

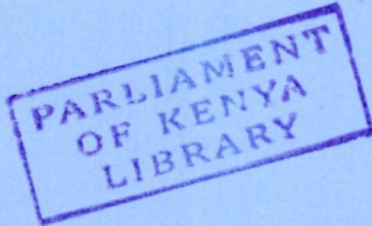
REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL  
Enhancing Accountability

 <b>THE NATIONAL ASSEMBLY</b> PAPERS LAID	
DATE: 21 APR 2026	DAY. TUESDAY
TABLED BY:	HON. SILYANUS OSORO, MP (MAJORITY PARTY WTP)
CLERK-AT THE-TABLE:	MWOFU MWALE

REPORT



OF

THE AUDITOR-GENERAL

ON

NATIONAL GOVERNMENT CONSTITUENCIES  
DEVELOPMENT FUND – HOMA BAY TOWN  
CONSTITUENCY

FOR THE YEAR ENDED  
30 JUNE, 2025



23 OCT 2025



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NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

HOMA BAY TOWN CONSTITUENCY

ANNUAL REPORT AND FINANCIAL STATEMENTS

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

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

*National Government Constituencies Development Fund (NG-CDF)*  
*Homa Bay Town Constituency*  
*Annual Report and Financial Statements for The Year Ended June 30, 2025*

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## 1. Acronyms and Definition of Key Terms

### A. Acronyms

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

### B. Definition of Key Terms

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

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

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

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

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

### **Mandate**

The mandate of the Fund as derived from Sec (3) of the NG-CDF Act, 2015 (as amended in 2023) 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;

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- 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

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**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 NG-CDF Homa Bay Town Constituency's day-to-day management is under the following key organs:

- i. National Government Constituencies Development Fund Board (NG-CDFB)
- ii. National Government Constituency Development Fund Committee (NG-CDFC)

**Fiduciary Management**

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

No	Designation	Name
1.	Fund Account Manager (AIE holder)	David Onyango Agong
2.	National Treasury Sub-County Accountant	David Odiyo Odiyo
3.	Chairman, NG-CDFC	Ouko Harrison Ogallo
4.	Secretary, NG-CDFC	Bugo Agoro Charles Ologi

**(c) Fiduciary Oversight Arrangements**

The Audit Committee of the NG-CDF Board provides overall fiduciary oversight on the activities of the NG-CDF Homa Bay Town Constituency. The reports and recommendations of the Audit Committee, when adopted by the NG-CDF 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) NG-CDF Homa Bay Town Constituency Headquarters**

NG-CDFC Building  
Kabunde Multipurpose Hall  
Off Homabay - Rongo Road

**(e) NG-CDF Homa Bay Town Constituency Contacts**

P.O. Box 240-40300 Homa bay.  
Telephone: (254)729323462  
E-mail: [cdfhomabaytown@ngcdf.go.ke](mailto:cdfhomabaytown@ngcdf.go.ke)  
Website: [www.ngcdf.go.ke](http://www.ngcdf.go.ke)

**(f) NG-CDF Homa Bay Town Constituency Bankers**

1. Operations Account

Equity Bank (Kenya) Ltd  
Homabay Branch  
P.O. Box 75104-00200  
Nairobi, Kenya

2. Deposit Account

Equity Bank (Kenya) Ltd  
Homabay Branch  
P.O. Box 75104-00200  
Nairobi, Kenya

3. Project Management Committee bank accounts

Equity Bank (Kenya) Ltd  
Homabay Branch  
P.O. Box 75104-00200  
Nairobi, 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. NG-CDF Committee**

Name	Details
 <p><b>Ouko Harrison Ogallo - Chairperson</b></p>	<p>Harrison was Born in 1977, he sat for KCSE in 1994, he is currently pursuing Bachelor's degree in Public Administration and Governance, he has served as a Ward Office Manager with the County Government of Homabay and also as an Executive Committee Member in Homabay Community Scholarship Selection Board with the Equity Group Foundation.</p> <p>He joined Homa bay Town NG-CDF Committee in the year 2022 as a Male Adult Representative.</p> <p>He is currently serving as a Chairman to the Homa bay town NG-CDF Committee.</p>
 <p><b>Bugo Agoro Charles Ologi - Secretary</b></p>	<p>Charles was Born in 1972, he sat for KCSE in 1990, he has served as a Community Health Worker and other Community Based Organizations as a leader and a mobilizer.</p> <p>He joined Homa bay Town NG-CDF Committee in the year 2022 as a Male Adult Representative.</p> <p>He is currently serving as a Secretary to the Homa bay town NG-CDF Committee.</p>
 <p><b>James Owade Odoyo - Member</b></p>	<p>James Owade was born in 1993. He is a holder of KCSE and Craft Certificate in Building Technology. He has served in youth leadership within his community.</p> <p>He joined Homa bay Town NG-CDF Committee in the year 2025 as a Male Youth Representative.</p> <p>He is currently serving as a Member of the Homa bay town NG-CDF Committee.</p>
 <p><b>Babby Hildgard Owega - Member</b></p>	<p>Babby Hildgard was born in 1960, She sat for East African Certificate of Education in 1977, she is a holder of Primary Teachers' Certificate. She is a retired Primary school teacher.</p> <p>She joined Homa bay Town NG-CDF Committee in the year 2019 as a Female Adult Representative.</p> <p>She is currently serving as a Member of the Homa bay town NG-CDF Committee.</p>

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 <p><b>Edith Awuor Obonyo - Member</b></p>	<p>Edith Obonyo was born in 1973, she is a holder of KCSE and Primary Teachers' Certificate. She is engaged in business and community service and leadership.</p> <p>She joined Homa bay Town NG-CDF Committee in the year 2019 as a Female Adult Representative.</p> <p>She is currently serving as a Member of the Homa bay town NG-CDF Committee.</p>
 <p><b>Lorna Awuor Okidi - member</b></p>	<p>Lorna Awuor was born in 1991, she is a holder of KCSE and Diploma in Social Work &amp; Community Development, she is a farmer.</p> <p>She joined Homa bay Town NG-CDF Committee in the year 2022 as a Female Youth Representative.</p> <p>She is currently serving as a Member of the Homa bay town NG-CDF Committee.</p>
 <p><b>Silas Odero Muta - Member</b></p>	<p>Silas was born in 1952, he is a holder of East African Certificate of Education and Primary Teachers' Certificate. he is a retired Primary school teacher and a community leader.</p> <p>He joined Homa bay Town NG-CDF Committee in the year 2025 as Persons With Disability (Persons Abled Differently) Representative.</p> <p>He is currently serving as a Member of the Homa bay town NG-CDF Committee.</p>
 <p><b>Teresa Adhiambo Ochieng – Co-opted Member</b></p>	<p>Teresa was born in 1968, she is a holder of KCSE, she is a peasant farmer and a community leader.</p> <p>She joined Homa bay Town NG-CDF Committee in the year 2017 as a Female Adult Representative.</p> <p>She is currently serving as a Co-opted Member of the Homa bay town NG-CDF Committee.</p>

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	<p>Charles Mbogo was born in 1970, he is a holder of Bachelor's degree with 22 years in public administration.</p> <p>He is currently serving as a Deputy County Commissioner Homa bay Sub-County.</p> <p>He joined Homa bay Town NG-CDF Committee in the year 2022 as the national government official responsible for co-ordination of national government functions.</p>
<p><b>Charles Mbogo Mwayaya</b> – Deputy County Commissioner</p>	<p>He is currently serving as a Member of the Homa bay town NG-CDF Committee.</p>
	<p>David was born in 1978, he is a holder of Bachelor's degree majoring in Finance, he has an experience of 25 years in the field of accounting and finance, he has served as Fund Account Manager since 2013 to date.</p> <p>He joined Homa bay Town NG-CDF Committee in January 2022 as the officer of the Board seconded to the Constituency Committee and has been serving as an Ex officio member of Homabay Town NG-CDFC to-date.</p>
<p><b>David Onyango Agong</b> – Fund Account Manager</p>	

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



**Ouko Harrison Ogallo**  
**Chairman, Homabay Town NG-CDFC**

As we usher in the 2024/2025 Financial Year, it is important to reflect on the performance of the Homa Bay Town NG-CDF Committee in terms of achievements and challenges including shortcomings. Our committee has continued to perform functions as stipulated in the NG-CDF Act of 2015 (as amended in 2023). The Act limits the fund to undertake infrastructural development of Educational and Security institutions.

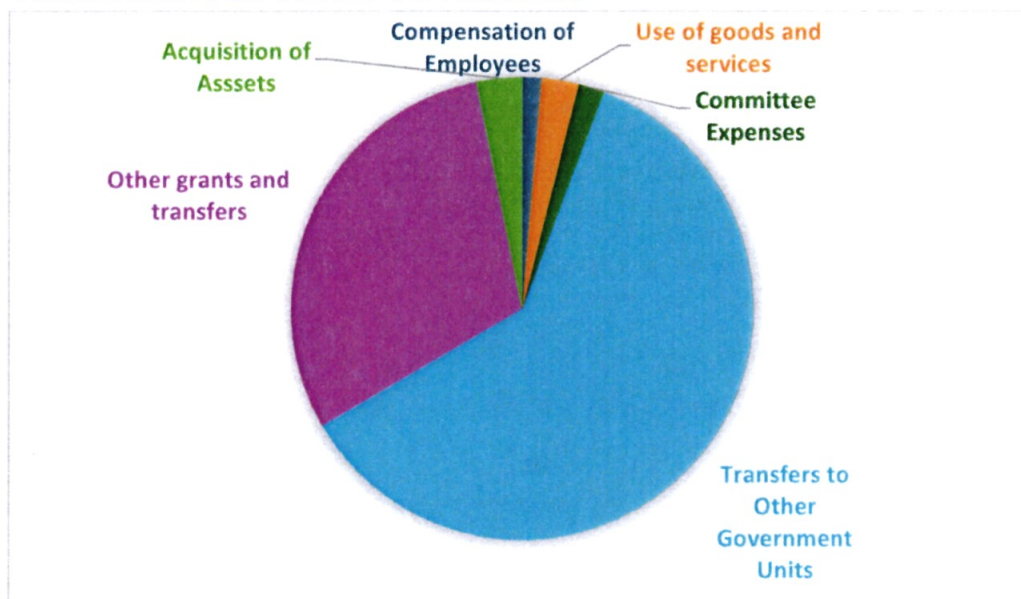
The approved budget for the 2024/2025 Financial Year was Ksh.170,549,857 of which NG-CDF Board disbursed Ksh.156,000,000 (92%) of the total original approved budget to the Constituency for the financial year. By the end of the financial year the Board had not disbursed Kshs. 14,549,857 (9%) to the Constituency due for the financial year. Similarly, the Board disbursed Kshs 19,453,190 previous year's outstanding disbursement during the year.

##### **a) Allocation to Projects**

During the year, the constituency actual receipt stood at Kshs. 308,803,035 with Kshs. 156,000,000 from original budget, Kshs. 118,672,988 from opening balance of Kshs. 19,453,190 from previous year outstanding disbursement and Kshs. 127,000 from appropriation in aid.

The pie chart below shows the final budget allocation per item;

**ALLOCATION OF FUNDS TO PROJECTS**



**Utilization of Funds**

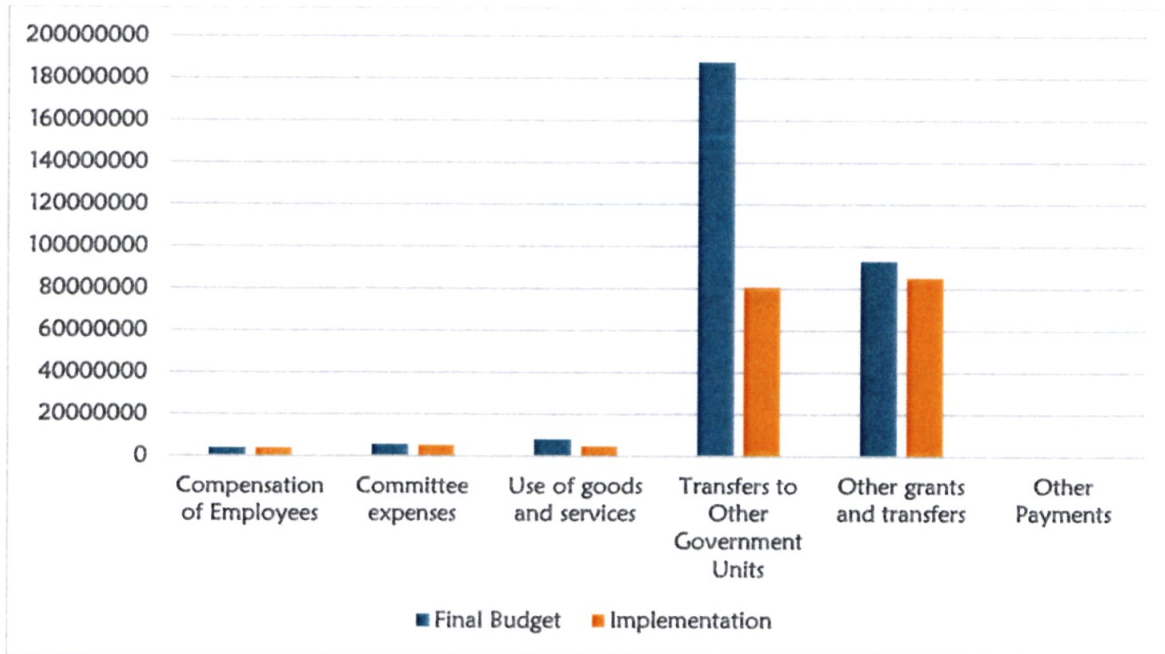
Utilization of funds stood at 60% from 72% the previous year a decrease of 12%. The decrease in budget absorption was attributed to delay in commencement of the funds budget cycle, late receipt of disbursements and the time required for the start to the end of procurement processes.

