

The following table shows an analysis of financial and non- financial instruments recorded at fair value by level of the fair value hierarchy:

Description	Level 1	Level 2	Level 3	Total
	Kshs	Kshs	Kshs	Kshs
<b>As at 30 June 2025</b>				
<b>Financial Assets</b>				
Quoted Equity Investments	NA	NA	NA	NA
<b>Non- Financial Assets</b>				
Investment Property	NA	NA	NA	NA

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Land And Buildings	NA	NA	NA	NA
<b>Total</b>	NA	NA	NA	NA
<b>As at 30<sup>th</sup> June (Previous FY)</b>				
<b>Financial Assets</b>				
Quoted Equity Investments	NA	NA	NA	NA
<b>Non- Financial Assets</b>	NA	NA	NA	NA
Investment Property	-	-	-	-
Land And Buildings	-	-	-	-
<b>Total</b>	-	-	-	-

Not applicable to Luanda NG-CDF

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	Period ended June 2025	Opening Statement 1 <sup>st</sup> July 2024
	Kshs	Kshs
Revaluation Reserve	-	-
Retained Earnings	174,113,771	-
Capital Reserve	-	-
<b>Total Funds</b>	-	-
Total Borrowings	-	-
Less: Cash and Bank Balances	117,098,374	-
Net Debt/(Excess Cash And Cash Equivalents)	-	-
<b>Gearing</b>	-	-

### 32. Related Party Disclosures

	Period ended June 2025	Opening Statement 1 <sup>st</sup> July 2024
	Kshs	Kshs
<b>Committee Members Remuneration</b>		
Sitting allowance of committee Members during the year	1,500,000	181,064
<b>Transaction with the NGCDF Board</b>		
Transfers from the NGCDF Board during the year	175,157,793	220,487,603
<b>Total</b>	<b>175,157,793</b>	<b>220,487,603</b>

### 33. Segment Information

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

### 34. Contingent Assets and Contingent Liabilities

#### Contingent Assets

Description	Period ended June 2025	Opening Statement 1 <sup>st</sup> July 2024
	Kshs	Kshs
<b>Contingent Assets</b>		
Insurance Reimbursements	NA	NA
Assets Arising from Determination Of Court Cases	NA	NA
Reimbursable Indemnities and Guarantees	NA	NA
Receivables From Other Government Entities	NA	NA
Others (Specify)	NA	NA
<b>Total</b>	<b>NA</b>	<b>NA</b>

Not applicable to Luanda NG-CDF

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**Contingent Liabilities**

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

Not applicable to Luanda NG-CDF

**35. Capital Commitments**

Capital Commitments	Period ended June 2025	Opening Statement 1 <sup>st</sup> July 2024
	Kshs	Kshs
Authorized for	NA	NA
Authorized and Contracted for	NA	NA
<b>Total</b>	NA	NA

**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 Luanda Constituency is a Fund under The National Treasury and Planning & managed by NG-CDF Board at the National level, NG-CDFC at the constituency level and ultimate parent is the Government of Kenya.

**38. Currency**

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

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18. Annexes

Annex 1: Summary of Asset Register

Asset class	Historical Cost balance brought forward	Additions during the period (Kshs)	Disposals during the period (Kshs)	Historical Cost
	(Kshs)			(Kshs)
				At Year/period End
Land	2,446,727	-	-	2,446,727
Buildings and structures	35,441,526	-	-	35,441,526
Transport equipment	6,130,000	-	-	6,130,000
Office equipment, furniture and fittings	4,175,693	294,000	-	4,469,693
ICT Equipment, Software and Other ICT Assets	80,000	-	-	80,000
Other Machinery and Equipment	632,000	-	-	632,000
Intangible assets	-	-	-	-
<b>Total</b>	<b>46,159,219</b>	<b>294,000</b>	<b>-</b>	<b>49,199,946</b>

