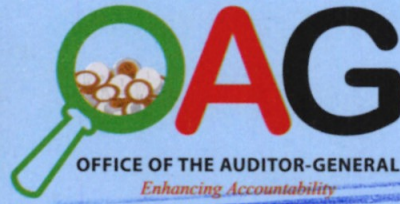


REPUBLIC OF KENYA



REPORT

**THE NATIONAL ASSEMBLY
PAPERS LAID**

DATE: 21 APR 2026

DAY.

TUESDAY

OF

**TABLED
BY:**

**MR. SILYANUS OSORO, MP
(MAJORITY PARTY WHIP)**

**CLERK-AT
THE-TABLE:**

MR. MACE

**PARLIAMENT
OF KENYA
LIBRARY**

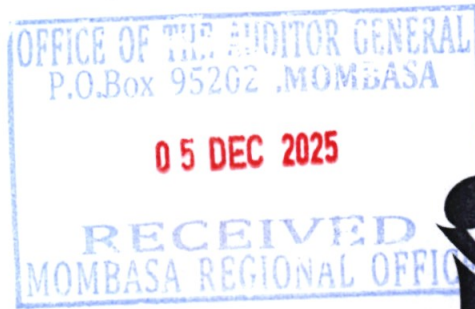
THE AUDITOR-GENERAL

ON

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

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





NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

CHANGAMWE CONSTITUENCY

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
30th JUNE 2025

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

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1. Acronyms and Definition of Key Terms

A. Acronyms

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

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.

(This list is an indication of the common acronyms and abbreviations; the Entity should include all from the annual report and financial statements prepared)

2. Key Constituency Information and Management

(a) Background information

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

Mandate

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

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

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

Vision

Equitable Socio-economic development countrywide.

Mission

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

Core Values

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

Functions of NG-CDF Committee

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

(b) Key Management

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

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

Fiduciary Management

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

| No | Designation | Name |
|----|--------------------------------|---------------------|
| 1. | AIE holder | ABDULHAKIM ALI |
| 2. | National Sub-County Accountant | JUSTUS MBOYA KAMALU |
| 3. | Chairman NGCDFC | KHALID KABANDA |
| 4. | Member NGCDFC | PATRICK OKEYO |
| 5. | Member NG CDFC | MARY OKANGA |

(c) Fiduciary Oversight Arrangements

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

Changamwe Sub County Headquarters
Airport Road
Mombasa, KENYA.

(e) NGCDF Changamwe Constituency Contacts

P.O. Box 82742-80100
Telephone: (254) 742636623
E-mail: cdfchangamwe@ngcdf.go.ke
Website: www.ngcdfchangamwe.go.ke

(f) NGCDF Changamwe Constituency Bankers

1. Bank A. (Operations Account).

Equity Bank
Changamwe Branch
P.O. Box 92222-80102
Mombasa, KENYA

2) Bank B. (Deposit account).

Equity Bank
Changamwe Branch
P.O. Box 92222-80102
Mombasa, KENYA

3) Bank C. (PMC Accounts)

Equity: various
Cooperative Bank: various
P.O. Box 92222-80102
Mombasa KENYA

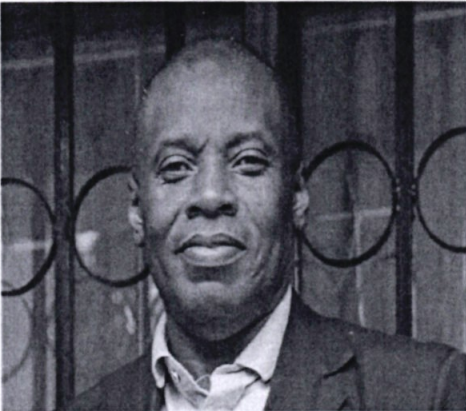


(g) Independent Auditor

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



(h) Principal Legal Adviser

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

3. NGCDF Committee

| Name | Details |
|---|--|
| <p>Chairman</p>  | <p>NAME: Mr. Khalid Kabanda</p> <p>DATE OF BIRTH: 1960</p> <p>ACADEMIC: Certificate</p> <p>PROFESSION: Banker</p> <p>WORK EXPERIENCE: Over 20 years in banking</p> |
| <p>Member 2</p>  | <p>NAME; Mr. Fadhili Abdalla</p> <p>DATE OF BIRTH: 1994</p> <p>ACADEMIC: Degree</p> <p>PROFESSIONAL: Entrepreneur</p> <p>WORK EXPERIENCE: 5 Years</p> |
| <p>Member 3</p>  | <p>NAME: Ms. FATMA MOHAMED</p> <p>DATE OF BIRTH: 1995</p> <p>ACADEMIC: Degree</p> <p>PROFESSION: Revenue officer</p> <p>WORK EXPERIENCE: 2 years</p> |

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

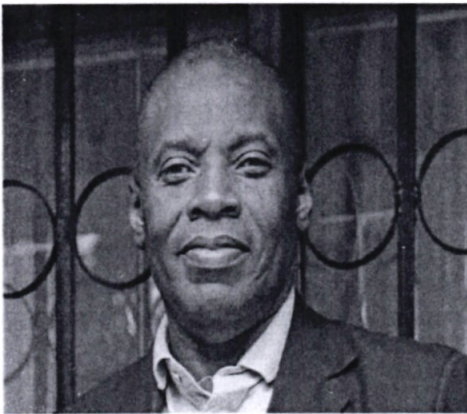
| | |
|--|---|
| <p>Member 4</p>  | <p>NAME: Ms. Sarah Mueni DATE OF BIRTH :1972 ACADEMIC: Diploma PROFESSION: Clinical officer WORK EXPERIENCE: Over 10years</p> |
| <p>Fund Account Manager</p>  | <p>NAME: Mr. Abdulhakim Ali DATE OF BIRTH: 1985 EDUCATION LEVEL: Masters PROFESSION: Accountant WORK EXPERIENCE : Over 10 Years</p> |

OUTGOING NG-CDF MEMBERS

| NAME | DETAILS | PERIOD SERVED |
|----------------|-----------------|---------------|
| Ezekiel Ombaso | Co-opted Member | 2 years |

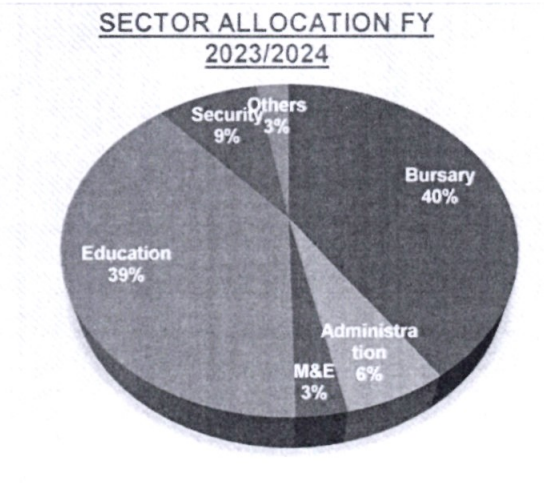
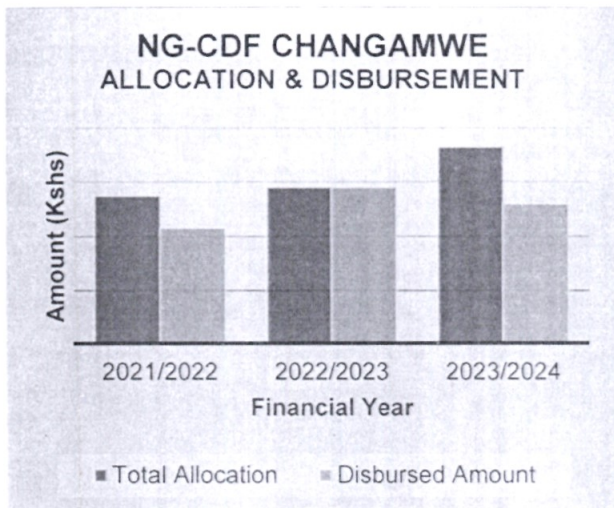
4. NG-CDFC Chairman’s Report

MR. KHALID KABANDA



Chairman - Khalid Kabanda

CHANGAMWE NGCDFC was allocated Kshs. 179,441,954.47 by the NG-CDF Board. Out of this amount, Kshs. 130,000,000 was disbursed to the constituency by the end of the financial year. Kshs. 6,534,133 was also disbursed for the financial year 2023-2024 and Kshs. 30,000,000 for financial year 2021-2022. Thus, the constituency received a total of Kshs. 166,534,133. The constituency was owed Kshs. 49,441,954.47 for financial year 2024-25 at the end of the financial year.



The NG-CDFC disbursed the funds to various PMCs upon receipt of the various AIEs and also undertook bursary disbursement in order to improve retention levels of needy students in various institutions of learning.

A key achievement that has been realized is the completion of implementation of our NGCDF Office Block, Gome and Kipevu JSS Triple Laboratories and Purchase of bus for Bomu Secondary School. NG-CDFC members and PMCs have also been trained on the management of projects and correct tendering procedures embraced across the board. There still exist

technical and bureaucracy issues influencing the implementation of NG-CDF Projects. There have been delays in disbursement of funds from Board level to constituency level where funds for this financial year for projects and the final code list were received in April and May respectively. This delayed the implementation of our projects since procurement started late at the end of the financial year. However, we have received a further Kshs. 12,000,000 after the end of the financial year.

EMERGING ISSUES

Main challenge in the Constituency remains the availability of both Public and Private land with rightful ownership documents.

The NG-CDFC is however grateful that the constituency has undertaken many projects from previous financial years which had delayed but we are hopeful that funds shall be disbursed by the NG-CDF Board in a timely manner to enable timely implementation of projects. We hope that we shall perform better in the next financial year.