The table below shows a summary of the final budget against expenditure per item;

<b>PAYMENT</b>	<b>Final Budget</b>	<b>Actual Expenditure</b>
Employee costs	4,076,340	4,076,304
Committee expenses	7,275,180	7,063,865
Use of Goods and Services	7,815,956	3,330,147
Other Government Units Certified Works	186,426,270	80,897,823
Other Grants and Transfers	93,073,277	83,248,499
Acquisition of assets	9,929,013	7,748,608
Funds Pending Approval**	207,000	0
<b>TOTAL</b>	<b>308,803,035</b>	<b>186,365,246</b>

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The overall utilization of funds against the final budget during the year is illustrated below graphically:



**Key Achievements**

During the financial year under review, Homa Bay Town NG-CDF Committee achieved quite a lot, key among them are listed below;

- I. The constituency was able to renovate 33 classrooms in 5 schools which improved the learning environment.
- II. Homa Bay Town NG-CDF funded construction of 7 new classrooms; This reduced congestion of learners in various institutions
- III. The Constituency increased Bursaries allocation to Kshs. 68,152,500 up from Kshs. 61,945,000 allocated in the previous financial year and this made is possible for award to 9,800 needy students across the constituency as compared to 8,500 students awarded bursaries in 2023/2024 financial year. The students were able to learn without interruption.

Below are some of the successfully executed projects by Homa Bay Town NG-CDF Committee;

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**Got Rabuor Primary School-  
Construction of 4 classrooms at Kshs  
5,000,000**



**Shauri Yako Primary School -  
Construction of 8 doors pit Latrine at  
Kshs 1,200,000**



**Pap Ndege Primary School -Fencing  
of School Compound and Installation  
of main Gate**



**Akele Primary School - Fencing  
of School Compound and Installation  
of main Gate**

During the financial year under review, the following were the emerging issues that the NG-CDFC had to handle;

- I. The introduction of E-procurement process that necessitate training of members of the committee and staff.
- II. The rejection of finance bill 2023 that could have seen Homa Bay Town NG-CDF receiving additional allocation for enhanced development programs.

**Major challenges faced by the Fund and way forward.**

1. Delay in disbursement of funds from the board affected timely implementation of projects; The exchequer should release funds in a timely manner.
2. Overstretched capacity of relevant Government technical officers; The Board should consider recruiting qualified technical officers to supervise the approved NG-CDF projects.



Ouko Harrison Ogallo  
Chairman, NG-CDF Committee  
Homabay Town Constituency

## 5. Statement of Performance Against Predetermined Objectives for 2024/2025 Financial year

### 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 NG-CDF Homa Bay Town Constituency 2023-2028 Strategic Plan are to:

1. To improve NG-CDF operations through monitoring and evaluation.
2. To strengthen institutional capacity (skills and competencies development) of NG-CDFC and PMCs
3. To effectively and efficiently manage the national government constituency development fund projects within the constituency.
4. To develop effective, efficient accountable and transparent structures within in the constituency that enhance good governance

### Progress on the attainment of Strategic development objectives

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

Sector	Objective	Outcome	Indicator	Performance
Education	To have all children of school going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	Number of usable physical infrastructure build in primary, secondary, and tertiary institutions number of bursary's beneficiaries at all levels	In 2024/2025FY some of the projects implemented by the fund are; Renovation of classrooms in five primary schools namely; Magare Primary School, Olodo Primary School, Gogo Katuma Primary

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				<p>School, Rabuor Masawa Primary School and Majiwa Primary School. The fund also fenced six Primary schools namely; Pala Masogo primary School, Wiobiero Primary School, Homa Bay Primary School, Manga primary School, Pedo Primary School and Achiero primary school.</p> <p>Similarly, the fund purchased 2 acres of land for establishment of Achiero Primary School. We also funded the purchased of 75 double decker metallic bed to St Theresa's Nyauu Girls Secondary school,</p> <p>- We also awarded bursaries to approximately 9,000 needy students in secondary schools, 2,500 needy students at tertiary level and 500 students in special schools.</p>
Security	Improve the overall security of all residents and reduce crimes.	Enhanced presence of security personnel	% coverage of security personnel and Number of facilities constructed	There were no allocations to security projects due to pressing needs for junior Secondary School classrooms. The committee intends to allocate funds to security projects in

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				2025/2026 Financial Year.
Climate change mitigation activities	Promote sustainable environmental practices and waste management	Conducive and accessible learning environment	Tree-planting drives, and community awareness programs conducted.	Homa Bay Town Constituency planted 200 exotic tree seedlings at Orego Primary School contributing to environmental sustainability. We also executed landscaping of 3.5 acres of land and stone pitching school
Emergency	To cater for any unforeseen occurrences in the constituency during the financial year	Unforeseen occurrences mitigated	Number of emergencies mitigated	There were no emergency reports received by the committee within the financial year
Digital ICT Hubs	To provide youth with access to digital skills, e-services and online job opportunities	Job creation, literacy and inclusive growth	Number of ICT hubs established	There were no allocations to Digital ICT hub projects due to pressing needs for junior Secondary School classrooms. The committee intends to allocate funds to Digital ICT Hub projects in 2025/2026 Financial Year.

## **6. Governance Statement**

### **Background**

The National Government Constituencies Development Fund Act 2015 (Amended 2016) in section 43(1), (2), (3) and 57(1) and its regulations, provides for establishment of National Government Constituency Development Committee (NG-CDFC) for every constituency.

Further, Section 5 (1) of the regulation states that the members of a Constituency Committee provided for Appointment of under section 43(2) (b), (c) and (d) of the Act shall be selected by a members of Constituency selection panel established under paragraph (4) upon an occurrence of a vacancy in the Constituency Committee.

The officer of the board coordinated the process of nomination of the NG-CDFC for onward forwarding to the board for appointment through gazette notice.

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

Further the NG-CDF regulations requires that for one to serve as member of the NG-CDF committee he or she must be (a) citizen of Kenya, (b) ordinarily resident voter of the constituency, (c) able to read and write and communicate in English and Kiswahili, (d) meet the chapter six of the constitution, (e) available to participate in the activities of the constituency (f) for youth nominee he or she must have attained age of 18 years but below age of 35yrs and (g) for persons with disability nominee must be nominated by a registered group representing persons with disability within the constituency.

### **A. NG-CDFC process of appointment**

The NG-CDF Act 2016 on appointment of NG-CDFC members' states;

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

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

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

- (4) The selection panel referred to in paragraph (1) shall consist of—
- One person nominated by the national government official in charge of the sub-county or a designated representative, who shall be the chairperson of the selection panel;
  - The Officer of the Board seconded to the Constituency who shall be the secretary to the selection panel; and
  - Two persons, one of either gender, nominated by the Constituency office.
- (5) The officer of the Board seconded to the Constituency shall within fourteen days of the first meeting of the selection panel invite applications from persons who qualify for appointment to a Constituency Committee in accordance with guidelines issued by the Board.
- (6) The selection panel shall, within fourteen days of receiving the applications under paragraph (5), consider the applications and shall select five applicants considering age, gender, special interest groups and regional balance in accordance with section the Act
- (7) The officer of the Board seconded to the Constituency shall within seven days of the selection process referred to in paragraph (6) submit to the Board the names of the selected candidates together with the report of the selection panel.
- (8) The Board shall co-opt the person referred to in the Act to ensure equitable representation in the membership of a Constituency Committee.
- (9) The Board shall, in writing, request the clerk of the National Assembly to notify the Constituency Office to nominate two persons of either gender, pursuant to section 43(2)(e) of the Act and to forward the names to the Office of the Board seconded to the Constituency.
- (10) The Board shall submit the names of the seven persons selected from each Constituency in accordance with the Act to the National Assembly for Approval.
- (11) The Board shall, within fourteen days after receipt of the names approved by the National Assembly, appoint the members of a Constituency Committee by notice in the Gazette. 1952 Kenya Subsidiary Legislation, 2016

To facilitate this, the selection panel invited interested and qualified members of the public for appointment to the NG-CDF committee. The panel invited through advertisement publicized in chiefs' camps notice boards, public offices notice boards and other public areas in the constituency. The selection panel developed a shortlisting criterion which enabled picking of the nominees.

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Seven best NG-CDF applicants were selected considering age, gender, special interest groups and regional balance in accordance with section 43(2)(b)(c) and (d) of the NG-CDF Act 2015(as amended in 2023).

S/N	Name	Category representation	Ward
1.	Ouko Harrison Ogallo	Male (Adult)	Homa Bay East
2.	Bugo Agoro Charles Ologi	Male (Adult)	Homa Bay West
3.	James Owade Odoyo	Male (Youth)	Homa Bay Arujo
4.	Babby Hildigard Owenga	Female (Adult)	Homa Bay Central
5.	Edith Awuor Obonyo	Female (Adult)	Homa Bay East
6.	Lornah Awuor Okidi	Female (Youth)	Homa Bay West

**Nominee representing Persons with Disability.**

S/N	Name	Nominating Organization	Nature of physical Impairment	Ward
1.	Silas Odero Muta	National Council of People Living with Disability	Partial Blindness	Homa Bay East

Upon further consultations within the panel and the constituency office, members agreed to nominate the person whose detail are tabulated below for appointment by the NG-CDF Board in line with Section 43 subsection 2(g) as

S/N	Name	Gender	Ward
1.	Teresa Adhiambo Ochieng	Female	Homa Bay Arujo

The list of the selected and recommended members was forwarded to the NG-CDF Board and were further gazette through a gazette notice dated 21<sup>st</sup> May, 2025. Homa Bay Town NG-CDFC Members were gazette as follows:

S/N	Name	Category	Statutory Provision Under NG-CDF Act
1.	Ouko Harrison Ogallo	Male Adult Representative	Appointment, pursuant to Sec. 43 (2) (b)
2.	Bugo Agoro Charles Ologi	Male Adult Representative	Appointment, pursuant to Sec. 43 (2) (b)
3.	James Owade Odoyo	Male (Youth) Representative	Appointment Pursuant to Sect. 43 (2)(e)

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4.	Babby Hildgard Owenga	Female Adult Representative	Appointment, pursuant to Sec. 43 (2) (c))
5.	Edith Awuor Obonyo	Female Adult Representative	Appointment, pursuant to Sec. 43 (2) (c)
6.	Lornah Awuor Okidi	Female (Youth) Representative	Appointment Pursuant to Sect. 43 (2)(e)
7.	Silas Odero Muta	Representative of Persons Living with Disability	Appointment, pursuant to Sec. 43 (2) (d)

The First NG-CDFC in augural meeting was held on 6<sup>th</sup> June, 2025. The members carried out an election for the position of a chairperson and the secretary to the committee. The following member were elected.

	NAME	POSITION	WARD
1	Ouko Harrison Ogallo	Chairperson	Homa Bay East
2	Bugo Agoro Charles Ologi	Secretary	Homa Bay West

NG-CDF Regulations Section 7(6) & (7) requires that the first meeting, a Constituency Committee shall establish two sub-committees necessary for the proper performance of its functions in accordance with the guidelines issued by the Board and in establishing sub-committees under paragraph 5, constituency Committee shall ensure that there is equitable representation.

The Sub Committees were constituted as follows;

### 1. Bursary Sub-committee

	NAME	POSITION
1.	James Owade Odoyo	Chairperson
2.	David Onyango Agong	Secretary
3.	Babby Hildgard Owenga	Member
4.	Edith Awuor Obonyo	Member
5.	Sub-County Director of Education	Member

### 2. Complaint Handling & Resolution Sub-Committee

	NAME	POSITION
1.	Teresa Adhiambo Ochieng	Chairperson
2.	Scholastica Wanina	Secretary
3.	Silas Odero Muta	Member
4.	Lornah Awuor Okidi	Member
5	David Onyango Agong	Member

#### **B. Handing Over**

The handing over of the office by the outgoing NG-CDFC Committee to the Incoming committee was carried out smoothly and successfully on 6<sup>th</sup> June, 2025.

#### **C. NG-CDFC Tenure**

The term of office for the members of the Constituency Committee is two years and will be renewable but shall expire upon the appointment of a new Constituency Committee in the manner provided for in Section 43 (8) of the NG-CDF Act 2015. The committee members who are currently in office were gazzeted on 21<sup>st</sup> May 2025 and their term shall lapse in May 2027. They took over from the former committee whose term expired in December 2024.