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**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
			CURRENT PERIOD	
Ekwanda Sec School	KCB LUANDA BRANCH	1128110156	565	817
Esiandumba Sec School	EQUITY LUANDA BRANCH	1120277708325	12,602,893	2,893
Ebulonga Primary Cdf-Jnr Sec	KCB LUANDA BRANCH	1309682844	307	1,063
Esiembero Primarieschool Pmc	KCB LUANDA BRANCH	1318370574	606,254	606,884
Ekwanda Police Station Cdf Project	KCB LUANDA BRANCH	1320815626	1,998	2,632,821
Luanda Police Station Pmc	KCB LUANDA BRANCH	1322147418	4,100,266	770
Kayila Primary School -Cdf Account	KCB LUANDA BRANCH	1111510342	69,774	70,651
Ebusyubi Primary School	KCB LUANDA BRANCH	1127825984	7,876	722,736
Ibubi Girls Secondary School-Cdf	KCB LUANDA BRANCH	1128466872	-	301,029
Emmatsi Primary School-Cdf	KCB LUANDA BRANCH	1309822557	48,127	409,522
Esibeye Secondary School-Cdf Acc	KCB LUANDA BRANCH	1135232229	2,618	2,870
Ebukuya Primary School-Cdf	KCB LUANDA BRANCH	1128017504	25,962	26,466
Maseno Location Chiefs Office	KCB LUANDA BRANCH	1320811329	41,552	272,056
Ebulako Primary School-Pmc	EQUITY LUANDA BRANCH	1120280153449	3,516,852	7,500,000
Deputy County Commissioners Office-Pmc Accounty	EQUITY LUANDA BRANCH	1120285097503	475,000	475,000
Itabalia Primary School	EQUITY LUANDA BRANCH	1120297589695	1,990,590	13,624
Irumbi Primary School	EQUITY LUANDA BRANCH	1120262246864	49,798	-
Khumuseno Primary School-Cdf	EQUITY LUANDA BRANCH	1120262032656	255,647	33,944
Ebubayi Chiefs Office	EQUITY LUANDA BRANCH	1120284236922	395,000	395,000
Musinaka Primary School	EQUITY LUANDA BRANCH	1120262361672	-	43,090
Ebwali Secondary School	EQUITY LUANDA BRANCH	960293389065	14,703	14,703
Esiandumba Ap Camp (Cdf)	EQUITY LUANDA BRANCH	1120263678799	-	6,090