NGCDF Office Block & Gome Primary Laboratories

.....
Name : Khalid Kabanda
Chairman NGCDF Committee

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

Introduction

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

The key development objectives of the *NGCDF Changamwe Constituency 2024/2025* plan are to:

- a) To improve school performance in national examinations through improving the environment in which learning takes place
- b) To increase youth and women participation in development
- c) To improve infrastructure within the constituency through building of classrooms, and resource centers
- d) To build capacity of the community to implement development projects
- e) To improve sport facilities in public institutions
- f) To build capacity of the community on Environmental issues in public institutions
- g) To build ICT infrastructure like i-hub in each ward for incubation of business ideas in public libraries and Resource centers

Progress on the attainment of Strategic development objectives

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

| Sector | Objective | Outcome | Indicator | Performance |
|-----------|---|---|---|--|
| Education | To have all children of school going age attending school | Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions | number of usable physical infrastructure build in primary, secondary, and tertiary institutions | In FY 2024/25 -we increased number of classrooms, laboratories and desks from 58 to 110 in the following schools/institutions, Portreitz Integrated, Mwingo Primary, Umoja |

National Government Constituencies Development Fund (NGCDF)

Changamwe Constituency

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

| | | | | |
|--------------------------------------|---|---|---|---|
| | | | number of bursary's beneficiaries at all levels | primary, Changamwe girls . - Bursary beneficiaries at all levels were as per the attached schedules |
| Security | Improve the infrastructure of the National Government Administration Equip and facilitate the National Police service | Increased number of citizens getting services in the chief's offices Increased officers deployed in the national administration | Number of physical infrastructures built for chiefs in the constituency | In f/y 2024/25 we supplied furniture and office equipment for Kwahola Chief's, Chaani and built a perimeter wall for Kwahola and Portreitz Chiefs' offices, |
| Climate change mitigation activities | To create climate change awareness and mitigation. | Holding sensitization campaigns and undertaking climate change mitigation | Holding ward sensitization campaigns on climate change and mitigation | In F/Y 2024/25 we build gabions in Chaani ward. |
| Emergency | Utilization of emergency funds to mitigate disasters | Utilization of emergency funds to mitigate disasters | Number of projects done in the constituency | In F/Y2024/25 we implemented abutment protection works at Portreitz Integrated |
| Others (Specify) | | | | |

6. Governance Statement

The NGCDFC members as per the regulations are appointed by a selection panel consisting of a chairperson appointed by the deputy county commissioner, two persons of either gender appointed by constituency office manager and the fund account manager. The selection panel invites applications from interested members of the public for appointment to the committee. The fund manager also writes to registered groups representing persons with disability requesting for nomination of one person with disability to sit in the NGCDFC. The selection panels considers the applications and select four suitable persons taking into account age, gender, special interest groups and regional balance. The constituency office manager via a formal written communication names two nominees to the NGCDFC one being of either gender and who shall not include the persons who sat in the selection panel during the selection process.

The persons appointed are drawn from different groupings as follows:

- Male Adult- Khalid Kabanda -Chairman
- Male adult – Patrick okeyo -Member
- Male youth -- Fadhili Abdallah - Member
- Female adult- Khalida Hussein -Member
- Female adult – Damaris Wandoe -Member
- Female youth- Fatuma Mohamed - Member
- PWD REP- Sarah Odhiambo -secretary
- CO-opted Member- Mary Okanga - Member

A member of the NGCDFC may be removed from office on the following grounds,

1. Lack on integrity
2. Gross misconduct
3. Embezzlement of public funds
4. Bringing the committee into disrepute through unbecoming personal public conduct

5. Promoting unethical practises
6. Causing disharmony within the committee

A decision to remove the member shall be made through a resolution of at least five members of the NGCDFC and the member shall be given a fair hearing before the resolution

Roles of the NGCDFC

1. Build the capacity of project management committees and sensitize the Community on the operations of the Fund;
2. Consider all project proposals from all wards in the Constituency and any other projects which a Constituency Committee considers beneficial to the Constituency;
3. Ensure that all proposed projects that are approved for funding meet the requirements of section 24 of the Act;
4. Ensure that project proposals submitted to the Board include detailed budget proposals, procurement plans and work plans; in approving a project and before submitting the project to the Board for consideration, satisfy itself and make a declaration to the effect that such project (works and services) fall within the functions of the National Government under the Constitution;
5. Consult with relevant government departments to ensure that cost estimates for projects are realistic; in considering joint projects, ensure that the participating constituencies enter into negotiations for effective implementation of such projects; subject to the provisions of the Act and these Regulations,
6. Enter into a memorandum of understanding with collaborating partners, detailing all aspects of funding and implementation, before respective constituencies approve such a project for joint funding;
7. Rank projects proposals in order of priority while ensuring that on-going projects take precedence;
8. Ensure that all projects receive adequate funding and are completed within three years;
9. Where a project involves purchase of a parcel of land or a building, ensure that the ownership thereof is duly verified and ownership documents authenticated with relevant government agencies;
10. Ensure that projects proposed for funding fulfil the requirements provided in the Act and relevant circulars issued by the Board;

11. Monitor the implementation of projects in accordance with the monitoring and evaluation framework prescribed by the Board;
12. Ensure that project reports are prepared and submitted to the Board;
13. Ensure formation of project management committees, opening of project accounts, project implementation and closure of projects;
14. Ensure that the principles of public finance as provided for under Chapter Twelve of the Constitution and the Public Finance Management legislation are observed in the management of the Fund;
15. 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;
16. Collaborate with the officer of the Board seconded to the Constituency in the management of the Fund, including the keeping of proper records and maintenance of books of account in accordance with section 38(b) of the Act;
17. Recommend to the Board the removal of a committee member in accordance with section 43(13) and (14) of the Act;
18. Submit to the Board the report stipulated in section 5(5) of the Act, which report shall contain a list of all the new projects commenced during the financial year and their completion status; and a list of all projects approved, funded and commenced during previous financial years, and their completion status;
19. Enter into performance contracting with the Board on an annual basis;
20. In exercising its discretion under section 32 of the Act, be guided by the principles of governance enshrined in Article 10 of the Constitution;
21. Receive returns from project management committees in accordance with regulation 15;
22. Maintain a database of project management committees and reports from the respective committees;
23. Ensure that the reports referred to in paragraph are received before funding is released for each phase of the project being implemented;
24. Record the names of all the signatories of the accounts of a project management committee as communicated to a Constituency Committee by the project management committee upon assumption of office
25. Receive and address all complaints concerning the implementation of projects and collectively respond to audit queries concerning the Fund at the Constituency level;

*National Government Constituencies Development Fund (NGCDF)
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26. Ensure that the committee does not enter into commitments for which funding has not been allocated
27. Ensure projects are labelled in accordance with the guidelines issued by the Board

a. **Number of meetings;**

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

In Changamwe Constituency, the NG-CDF Committee conducted 12 meetings and 7 sub-committee meetings.

The NGCDFC are trained yearly on the NGCDF operations, procurement and financial management. NGCDFC held 22 sittings during the financial year.

Changamwe NGCDFC has a policy of conflict of interest where members are required to disclose their interest in agendas of their meetings beforehand.

| NO | NAME OF COMMITTEE MEMBERS | CATEGORY | WARD | MEETINGS HELD |
|----|---------------------------|--------------------|-----------|---------------|
| 1 | Khalida Hussein | Female adult | Portreitz | 12 |
| 2 | Sarah Odhiambo | PWD representative | Changamwe | 13 |
| 3 | Fadhili Abdallah | Male youth | Airport | 17 |
| 4 | Patrick Okeyo | Male adult | Changamwe | 15 |
| 5 | Ezekiel Ombaso | Co-opted member | Chaani | - |
| 6 | Damaris Wandoe | Female adult | Kipevu | 16 |
| 7 | Mary Okanga | Co-opted member | Airport | 14 |
| 8 | Khalid Kabanda | Male adult | Portreitz | 14 |
| 9 | Michael Yato | DCC | | 13 |

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

| | | | | |
|----|----------------|-----|--|----|
| 10 | Abdulhakim Ali | FAM | | 17 |
|----|----------------|-----|--|----|



.....

Name: ABDULHAKIM ALI.
Fund Account Manager

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

7. Management Discussion and Analysis

NG-CDF Changamwe has received the below amount according to sectors for past 5 years.

| FINANCIAL YEAR | ALLOCATION(KSHS) |
|----------------|------------------|
| 2020/2021 | 137,367,724 |
| 2021/2022 | 137,088,879 |
| 2022/2023 | 145,087,603 |
| 2023/2024 | 182,351,945 |
| 2024/2025 | 179,441,954 |

| SECTOR | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 |
|----------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Education Facilities | 48,213,517 | 77,826,207 | 59,467,174 | 76,123,438 | 76,581,785 |
| Bursary | 57,176,952 | 44,089,679 | 53,682,413 | 69,545,926 | 81,221,094 |
| Administration | 8,245,333 | 8,225,333 | 8,705,256 | 10,522,069 | 10,766,517 |
| ICT | | 165,000 | 500,000 | 320,000 | |
| M & E | 4,121,666 | 4,112,660 | 5,803,504 | 5,261,034 | 5,383,258 |
| Sports | 2,747,778 | 850,000 | 2,901,752 | | |
| Environment | 2,747,778 | | | 500,000 | 2,000,000 |
| Security | 14,114,700 | 1,820,000 | 1,300,000 | 15,019,978 | 2,589,300 |
| Others | | | 12,727,504 | 5,059,500 | 900,000 |
| TOTAL | 137,367,724 | 137,088,879 | 145,087,603 | 182,351,945 | 179,441,954 |



.....
Name : Abdulhakim Ali
Fund Account Manager

8. Environmental and Sustainability Reporting

Changamwe constituency NGCDF has undertaken the global concern about climate change, resource depletion and social responsibility as critical pillars to guide decision making to ensuring long term environmental and sustainability awareness. In collaboration with other organization, we are able to identify environmental risk and improve inefficiency in aligning with united nations sustainable development goals.