#### **D. The Role of the Constituency Committee**

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

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

#### **E. The functions of a Constituency Committee shall be to –**

- a) Build the capacity of project management committees and Committee and sensitize the Community on the operations of the Fund;
- b) Consider all project proposals from all wards in the Constituency and any other projects which a Constituency Committee considers beneficial to the Constituency;

- c) Ensure that all proposed projects that are approved for funding meet the requirements of section 24 of the Act;
- d) Ensure that project proposals submitted to the Board include detailed budget proposals, procurement plans and work plans;
- e) 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;
- f) Consult with relevant government departments to ensure that cost estimates for projects are realistic;
- g) In considering joint projects, ensure that the participating constituencies enter into negotiations for effective implementation of such projects;
- h) Subject to the provisions of the Act and these Regulations, enter into a memorandum of understanding with collaborating partners, detailing all aspects of funding and implementation, before respective constituencies approve such a project for joint funding;
- i) Rank projects proposals in order of priority while ensuring that on-going projects take precedence;
- j) Ensure that all projects receive adequate funding and are completed within three years;
- k) 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;
- l) (I) ensure that projects proposed for funding fulfil the requirements provided in the Act and relevant circulars issued by the Board;
- m) Monitor the implementation of projects in accordance with the monitoring and evaluation framework prescribed by the Board;
- n) Ensure that project reports are prepared and submitted to the Board;
- o) Ensure formation of project management committees, opening of project accounts, project implementation and closure of projects;
- p) Ensure that the principles of public finance as provided for under Chapter Twelve of the Constitution and the Public Finance Management legislation are observed in the management of the Fund.

#### **F. Induction and Training of NG-CDFC**

In the financial year 2024-2025 the NG-CDF Board organized an induction and training for the gazetted National Government Constituency Development Fund Committee members in Embu from 8<sup>th</sup> July, 2025 to 14<sup>th</sup> July, 2025.

During the training conducted by the board, members were trained on their roles in relation to management of the NG-CDF.

Members were also informed on the policy of engaging themselves on conflicts of interest in the award of tenders and bursaries and there was a follow up of the same on NG-CDFC meetings.as well as the newly rolled out electronic Government Procurement System (e-GPS)

### G. Risk Management

During the training conducted by the Board, members were taken through risk management issues to enable them manage risk at the constituency level. Risk management is an integral part of good governance and best management practice at the constituency.

The committee during the training were also informed that the risk Policy affirms the NG-CDF commitment of building a risk culture that encourages deliberate and proactive risk management in a manner and at intervals commensurate with the NG-CDF strategies.

### H. Number of meetings

The committee should hold a maximum of 24 meetings including sub-committee meetings.

Homabay town NG-CDFC held 11 meetings within the financial year. Below is the Schedule of meetings held during the 2024/2025 Financial Year.

Name of Member	Designation	05/7/2024	26/7/2027	5/08/2024	13/09/2024	25/09/2024	06/12/2024	13/1/2025	30/1/2025	05/3/2025	06/5/2025	06/6/2025
Ouko Harrison Ogallo	NG-CDFC Chairman	√	√	√	√	√	√	√	√	√	√	√
Bugo Agoro Charles Ologi	Secretary	√	√	√	√	√	√	√	√	√	√	√
John Onyango Ogweno	Member	√	√	√	√	√	√	√	√	√		
Lornah Awuor Okidi	Member	√	√	√	√	√	√	√	√	√	√	√
Richard OchiengAskari	Member	√	√	√	√	√	√	√	√	√		
Babby Hildigard Owenga	Member	√	√	√	√	√	√	√	√	√	√	√
Teresa Adhiambo Ochieng	Member	√	√	√	√	√	√	√	√	√	√	√
Edith Awuor Obonyo	Member	√	√	√	√	√	√	√	√	√	√	√
Charles Mwayaya Mbogo	DCC	√	√	√	√	√	√	√	√	√	√	√

*National Government Constituencies Development Fund (NG-CDF)  
Homa Bay Town Constituency  
Annual Report and Financial Statements for The Year Ended June 30, 2025*

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**I. Members Remuneration and Attendance**

NG-CDFC members are not entitled to payment of salary. However, the chairperson of NG-CDFC is entitled to an allowance Kshs. 7,000 per meeting and all other members an allowance of Kshs.5, 000 per sitting.

**J. Ethics and Conduct**

The NG-CDFC members shall be of good conduct and adhere to chapter six of the constitution of the Constitution of Kenya 2010 and shall not have any trail of criminal record. Members shall not indulge in any act in contravention the act and other law of the land and regulations that govern operations of NG-CDF. During the training, members were also taken through chapter six of the constitution on ethical issues and how they are supposed to conduct themselves during the process of management of fund.

**K. Disclose the policy on conflict of interest**

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

**L. Succession plan**

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

**M. Removal of a member of NG-CDF Committee**

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

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

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

## 7. Management Discussion and Analysis

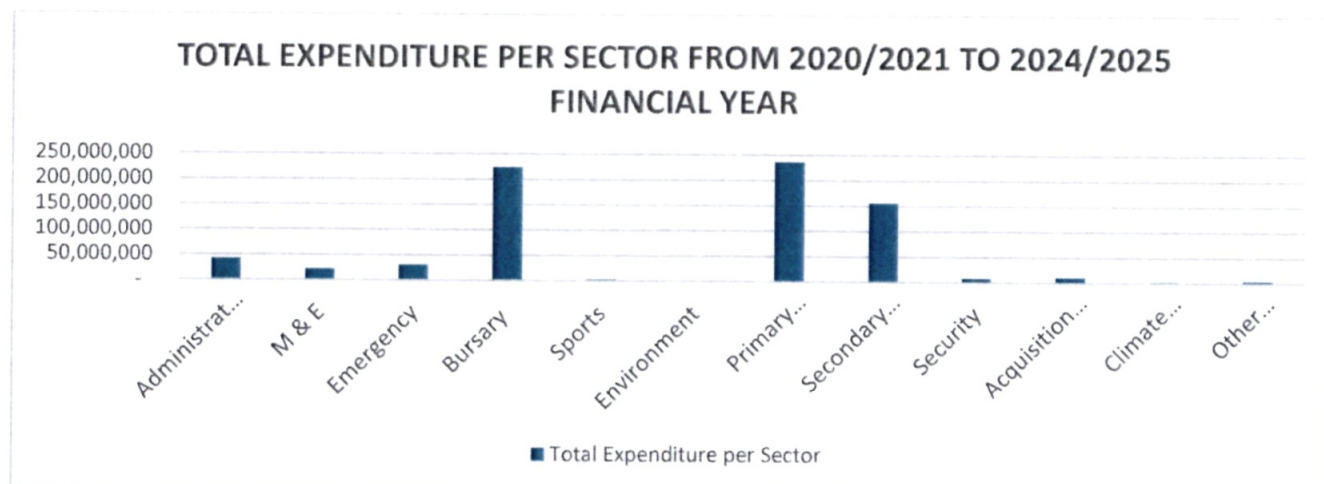
Homa Bay Town NG-CDF management would like to provide a detailed analysis of its performance in the various areas of operation and financial as follows;

### a) Sector Performance

Homa Bay Town NG-CDF has been operational since 2013 but would provide financial analysis for the past five years on how much the entity has received.

Financial Year	Allocation (Kshs)	Amount Disbursed (Kshs)	Percentage
2020-2021	137,222,879	137,222,879	100%
2021-2022	137,088,879	137,088,879	100%
2022-2023	138,215,033	138,215,033	100%
2023-2024	166,593,720	177,216,903	100%
2024-2025	170,549,857	156,000,000	92%
<b>Total</b>	<b>749,670,368</b>	<b>735,120,511</b>	<b>98%</b>

From the above data, Homa Bay Town NG-CDF was allocated a total of Ksh 749,670,368 and received disbursement of Kshs 735,120,511 as at 30<sup>th</sup> June 2025 for the last five financial years. The resources have been utilized to improve various sectors like School infrastructure, security infrastructure, sports which has since been abolished, environmental sustainability and provision of bursaries to needy students in secondary, special schools and tertiary institutions.



Based on the above information relating to the past five financial years; The key consumer of the NG-CDF resources is Primary School Projects at 32%, Secondary School projects at 21% and bursaries at 30% This is an indicator that the Fund has put more efforts in improving the academic

standards of Homabay Town Constituency through construction of infrastructure and award bursaries to needy students studying in various institutions.

There were no ongoing projects, all approved projects received adequate funding to facilitate their implementation and in addition the constituency did not have any material statutory arrears or financial obligations as at 30<sup>th</sup> June 2025.

### **Key Projects**

Homa Bay Town Constituency has been able to undertake key projects that will go into improving the infrastructure standards and secure learning Environment. For instance, Homa Bay Town Constituency purchased 2 acres of land and Constructed 3 classrooms and 4 door pit Latrines and fencing of Achiero Primary School land. Once Achiero primary School project is complete the young population will be saved from walking long distance in search of education and will provide conducive and safe learning environment to the young learners.

The Fund has also been able to renovate existing infrastructural facilities in various learning institutions, construct new classrooms, Science Laboratories and Administration blocks in the various primary and secondary schools as well as fencing of School compounds.

Similarly, The Fund also implemented landscaping and tree planting of Homa Bay primary School and Orego Primary School and funded the purchase of 75 double decker metallic beds at St Therasas Nyauu Girls Secondary school as indicated below;



**b) Compliance with statutory requirements.**

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

For example, schedule four of the constitution 2010 has outlined the roles of National Government and County Government and in no instance has Homa Bay Town been cited for non-compliance in the financial year under review.

Homa Bay Town NG-CDF has been able to deduct and remit statutory deductions like VAT withholding tax from contactors, Pay As You Earn Tax and Withholding Tax, Housing Levy, NSSF and SHIF as required and further commits to operate within the law even to the future.

**d. The major risks facing the fund**

- i. Lack of Public participation;** Community members may not be adequately involved in the planning of projects, implementation and oversight and therefore the projects may not be owned by the users causing challenges of sustainability.
- ii. Delayed disbursement of funds by NG-CDF Board-** This leads to delays in service delivery to the Citizens
- iii. Lack of transparency and accountability;** Weaknesses in financial oversight and reporting mechanisms.
- iv. Poor financial management;** Inadequate financial management, practices and lack of accountability at the constituency level may lead to inefficient use of resources and project delays
- v. Political Interference;** Manipulation by political leaders for selfish gain
- vi. Lack of capacity;** Some constituencies may lack the technical expertise or administrative capacity to effectively manage NG-CDF projects
- vii. Vandalism of NG-CDFC offices and projects.** This is likely to be done by unknown persons mostly on political grounds.

It is worth noting that Homabay Town Constituency was able to manage the risks to acceptable levels.

**e. Review of the Economy, Sector and Future Developments**

The Kenyan Economy has not been doing well in the past years due to the many factors such as the Covid 2019 that reduced the business growth and hence revenue collection. NG-CDF as a fund was equally affected by the same whereby the cost of implementing projects increased hence affecting completion timelines and even the budget process.

In the last three years there has been improvement in the revenue growth which has led to increased budgetary allocation of the Fund even at the constituency level.

With the intention to entrench the Fund in the Kenyan Constitution, there is a good chance that in the future the Fund will grow and be able to spur more economic growth at the constituency level. Homa Bay Town NG-CDF has put in place mechanisms through its strategic plan to ensure more projects are implemented within the next three years.

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

Environmental matters relate to mitigation of the climate change effects that has been put forward as a government agenda. The recent amendment of NG-CDF Act 2015 to increase the allocation to climate change mitigation activities from 2% to 5% has ensured this objective is achieved through the NG-CDF Funds. Homa Bay Town NG-CDF in its budget for Financial year 2024-2025 allocated Ksh 5,800,000 towards purchase 200 exotic tree seedlings to be planted at Orego Primary and landscaping of two primary schools, that is Homa Bay Primary School and Orego Primary School.

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

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

- a. **Education and Training:** Homa Bay Town 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, NG-CDF 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, re-afforestation, grassroots sensitization, and tree seedling production.

## **2. Environmental performance**

During the Financial year, Homa Bay Town NG-CDFC budgeted to plant 200 exotic tree seedlings in learning institutions as a way of mitigating the climate change effects.

Sensitization of youth/ community on environmental awareness and conservation through sensitization sessions has been our key performance.

The Constituency is constructing East Kanyada Chiefs office that will help reduce crime rate in the society, similarly the fund has seen a successful completion of Rodi Police Post, Kanyach Kachar Chiefs Office and Kanyabala Chiefs office in the near past that has majorly improved the the security in the respective areas.

## **3. Employee welfare**

We invest in providing the best working environment for our employees. Homa Bay Town Constituency recruitment is guided by Employment Act, NG-CDF Act 2025, 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. Homa Bay Town 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. Market place practices-**

Homa Bay Town Constituency is committed to fair and ethical market practices.