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Ebussamba Secondary School-Pmc	EQUITY LUANDA BRANCH	1120284426347	5,000	5,000
Emmatsi Primary School	EQUITY LUANDA BRANCH	1120297529947	4,645	4,645
Ebusyubi Administration Police Project	EQUITY LUANDA BRANCH	1120197891215	-	4,347
Mulwanda Primary School-Cdf	EQUITY LUANDA BRANCH	1120263334737	3,567	3,567
Mukhalakhala Ap Camp-Cdf	EQUITY LUANDA BRANCH	1120299453250	3,274	3,274
Asiongo Primary School	EQUITY LUANDA BRANCH	1120264633295	-	3,170
Emmaloba Primry School(Cdf)	EQUITY LUANDA BRANCH	1120262751428	2,180	2,180
Esiandumba Primary School	EQUITY LUANDA BRANCH	1120264382638	382,220	1,381,268
Emuhaya Primary School-Cdf	EQUITY LUANDA BRANCH	1120260490489	5,845	1,380
Epanga Primary School	EQUITY LUANDA BRANCH	1120297573152	201,000	201,000
Mulwakhi Primary School	EQUITY LUANDA BRANCH	1120297442760	221	1,000
Luanda Township Chiefs Office	EQUITY LUANDA BRANCH	1120299492851	768	768
Esirabe Primary School(Cdf Acc)	EQUITY LUANDA BRANCH	1120299908305	102,364	696
Ebubayi Primary School-Cdf	EQUITY LUANDA BRANCH	1120299444300	200,600	200,600
Elukhambi Primary School-Cdf	EQUITY LUANDA BRANCH	1120297436338	125,759	277
Mumboha Primary School	KCB LUANDA BRANCH	1128498545	49,292	899,670
Ebusiralo Primary School	KCB LUANDA BRANCH	1128248328	2,492	2,985
Esiututo Primary School	EQUITY LUANDA BRANCH	1120284967867	182,766	2,000,000
Ebumbayi Primary School	EQUITY LUANDA BRANCH	1120263757370	228,474	1,615
Ebussamba Primary School	EQUITY LUANDA BRANCH	1120266427688	208,039	2,007,635
Waluka Primary School	KCB LUANDA BRANCH	1128110156	286,273	125
Ebwiranyi Primary School	KCB LUANDA BRANCH	1128152010	479,806	200,916
Emukhuya Primary School	KCB LUANDA BRANCH	1135630356	627,756	874
Ebbiba Primary School	EQUITY LUANDA BRANCH	1120297449535	231,875	1,080
Esibeye Primary School	EQUITY LUANDA BRANCH	1120285720764	3,765,312	2,270,511
Emusenjeli Primary School	EQUITY LUANDA BRANCH	1120282422818	22,286	72,237
Ochuore Primary School	EQUITY LUANDA BRANCH	1120262751428	780,000	-
Ebusiratsi Special School	KCB LUANDA BRANCH	1201815681	85,968	1,760
Wandech Primary School			-	1,290
Ebwali Primary			200,000	200,000
Emululu Primary			-	2,600
Irumbi Secondary School	EQUITY LUANDA BRANCH	1120262246864	6,247	4,198,598
Iboona Chiefs Office	EQUITY LUANDA BRANCH	1120285778100	604,548	2,700,000
Emusenjeli Chiefs Office	EQUITY LUANDA BRANCH	1120285825529	870,135	2,000,000
Maseno Location Chiefs Office	KCB LUANDA BRANCH	1320811329	-	-
Ekwanda Chiefs Office			-	1,705

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Ebusiratsi Ap Camp			-	1,416
Luanda Ng-Cdf Environment	EQUITY LUANDA BRANCH	1120285889874	119,825	-
Sports	EQUITY LUANDA BRANCH	1120283385192	-	7,972
Ekwanda Police Station Cdf Project	KCB LUANDA BRANCH	1320815626	-	-
Emmutsa Primary School	KCB LUANDA BRANCH	1179680286	34,432	546
Esibeye Primary School	EQUITY LUANDA BRANCH	1120285720764	82,986	-
Emmaloba Primry School(Cdf)	EQUITY LUANDA BRANCH	1120262751428	500,000	-
Kayila Primary School -Cdf Account	KCB LUANDA BRANCH	1111510342	500,000	-
Luanda Ng-Cdf	EQUITY LUANDA BRANCH	1120261446995	3,900,000	-
Ebuhando Primary	KCB LUANDA BRANCH	1111634653	68	68
Ebusiratsi Secondary School	EQUITY LUANDA BRANCH	1120261705382	1,109	1,109
Ebulako Primary School-Pmc	EQUITY LUANDA BRANCH	1120280153449	247	247
Ebusiratsi Primary School			-	1,560
<b>Unpresented</b>				
Kenneth Marende Primary School	-		500,000	-
Emululu Primary	-		500,000	-
Ebubayi Secondary School	-		500,000	-
Ebusiralo Secondary School	-		6,500,000	1,800,000
Khwiliba Secondary School	-		10,000,000	-
Essong'olo Secondary School	-		10,000,000	-
Ebuhando Police Station			2,700,000	-
Esibembe Secondary School			1,500,000	1,500,000
Mumboha Secondary School			6,430,935	1,163,518
<b>TOTAL</b>			<b>77,644,092</b>	<b>36,385,234</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)
1.	The statement of receipts and payments reflects other grants and transfers amount of Kshs.85,811,139. Included in the amount is bursary to special schools' expenditure of Kshs.335,500 as disclosed in Note 8 to the financial statements. Review of the expenditure schedules revealed that payments totaling Kshs.1,560,500 were irregularly transferred to tertiary institutions and secondary schools in form of bursaries. Further, NGCF Board via their letter dated 21 May 2024 approved the reallocations from Social Security Programmes including Kshs.200,000 as bursaries to tertiary institutions. However, Management expensed Kshs.315,000 resulting to reallocation of Kshs.115,000 without approval from the Board. The reallocations were contrary to Section 6(2) National Government Constituencies Development	The management provided an explanation by explaining that the Ksh. 115,000 was as a result of the balance brought forward	resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	Fund Act, 2015, which provide those once funds are allocated for a particular project, they shall remain allocated for that project and may only be reallocated for any other purpose during the financial year with the approval of the Board.			
2.	The statement of receipts and payments reflects an amount of Kshs.306, 501 in respect to acquisition of assets and as disclosed in Note 9 to the financial statements. Review of records provided for audit revealed that the payment was made for supply and delivery of office digital camera. However the procurement of the procurement of the digital camera was not in the procurement plan or the approved budget. This was contrary to section 44(2)(a) of the public procurement and Assets Disposal Act, 2015 which stipulates an accounting officer shall ensure that procurement of goods, works and services of the public entity are within approved budget of that entity	Updated list of prequalified supplier provided.	unresolved	December 2025
3.	As previously reported, Mumboha Secondary School project had stalled and physical	The management involved a quantitative surveyor who	unresolved	December 2025