1. Sustainability strategy and profile -

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

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

- Changamwe NGCDF has supported the community in soil conservation through construction of gabions to prevent soil erosion.
- Sensitization of youth/ community on the impact of drugs during all our functions especially sports tournaments and ward forums
- NG-CDF sponsored sporting activities/ tournament bringing communities and sensitizing them on environmental conservation matters

3. Employee welfare

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

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

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

4. Marketplace practices-

Changamwe Constituency is committed to fair and ethical market practices.

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

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

NGCDF has put in efforts to ensure:

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

5. Community Engagements-

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

Public Participation in Project Identification, Implementation, and Monitoring

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

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

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

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

Public Awareness

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

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



.....
Name : Abdulhakim Ali
Fund Account Manager.

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

The Accounting Officer in charge of the NGCDF-Changamwe 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- Changamwe 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.

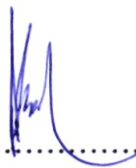
*National Government Constituencies Development Fund (NGCDF)
Changamwe Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025*

The Accounting Officer in charge of the NGCDF Changamwe 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- Changamwe constituency financial statements were approved and signed by the Accounting Officer on 6/8/2025 2025.



.....
Name: KABANDA KHALID.
Chairman – NGCDF Committee



.....
Name: ABDULHAKIM ALI.
Fund Account Manager

REPUBLIC OF KENYA

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



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

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

PREAMBLE

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

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

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

The three parts of the report aim to address the Auditor-General's statutory roles and responsibilities as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012, and the Public Audit Act, 2015. The three parts of the report when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying transitional IPSAS financial statements of National Government Constituencies Development Fund - Changamwe Constituency set out on pages 1 to 66, 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 effects of the matter described in the Basis for Qualified Opinion section of my report, the transitional IPSAS financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund - Changamwe Constituency as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards Accrual Basis including the transitional provisions permitted under IPSAS 33 and comply with the National Government Constituencies Development Fund Act 2015 (Amended 2023), and the Public Finance Management Act, 2012 and The National Treasury and Economic Planning Circular No.3 of 14 April, 2025

Basis for Opinion

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final revenue budget and actual amounts on comparable basis of Kshs.367,811,305 and Kshs.317,863,352 respectively resulting in an under-funding of Kshs.49,947,953 or 14% of the budget. Similarly, the Fund spent a balance of Kshs.169,976,034 against actual receipts of Kshs.317,863,352 resulting in under-utilization of Kshs.147,887,318 or 47% of the actual receipts.

The under-funding and under-utilization may have affected the planned activities and may have impacted negatively on service delivery to the residents of Changamwe Constituency.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Audit Issues

In the prior year's audit report, three (3) issues were raised under the Report on Financial Statements and Report on Lawfulness and Effectiveness in Use of Public Resources respectively. These include unexplained variances in the financial statements, failure to return project management committee balances and unimplemented projects. Review of the status during audit of the Fund in 2024/2025 revealed that the issues remained unresolved.

Other Information

The Management is responsible for the Other Information set out on page iii to xxv which comprise of Key Constituency Information and Management, NG-CDF Chairman's Report, Statement of Performance Against Predetermined Objectives, Governance Statement, Management Discussion and Analysis, Environmental Sustainability Reporting and Statement of Management responsibilities. The Other Information does not include the financial statements and my audit report thereon.

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effects of the matter described in the Basis for Conclusion on Lawfulness and Effectiveness in the Use of Public Resources section of my report, I confirm that nothing 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

Un-implemented Projects

The statement of budget execution by sectors and projects for the year ended 30 June, 2025 reflects proposed projects with final budgeted amount of Kshs.367,811,305. However, drilling of borehole project at Changamwe Secondary School with budget of Kshs.1,507,000 had not started as at the date of physical verification on 5 November, 2025. Management disclosed the project procurement process was delayed due to introduction of electronic government procurement.

In the circumstance, value for money may not have been achieved for the project worth Kshs.1,507,000.

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 Management and Management Committee.

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

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

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

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

The Management Committee is 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


05 December, 2025


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


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

| | Note | 2024- 2025 |
|---|------|-----------------------|
| | | Kshs |
| Revenue from non-exchange transactions | | |
| Transfers from the NGCDF Board | 6 | 179,441,954.00 |
| Transfers from domestic and foreign partners | 7 | - - |
| Revenue from exchange transactions | | - |
| Finance income | 8 | - |
| Miscellaneous income | 9 | |
| Total revenue | | 179,441,954.00 |
| Expenses | | |
| Employee costs | 10 | 6,485,931.00 |
| Committee expenses | 11 | 4,625,100.00 |
| Use of Goods and Services | 12 | 4,184,530.00 |
| Other Government Units Actual expenditure | 13 | 62,688,741.00 |
| Other Grants and Transfers Actual expenditure | 14 | 87,383,230.00 |
| Depreciation and amortization expense | 15 | 4,063,074.00 |
| Digital Hubs Expenses Actual expenditure | 16 | 319,288.00 |
| Total expenses | | 169,749,893.00 |
| Other gains/(losses) | | |
| Gain/Loss on Sale of Assets | 17 | - |
| Impairment loss | 18 | - |
| Surplus/(Deficit) for the year | | 9,692,061.00 |

The Constituency financial statements were approved by the NGCDFC on 6/8/ 2025 and signed by:


 Chairman
 Committee
 Name: KHALID KABAND


 National
 Accountant
 Name: CPA JUSTUS MBOYA
 ICPAK M/No: 19820


 Sub-County
 Fund Account Manager
 Name: ABDULHAKIM ALI

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

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

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

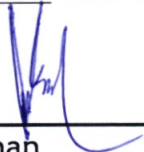


10. Statement of Financial Position As At 30th June, 2025

| | Note | 2024- 2025 | Opening Statement 1st July 2024 |
|--|------|-----------------------|------------------------------------|
| | | Kshs | Kshs |
| Assets | | | |
| Current Assets | | | |
| Cash And Cash Equivalents | 19 | 147,887,317.00 | 106,017,409.00 |
| Receivables from Exchange Transactions | 20 | - | - |
| Receivables from Non-Exchange Transactions | 21 | 49,947,953.00 | 82,351,942.00 |
| Prepayments | 22 | 154,559.00 | - |
| Total Current Assets | | 197,989,829.00 | 188,369,351.00 |
| Non-Current Assets | | | |
| Property, Plant and Equipment | 23 | 35,911,792.00 | 32,041,679.00 |
| Intangible Assets | 24 | - | - |
| Right-of-use assets | 25 | - | - |
| Total Non- Current Assets | | 35,911,792.00 | 32,041,679.00 |
| Total Assets (A) | | 233,901,621.00 | 220,411,031.00 |
| Liabilities | | | |
| Current Liabilities | | | |
| Trade and Other Payables | 26 | - | - |
| Third Party Deposits | 27 | 3,827,253.00 | 1,142,778.00 |
| Lease Liabilities | 28 | - | - |
| Gratuity Provision | 29 | 2,807,664.00 | 1,693,608.00 |
| Total Current Liabilities | | 6,634,917.00 | 2,836,386.00 |
| Non-Current Liabilities | | | |
| Lease Liabilities | 28 | - | - |
| Total Liabilities (B) | | 6,634,917.00 | 2,836,386.00 |
| Net Assets (A-B) | | 227,266,704, | 217,574,645.00 |
| Represented by: | | | |
| Revaluation Reserves | | | |

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

| | | | |
|---------------------|--|----------------|----------------|
| Accumulated Surplus | | 227,266,705.00 | 217,574,644.00 |
| Total Net Assets | | 227,266,705.00 | 217,574,644.00 |

The Constituency financial statements set out on pages 1 to 17 approved by NG CDFC on 6/8/2025 and signed by:

| | | |
|---|---|---|
|  |  |  |
| Chairman | National | Sub-County |
| NG-CDF | Accountant | Fund Account Manager |
| Committee | Name: JUSTUS | Name: ABDULHAKIM ALI |
| Name: KHALID KABANDA | MBOYA | |
| | KAMALU | |
| | ICPAK M/No:19820 | |

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

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

| Description | Revaluation Reserves | Accumulated surplus/Deficit | Total |
|---|----------------------|-----------------------------|----------------|
| | | Kshs | Kshs |
| Fund Balance as at 30 th June 2024 | | 41,193,412.00 | 41,193,412.00 |
| Adjustments | | | |
| Recognition of Assets | | 177,524,010.00 | 177,524,010.00 |
| Recognition of Liabilities | | (1,142,778.00) | (1,142,778.00) |
| As at July 1, 2024 | | 217,574,644.00 | 217,574,644.00 |
| | | | |
| Surplus/(Deficit) For the Period | | 9,692,061.00 | 9,692,061.00 |
| Revaluation Gain/Loss | | - | Nil |
| As at June 30, 2025 | | 227,266,705 | 227,266,705 |

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

12. Statement Of Cash Flows for The Year Ended 30th June 2025

| | Notes | Insert Current FY |
|---|-------|-----------------------|
| | | Kshs |
| Cash flows from operating activities | | |
| Receipts | | |
| Transfers from the NGCDF Board | | 211,845,943.00 |
| Transfers from domestic and foreign partners | | - |
| Finance income | | - |
| Miscellaneous income | | - |
| Total Receipts | | 211,845,943.00 |
| Payments | | |
| Employee costs | | 5,371,875.00 |
| Committee expenses | | 4,625,100.00 |
| Use of Goods and Services | | 4,339,089.00 |
| Other Government Units Certified Works | | 60,153,705.00 |
| Other Grants and Transfers | | 87,233,791.00 |
| Digital Hubs Expenses | | 319,288.00 |
| Total Payments | | 162,042,847.00 |
| Net Cash Flows from/ (used in) Operating Activities | 30 | 49,803,096.00 |
| Cash flows From Investing Activities | | |
| Purchase of PPE | | 7,933,187.00 |
| Purchase of Intangible assets | | - |
| Proceeds From Sale of PPE | | - |
| Net Cash Flows from Investing Activities | | 7,933,187.00 |
| Net increase/(decrease) in cash & Cash equivalents | | 41,869,909 |
| Cash Flows from Financing Activities | | |
| Lease Payment | | - |
| Net Cash Flows from Financing Activities | | 41,869,909.00 |