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

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

NG-CDF has put in efforts to ensure:

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

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

Homa Bay Town 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.

#### **6. Public Participation in Project Identification, Implementation, and Monitoring**

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

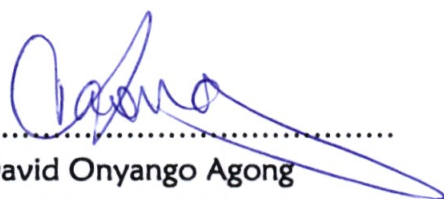
**Public participation** is a process that directly engages the concerned stakeholders in decision-making and fully considers public input.

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

#### **Public Awareness**

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

Homa Bay Town Constituency has continually practiced public participation and public awareness during project identification and proposal collections in all the four wards within Homabay Town Constituency.



**David Onyango Agong**  
**Fund Account Manager**  
**Homabay Town Constituency**



**National Government Constituencies Development Fund (NG-CDF)  
Homa Bay Town Constituency  
Annual Report and Financial Statements for The Year Ended June 30, 2025**

**9. Statement of Management Responsibilities**

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

The Accounting Officer in charge of the NG-CDF Homa Bay Town 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 NG-CDF-Homa Bay Town 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 NG-CDF-Homa Bay Town Constituency 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 NG-CDF-Homa Bay Town Constituency further confirms the completeness of the accounting records maintained for the constituency, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

The Accounting Officer in charge of the NG-CDF Homa Bay Town 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 NG-CDF Homa Bay Town Constituency financial statements were approved and signed by the Accounting Officer on 18<sup>th</sup> August 2025.

.....  
Ouko Harrison Ogallo  
Chairman – NGCDF Committee

.....  
David Onyango Agong  
Fund Account Manager



# REPUBLIC OF KENYA

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

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### PREAMBLE

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

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

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

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

### REPORT ON THE FINANCIAL STATEMENTS

#### Qualified Opinion

I have audited the accompanying transitional IPSAS financial statements of National Government Constituencies Development Fund - Homa bay town Constituency set out on pages 1 to 53, which comprise of the statement of financial assets and liabilities as at 30 June, 2025 and the statement of receipts and payments, statement of net assets, statement of cash flows and statement of comparison of budget and actual

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the transitional IPSAS financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund - Homa Bay town 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 2022), Public Finance Management Act, 2012 and The National Treasury and Economic Planning Circular No.3 of 14 April, 2025.

## **Basis for Qualified Opinion**

### **1.0. Inaccuracies in the Financial Statements**

Review of the financial statements revealed the following anomalies:

- i. The statement of financial performance reflects total expenses amount of Kshs.177,946,291 which differs with the re-cast total of Kshs.177,906,291, resulting in a casting error of Kshs.40,000.
- ii. Further, the total final expenditure budget of Kshs.308,803,035 reported in the statement of comparison of budget and actual mounts differs with the re-cast total of Kshs.308,763,036, resulting in a casting error of Kshs.39,999. Similarly, the budget utilization difference total expenditure amount of Kshs.122,437,789 differs with the re-cast total of Kshs.122,397,789, resulting in a casting error of 40,000.

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

### **2.0. Unsupported Committee Expenses**

The statement of financial performance and as disclosed in Note 9 to the financial statements reflects committee expenses amount of Kshs.7,063,865 which includes Kshs.3,392,000 relating to sitting allowance. However, there was no evidence that the Committee Secretary prepared a schedule of meetings to be held during the year, contrary to Regulation 7(9) of the National Government Constituencies Development Fund regulations, 2016 which states that the Secretary shall, at the beginning of every financial year, in consultation with the officer of the Board seconded to the constituency, prepare and table before a Constituency Committee a schedule of the meetings to be held during the year.

In the circumstances, the accuracy, completeness and propriety of the sitting allowances of Kshs.3,392,000 could not be confirmed.

### 3.0. Unsupported Cash and Cash Equivalents Balance

The statement of financial position and as disclosed in Note 14 to the financial statements reflects cash and cash equivalents balance of Kshs.107,847,932. Included in the balance is Kshs.90,718,551 in respect of Project Management Committee bank balances. whose supporting cash books, bank reconciliation statements, ledger schedules and quarterly reports on the status of the project management committee accounts were not provided for audit.

In the circumstances, the accuracy, completeness and existence of the PMC bank account balances of Kshs.90,718,551 could not be confirmed.

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

#### Emphasis of Matter

##### 1.0. Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects total revenue budget and actual on comparable basis amounts of Kshs.308,763,035 and Kshs.294,253,178 respectively, resulting in underfunding of Kshs.14,549,857 or 5% of the budget. Similarly, out of the actual revenue of Kshs.294,253,178, the Fund spent Kshs.186,365,246, resulting in underutilization of Kshs.107,887,932 or 36%

The underfunding and underutilization affected planned activities and may have negatively impacted on service delivery to the public.

##### 2.0. Late Disbursements from NG-CDF Board

The statement of financial performance and as disclosed in Note 6 to the financial statements reflects transfers from the NGCDF Board amount of Kshs.170,469,857 which includes Kshs.63,469,857 received in late May, June and July, 2025 as detailed below:

Date	AIE No.	Amount (Kshs.)
28-05-2025	B278727	24,000,000
19-06-2025	B327596	25,000,000
21-07-2025	B327914	14,469,857
<b>Total</b>		<b>63,469,857</b>

The late disbursements from the Board affected the implementation of the planned activities and projects, which may have negatively impacted service delivery to the public.

My opinion is not modified in respect of these matters.

## **Key Audit Matters**

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

## **Other Matter**

### **1.0. Unresolved Prior Year Matters**

In the prior year's audit report, several issues were raised under the Report on Financial Statements and Lawfulness and Effectiveness in the Use of Public Resources, respectively. Review of the status during audit of the fund in 2024/2025 revealed that the following matters remained unresolved:

<b>S/No.</b>	<b>Financial Year</b>	<b>Audit Issue</b>
1	2023/2024	Budgetary Control and Performance
2	2023/2024	Late Disbursement from NG-CDF Board
3	2023/2024	Idle Cash Balances
4	2023/2024	Project Implementation Status
5	2023/2024	Komolo Chief's Office
6	2023/2024	Stalled Projects-Construction of a Modern Library at Ogade Girls High School

### **2.0. Lack of Land Ownership Documents**

Review of records revealed that the Fund did not have ownership documents for the parcel of land on which its offices are constructed.

## **Other Information**

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

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

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

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

## Conclusion

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

## Basis for Conclusion

### 1.0. Unsupported Bursaries and Anomalies in Bursary Disbursements

The statement of financial performance, and as disclosed in Note 12 to the financial statements, reflects other grants and transfers actual expenditure amount of Kshs.83,248,499 which includes bursaries amounting to Kshs.80,098,798. However, analysis of bursary disbursements revealed the following anomalies:

- i. Bursaries totaling Kshs.33,140,614 for secondary schools and Kshs.953,500 for tertiary institutions were issued to beneficiaries more than once.
- ii. A total of 1,069 secondary school students and 43 tertiary institution students received bursaries more than once.
- iii. Bursaries amounting to Kshs.1,874,554 for secondary schools, Kshs.752,000 for tertiary institutions and Kshs.40,000 for special schools were disbursed to students without admission numbers.
- iv. Bursaries totaling Kshs.8,199,205 for secondary schools, Kshs.5,579,380 for tertiary institutions and Kshs.275,000 for special schools were issued without indicating the beneficiaries' year of study or class.

In the circumstances, the effectiveness of internal controls on bursary disbursements could not be confirmed.

### 2.0. Failure to Return PMC bank Balances to the Constituency Bank Account

Reported in the statement of financial position is cash and cash equivalents opening balance of Kshs.118,672,988 which, as disclosed in Note 14 and detailed in Annex 2 to the financial statements, includes Kshs.68,165,810 in respect of PMC bank account balances relating to completed projects, which had not been returned to the Homa Bay town NG-CDF constituency account. This was contrary to Section 12(6) of the of the National Government Constituencies Development Fund Act, 2015 which states that all receipts, savings and accruals to the constituency account and the balances thereof at the end of each financial year shall be returned to the Constituency Account.

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

### 3.0. Irregular Acquisition of Land at Roba Primary School

The project execution by sectors and projects for the year ended 30 June, 2024 indicates that Kshs.2,000,000 was transferred to the PMC bank account for the purchase of 2 acres of land for Roba Primary School. However, Information provided

indicates that the earmarked land had not been purchased as at the time of audit because the vendor demanded Kshs.2,400,000 for the 2 acres.

In the circumstances, the value for money realized from the disbursement of Kshs.2,000,000 could not be confirmed.

#### **4.0. Delayed Project Implementation at Ogande Girls High School**

Review of the project file for the construction of a modern library (Dr Ida Odinga Library, Innovation and Resource Centre) at Ogande Girls High School at a contract price of Kshs.50,000,000 revealed that the contract was entered into on 15 January, 2021 with a completion period of 18 months. However, at the time of audit, it was noted that the project had been funded only up to Kshs.40,000,000, representing 80% of the total contract price. This was contrary to Regulation 22(1)(k) of the National Government Constituencies Development Fund Regulations, 2016, which states that the functions of a Constituency Committee shall be to ensure that all projects receive adequate funding and are completed within three years. While responding to the management letter, Management indicated that the balance of the contract sum of Kshs.10,000,000 is in the constituency account and will be transferred to the School's Project Management Committee (PMC) once availability of funds from the other co-funding partners is confirmed to complete the outstanding works.

Further, audit inspection on 17 September, 2025 revealed that the Library Wing (Wing A), funded by NG-CDF, was approximately 70% complete. The pending works comprised aluminium partitions, framed curtain walling, gutter surfaces, some wall sections, and fittings and fixtures. Additionally, inadequate formwork on the gutter surfaces was observed, resulting in water being trapped and seeping from the adjoining top walls onto the tiled floor below, potentially causing damage.

The value for money realized from the expenditure of Kshs.40,000,000 on the project could not be confirmed.

#### **5.0. Idle and Incomplete Construction Projects at Sinangi Primary School**

The statement of financial performance and as disclosed in Note 11 to the financial statements reflects other government units actual expenditure of Kshs.80,963,826 which includes primary schools actual expenditure of Kshs.65,106,406 out of which, Kshs.2,239,233 was used for construction of two classrooms at Sinangi Primary School. Project verification on 15 September, 2025 revealed that the classrooms were incomplete in roofing, flooring, internal and external finishes. Additionally, two (2) classrooms and a four-door pit latrine constructed and completed from budgetary allocations in 2021/2022 and 2022/2023 financial years remained idle and unutilized as the School was non-operational.

In the circumstances, the value for money realized from the expenditure of Kshs.2,239,233 and the expenditure on idle classrooms could not be confirmed.

#### **6.0. Failure to Conduct Staff Performance Appraisals**

Review of employee records revealed that the Constituency Committee engaged seven (7) staff on contractual terms. However, examination of personal staff files presented for audit revealed that the Fund did not conduct performance appraisals, contrary to Paragraph G.5(1) of the Human Resource Policies and Procedures Manual

for the Public Service May, 2016, which states that staff Performance Appraisal is a critical component of the human resource management function in the Public Service. The overall objective of the appraisal system is to manage and improve performance in the Public Service by enabling a higher level of staff participation and involvement in planning, delivery and evaluation of work performance.

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

#### **7.0. Lack of Monitoring and Evaluation Reports**

The statement of financial position and as disclosed in Note 16 to the financial statements reflects property, plant and equipment balance of Kshs.7,499,083. However, Management did not provide documentary evidence of project status reports on non-financial performance for each individual program undertaken by the Fund. Further, there is no documentary evidence provided indicating development and approval of systems to monitor and report on non-financial performance.

In addition, there is no evidence that the project status reports on financial and non-financial performance for each individual program were sent to the Cabinet Secretary and a copy sent to the Auditor-General. This was contrary to Regulation 136(3) of the Public Finance Management (National Government) Regulations, 2015 which states that an Accounting Officer shall put in place efficient and effective systems to monitor and report on non-financial -performance for his or her national government entity's individual programmes and projects based on the prescribed format under paragraphs (1) and (2) and submit a report to the Cabinet Secretary responsible for planning with a copy to the Auditor-General.

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

#### **8.0. Failure to Provide Procurement Plan**

Management did not provide a procurement plan with details of activities to be undertaken by it for the year ended 30 June, 2025. This was contrary to Regulation 40 (1) of the public procurement and asset disposal regulations, 2020 that a procuring entity shall prepare a procurement plan for each financial year as part of the annual budget preparation process.

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

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

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

#### **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance

section of my report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

## **Basis for Conclusion**

### **1.0. Failure to Operationalize and Update Risk Management Policy**

Review of the Fund's Risk Management Policy in place revealed that it was last reviewed in June, 2019, more than five (5) years from its inception, hence it was due for review to take cognizance of the new emerging risks. Further, the Management did not have a risk register to mitigate against risks and no formal risk assessments was performed during the financial year under review.

In the circumstances, the effectiveness of risk management in the Fund could not be confirmed.