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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>inspection carried out in the month of March, 2024 revealed that the contractor was not on site. The contract agreement was entered between Luanda Constituency and M/s Finetops Enterprises Ltd on 4 February, 2019 at a contract sum of Kshs.54, 748,224 for construction of administration offices, four (4) laboratories and sixteen (16) classrooms. However, audit of the project revealed the following anomalies;</p> <ul style="list-style-type: none"> <li>i. The Bill of Quantities submitted by the contractor of Kshs.54, 748,224 had a general summary with no breakdown to measure the works done.</li> <li>ii. The project had been implemented by the Constituency Committee and not Project Management Committee. This was contrary to Section 36(1) of the National Government Constituencies Development Fund Act, 2015 (Amended 2022) states that Projects under the Act shall be implemented by the Project Management Committee.</li> <li>iii. The project implementation status report provided for audit lacked information on total expenditure</li> </ul>	<p>prepared a report and the report presented to the board for further action. More funds will be allocated in the financial 2025-2026 for the completion of the project. PMC is in place on the same project.</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>incurred for the project making it difficult to confirm the works done.</p> <p>iv. Physical inspection carried out revealed that the project was not complete with outstanding works being painting, fixing of rails, windows and electrical installation.</p>			
4.	<p>In the circumstances, value for money was not obtained from the stalled project.</p> <p>As previously reported, Management engaged a construction company for construction and completion of an ablation block at Mumboha Secondary School. However, the project file provided for review lacked bill of quantities, tender advertisement, tender opening minutes, tender evaluation minutes and letter of notification of awards, letter of acceptance and the inspection and acceptance report. Further, the last physical inspection carried out in March 2024 revealed poor workmanship as reflected by cracks on the walls and incomplete floor tiles in the toilets. In addition, the project was managed directly by the Constituency Committee and not the</p>	<p>The management involved a quantitative surveyor who prepared a report and the report presented to the board for further action. More funds will be allocated in the financial 2025-2026 for the completion of the project. PMC is in place on the same project.</p>	unresolved	December 2025

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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>Project Management Committee at the school. This was contrary to Section 36(1) of the National Government Constituencies Development Fund Act, 2015 (Amended 2022) which states that Projects under the Act shall be implemented by the Project Management Committee.</p> <p>In the circumstances, Management was in breach of the law.</p>			

NATIONAL GOVERNMENT CONSTITUENCIES  
 DEVELOPMENT FUND  
 LUANDA  
 .....  
 03 DEC 2025  
 Name: JULIUS NOG  
 Fund Account Manager.  
 LUANDA CONSTITUENCY  
 P. O. Box 536 - 50307, LUANDA