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

| | | |
|--------------------------------------|----|----------------|
| Cash and cash equivalents at 1 July | 19 | 106,017,409.00 |
| Cash and cash equivalents at 30 June | 19 | 147,887,318.00 |

(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)
 Chagamwe Constituency
 Annual Report and Financial Statements for The Year Ended June 30, 2025

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

| | Original Budget | | | Final Budget | Actual on comparable basis | Budget utilization difference | % of Utilization |
|--|------------------|--------------------------------|---|------------------|----------------------------|-------------------------------|------------------|
| | Adjustments | | | | | | |
| | Kshs | Kshs | Kshs | | | | |
| A | B | C=(a+b) | D | e=(c-d) | f=d/c*100 | | |
| | <i>2024/2025</i> | Opening Balance (C/Bk) and AIA | Previous Years' Outstanding Disbursements | <i>2024/2025</i> | <i>2024/2025</i> | | |
| Revenue | | | | | | | |
| Transfers From the NGCDF Board | 179,441,954.00 | 106,017,409.00 | 82,351,942 | 367,811,305 | 317,863,352 | 49,947,953 | 86% |
| Transfers from domestic and foreign partners | - | | | | | | |
| Finance income | - | | | | | | |
| Miscellaneous income | - | | | | | | |
| Totals | 179,441,954.00 | 106,017,409.00 | 82,351,942 | 367,811,305 | 317,863,352 | 49,947,953 | 86% |
| Expenses | | | | | | | |
| Employee costs | 6,681,407.00 | 3,774,290.00 | - | 10,455,699 | 5,371,875 | 5,083,824 | 51% |
| Committee expenses | 4,532,400.00 | 2,027,098.00 | - | 6,559,498 | 4,625,100 | 1,934,398 | 68% |
| Use of Goods and Services | 4,935,969.00 | 3,557,961.00 | - | 8,493,930 | 4,339,089 | 4,154,840 | 53% |
| Other Government Units Certified Works | 76,581,785.00 | 64607391.00 | 73,241,911 | 214,431,087 | 61,148,948 | 153,282,139 | 29% |
| Other Grants and Transfers | 85,810,394.00 | 22,501,800.00 | 5822531 | 114,134,724 | 86,299,158 | 27,835,566 | 76% |

*National Government Constituencies Development Fund (NGCDF)
Changamwe Constituency
Annual Report and Financial Statements for The Year Ended June 30, 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 | | |
| Acquisition of Asset | 900,000 | 8,705,797 | | 9,605,797 | 7,872,577 | 1,733,220 | 82% |
| Others | | 18,200 | 3,287,500 | 3,305,700 | | 3,305,700 | 0% |
| Digital Hubs Expenses | - | 322,492.00 | | 322,492.00 | 319,288.00 | 3,205 | 99% |
| Funds pending approval | | 502,379.00 | | 502,379.00 | | 502,379 | 0% |
| Funds Pending Approval** | | | | | | | |
| Total Expenditure | 179,441,954.00 | 106,017,409.00 | 82,351,942.00 | 367,811,305 | 169,976,034 | 197,835,271 | 46% |
| Surplus for the period | | | | | | | |

***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)
Changamwe Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025
Explanatory Notes.*

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

| Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities | |
|---|-----------------------|
| Description | Amount |
| Budget utilisation difference totals | 197,835,271.00 |
| Less undisbursed funds receivable from the Board as at 30 th June 2025 | 49,947,953.00 |
| Cash and Cash Equivalents at the end of the 30 th June 2025 | 147,887,318.00 |

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 6TH August 2025 and signed by:



Fund Account Manager

Name: ABDULHAKIM ALI



National Sub-County Accountant

Name: CPA JUSTUS MBOYA
ICPAK M/No:19820



Chairman NG-CDF Committee

Name: : KHALID KABANDA

National Government Constituencies Development Fund (NGCDF)

Changamwe Constituency

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

14. Budget Execution by Sectors And Projects For The Year Ended 30th June 2025

Budget and Actual Amounts)

| Programme/Sub-programme | Original Budget | Adjustments | | Final Budget | Actual on comparable basis | Budget utilization Difference |
|----------------------------------|-----------------|--------------------------------|---|--------------|----------------------------|-------------------------------|
| | | Opening Balance (C/Bk) and AIA | Previous Years' Outstanding Disbursements | | | |
| | Kshs | Kshs | Kshs | Kshs | Kshs | Kshs |
| 1.0 Administration and Recurrent | | | | | | |
| 1.1 Compensation of Employees | 6,681,407 | 3,774,292 | | 10,455,699 | 5,371,875 | 5,083,824 |
| 1.2 Committee Allowances | 1,128,000 | 1,030,280 | | 2,158,280 | 945,000 | 1,213,280 |
| 1.3 Use of Goods and Services | 2,957,111 | 1,933,373 | | 4,890,484 | 3,632,889 | 1,257,594 |
| Sub-total | 10,766,517 | 6,737,945 | | 17,504,462 | 9,949,764 | 7,554,698 |
| 2.0 Monitoring and evaluation | | | | | | |
| 2.1 Capacity building | 1,778,858 | 1,354,588 | | 3,133,446 | 706,200 | 2,427,246 |
| 2.2 Committee Allowances | 3,404,400 | 996,818 | | 4,401,218 | 3,680,100 | 721,118 |
| 2.3 Use of Goods and Services | 200,000 | 270,000 | | 470,000 | | 470,000 |
| Sub-total | 5,383,258 | 2,621,406 | | 8,004,664 | 4,386,300 | 3,618,364 |
| 3.0 Emergency | | | | | | |
| 3.1 Unutilized | 9,444,313 | | | 9,444,313 | | 9,444,313 |
| Sub-total | 9,444,313 | | | 9,444,313 | | 9,444,313 |
| 3.1 Primary Schools | | | | | | |

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| Programme/Sub-programme | Original Budget | Adjustments | | Final Budget | Actual on comparable basis | Budget utilization Difference |
|---|-----------------|----------------------------|---|--------------|----------------------------|-------------------------------|
| | | Opening Balance (C/Bk) AIA | and Previous Years' Outstanding Disbursements | | | |
| | Kshs | Kshs | Kshs | Kshs | Kshs | Kshs |
| 6.7 Magongo Primary | 1,000,000 | | | 1,000,000 | | 1,000,000 |
| 6.8 Umoja Primary | 5,704,760 | | | 5,704,760 | | 5,704,760 |
| 6.9 Mikadini Primary | 0 | - | - | - | - | - |
| 6.10 St Lwanga Primary | 4,430,650 | | | 4,430,650 | | 4,430,650 |
| 6.11 Chaani Primary | 6,000,000 | | | 6,000,000 | | 6,000,000 |
| 6.12 Bomu Primary | 6,801,000 | 369,768 | 228,599 | 7,399,367 | 368,800 | 7,030,567 |
| 6.13 Changamwe Primary | | 102,620 | | 102,620 | | 102,620 |
| 6.14 Gome Primary | | 3,581,857 | | 3,581,857 | 3,516,104 | 65,753 |
| 6.15 Gome Primary | | 598,000 | | 598,000 | 598,000 | |
| 6.16 Kipevu Primary | | 81,891 | | 81,891 | 81,558 | 333 |
| 6.17 Kipevu Primary | | 16,445 | | 16,445 | | 16,445 |
| 6.18 Kwahola Primary | | 1,282 | | 1,282 | | 1,282 |
| 6.19 Mikadini Primary | | | | | | |
| 6.20 Mwingo Primary | | 13,579,958 | | 13,579,958 | 5,666,786 | 7,913,172 |
| 6.21 Portreitz School for physically challenged | | 249,780 | | 249,780 | | 249,780 |
| 6.22 St Lwanga Primary | | 800,000 | | 800,000 | 772,682 | 27,318 |
| 6.23 Umoja primary | | | | | | |
| 6.24 Mwingo primary | | | 30,000,000 | 30,000,000 | | 30,000,000 |

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| Programme/Sub-programme | Original Budget | Adjustments | | Final Budget | Actual on comparable basis | Budget utilization Difference |
|---|-------------------|----------------------------|---|-------------------|----------------------------|-------------------------------|
| | | Opening Balance (C/Bk) AIA | and Previous Years' Outstanding Disbursements | | | |
| | Kshs | Kshs | Kshs | Kshs | Kshs | Kshs |
| 3.2 Secondary schools | 44,376,781 | 3,635,086 | 1,000,000 | 49,011,866 | 46,358,820 | 2,653,046 |
| 3.3 Tertiary institutions | 20,000,000 | 11,493,068 | 3,267,531 | 34,760,599 | 30,795,250 | 3,965,349 |
| Special needs | 2,000,000 | | | 2,000,000 | 1,983,000 | 17,000 |
| Educational support programme | - | - | - | - | - | - |
| 3.4 Social security | 5,400,000 | | 56,000 | 5,456,000 | | 5,456,000 |
| Sub-total | 71,776,781 | 15,128,154 | 4,323,531 | 91,228,465 | 79,137,070 | 12,091,395 |
| 5.0 Climate Change Mitigation | | | | | | |
| 5.1 Climate Change Sensitization | | | 500,000 | 500,000 | | 500,000 |
| 5.2 construction of gabions | 2,000,000 | | | 2,000,000 | | 2,000,000 |
| 5.3 Gabions construction | | 3,071,076 | | 3,071,076 | 3,070,900 | 176 |
| Sub-total | 2,000,000 | 3,071,076 | 500,000 | 5,571,076 | 3,070,900 | 2,500,176 |
| 6.0 Primary Schools Projects (List all the Projects) | | | | | | |
| 6.1 Airport Primary | | 9,000,000 | | 9,000,000 | | 9,000,000 |
| 6.2 Mwingo Primary | | | 750,000 | 750,000 | | 750,000 |
| 6.3 Mwingo Primary | | | 450,000 | 450,000 | | 450,000 |
| 6.4 Mikadini Primary | 6,163,510 | 57,911 | 10,552,410 | 16,773,831 | 9,947,184 | 6,826,647 |
| 6.5 Umoja Primary | | 865,772 | 6,984,132 | 7,849,904 | 766,330 | 7,083,574 |
| 6.6 Magongo Primary | 12,654,330 | | | 12,654,330 | | 12,654,330 |