### **2.0. Weak Internal Audit Function**

Review of documents revealed that the Internal Audit Function of the Fund domiciled at the NG-CDF Board did not audit the Fund in the financial year under review, contrary to Regulation 173(1) and (2) of the Public Finance Management (National Government) Regulations, 2015 which, states that the head of internal audit unit shall prepare a quarterly internal audit reports which shall cover areas provided for in guidelines and shall be in a format issued by the Cabinet Secretary.

In the circumstances, the effectiveness of the internal controls, risk management and overall governance in the Fund could not be confirmed.

### **3.0. Lack of an Approved Strategic Plan and Organization Structure**

Audit review established that the Fund had not developed and implemented an approved strategic plan and a formal organizational structure to guide its operations, resource allocation, and performance monitoring. The absence of these key governance and management tools meant that the Fund lacked a clear long-term strategic direction, and performance framework against which to evaluate its achievements, as well as defined roles, reporting lines, and accountability mechanisms.

In the circumstances, the effectiveness of governance in the Fund could not be confirmed.

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

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards

(Accrual Basis) and for maintaining effective internal controls as the Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

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

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

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

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


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

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

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

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

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

  
FCPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

Nairobi

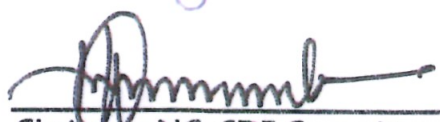
01 December, 2025

*National Government Constituencies Development Fund (NG-CDF)  
Homa Bay Town Constituency  
Annual Report and Financial Statements for The Year Ended June 30, 2025*

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

Description	Note	2024-2025 FY
		Kshs
<b>Revenue from non-exchange transactions</b>		
Transfers from the NGCDF Board	6	170,549,857
Miscellaneous income	7	127,000
<b>Total revenue</b>		<b>170,676,857</b>
<b>Expenses</b>		
Employee costs	8	3,090,430
Committee expenses	9	7,063,865
Use of Goods and Services	10	3,330,147
Other Government Units Actual expenditure	11	80,923,825
Other Grants and Transfers Actual expenditure	12	83,248,499
Depreciation and amortization expense	13	249,525
<b>Total expenses</b>		<b>177,946,291</b>
<b>Surplus/(Deficit) for the year</b>		<b>(7,269,434)</b>

The Constituency financial statements were approved by the NG-CDFC on 18th August 2025 and signed by:



Chairman NG-CDF Committee

Ouko Harrison Ogallo



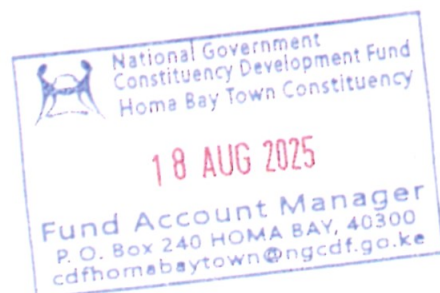
National Sub-County  
Accountant

David Odiyo Odiyo  
ICPAK M/No: 13213



Fund Account Manager

David Onyango Agong



*National Government Constituencies Development Fund (NG-CDF)  
Homa Bay Town Constituency  
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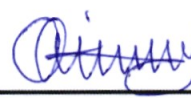
**12. Statement of Financial Position as at 30th June, 2025**

Description	Note	2024/2025 FY	Opening Statement 1st July 2024
		Kshs	Kshs
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	14	107,887,932	118,672,988
Receivables from Non-Exchange Transactions	15	14,549,857	19,453,190
<b>Total Current Assets</b>		<b>122,437,789</b>	<b>138,126,178</b>
<b>Non-Current Assets</b>			
Property, Plant and Equipment	16	7,499,083	-
<b>Total Non- Current Assets</b>		<b>7,499,083</b>	<b>-</b>
<b>Total Assets (A)</b>		<b>129,936,872</b>	<b>138,126,178</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Third-Party Deposits	17	171,780	145,778
Gratuity provision	18	-	985,874
<b>Total Current Liabilities</b>		<b>171,780</b>	<b>1,131,652</b>
<b>Non-Current Liabilities</b>			
<b>Total Liabilities (B)</b>		<b>171,780</b>	<b>1,131,652</b>
<b>Net Assets (A-B)</b>		<b>129,765,092</b>	<b>136,994,526</b>
<b>Represented by:</b>			
Accumulated Surplus		129,765,092	136,994,526
Reserves			
<b>Total Net Assets</b>		<b>129,765,092</b>	<b>136,994,526</b>

The Constituency financial statements were approved by the NGCDFC on 18th August 2025 and signed by:

  
Chairman NG-CDF Committee

Ouko Harrison Ogallo

  
National Sub-County  
Accountant

David Odiyo Odiyo  
ICPAK M/No: 13213

  
Fund Account Manager

David Onyango Agong



*National Government Constituencies Development Fund (NG-CDF)  
Homa Bay Town Constituency  
Annual Report and Financial Statements for The Year Ended June 30, 2025*

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

Description	Revaluation Reserves	Accumulated surplus/Deficit	Total
		Kshs	Kshs
As at 30 <sup>th</sup> June 2024 (cash basis)	-	49,375,504	49,375,504
Adjustments: (to recognize assets and liabilities)			
Add Assets	-	87,619,000	87,619,000
Less Liabilities	-	(22)	(22)
<b>As at July 1, 2024</b>	-	<b>136,994,526</b>	<b>136,994,526</b>
Surplus/(Deficit) For the Period	-	(7,229,434)	(7,269,434)
<b>As at 30th June 2025</b>	-	<b>129,765,092</b>	<b>129,765,092</b>

*National Government Constituencies Development Fund (NG-CDF)  
Homa Bay Town Constituency  
Annual Report and Financial Statements for The Year Ended June 30, 2025*

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

Description	Notes	2024/2025 FY
		<b>Kshs</b>
<b>Cash flows from operating activities</b>		
<b>Receipts</b>		
Transfers from the NG-CDF Board		175,453,190
Miscellaneous income		127,000
<b>Total Receipts</b>		<b>175,580,190</b>
<b>Payments</b>		
Employee costs		4,076,304
Committee expenses		7,063,865
Use of Goods and Services		3,330,147
Other Government Units Certified Works		80,897,823
Other Grants and Transfers		83,248,499
<b>Total Payments</b>		<b>178,616,638</b>
Net Cash Flows from/ (used in) Operating Activities	19	<b>(3,036,448)</b>
<b>Cash flows From Investing Activities</b>		
Purchase of PPE		(7,748,608)
Net Cash Flows from Investing Activities		(7,748,608)
Net increase/(decrease) in cash &		(10,785,056)
<b>Cash Flows from Financing Activities</b>		
Net Cash Flows from Financing Activities		<b>(10,785,056)</b>
Cash and cash equivalents at Period Start	14	<b>118,672,988</b>
Cash and cash equivalents at Period End	14	<b>107,887,932</b>

National Government Constituencies Development Fund (NG-CDF)  
Homa Bay Town Constituency  
Annual Report and Financial Statements for The Year Ended June 30, 2025

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

	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilization
	Kshs	Kshs		Kshs	Kshs	Kshs	
	A	B		C=(a+b)	d	e=(c-d)	f=d/c*100
	2024/2025 FY	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements	2024/2025 FY	2024/2025 FY		
<b>Revenue</b>							
Transfers From the NG-CDF Board	170,549,857	118,672,988	19,453,190	308,676,035	294,126,178	14,549,857	95%
Miscellaneous income	-	127,000	-	127,000	127,000	-	100%
<b>Totals</b>	<b>170,549,857</b>	<b>118,799,988</b>	<b>19,453,190</b>	<b>308,803,035</b>	<b>294,253,178</b>	<b>14,549,857</b>	<b>95%</b>
<b>Expenses</b>							
Employee costs	3,299,800	776,540	-	4,076,340	4,076,304	36	100%
Committee expenses	5,128,000	2,147,180	-	7,275,180	7,063,865	211,315	97%
Use of Goods and Services	6,841,496	974,460	-	7,815,956	3,330,147	4,485,809	43%
Other Government Units Certified Works	75,900,963	91,032,117	19,453,190	186,386,270	80,897,823	105,488,446	43%
Other Grants and Transfers	77,124,598	15,948,679	-	93,073,277	83,248,499	9,824,778	89%
Acquisition of assets	2,175,000	7,754,013	-	9,929,013	7,748,608	2,180,405	78%
Funds Pending Approval**	80,000	127,000	-	207,000	-	207,000	0%
<b>Total Expenditure</b>	<b>170,549,857</b>	<b>118,799,988</b>	<b>19,453,190</b>	<b>308,803,035</b>	<b>186,365,246</b>	<b>122,437,789</b>	<b>60%</b>
<b>Surplus for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>107,887,932</b>	<b>(107,887,932)</b>	

**National Government Constituencies Development Fund (NG-CDF)**  
**Homa Bay Town Constituency**  
**Annual Report and Financial Statements for The Year Ended June 30, 2025**

During the year part of the revenue item is Kshs 127,000 that was realized from sale of tender which form part of Appropriation In Aid.

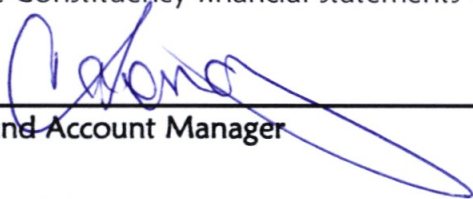
During the year the fund experienced underutilization of below 90% on the items listed below due to late disbursement of funds by NG-CDF Board to the Constituency. This could not allow for implementation of the intended projects before the end of the financial year considering the procurement timelines. Though NG-CDFC disbursed all the funds to relevant PMC accounts before the closure of the financial year;

- a) Use of goods and services 43%
- b) Other Government Units Certified Works (43%)
- c) Other Grants and Transfers 89%
- d) Acquisition of assets 78%.

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount (Kshs)
Budget utilization difference totals	122,437,789
Less undisbursed funds receivable from the Board as at period 30th June 2025	14,549,857
Cash and Cash Equivalents at the end of the 30th June 2025	107,887,932

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 18th August 2025 and signed by:

  
 Fund Account Manager

David Onyango Agong

  
 National Sub-County Accountant

David Odiyo Odiyo  
 ICPAK M/No: 13213

  
 Chairman NG-CDF Committee

Ouko Harrison Ogallo



*National Government Constituencies Development Fund (NG-CDF)  
Homa Bay Town Constituency  
Annual Report and Financial Statements for The Year Ended June 30, 2025*

**16. Budget Execution by Sectors and Projects for The Year Ended 30<sup>th</sup> June 2025**

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization Difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
<b>1.0. Administration and Recurrent</b>						
1.1. Compensation of employees	3,299,800	776,540		4,076,340	4,076,304	36
1.2. Committee allowances	2,648,000	420,407		3,068,407	3,008,407	60,000
1.3. Use of goods and services	4,205,002	778,581		4,983,583	2,051,857	2,931,726
<b>Sub-total</b>	<b>10,152,802</b>	<b>1,975,528</b>	<b>-</b>	<b>12,128,330</b>	<b>9,136,568</b>	<b>2,991,762</b>
<b>2.0. Monitoring and evaluation</b>						
2.1. Capacity building	430,000	212,756		642,756	546,855	95,901
2.2. Committee allowances	2,050,000	1,514,017		3,564,017	2,426,421	1,137,596
2.3. Use of goods and services	2,636,495	195,879		2,832,373	2,360,472	471,901
<b>Sub-total</b>	<b>5,116,495</b>	<b>1,922,652</b>	<b>-</b>	<b>7,039,146</b>	<b>5,333,748</b>	<b>1,705,398</b>
<b>3.0. Emergency</b>						
3.1. Unutilized	8,972,098	2,968,091		11,940,189	2,968,091	8,972,098
<b>Sub-total</b>	<b>8,972,098</b>	<b>2,968,091</b>	<b>-</b>	<b>11,940,189</b>	<b>2,968,091</b>	<b>8,972,098</b>
<b>4.0. Bursary and Social Security</b>						
4.1. Secondary Schools	59,152,500	11,546,878		70,699,378	70,699,378	-
4.2. Tertiary Institutions	8,000,000	433,420		8,433,420	8,433,420	-
4.3. Special needs	1,000,000	77,000		1,077,000	966,000	111,000
<b>Sub-total</b>	<b>68,152,500</b>	<b>12,057,298</b>	<b>-</b>	<b>80,209,798</b>	<b>80,098,798</b>	<b>111,000</b>