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| Programme/Sub-programme | Original Budget | Adjustments | | Final Budget | Actual on comparable basis | Budget utilization Difference |
|--|-----------------|--------------------------------|---|--------------|----------------------------|-------------------------------|
| | | Opening Balance (C/Bk) and AIA | Previous Years' Outstanding Disbursements | | | |
| | Kshs | Kshs | Kshs | Kshs | Kshs | Kshs |
| Sub-total | 42,754,250 | 29,305,284 | 48,965,141 | 121,024,675 | 21,717,444 | 99,307,231 |
| 7.0 Secondary Schools Projects (List all the Projects) | | | | | | |
| 7.1 Changamwe girls | | 4,393,750 | 8,073,660 | 12,467,410 | 9,246,674 | 3,220,736 |
| 7.2 Changamwe girls | | 668,221 | 450,000 | 1,118,221 | 10,000 | 1,108,221 |
| 7.3 Changamwe girls secondary | | 6,167,766 | 11,000,000 | 17,167,766 | 13,878,376 | 3,289,390 |
| 7.4 Portreitz secondary | 16,573,340 | 1,314,782 | 3,752,140 | 21,640,262 | 5,562,490 | 16,077,772 |
| 7.5 Changamwe secondary | 1,507,500 | 76,535 | | 1,584,035 | 513 | 1,583,523 |
| 7.6 Portreitz integrated | | | | | | |
| 7.7 St Charles Lwanga secondary | 4,579,625 | 6,000,000 | | 10,579,625 | | 10,579,625 |
| 7.8 St Charles Lwanga secondary | 405,602 | | | 405,602 | | 405,603 |
| 7.9 Bomu secondary | | 1,484,654 | | 1,484,654 | 1,459,416 | 25,238 |
| 7.10 St. Lwanga secondary | | 4,193,314 | | 4,193,314 | 130,765 | 4,062,549 |
| 7.11 Bomu secondary | | 24,540 | | 24,540 | | 24,540 |
| Sub-total | 23,066,067 | 24,323,562 | 23,275,800 | 70,665,429 | 30,288,234 | 40,377,196 |

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| Programme/Sub-programme | Original Budget | Adjustments | | Final Budget | Actual on comparable basis | Budget utilization Difference |
|---|-----------------|----------------------------|---|--------------|----------------------------|-------------------------------|
| | | Opening Balance (C/Bk) AIA | and Previous Years' Outstanding Disbursements | | | |
| | Kshs | Kshs | Kshs | Kshs | Kshs | Kshs |
| 8.0 Tertiary institutions Projects (List all the Projects) | | | | | | |
| 8.1 kmtc portreitz | 7,127,510 | | | 7,127,510 | | 7,127,510 |
| 8.2 Ahmed shahame | 3,633,958 | 10,978,546 | 1,000,970 | 15,613,474 | 9,143,271 | 6,470,203 |
| 8.Ahmed shahame | | | | | | |
| Sub-total | 10,761,468 | 10,978,546 | 1,000,970 | 22,740,984 | 9,143,271 | 13,597,713 |
| 9.0 Security Projects | | | | | | |
| 9.1 changamwe police station | | | | | | |
| 9.2 Bomu police post | | | | | | |
| 9.3 Changamwe DCIO | | 150,000 | 784,000 | 934,000 | 160,000 | 774,000 |
| 9.4 Airport chiefs office | | | 215,000 | 215,000 | | 215,000 |
| 9.5. Changamwe sub county headquarters | 1,829,300 | | | 1,829,300 | | 1,829,300 |
| 9.6 Changamwe chiefs office | 302,000 | | | 302,000 | | 302,000 |
| 9.7 sub county register office | 458,000 | | | 458,000 | | 458,000 |
| 9.8 Airport chiefs office | | 59,597 | | 59,597 | 25,000 | 34,597 |
| 9.9 chaani police | | 700 | | 700 | | 700 |
| 9.10 Changamwe ACC | | 606,000 | | 606,000 | 605,000 | 1000 |
| 9.11 Kwahola chiefs office | | 1,886,000 | | 1,886,000 | 1,803,826 | 82,174 |
| 9.12 portreitz chiefs office | | 1,600,273 | | 1,600,273 | 1,497,362 | 102,911 |

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| Programme/Sub-programme | Original Budget | Adjustments | | Final Budget | Actual on comparable basis | Budget utilization Difference |
|--|-----------------|--------------------------------|---|--------------|----------------------------|-------------------------------|
| | | Opening Balance (C/Bk) and AIA | Previous Years' Outstanding Disbursements | | | |
| | Kshs | Kshs | Kshs | Kshs | Kshs | Kshs |
| Sub-total | 2,589,300 | 4,302,570 | 999,000 | 7,890,870 | 4,091,188 | 3,799,682 |
| 10.0 Acquisition of assets | | | | | | |
| 10.1 Motor Vehicles (including motorbikes) | | 772,000 | | 772,000 | | 772,000 |
| 10.2 Construction of CDF office | | 7,933,797 | | 7,933,797 | 7,872,577 | 61,220 |
| 10.3 Purchase of furniture and equipment | 900,000 | | | 900,000 | | 900,000 |
| Sub-total | 900,000 | 8,705,797 | | 9,605,797 | 7,872,577 | 1,733,220 |
| 11.0 Digital Hubs | | | | | | |
| Youth resource centre | | 322,492 | | 322,492 | 319,988 | 3,205 |
| Sub total | | 322,492 | | 322,492 | 319,988 | 3,205 |
| 12.0 Others | | | | | | |
| 12.1 Strategic Plan | | 18,200 | 3,287,500 | 3,305,700 | | 3,305,700 |
| 12.2 | | | | | | |
| Sub total | | 18,200 | 3,287,500 | 3,305,700 | | 3,305,700 |
| 13.0 Funds pending approval** | | | | | | |
| 13.1 Unapproved projects | | | | | | |
| 13.2 AIA | | 473,348 | | 473,348 | | 473,348 |

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| Programme/Sub-programme | Original Budget | Adjustments | | Final Budget | Actual on comparable basis | Budget utilization Difference |
|-------------------------|-----------------|----------------------------|---|--------------|----------------------------|-------------------------------|
| | | Opening Balance (C/Bk) AIA | and Previous Years' Outstanding Disbursements | | | |
| | Kshs | Kshs | Kshs | Kshs | Kshs | Kshs |
| 13.3 pmc savings | | 29,031 | | 29,031 | | 29,031 |
| Sub-total | | 502,379 | | 502,379 | | 502,379 |
| Total | 179,441,954 | 106,017,409 | 82,351,942 | 367,811,305 | 169,976,034 | 197,835,271 |

(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)

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 Changamwe Constituency principal activity is to facilitate social development in the constituency.

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 PFM and international public sector accounting standard (IPSA). The NG- CDF Changamwe has taken advantage of the transitional provision under IPSA 33 and adopted phased approach; therefore this is the first transitional financial statements. The NG- CDF Changamwe has recognized all financial asset which includes cash and cash equivalent for operational account, deposit account and PMC balance receivable (owing from the board and others), prepayment, PPE and intangible assets acquired in financial year 2023/2024 to date of reporting. Liabilities recognized include trade and other payables, third party deposit and gratuity provision. Recognition of all other non-financial asset acquired in financial prior to 2023/2024 to be recognized in third year of transition after identification and valuations have been done.

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3. Adoption of New and Revised Standards

(When an IPSAS becomes effective on 1st January 20xx, it is applicable in Kenya from 1st July 20xx)

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

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

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

| Standard | Effective date and impact: |
|--|---|
| IPSAS 43: Leases | <p><i>Applicable 1st January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p> <p><i>This IPSAS is not applicable at the constituency</i></p> |
| IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations | <p><i>Applicable 1st January 2025</i></p> <p>The Standard requires,</p> <p>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:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p> |

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| | |
|---|---|
| | <i>This IPSAS is not applicable at the constituency</i> |
| IPSAS 45: Property Plant and Equipment | <i>Applicable 1st January 2025</i> The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under-maintenance of assets and distinguishing significant parts of infrastructure assets. <i>This IPSAS is applicable effective 1st July,2025</i> |
| IPSAS 46: Measurement | <i>Applicable 1st January 2025</i> The objective of this standard was to improve measurement guidance across IPSAS by: <ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS. iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. The standard also introduces a public sector specific measurement bases called the current operational value. <i>This IPSAS is applicable effective 1st July,2025</i> |
| IPSAS 47: Revenue | <i>Applicable 1st January 2026</i> 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 |

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| | |
|--|---|
| | <p>under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> <p><i>This IPSAS is applicable effective 1st July,2026</i></p> |
| IPSAS 48: Transfer Expenses | <p><i>Applicable 1st January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p> <p><i>This IPSAS is not applicable at the constituency</i></p> |
| IPSAS 49: Retirement Benefit Plans | <p><i>Applicable 1st January 2026</i></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p> <p><i>This IPSAS is not applicable at the constituency</i></p> |
| IPSAS 50: Exploration For & Evaluation of Mineral Resources | <p><i>Applicable 1st January 2027</i></p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ol style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized. <p><i>This IPSAS is not applicable at the constituency</i></p> |

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iii. Early adoption of standards

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

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Sale of goods

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

Interest income

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

Rental income

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

b) Budget information

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

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

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

c) Property, plant and equipment

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

d) Leases

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

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

e) Intangible assets

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

f) Financial instruments

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

a) Financial assets

Classification of financial assets

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

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

Trade and other receivables

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

Fair value through surplus or deficit

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

Impairment

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

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.

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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, 20xx

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 |
| TOTAL | 179,441,954 |

7. Transfers from domestic and foreign partners

| Description | 2024/2025 |
|--------------|-----------|
| | Kshs |
| Grants | - |
| Total | - |

8. Finance income

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

(Provide a brief explanation for this revenue)

9. Miscellaneous income

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

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10. Employees cost

| Description | <i>Period ended June 2025</i> |
|--|-------------------------------|
| | Kshs |
| NG-CDFC Basic staff salaries | 3,481,878 |
| Personal allowances paid as part of salary | - |
| House Allowance | 934,640 |
| Transport Allowance | 570,000 |
| Leave allowance | - |
| Gratuity to contractual employees | 1,114,056 |
| Employer Contributions Compulsory national social security schemes | 229,863 |
| Employer Contributions Compulsory Housing levy | 142,844 |
| Employer contributions to National Industrial Training Authority | 12,650 |
| Other Specify | - |
| Total | 6,485,931 |

11. Committee Expenses

| Description | <i>Period ended June 2025</i> |
|--------------------------|-------------------------------|
| | Kshs |
| Sitting allowance | 945,000 |
| Other Committee expenses | 3,680,100 |
| Total | 4,625,100 |

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12. Use of Goods and services

| Description | <i>Period ended June 2025</i> |
|--|-------------------------------|
| | Kshs |
| Utilities, supplies and services | 92,990 |
| Communication, supplies and services | 241,503 |
| Domestic travel and subsistence | 235,800 |
| Printing, advertising and information supplies & services | 60,000 |
| Office Rent | 200,000 |
| Training expenses | 706,200 |
| Hospitality supplies and services | 11,159 |
| Insurance costs | 55,941 |
| Specialized materials and services | 22,000 |
| Office and general supplies and services | 889,898 |
| Fuel, oil & lubricants | 700,000 |
| Bank Charges | 9,054 |
| Routine maintenance – vehicles and other transport equipment | 299,945 |
| Routine maintenance – other assets | 257,700 |
| Strategic plan expenses | - |
| Other operating expenses | 402,240 |
| Total | 4,184,530 |

13. Other Government Units Actual expenditure

| Description | <i>Period ended June 2025</i> |
|--|-------------------------------|
| | Kshs |
| Primary Schools Actual expenditure | 21,637,516 |
| Secondary Schools Actual Expenditure | 30,923,344 |
| Tertiary Institutions Actual Expenditure | 10,127,881 |
| Total | 62,688,741 |

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14. Other Grants and transfers Actual expenditure

| | Kshs 2024/2025 |
|--|-------------------|
| Bursary – secondary schools | 47,271,000 |
| Bursary – tertiary institutions | 30,795,250 |
| Bursary – special schools | 1,983,000 |
| Bursary - Education Support programmes | - |
| Social Security programmes (SHIF) | - |
| Security projects Actual Expenditure | 4,263,080 |
| Climate change mitigation projects | 3,070,900 |
| Emergency projects Actual Expenditure | - |
| Roads projects | - |
| Others specify | - |
| Total | 87,383,230 |

15. Depreciation and Amortization Expenses

| Description | Period ended June 2025 |
|------------------------------|------------------------|
| | Kshs |
| Property Plant and Equipment | 4,063,074 |
| Intangible Assets | - |
| Total | 4,063,074 |

16. Digital Hubs Expenses

| Description | Period ended June 2025 |
|---|------------------------|
| | Kshs |
| Construction/ renovation/Actual Expenditure | - |
| Digital Hub utility costs Water, Electricity, | - |
| Maintenance of ICT equipment | 319,288 |
| Maintenance of building | - |
| Others (<i>specify</i>) | - |
| Total | 319,288 |

17. Gain/loss on Sale of Assets

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

18. Impairment Loss

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

(Provide brief explanation on assets impairment loss)

19. Cash and Cash Equivalents

| Name Of Bank and Account No. | Period ended June 2025 | Opening Statement 1st July 2025 |
|---|------------------------|---------------------------------|
| | Kshs | Kshs |
| Bank Accounts (Cash Book Bank Balance) | | |
| <i>Equity Bank, Account No. 1200260404078 (Operations account)</i> | 58,484,681 | 41,193,412.00 |
| <i>Operations account pending closure (Indicate name & account no.)</i> | - | - |
| <i>Equity Bank, account No. 1200285429916 (Deposit account)</i> | 2,807,664 | 1,693,608.00 |
| <i>Equity Bank, Cooperative (PMC's account)</i> | 86,594,973 | 63,130,389.18 |
| Total | 147,887,317 | 106,017,409 |
| Cash Balances | | |
| Location 1 | - | - |
| Location 2 | - | - |
| Other Locations (<i>Specify</i>) | - | - |
| Total | - | - |

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

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20. Receivables from Exchange Transactions

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

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

i. Ageing Analysis for Receivables

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

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21. Receivables from Non-Exchange Transactions

| Description | 2024/2025 | | Opening Statement 1 st July 2024 | |
|---|-------------------|----------------|--|----------------|
| | Kshs | | Kshs | |
| Transfers from NGCDFB | 49,947,953 | | 82,351,942 | |
| Outstanding imprest | - | | - | |
| Total | 49,947,953 | | 82,351,942 | |
| | | | | |
| Ageing Analysis- Receivables from non-exchange transactions | 2024/2025 | % of the total | Opening Balance | % of the total |
| Less than 1 year | - | 0% | - | 0 % |
| Between 1-2 years | 49,947,953 | 100% | 82,351,942 | 100% |
| Over 3 years | - | 0% | - | 0% |
| Total | 49,947,953 | 100% | 82,351,942 | 100% |

22. Prepayments

| Description | 2024/2025 | | Opening Statement 1 st July 2024 | |
|--------------------------------------|----------------|--|--|--|
| | Kshs | | Kshs | |
| Prepaid Rent | - | | - | |
| Prepaid Insurance | 154,559 | | - | |
| Prepaid Electricity Costs | - | | - | |
| Other Prepayments (<i>Specify</i>) | - | | - | |
| Total | 154,559 | | - | |

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 23. Property, Plant and Equipment

| | Land | Buildings | Infrastructure assets | Motor vehicles | Furniture and fittings | Computers & ICT Equipment | Other Assets (specify) | Capital Work progress | Total |
|---|------|-------------|-----------------------|----------------|------------------------|---------------------------|------------------------|-----------------------|------------|
| Depreciation Rate(specify) | | 10% | 20% | 25% | 12.5% | 30% | x% | | |
| Cost | Kshs | Kshs | | Kshs | Kshs | Kshs | Kshs | Kshs | Kshs |
| Opening Bal as 1 st July 2024 | - | - | - | - | 1,014,075 | - | - | 31,154,363 | 32,168,438 |
| Additions | - | 6,196,997 | - | - | 1,736,190 | - | - | - | 7,933,187 |
| Disposals | - | - | - | - | - | - | - | - | - |
| Transfer/Adjustments | - | 31,154,363- | - | - | - | - | - | (31,154,363)- | - |
| As At 30 th June 2024 | | 37,351,360 | | | 2,750,265 | - | - | - | 40,101,625 |
| Depreciation And Impairment | | | | | | | | | |
| Opening Depreciation | | - | - | - | 126,759 | - | - | - | 126,759 |
| Depreciation | - | 3,735,136 | - | - | 327,938 | - | - | - | 40,63,074 |
| Disposals | - | - | - | - | - | - | - | - | - |
| Impairment | - | - | - | - | - | - | - | - | - |
| Transfer/Adjustment | - | - | - | - | - | - | - | - | - |
| As At 30 th June 2025 | | 3,735,136 | | - | 454,697 | - | - | - | 4,189,833 |
| Net Book Values | | | | | | | | | |
| Opening Bal as at 1 st July 2025 | - | - | - | - | 887,316 | - | - | 31154363 | 32,041,679 |
| As At 30 th June 2025 | | 33,616,224 | | | 2,295,568 | - | - | - | 35,911,792 |

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Valuation

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

23 b) Property, Plant and Equipment at Cost

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

| | Cost | Accumulated Depreciation | NBV |
|---|-------------------|--------------------------|-------------------|
| | Kshs | Kshs | Kshs |
| Land | - | - | - |
| Buildings | 31,154,363 | | 31,154,363 |
| Plant And Machinery | | | |
| Motor Vehicles, Including Motorcycles | | | |
| Computers And Related Equipment | | | |
| Office Equipment, Furniture, And Fittings | 1,014,075 | 126,759 | 887,316 |
| Total | 32,168,438 | 126,759 | 32,041,679 |

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

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

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24. Intangible Assets

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

25. Right-of use assets

| Description | Buildings | Plant | Equipment | Total |
|--|-----------|-------|-----------|-------|
| | Kshs | Kshs | Kshs | Kshs |
| Cost | | | | |
| As At 1 July (Comparative period) | - | - | - | - |
| Additions | - | - | - | - |
| As At 30 June 20xx (Comparative Period) | - | - | - | - |
| Additions | - | - | - | - |
| As At 30 June 20xx (Current FY) | - | - | - | - |
| | - | - | - | - |
| Accumulated Depreciation | | | | |
| As At 1 July 20xx (Comparative period) | -- | -- | -- | -- |
| Charge for the period | - | - | - | - |
| As At 30 June 20xx (Comparative period)) | - | - | - | - |
| Charge for the period | - | - | - | - |
| As At 30 June 2025 | - | - | - | - |
| | | | | |
| Carrying Amount | | | | |
| As At 30 June 2025 | - | - | - | - |

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| | | | | |
|--|--|--|--|--|
| As At 30 June 2025. (Comparative Period) | | | | |
|--|--|--|--|--|