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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
<b>5.0. Primary Schools Projects</b>						
5.1. Adongo Primary School		1,883,768		1,883,768	1,832,950	50,818
5.2. Akele Primary School		1,109,796		1,109,796	1,102,309	7,487
5.3. Arunda Primary School		13,685	2,600,000	2,613,685	2,452,750	160,935
5.4. Asego Primary School		2,067,948		2,067,948	1,940,625	127,323
5.5. Chiga Primary School		1,610	2,450,000	2,451,610	2,452,830	(1,220)
5.6. Disii Primary School		258,990		258,990	233,004	25,986
5.7. Gogo Katuma Primary School	2,900,000	34,673		2,934,673	-	2,934,673
5.8. Got Kochungo Primary School		12,615		12,615	-	12,615
5.9. Got Kokech Primary School		-	2,250,000	2,250,000	2,121,565	128,435
5.10. Got Rabuor Primary School		5,002,755		5,002,755	4,761,676	241,079
5.11. Kaluma Kotewa Primary School		519,885		519,885	476,641	43,244
5.12. Kambeke Primary School		531,493		531,493	476,327	55,166
5.13. Kogelo Kalanya Primary School		8,631		8,631	-	8,631
5.14. Kogwang Primary School		2,012,102		2,012,102	1,972,453	39,649
5.15. Kopiyo Primary School		4,526		4,526	-	4,526
5.16. Kuja Primary School		54,810		54,810	-	54,810
5.17. Lake Primary School		5,517		5,517	-	5,517
5.18. Lala Primary School		1,878,540		1,878,540	1,832,900	45,640
5.19. Langoromo Primary School		3,214,121		3,214,121	3,032,080	182,041

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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
5.20. Lieta Kabunde Primary School		1,685		1,685	-	1,685
5.21. Loorateng Primary School		2,947,530		2,947,530	2,945,961	1,569
5.22. Magare Primary School	1,200,000	173,568		1,373,568	86,322	1,287,246
5.23. Maguje Primary School		804,725		804,725	799,000	5,725
5.24. Maguti Primary School		814,264		814,264	749,200	65,064
5.25. Majiwa Primary School	3,000,000	35,779		3,035,779	-	3,035,779
5.26. Marindi Primary School		1,961		1,961	-	1,961
5.27. Masakla Primary School		1,129,367		1,129,367	1,120,500	8,867
5.28. Muche Primary School		6,138	2,450,000	2,456,138	2,292,090	164,048
5.29. Ndiru Primary School		87,328	2,250,000	2,337,328	1,767,725	569,603
5.30. Ndori Primary School		40,013		40,013	20,000	20,013
5.31. Orego Primary School	3,000,000	1,180,700		4,180,700	1,146,925	3,033,775
5.32. Nduta Primary School	1,400,000	89,555		1,489,555	-	1,489,555
5.33. Ngere Primary School		4,475,481		4,475,481	4,449,475	26,006
5.34. Nyagidha Primary School		3,180		3,180	-	3,180
5.35. Nyakune Primary School		33,902		33,902	-	33,902
5.36. Nyanguu Primary School		2,880,183		2,880,183	2,736,140	144,043
5.37. Nyatago Kachar Primary School		6,211		6,211	-	6,211
5.38. Nyauu Primary School	700,000	529,290		1,229,290	-	1,229,290
5.39. Ogande Primary School		22,850		22,850	-	22,850

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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
5.40. Ogande Special School		4,915		4,915	-	4,915
5.41. Ogongo Katuma Primary		2,500,483		2,500,483	684,855	1,815,628
5.42. Ojunge Primary School		5,125,631		5,125,631	3,978,596	1,147,035
5.43. Olodo Primary School	2,800,000	3,360		2,803,360	-	2,803,360
5.44. Otaro Primary School		1,351,598		1,351,598	-	1,351,598
5.45. Pap Ndege Primary School		2,267,546		2,267,546	2,187,999	79,547
5.46. Pedo Primary School	1,150,000	18,093		1,168,093	-	1,168,093
5.47. Pundo Kalanya Primary School		12,269		12,269	-	12,269
5.48. Rabuor Masawa Primary School	2,800,000	400		2,800,400	-	2,800,400
5.49. Radiro Primary School		1,744		1,744	-	1,744
5.50. Rangwena Primary School		1,520,168		1,520,168	1,499,835	20,333
5.51. Riwa Primary School		1,001		1,001	-	1,001
5.52. Roba Primary School		195,393	2,000,000	2,195,393	189,498	2,005,895
5.53. Rodi Primary School School		84,797		84,797	-	84,797
5.54. Ruga Primary School		1,126,000		1,126,000	1,123,000	3,000
5.55. Sero Primary School School		10,940		10,940	-	10,940
5.56. Shauri Yako Primary School		1,222,313		1,222,313	1,122,216	100,097
5.57. St. Patrick Makongeni Primary School		205		205	-	205
5.58. Wahambla Primary School		961,198		961,198	717,060	244,138

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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
5.59. Wangapala Kobuola Primary School		19,832		19,832	-	19,832
5.60. Watata Primary School		752,422	1,500,000	2,252,422	2,143,550	108,872
5.61. Wiamen Primary School	1,400,000	35,006		1,435,006	-	1,435,006
5.62. Wiga Primary School		2,486		2,486	-	2,486
5.63. Wiobiero Primary School	4,226,250	6,691		4,232,941	-	4,232,941
5.64. Yao Primary School		25,542		25,542	-	25,542
5.65. Opande Primary School		2,000,000		2,000,000	1,827,670	172,330
5.66. Sinangi Primary School		2,421,301		2,421,301	182,068	2,239,233
5.67. Kijawa Primary School	3,200,000	6,574		3,206,574		3,206,574
5.68. Pala Masogo Primary School	5,520,000	218,204		5,738,204	187,025	5,551,179
5.69. Manga Primary School	3,536,250	2,411		3,538,661		3,538,661
5.70. Homa Bay Primary School	5,243,463	6,165		5,249,628	2,395,790	2,853,838
5.71. Achiero Primary School	2,500,000	7,840,000		10,340,000	3,999,795	6,340,205
<b>Sub-Total</b>	<b>44,575,963</b>	<b>63,623,863</b>	<b>15,500,000</b>	<b>123,699,826</b>	<b>65,040,404</b>	<b>58,659,422</b>
<b>6.0. Secondary Schools Projects</b>						
6.1. Sero Mixed Secondary School		1,032,244		1,032,244	984,799	47,445
6.2. Bishop Ochiel Otaru Secondary School		17,469		17,469	-	17,469

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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
6.3. Bishop Okulu Magare Girls Secondary School	2,400,000	305,228		2,705,228	256,248	2,448,980
6.4. Chiga Mixed Secondary School		136		136	-	136
6.5. Gogo Katuma Mixed Secondary School		13,914		13,914	-	13,914
6.6. Got Kokech Secondary School		95,520		95,520	94,942	578
6.7. Homabay High School		6,165		6,165	-	6,165
6.8. Kuja Mixed Secondary School	4,000,000	5,808		4,005,808	-	4,005,808
6.9. Lala Mixed Secondary School		201,012		201,012	-	201,012
6.10. Langoromo Mixed Secondary School		594		594	-	594
6.11. Maguti Mixed Secondary School		19,703		19,703	-	19,703
6.12. Ngere Mixed Secondary School		14,029		14,029	-	14,029
6.13. Nyagidha Mixed Secondary School		75,546		75,546	-	75,546
6.14. Nyakahia Mixed Secondary School		2,000,873		2,000,873	1,990,000	10,873
6.15. Nyalkinyi Mixed Secondary School		1,822		1,822	-	1,822
6.16. Ogande Girls Secondary School	400,000	7,886,432	3,953,190	12,239,622	190,000	12,049,622
6.17. Ogande Mixed Secondary	9,300,000	184,005		9,484,005	172,659	9,311,346
6.18. Pala Masogo Mixed Secondary School	2,600,000	2,740,640		5,340,640	-	5,340,640

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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
6.19. Pap Ndege Mixed Secondary School		14,200		14,200	-	14,200
6.20. Rabuor Masawa Mixed Secondary School		78,045		78,045	-	78,045
6.21. Riwa Mixed Secondary School		5,038,686		5,038,686	5,035,875	2,811
6.22. Ruga Mixed Secondary School		198,797		198,797	189,950	8,847
6.23. St Ambrose Got Rabuor Mixed Secondary School		11,845		11,845	-	11,845
6.24. St Dominic Wiga Secondary School	9,300,000	3,209,688		12,509,688	3,148,000	9,361,688
6.25. St Peters Disii Secondary School		258,990		258,990	233,004	25,986
6.26. St Pius Ndiru Mixed Secondary School		2,686,746		2,686,746	2,284,426	402,320
6.27. St Therasas Nyauu Girls Secondary School	1,125,000	1,076,893		2,201,893	1,048,108	1,153,785
6.28. St Marys Marindi Girls Secondary School		480		480	-	480
6.29. St. Camillus Ojunge Mixed Secondary School		230,494		230,494	229,408	1,086
6.30. Dr Mbai Secondary School		2,300		2,300		2,300
6.31. Wiobiero Secondary School	2,200,000	39,950		2,239,950	-	2,239,950
<b>Sub-Total</b>	<b>31,325,000</b>	<b>27,448,254</b>	<b>3,953,190</b>	<b>62,726,444</b>	<b>15,857,419</b>	<b>46,869,025</b>

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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
<b>7.0. Security Projects</b>						
7.1. Komollo Location Chief's Office		182,930		182,930	181,610	1,320
7.2. Kanyabala Chiefs Office		10,140		10,140	-	10,140
7.3. Rodi Police Post		201		201	-	201
7.4. East Kanyada Location Chief's Office	-	730,019	-	730,019	-	730,019
<b>Sub-Total</b>	<b>-</b>	<b>923,290</b>	<b>-</b>	<b>923,290</b>	<b>181,610</b>	<b>741,680</b>
<b>8.0. Acquisition of Assets</b>						
8.1. ICT Equipment	375,000	480,000	-	855,000	478,000	377,000
8.2. Purchase of Furniture and Fittings		850,000		850,000	849,000	1,000
8.3. Construction of NG-CDF Office	1,800,000	6,424,013		8,224,013	6,421,608	1,802,405
<b>Sub-Total</b>	<b>2,175,000</b>	<b>7,754,013</b>	<b>-</b>	<b>9,929,013</b>	<b>7,748,608</b>	<b>2,180,405</b>
<b>9.0. Funds Pending Approval**</b>				-		-
9.1. Unapproved Projects	80,000	-		80,000		80,000
9.2. Appropriation In Aid	-	127,000		127,000		127,000
<b>Sub-Total</b>	<b>80,000</b>	<b>127,000</b>	<b>-</b>	<b>207,000</b>	<b>-</b>	<b>207,000</b>
<b>Total</b>	<b>170,549,857</b>	<b>118,799,988</b>	<b>19,453,190</b>	<b>308,803,035</b>	<b>186,365,246</b>	<b>122,437,789</b>

## **17. Notes to the Financial Statements**

### **1. General information**

The National Government Constituencies Development Fund (NG-CDF) formerly Constituencies Development Fund (CDF), is established by and derives its authority and accountability from the NG-CDF Act 2015 (amended 2023). The NG-CDF is wholly owned by the Government of Kenya and is domiciled in Kenya. The NG-CDF Homa Bay Town Constituency principal activity is to finance development projects at the constituency (grassroot) level with an aim of improving social and economic welfare of the residents. In doing this, the fund ensures effective and efficient use of resources allocated to it.

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

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

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

The Constituency has recognized all financial assets, including cash and cash equivalents held in the operational account, deposit account, and PMC bank accounts; receivables (amounts due from the Board and other parties) property, plant, and equipment (PPE)

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

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

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the NG-CDF. The financial statements have been prepared in accordance with the PFM Act, the NG-CDF Act and International Public Sector Accounting

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Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

**3. Adoption of New and Revised Standards**

- i. New and amended standards and interpretations in issue effective in the year ended 30 June 2025.*
- ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2024.*

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

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	<p>infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p> <p><b>Not Applicable</b></p>
IPSAS 46: Measurement	<p><b>Applicable 1<sup>st</sup> January 2025</b></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> <li>i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.</li> <li>ii. Clarifying transaction costs guidance to enhance consistency across IPSAS.</li> <li>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</li> </ul> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p><b>Not Applicable</b></p>
IPSAS 47: Revenue	<p><b>Applicable 1<sup>st</sup> January 2026</b></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> <p><b>Not Applicable</b></p>
IPSAS 48: Transfer Expenses	<p><b>Applicable 1<sup>st</sup> January 2026</b></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p> <p><b>Not Applicable</b></p>
IPSAS 49: Retirement Benefit Plans	<p><b>Applicable 1<sup>st</sup> January 2026</b></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p> <p><b>Not Applicable</b></p>
IPSAS 50: Exploration For &	<p><b>Applicable 1<sup>st</sup> January 2027</b></p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p>

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Evaluation of Mineral Resources	<ul style="list-style-type: none"> <li>i. Limited improvements to existing accounting practices for exploration and evaluation expenditures.</li> <li>ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26.</li> <li>iii. Disclosures that identify and explain the amounts in the entity’s financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.</li> </ul> <p><b>Not Applicable</b></p>
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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 30<sup>th</sup> June 2024 for the period 1<sup>st</sup> July 2024 to 30<sup>th</sup> June 2025 as required by law. Included in the adjustments are Cash book opening balance, AIA generated during the year and constituency allocations not yet disbursed at the beginning of the financial year.