26. Trade and Other Payables

| Description | 2024-2025 | | Opening Statement 1 st July 20XX | |
|---|------------------|-----------------------|---|-----------------------|
| | Kshs | | Kshs | |
| Trade payables | - | | - | |
| Employee payables | - | | - | |
| Other payables | - | | - | |
| Total trade and other payables | - | | - | |
| | | | | |
| Aging analysis: (Trade and other payables) | 2024-2025 | % of the Total | 1st July | % of the Total |
| Under one year | - | % | - | % |
| 1-2 years | - | % | - | % |
| 2-3 years | - | % | - | % |
| Over 3 years | - | % | - | % |
| Total (tie to above total) | - | | | |

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27. Third-Party deposits

| | <i>Period ended 30th June 2025</i> | openingStatement 1 st July 2025 |
|--|---|--|
| | | KShs |
| Retention as at 1 st July (A) | 1,142,778 | 1,142,778 |
| Retention held during the year (B) | 4,656,781 | - |
| Retention paid during the Year (C) | 1,972,307 | - |
| Closing Retention as at 30th June D= A+B-C | 3,827,253 | 1,142,778 |

Retentions aging analysis.

| | 2024-2025 | % of the total | 2023- 2024 | % of the total |
|------------------|------------------|----------------|------------------|----------------|
| Less than 1 year | 3,827,253 | 100% | | 0% |
| 1-2 years | | 0% | 1,142,778 | 100% |
| 2-3 years | - | 0% | | 0% |
| Over 3 years | - | 0% | | 0% |
| Total | 3,827,253 | | 1,142,778 | 100% |

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

28. Lease Liabilities

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

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Maturity Analysis

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

Analysed as:

| Description | Amount |
|--------------|--------|
| Current | - |
| Non- Current | - |
| Total | - |

29. Gratuity Provision

| Description | <i>Period ended 30th June 2024</i> | Opening statements as 1 st July 2025 |
|---|---|---|
| | Kshs | kshs |
| Gratuity at the beginning of the year 1 st of July | 1,693,608 | 1,693,608 |
| Gratuity held during the year | 1,114,056 | |
| Gratuity paid during the year | - | |
| Total Gratuity Provision 30th June (A+B-C) | 2,807,664 | 1,693,608 |

30. Cash Generated from Operations

| | Insert Current FY |
|--|-------------------|
| | Kshs |
| Surplus/Deficit for the year | 9,692,061 |
| Adjusted for: | |
| Depreciation | 4,063,074 |
| Impairment | |
| Gains and losses on disposal of assets | |
| Loss | |
| Working capital adjustments | |
| Increase/decrease in receivables | (32,249,430) |
| Changes in third party deposit | (2,684,475) |
| Increase/decrease in payables | |
| Changes in gratuity provision | (1,114,056) |
| Net cash flow from operating activities | 49,803,096 |

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

31. Financial Risk Management

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

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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 |
| As at 30th June 2024-2025 | | | | |
| Receivables from exchange transactions | - | - | - | - |
| Receivables from non-exchange transactions | 49,947,953 | 49,947,953 | - | - |
| Bank balances | 147,887,317 | 147,887,317 | | |
| Total | 197,835,270 | 197,835,270 | | |
| As at 30 June 2023-2024 | | | | |
| Receivables from exchange transactions | | | | |
| Receivables from non-exchange transactions | 82,351,942 | 82,351,942 | | |
| Bank balances | 106,017,409 | 106,017,409 | | |
| Total | 188,369,351 | 188,369,351 | | |

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

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Financial Risk Management

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

ii) Liquidity risk management

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

| Description | Less than 1 month | Between 1-3 months | Over 5 months | Total |
|--|-------------------|--------------------|------------------|------------------|
| | Kshs | Kshs | Kshs | Kshs |
| As at 30th June 2025 | | | | |
| Trade payables | - | - | 3,827,253 | 3,827,253 |
| Current proportion of borrowings | - | - | | - |
| Provisions | - | - | | - |
| Deferred income | - | - | | - |
| Gratuity Provision | - | - | 2,807,664 | 2,807,664 |
| Total | - | - | 6,634,917 | 6,634,917 |
| As at 30th June 24 | - | - | | - |
| Trade payables | - | - | | - |
| Current portion of borrowings | - | - | | - |
| Provisions | - | - | | - |
| Deferred income | - | - | | - |
| Gratuity Provision | - | - | 2,807,664 | 2,807,664 |

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| Description | Less than 1 | Between 1- | Over | Total |
|--------------|-------------|------------|------------------|------------------|
| | month | 3 months | months | |
| | Kshs | Kshs | Kshs | Kshs |
| Total | - | - | 2,807,664 | 2,807,664 |

iii) Market risk

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

a) Foreign currency risk

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

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2024-2025

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

Financial Risk Management

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

| Description | Change in currency rate | Effect on Profit before tax | Effect on Equity/Net assets |
|-------------|-------------------------|-----------------------------|-----------------------------|
| | Kshs | Kshs | Kshs |
| Current FY | | | |
| Euro | 10% | - | - |
| USD | 10% | - | - |
| Previous FY | | - | - |
| Euro | 10% | - | - |
| USD | 10% | - | - |

b) Interest rate risk

Interest rate risk is the risk that the Entity's financial condition may be adversely affected as a result of changes in interest rate levels. The Entity's interest rate risk arises from

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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 endeavoured to bank with institutions that offer favourable interest rates.

Fair value of financial assets and liabilities

a) Financial instruments measured at fair value.

Determination of fair value and fair values hierarchy

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

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

iv) Capital Risk Management

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

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| Description | 2024-2025 | Opening Statement July 2025 ^{1st} |
|--|--------------------|---|
| | Kshs | Kshs |
| Revaluation Reserve | 217,574,644 | 217,574,644 |
| Retained Earnings | 9,692,061 | |
| Capital Reserve | - | - |
| Total Funds | 227,266,705 | 217,574,644 |
| Total Borrowings | | |
| Less: Cash and Bank Balances | (147,887,317) | (106,017,409) |
| Net Debt/(Excess Cash And Cash Equivalent) | - | - |
| Gearing | 0% | 0% |

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32. Related Party Disclosures

| | 2024-2025 | Opening Statement 1 st July 2025 |
|--|--------------------|---|
| | Kshs | Kshs |
| Committee Members Remuneration | | |
| Sitting allowance of committee Members during the year | 4,475,200 | - |
| | | |
| Transaction with the NGCDF Board | | |
| Transfers from the NGCDF Board during the year | 211,845,943 | - |
| Total | 211,845,943 | - |

33. Segment Information

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

34. Contingent Assets and Contingent Liabilities

Contingent Assets

| Description | 2024-2025 | Opening Statement 1 st July 2025 |
|--|-----------|---|
| | Kshs | Kshs |
| Contingent Assets | | |
| Insurance Reimbursements | - | - |
| Assets Arising from Determination Of Court Cases | - | - |
| Reimbursable Indemnities and Guarantees | - | - |
| Receivables From Other Government Entities | - | - |
| Others (Specify) | - | - |
| Total | - | - |

(Give details)

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Contingent Liabilities

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

35. Capital Commitments

| Capital Commitments | 2024-2025 | Opening Statement 1 st July 20xx |
|-------------------------------|-----------|---|
| | Kshs | Kshs |
| Authorised for | - | - |
| Authorised and Contracted for | - | - |
| Total | - | - |

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

36. Events after the Reporting Period

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

37. Ultimate And Holding Entity

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

38. Currency

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

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15. Annexes
Annex 1: Summary of Asset Register

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

| Asset class | Historical Cost b/f (Kshs) 2022-2023 | Additions during the year (Kshs) | Disposals during the year (Kshs) | Historical Cost (Kshs) 2024-- 2025 |
|--|---|-------------------------------------|-------------------------------------|--|
| Land | | | | |
| Buildings and structures | 33,727,526 | 1,736,190 | | 39,087,550 |
| Transport equipment | 5,196,240 | | | 5,196,240 |
| Office equipment, furniture and fittings | 556,148 | | | 1,570,223 |
| ICT Equipment, Software and Other ICT Assets | 1,425,791 | | | 1,425,791 |
| Other Machinery and Equipment | 135,000 | | | 135,000 |
| Intangible assets | | | | |
| Total | 41,040,705 | 1,736,190 | | 47,414,804 |

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Annex 2 –PMC Bank Balances As At 30th June 2024

| PMC | Bank | Account number | Bank Balance Current FY | Bank Balance Comparative FY |
|--|----------------------|----------------|-------------------------|-----------------------------|
| PMC | Bank | Account number | Bank Balance Current FY | Bank Balance Comparative FY |
| Name of the Project/Account Name | Bank Name and Branch | Account Number | 2024 -2025 | 2023-2024 |
| Airport Chief's Office Project | Equity | 1.20028E+12 | 227,144.25 | 59,597.25 |
| AS Mwidani PMC Account | Equity | 1.20028E+12 | 6,470,202 | 10,978,545.50 |
| Bomu Secondary School | Equity | 1.20028E+12 | 25,238.32 | 1,484,654.32 |
| Chaani Police Station | Equity | 1.20028E+12 | 700 | 700 |
| Changamwe Girls Secondary School | Equity | 1.20028E+12 | 667,787.20 | 668,220.70 |
| Changamwe Girls Secondary School2 | Equity | 1.20029E+12 | 3,220,735.50 | 4,393,750.00 |
| Changamwe NG-CDF Office Project | Equity | 1.20028E+12 | 396451.20 | 6,196,996.55 |
| Changamwe NG-CDF Sports | Equity | 1.20027E+12 | 610.6 | 610.60 |
| Changamwe Primary School | Equity | 1.2003E+12 | 102,619.75 | 102,619.75 |
| Changamwe Secondary School | Equity | 1.2003E+12 | 1,583,522.38 | 76,534.88 |
| Changamwe Secondary School2 | Equity | 1.20029E+12 | 4,170,616.00 | 6,167,766.00 |
| Changamwe sub county accountant/ACC Office | Equity | 1.20029E+12 | 1,000.00 | 606,000.00 |
| Changamwe Youth Resource Centre | Equity | 1.20028E+12 | 3,204.60 | 322,492.10 |
| Environment Project | Equity | 1.20027E+12 | 175.8 | 3,071,075.80 |