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

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

**c) Property, plant and equipment**

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

in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

**d) Leases**

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

##### **Subsequent measurement**

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

##### **Amortized cost**

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

**Fair value through net assets/ equity**

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

**Trade and other receivables**

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

**Fair value through surplus or deficit**

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

**Impairment**

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

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

**m) Foreign currency transactions**

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

**n) Related parties**

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

**o) Cash and Cash Equivalents**

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

**p) Comparative figures**

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

**q) Subsequent events**

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

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

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

**Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Entity based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Entity. Such changes are reflected in the assumptions when they occur. IPSAS 1140

**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 NG-CDF Board**

Description	2024/2025 FY
	Kshs
NG-CDFB Transfers (Allocation for the FY)	170,549,857
<b>Total</b>	<b>170,549,857</b>

**7. Miscellaneous income**

Description	2024/2025 FY
	Kshs
Income from sale of tenders	127,000
<b>Total</b>	<b>127,000</b>

**8. Employees cost**

Description	2024/2025 FY
	Kshs
NG-CDFC Basic staff salaries	2,274,192
Gratuity to contractual employees	657,264
Employer Contributions Compulsory national social security schemes	127,188
Employer Contributions Compulsory Housing levy	31,800
<b>Total</b>	<b>3,090,444</b>

**9. Committee Expenses**

Description	2024/2025 FY
	Kshs
Sitting allowance	3,392,000
Other Committee expenses	3,671,865
<b>Total</b>	<b>7,063,865</b>

**10. Use of Goods and services**

Description	2024/2025 FY
	Kshs
Communication, supplies and services	234,900
Domestic travel and subsistence	1,356,400
Training expenses	546,855
Hospitality supplies and services	250,400
Office and general supplies and services	793,570
Fuel, oil & lubricants	52,918

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Description	2024/2025 FY
	Kshs
Bank charges	17,304
Routine maintenance – vehicles and other transport equipment	22,800
Routine maintenance – other assets	55,000
<b>Total</b>	<b>3,330,147</b>

**11. Other Government Units Actual expenditure**

Description	2024/2025 FY
	Kshs
Primary Schools Actual expenditure	65,066,406
Secondary Schools Actual expenditure	15,857,419
<b>Total</b>	<b>80,923,825</b>

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

Description	2024/2025 FY
	Kshs
Bursary – secondary schools	70,699,378
Bursary – tertiary institutions	8,433,420
Bursary – special schools	966,000
Security projects Actual expenditure	181,610
Emergency projects Actual expenditure	2,968,091
<b>Total</b>	<b>83,248,499</b>

**13. Depreciation and Amortization Expenses**

Description	2024/2025 FY
	Kshs
Property Plant and Equipment	249,525
<b>Total</b>	<b>249,525</b>

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**14. Cash and Cash Equivalents**

Name of Bank and Account No.	2024/2025 FY	Opening Statement 1 <sup>st</sup> July 2024
	Kshs	Kshs
<b>Bank Accounts (Cash Book Bank Balance)</b>		
Equity Bank Homabay Branch Account No. 0980261595074 (Operations Account)	16,957,564	49,375,504
Equity Bank Homabay Branch Account No. 0980285391678 (Deposits Account)	171,817	1,131,674
Name of Bank, Equity Bank account No. (PMC accounts)	90,758,551	68,165,810
<b>Total</b>	<b>107,887,931</b>	<b>118,672,988</b>

**Note:**

The comparable figure of Kshs.66,399,460 relating to project management Committee bank balances as at 30<sup>th</sup> June 2024 has been amended to Kshs. 68,165,810 while transiting to accrual IPSAS to give a fair presentation of PMC balances which has a net effect in the face of the financial statement. IPSAS I on presentation of financial statement and the significant accounting policies under comparative figures states that where necessary comparative figures for the previous financial year have been amended or reconfigured to conform to the required changes in presentation the changes should be disclosed. To conform to this requirement, an analysis of the variance of Kshs.1,766,350 has been done. The variance occurred as a result of some PMC balances were erroneously captured (See appendix I)

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

Description	2024/2025		Opening Statement 1 <sup>st</sup> July 2024	
	Kshs		Kshs	
Transfers from NG-CDFB	14,549,857		19,453,190.	
<b>Total</b>	<b>14,549,857</b>		<b>19,453,190</b>	
<b>Ageing Analysis- Receivables from non-exchange transactions</b>	<b>2024/2025</b>	<b>% of the total</b>	<b>Opening Balance</b>	<b>% of the total</b>
Less than 1 year	14,549,857	100%	19,453,190	100%
<b>Total</b>	<b>14,549,857</b>	<b>100%</b>	<b>19,453,190</b>	<b>100%</b>

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16. Property, Plant and Equipment

Description	Land	Buildings	Motor vehicles	Furniture and fittings	Computers & ICT Equipment	Other Assets (specify)	Capital Work in progress	Total
Depreciation Rate		2%	25%	12.5%	30%	x%		
Cost	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Opening Balance as at 1 <sup>st</sup> July, 2024	-	-	-	-	-	-	-	-
Additions	-	6,421,608	-	-	849,000	478,000	-	7,748,608
As At 30 <sup>th</sup> June 2025	-	6,421,608	-	-	849,000	478,000	-	7,748,608
Depreciation And Impairment								
Opening Depreciation	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	106,125	143,400	-	249,525
As At 30 <sup>th</sup> June 2025	-	-	-	-	106,125	143,400	-	249,525
Net Book Values								
Opening Bal as at 1 <sup>st</sup> July 202024	-	-	-	-	-	-	-	-
As At 30 <sup>th</sup> June 2025	-	6,421,608	-	-	742,875	334,600	-	7,499,083

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**Valuation**

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

**16 (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:

Description	Cost	Accumulated Depreciation	Net Book Value
	Kshs	Kshs	Kshs
Buildings	6,421,608	-	6,421,608
Computers and Related Equipment	478,000	143,400	334,600
Office Equipment, Furniture, And Fittings	849,000	106,125	742,875
<b>Total</b>	<b>7,748,608</b>	<b>249,525</b>	<b>7,499,083</b>

**17. Third-Party deposits**

Description	2024/2025 FY	Opening Statement 1 <sup>st</sup> July 2024
	Kshs	Kshs
Retention as at 1 <sup>st</sup> July (A)	145,778	-
Retention held during the year (B)	3,846,460	145,778
Retention paid during the Year (C)	3,820,458	-
<b>Closing Retention as at 30<sup>th</sup> June D= A+B-C</b>	<b>171,780</b>	<b>145,778</b>

**Retentions aging analysis.**

Description	2024/2025 FY	% of the total	Opening Statement 1 <sup>st</sup> July 2024	% of the total
	KShs.		KShs	
Less than 1 year	171,780	100%	145,778	100%
<b>Total</b>	<b>171,780</b>	<b>100%</b>	<b>145,778</b>	<b>100%</b>

**18. Gratuity Provision**

Description	2024/2025 FY	Opening Statement 1 <sup>st</sup> July 2024
	Kshs	Kshs
Gratuity at the beginning of the year 1 <sup>st</sup> of July	985,874	-
Gratuity held during the year	657,250	985,874
Gratuity paid during the year	1,643,124	-
<b>Total Gratuity Provision 30th June (A+B-C)</b>	-	-

**19. Cash Generated from Operations**

Description	2024/2025 FY
	Kshs
Surplus for the period before tax	(7,269,434)
<b>Adjusted for:</b>	
Depreciation	249,525
Decrease in receivables	4,903,333
Increase in third party deposits	26,002
Decrease in gratuity provision	(985,874)
<b>Net cash flow from operating activities</b>	<b>(3,076,448)</b>

**20. Financial Risk Management**

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

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**i) Credit risk**

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

**Financial Risk Management**

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

Description	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
<b>As at 30<sup>th</sup> June (2025)</b>				
Receivables from non-exchange transactions	14,549,857	14,549,857	-	-
Bank balances	16,957,564	16,957,564	-	-
<b>Total</b>	<b>31,507,421</b>	<b>31,507,421</b>	-	-
<b>As at 30 June (2024 FY)</b>				
Receivables from non-exchange transactions	19,453,190	19,453,190	-	-
Bank balances	49,375,504	49,375,504	-	-
<b>Total</b>	<b>68,828,694</b>	<b>68,828,694</b>	-	-

### Financial Risk Management

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

#### ii) Liquidity risk management

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
<b>As at 30<sup>th</sup> June (2025 FY)</b>				
Retention Provisions	-	-	145,778	145,778
Gratuity Provision	-	-	985,874	985,874
<b>Total</b>	-	-	-	-
<b>As at 30<sup>th</sup> June (2024FY)</b>				
Retention Provisions	-	-	171,780	171,780
<b>Total</b>	-	-	<b>1,302,832</b>	<b>1,302,832</b>

#### iii) Market risk

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

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and Risk Management Committee. The Entity's Finance Department is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee) and for the day-to-day implementation of those policies. There has been no change to the Entity's exposure to market risks or the way it manages and measures the risk.

**a) Foreign currency risk**

The Entity has transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate. The Entity manages foreign exchange risk from future commercial transactions and recognized 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:

**Financial Risk Management**

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

**b) Interest rate risk**

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

**Management of interest rate risk**

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

**Sensitivity analysis**

The Entity analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year. Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as a decrease/increase of Kshs xxx (Current FY: Kshs xxx). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs xxx (Current FY – Kshs xxx)

**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.

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

**iv) Capital Risk Management**

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

Description	2024/2025	<i>Opening Statement 1<sup>st</sup> July 2024</i>
	Kshs	Kshs
Retained Earnings	129,765,092	136,994,526
Less: Cash and Bank Balances	107,887,932	118,672,988
<b>Gearing</b>	<b>91%</b>	<b>79%</b>

**21. Related Party Disclosures**

Description	2024/2025 FY	Opening Statement 1 <sup>st</sup> July 2024
	Kshs	Kshs
<b>Committee Members Remuneration</b>		
Sitting allowance of committee Members during the year	3,392,000	3,089,000
<b>Transaction with the NG-CDF Board</b>		
Transfers from the NG-CDF Board during the year	175,453,190	204,978,746
<b>Total</b>	<b>178,845,190</b>	<b>208,067,746</b>

**iii. Segment Information**

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

**iv. Events after the Reporting Period**

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

**v. Ultimate and Holding Entity**

The Homa Bay Town 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.

**vi. Currency**

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

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18. Annexes

Annex 1: Summary of Asset Register

<b>Asset class</b>	<b>Historical Cost/valuation cost balance brought forward (Kshs)</b>	<b>Additions during the year (Kshs)</b>	<b>Disposals during the year (Kshs)</b>	<b>Historical Cost (Kshs) At Year End</b>
Land	23,000,000	-	-	23,000,000
Buildings and structures	8,037,303	6,421,608	-	14,458,911
Transport equipment	941,000	-	-	941,000
Office equipment, furniture, and fittings	265,000	849,000	-	1,114,000
ICT Equipment and Other ICT Assets	95,000	478,000	-	573,000
<b>Total</b>	<b>32,338,303</b>	<b>7,748,608</b>	<b>-</b>	<b>40,086,911</b>

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**Annex 2 –PMC Bank Balances as at 30<sup>th</sup> June 2025**

<b>PMC</b>	<b>Bank</b>	<b>Account number</b>	<b>Bank Balance 2024/2025 FY</b>	<b>Bank Balance 2023/2024 FY</b>
Adongo Primary School	Equity Bank Homa Bay	980271097763	50,818	1,883,768
Akele Primary School	Equity Bank Homa Bay	980263679988	7,487	1,109,796
Arunda Primary School	Equity Bank Homa Bay	980261746780	160,935	13,685
Asego Primary School	Equity Bank Homa Bay	980261904273	127,323	1,167,948
Chiga Primary School	Equity Bank Homa Bay	980261746961	(1,220)	1,610
Disii Primary School	Equity Bank Homa Bay	980262784191	25,986	258,990
Gogo Katuma Primary School	Equity Bank Homa Bay	980262661909	2,934,673	34,673
Got Kochungo Primary School	Equity Bank Homa Bay	980261799890	12,615	12,615
Got Kokech Primary School	Equity Bank Homa Bay	980285831545	128,435	-
Got Rabuor Primary School	Equity Bank Homa Bay	980280814756	241,079	5,002,755
Homa Bay Primary School	Equity Bank Homa Bay	980278813036	2,853,838	6,165
Kaluma Kotewa Primary School	Equity Bank Homa Bay	980262522607	43,244	19,885
Kambeke Primary School	Equity Bank Homa Bay	980261593903	55,166	31,493
Kogelo Kalanya Primary School	Equity Bank Homa Bay	980278953852	8,631	8,631
Kogwang Primary School	Equity Bank Homa Bay	980282530468	39,649	2,012,102
Kopiyo Primary School	Equity Bank Homa Bay	980261739112	4,526	4,526
Kuja Primary School	Equity Bank Homa Bay	980266196092	54,810	54,810
Lake Primary School	Equity Bank Homa Bay	980262534689	5,517	5,517
Lala Primary School	Equity Bank Homa Bay	980261733245	45,640	1,878,540
Langoromo Primary School	Equity Bank Homa Bay	980279866444	182,041	3,214,121
Lieta Kabunde Primary School	Equity Bank Homa Bay	980261732627	1,685	1,685