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| PMC | Bank | Account number | Bank Balance Current FY | Bank Balance Comparative FY |
|---|--------|----------------|-------------------------|-----------------------------|
| Gome Primary School | Equity | 1.20027E+12 | 65,752.88 | 3,581,857.38 |
| Gome Primary School | ABSA | 2049485592 | 0 | 598,000.00 |
| Kipevu Primary School | Equity | 1.2003E+12 | 333.04 | 81,890.54 |
| Kipevu Primary School2 | Equity | 1.20028E+12 | 16,445.00 | 16,445.00 |
| Kwahola Chief Office | Equity | 1.20029E+12 | 82,174.00 | 1,886,000.00 |
| Kwahola Primary School | Equity | 1.20027E+12 | 1,281.90 | 1,281.90 |
| Mikadini Primary School | Equity | 1.20027E+12 | 6,826,647.30 | 56,932.43 |
| Mwingo Primary School | Equity | 1.20028E+12 | 9,113,172.00 | 13,579,957.85 |
| Portreitz Chiefs Office | Equity | 1.20028E+12 | 102,911.00 | 1,600,273.00 |
| Portreitz Integrated Secondary School | Equity | 1.20028E+12 | 9,487,414.00 | 1,314,782.00 |
| Portreitz School for the Physically Handicapped | Equity | 1.20026E+12 | 0 | 249,780.00 |
| St Lwanga Primary School | Equity | 1.20029E+12 | 27,318.00 | 800,000.00 |
| St. Charles Lwanga Secondary School | Equity | 1.20026E+12 | 4,062,548.60 | 4,193,313.60 |
| Umoja Primary School | Equity | 1.2003E+12 | 6,633,575.03 | 865,772.03- |
| Bomu Primary School | Equity | 1.20029E+12 | 7,030,567.40 | |
| St Charles Lwanga Secondary School | Equity | 1.20029E+12 | 10,985,227.05 | - |
| Changamwe police station /DCI Office | Equity | 1.20029E+12 | 774,000.00 | 150,000.00- |
| KMTC Portreitz | Equity | 1.20029E+12 | 7,127,510.00 | - |
| Magongo Primary School | Equity | 1.20029E+12 | 1,000,000.00 | - |

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| PMC | Bank | Account number | Bank Balance Current FY | Bank Balance Comparative FY |
|------------------------------------|-------------|----------------|-------------------------|-----------------------------|
| Chaani Primary School | Equity | 1.20029E+12 | 6,000,000.00 | - |
| Bomu Secondary School | Cooperative | 1.14162E+12 | 24,540.00 | 24,540.00 |
| Changamwe Registry & Chiefs Office | Equity | 1.20029E+12 | 760,000 | |
| | | | 86,991,424.80 | 63,130,389.18 |

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Annex 3: Progress On Follow Up of Auditor Recommendations

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

| Reference No. on the external audit Report | Issue / Observations from Auditor | Management comments | Status: (Resolved / Not Resolved) | Timeframe: (Put a date when you expect the issue to be resolved) |
|--|--|---|--------------------------------------|---|
| OAG/CR/AUD/8/2022/2023 (23) | <p>Unconfirmed Cash and Cash Equivalents The statement of assets and liabilities as disclosed in Note 12A to the financial statements reflects cash and cash equivalents balance of Kshs. 18,675,853 comprising of amounts held in the Fund's bank account. However, the balance did not include an amount totalling Kshs. 6,231,438 that have been held in eight (8) Project Management Committee bank accounts for more than one (1) year and which has not been returned to the fund's main account. In the circumstance, the accuracy and completeness of cash and cash equivalents balance of Kshs. 18,675,853 could not be confirmed.</p> | <p>The Funds of sum Kshs. 6,231,438 was at the PMCs Account for the ongoing projects and had not yet been returned to the main account before the closing of the financial year. the unspent balance has been returned to the main account.</p> | Not 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) |
|--|--|--|---|---|
| OAG/CR/AUD/8/2022/2023 (23) | <p>Budgetary Control and Performance The summary statement of appropriation reflects final receipts budget and actual on comparable basis of Kshs. 202,662,472 and Kshs. 114,740,175 respectively resulting to an under-funding of Kshs. 87,992,297, or 43% of the budget. Similarly, the Fund spent Kshs. 96,064,322 against actual receipts of Kshs. 114,740,175 resulting to an under-utilization of Kshs. 18,675,853 or 16% of actual receipts. The under-funding and under-utilization affected the planned activities and may have impacted negatively on service delivery to the public.</p> | The underfunding was due to late disbursement of funds from the board. Underutilization is because of the recurrent expenditure and there are some project funds were disbursed at the closure of the financial year (June). | Not resolved. | |
| | <p>Summary Statement of Appropriation</p> <p>i. The statement of budget execution by sectors and projects reflects budget utilization difference of Kshs. 123,304,862 which differs with that reflected in Annex 3 in support of the unutilized balance of Kshs. 123,740,530.</p> | The financial statement has been amended | The management had submitted our response of the audit certificate to the Office of the Auditor General, we | |

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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>The variance of Kshs. 435,668 was not explained or recorded.</p> <p>ii. The budget utilization difference of Kshs. 123,304,862 as reflected in the summary statement of appropriation differs with the budget utilization difference of Kshs. 123,545,354 reflected in the reconciliation of summary statement of appropriation to statement of assets and liabilities. The variance of Kshs. 240,492 was not explained or recorded.</p> <p>iii. The reconciliation of summary statement of appropriation to statement of assets and liabilities reflects the cash and cash equivalent at the end of 30 June 2024 as Kshs. 42,887,020. However, on casting the total is Kshs. 42,886,824. A variance of Kshs. 196 was not explained.</p> <p>In the circumstances, the accuracy and completeness of the respective financial statement balances could not be confirmed. In addition, the statement of financial position reflected total financial assets of Kshs. 42,087,020. However, on cast the total financial assets</p> | | are waiting for further communication | |

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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>is Kshs. 42,887,020. The resultant variance of Kshs. 800,000 was not explained or reconciled.</p> <p>In the circumstances, the accuracy and completeness of the respective financial statement balances could not be confirmed.</p> | | | | | | | | | | | | | | | | | | | | | | | |
| | <p>Variations between Financial statement and Notes</p> <p>The financial statements presented for audit reflected balances that differed with the notes to the financial statement as shown below.</p> <table border="1"> <thead> <tr> <th>Component</th> <th>Note</th> <th>F/S (Kshs)</th> <th>Notes (Kshs)</th> <th>Variations (Kshs)</th> </tr> </thead> <tbody> <tr> <td>Committee Expenses</td> <td>5</td> <td>4,905,000</td> <td>4,805,000</td> <td>100,000</td> </tr> <tr> <td>Use of Goods and services</td> <td>6</td> <td>4,734,910</td> <td>4,834,910</td> <td>-</td> </tr> <tr> <td></td> <td></td> <td>0</td> <td>0</td> <td>100,000</td> </tr> </tbody> </table> | Component | Note | F/S (Kshs) | Notes (Kshs) | Variations (Kshs) | Committee Expenses | 5 | 4,905,000 | 4,805,000 | 100,000 | Use of Goods and services | 6 | 4,734,910 | 4,834,910 | - | | | 0 | 0 | 100,000 | <p>The financial statement has been amended</p> | <p>The management had submitted our response of the audit certificate to the Office of the Auditor General, we are waiting for further communication</p> | |
| Component | Note | F/S (Kshs) | Notes (Kshs) | Variations (Kshs) | | | | | | | | | | | | | | | | | | | | |
| Committee Expenses | 5 | 4,905,000 | 4,805,000 | 100,000 | | | | | | | | | | | | | | | | | | | | |
| Use of Goods and services | 6 | 4,734,910 | 4,834,910 | - | | | | | | | | | | | | | | | | | | | | |
| | | 0 | 0 | 100,000 | | | | | | | | | | | | | | | | | | | | |
| | <p>Unsupported Project Management Committee (PMC) Balances</p> <p>Annex 5 to the financial statements reflects PMC bank balances as at 30 June 2024 totaling Kshs. 62,981,389.</p> | <p>The management had submitted our response of the audit certificate to the</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>However, audit review of the PMC balances noted the following,</p> <ul style="list-style-type: none"> i. On downward cast, the balance is Kshs. 62,903,854.30. The variance of Kshs. 77,534.88 was not explained. ii. The amount reflected in Annex 5 differs with that reflected in Note 19.4 to the financial statements of Kshs. 772,718. The variance of Kshs. 3,208,671 was not explained or recorded. iii. Annex 5 of the financial statements reflects an opening balance of Kshs. 55,777,419 which differs with the closing balances as 30 June 2023 and Note 19.4 to the financial statements of Kshs. 44,290,895. iv. The casting downwards of the opening balance reflects total of Kshs. 49,991,099. The variance of Kshs. 5,786,320 was not explained or reconciled. <p>In the circumstances, the accuracy and completeness of the PMC account balances of Kshs. 62,981,389 could not be confirmed.</p> | <p>Office of the Auditor General, we are waiting for further communication</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>Failure to return Project Management Committee (PMC) Account Balances</p> <p>Annex 5 to the financial statement reflects PMC bank balances totaling Kshs. 62,981,389 which includes an amount of Kshs. 274,320 on inactive accounts but the amount had not been returned to the constituency main account. No reason was provided for the failure to transfer back the balances to the main account as required by section 12(8) of the National Government Constituencies Development Fund act 2015 that provide that all unutilized funds of project management committee shall be returned to the constituency account.</p> <p>In the circumstances, management was in breach of the law.</p> | <p>The NGDFC has approved the transfer of the funds back to the main account.</p> | <p>The management had submitted our response of the audit certificate to the Office of the Auditor General, we are waiting for further communication</p> | |

.....


Name : Abdulhakim Ali
 Fund Account Manager.