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PMC	Bank	Account number	Bank Balance 2024/2025 FY	Bank Balance 2023/2024 FY
Loorateng Primary School	Equity Bank Homa Bay	980264382384	1,569	2,947,530
Magare Primary School	Equity Bank Homa Bay	980261737909	1,287,246	173,568
Maguje Primary School	Equity Bank Homa Bay	980261738862	5,725	804,725
Kijawa Primary School	Equity Bank Homa Bay	980263640645	3,206,574	6,574
Maguti Primary School	Equity Bank Homa Bay	980261767766	65,064	814,264
Majiwa Primary School	Equity Bank Homa Bay	980268442199	3,035,779	35,779
Marindi Primary School	Equity Bank Homa Bay	980278947221	1,961	1,961
Masakla Primary School	Equity Bank Homa Bay	980261738851	8,867	1,129,367
Muche Primary School	Equity Bank Homa Bay	980264413334	164,048	6,138
Ndiru Primary School	Equity Bank Homa Bay	980262088557	569,603	87,328
Ndori Primary School	Equity Bank Homa Bay	980262296515	20,013	40,013
Manga Primary School	Equity Bank Homa Bay	980279923926	3,538,661	2,411
Nduta Primary School	Equity Bank Homa Bay	980299711771	1,489,555	89,555
Ngere Primary School	Equity Bank Homa Bay	980261759831	26,006	4,475,481
Nyagidha Primary School	Equity Bank Homa Bay	980280916011	3,180	3,180
Nyakune Primary School	Equity Bank Homa Bay	980263530538	33,902	33,902
Nyanguu Primary School	Equity Bank Homa Bay	980261732727	144,043	2,880,183
Nyatago Kachar Primary School	Equity Bank Homa Bay	980261754595	6,211	6,211
Nyauu Primary School	Equity Bank Homa Bay	980268395917	1,229,290	29,290
Ogande Primary School	Equity Bank Homa Bay	980266141178	22,850	22,850
Ogande Special School	Equity Bank Homa Bay	980266236187	4,915	4,915
Ogongo Katuma Primary School	Equity Bank Homa Bay	980261773246	1,815,628	2,500,483
Ojunge Primary School	Equity Bank Homa Bay	980271174470	1,147,035	5,125,631
Olodo Primary School	Equity Bank Homa Bay	980268454675	2,803,360	3,360

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PMC	Bank	Account number	Bank Balance 2024/2025 FY	Bank Balance 2023/2024 FY
Orego Primary School	Equity Bank Homa Bay	980263840143	3,033,775	1,180,700
Otaro Primary School	Equity Bank Homa Bay	980279897147	1,351,598	1,351,598
Pap Ndege Primary School	Equity Bank Homa Bay	980280269637	79,547	2,267,546
Pedo Primary School	Equity Bank Homa Bay	980279107164	1,168,093	18,093
Pundo Kalanya Primary School	Equity Bank Homa Bay	980261736094	12,269	12,269
Rabuor Masawa Primary School	Equity Bank Homa Bay	980282534488	2,800,400	400
Radiro Primary School	Equity Bank Homa Bay	980266276075	1,744	1,744
Rangwena Primary School School	Equity Bank Homa Bay	980261799747	20,333	1,520,168
Riwa Primary School	Equity Bank Homa Bay	980282325349	1,001	1,001
Roba Primary School School	Equity Bank Homa Bay	980261733354	1,911,146	100,644
Pala Masogo Primary School	Equity Bank Homa Bay	980267079014	5,551,179	218,204
Rodi Primary School School	Equity Bank Homa Bay	980262623835	84,797	84,797
Ruga Primary School	Equity Bank Homa Bay	980282291505	3,000	1,126,000
Sero Primary School School	Equity Bank Homa Bay	980263669075	10,940	10,940
Shauri Yako Primary School	Equity Bank Homa Bay	980278904589	100,097	22,313
St. Patrick Makongeni Primary School	Equity Bank Homa Bay	980261737570	205	205
Wahamb:A Primary School	Equity Bank Homa Bay	980261737169	244,138	761,198
Wangapala Kobuola Primary School	Equity Bank Homa Bay	980262611661	19,832	19,832
Watata Primary School	Equity Bank Homa Bay	980261736854	108,872	752,422
Wiamen Primary School	Equity Bank Homa Bay	980266085074	1,435,006	35,006
Wiga Primary School	Equity Bank Homa Bay	980269136926	2,486	2,486
Wiobiero Primary School	Equity Bank Homa Bay	980268443443	4,232,941	6,691
Yao Primary School	Equity Bank Homa Bay	980263875593	25,542	25,542
Sinangi Primary School	Equity Bank Homa Bay	980286507197	2,239,233	-

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<b>PMC</b>	<b>Bank</b>	<b>Account number</b>	<b>Bank Balance 2024/2025 FY</b>	<b>Bank Balance 2023/2024 FY</b>
Achiero Primary School	Equity Bank Homa Bay	980286400397	6,260,205	-
Sero Mixed Secondary School	Equity Bank Homa Bay	980261742746	47,445	1,032,244
Bishop Ochiel Otaru Secondary	Equity Bank Homa Bay	980261758847	17,469	17,469
Bishop Okulu Magare Girls Secondary School	Equity Bank Homa Bay	980277829282	2,448,980	305,228
Chiga Mixed Secondary School	Equity Bank Homa Bay	980261768889	136	136
Gogo Katuma Mixed Secondary School	Equity Bank Homa Bay	980261764725	13,914	13,914
Got Kokech Secondary	Equity Bank Homa Bay	980284529275	578	95,520
Homabay High School	Equity Bank Homa Bay	980278813036	6,165	6,165
Kuja Mixed Secondary School	Equity Bank Homa Bay	,098026173600	4,005,808	5,808
Lala Mixed Secondary School	Equity Bank Homa Bay	980261759144	201,012	201,012
Langoromo Mixed Secondary School	Equity Bank Homa Bay	980262130924	594	594
Maguti Mixed Secondary School	Equity Bank Homa Bay	980264228556	19,703	19,703
Ngere Mixed Secondary School	Equity Bank Homa Bay	980261759721	14,029	14,029
Nyagidha Mixed Secondary School	Equity Bank Homa Bay	980266406972	75,546	75,546
Nyakahia Secondary School	Equity Bank Homa Bay	980265987477	10,873	2,000,873
Nyalkinyi Mixed Secondary School	Equity Bank Homa Bay	980262637125	1,822	1,822
Ogande Girls Secondary School	Equity Bank Homa Bay	980262300238	2,422,886	212,886
Ogande Mixed Secondary School	Equity Bank Homa Bay	980261738427	6,522,467	184,005
Pala Masogo Mixed Secondary School	Equity Bank Homa Bay	980263676095	5,340,640	2,740,640
Pap Ndege Mixed Secondary School	Equity Bank Homa Bay	980269026996	14,200	14,200
Rabuor Masawa Mixed Secondary School	Equity Bank Homa Bay	980266041934	78,045	78,045
Riwa Mixed Secondary School	Equity Bank Homa Bay	980263474286	2,811	5,038,686
Ruga Mixed Secondary School	Equity Bank Homa Bay	980261732258	8,847	198,797
St Ambrose Got Rabuor Mixed School	Equity Bank Homa Bay	980261743690	11,845	11,845

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PMC	Bank	Account number	Bank Balance 2024/2025 FY	Bank Balance 2023/2024 FY
St. Domnic Wiga Secondary School	Equity Bank Homa Bay	980261767294	6,572,809	3,209,688
St Peters Disii Secondary School	Equity Bank Homa Bay	980262784191	25,986	258,990
St. Pius Ndiru Mixed Secondary School	Equity Bank Homa Bay	980263580662	402,320	2,686,746
St. Theresa's Nyauu Girls Secondary School	Equity Bank Homa Bay	980262200124	1,153,785	1,076,893
St Marys Marindi Girls Secondary School	Equity Bank Homa Bay	980262152807	480	480
St. Camillus Ojunge Mixed Secondary School	Equity Bank Homa Bay	980261729279	1,086	230,494
Wiobiero Secondary School	Equity Bank Homa Bay	980262667929	2,239,950	39,950
Dr. Mbai Secondary School	Equity Bank Homa Bay	980261746911	2,300	2,300
Kololo Location Chief's Office	Equity Bank Homa Bay	980282642165	1,320	182,930
Kanyabala Chiefs Office	Equity Bank Homa Bay	980264467243	10,140	10,140
Rodi Police Post	Equity Bank Homa Bay	980280881697	201	201
East Kanyada Location Chief's Office	Equity Bank Homa Bay	980297989913	730,019	730,019
<b>Total</b>			<b>90,718,551</b>	<b>68,165,810</b>

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**APPENDIX I: ANALYSIS OF THE VARIANCES IN PROJECT MANAGEMENT ACCOUNT BALANCES AS AT 30 JUNE 2024**

<b>PMC</b>	<b>Bank</b>	<b>Account number</b>	<b>Audited Balances as at 30 June 2024</b>	<b>Variance</b>	<b>Adjusted Balances as at 30 June 2024</b>
Adongo Primary School	Equity Bank Homa Bay	980271097763	1,833,768	50,000	1,883,768
Akele Primary School	Equity Bank Homa Bay	980263679988	1,109,796	0	1,109,796
Arunda Primary	Equity Bank Homa Bay	980261746780	13,685	0	13,685
Asego Primary School	Equity Bank Homa Bay	980261904273	1,167,948	0	1,167,948
Chiga Primary	Equity Bank Homa Bay	980261746961	0	1,610	1,610
Disii Primary	Equity Bank Homa Bay	980262784191	6,546	252,444	258,990
Gogo Katuma Primary School	Equity Bank Homa Bay	980262661909	34,673	0	34,673
Got Kochungo Primary School	Equity Bank Homa Bay	980261799890	12,615	0	12,615
Got Kokech Primary	Equity Bank Homa Bay	980285831545	0	0	0
Got Rabuor Primary	Equity Bank Homa Bay	980280814756	0	5,002,755	5,002,755
Homa Bay Primary	Equity Bank Homa Bay	980278813036	0	6,165	6,165
Kaluma Kotewa Primary School	Equity Bank Homa Bay	980262522607	19,885	0	19,885
Kambeke Primary School	Equity Bank Homa Bay	980261593903	31,493	0	31,493
Kogelo Kalanya Primary School	Equity Bank Homa Bay	980278953852	8,631	0	8,631
Kogwang Primary School	Equity Bank Homa Bay	980282530468	0	2,012,102	2,012,102
Kopiyo Primary School	Equity Bank Homa Bay	980261739112	4,526	0	4,526
Kuja Primary School	Equity Bank Homa Bay	980266196092	54,811	-1	54,810
Lake Primary School	Equity Bank Homa Bay	980262534689	5,517	0	5,517

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PMC	Bank	Account number	Audited Balances as at 30 June 2024	Variance	Adjusted Balances as at 30 June 2024
Lala Primary School	Equity Bank Homa Bay	980261733245	1,878,540	0	1,878,540
Langoromo Primary School	Equity Bank Homa Bay	980279866444	3,214,121	0	3,214,121
Lieta Kabunde Primary School	Equity Bank Homa Bay	980261732627	1,686	-1	1,685
Loorateng Primary School	Equity Bank Homa Bay	980264382384	2,947,530	0	2,947,530
Magare Primary School	Equity Bank Homa Bay	980261737909	173,568	0	173,568
Maguje Primary School	Equity Bank Homa Bay	980261738862	804,725	0	804,725
Kijawa Primary	Equity Bank Homa Bay	980263640645	0	6,574	6,574
Maguti Primary School	Equity Bank Homa Bay	980261767766	19,704	794,560	814,264
Majiwa Primary School	Equity Bank Homa Bay	980268442199	35,779	0	35,779
Marindi Primary School	Equity Bank Homa Bay	980278947221	1,961	0	1,961
Masakla Primary	Equity Bank Homa Bay	980261738851	0	1,129,367	1,129,367
Muche Primary	Equity Bank Homa Bay	980264413334	6,138	0	6,138
Ndiru Primary	Equity Bank Homa Bay	980262088557	87,328	0	87,328
Ndori Primary School	Equity Bank Homa Bay	980262296515	40,013	0	40,013
Manga Primary	Equity Bank Homa Bay	980279923926	0	2,411	2,411
Nduta Primary School	Equity Bank Homa Bay	980299711771	89,555	0	89,555
Ngere Primary School	Equity Bank Homa Bay	980261759831	4,475,481	0	4,475,481
Nyagidha Primary School	Equity Bank Homa Bay	980280916011	3,180	0	3,180
Nyakune Primary School	Equity Bank Homa Bay	980263530538	33,902	0	33,902
Nyanguu Primary School	Equity Bank Homa Bay	980261732727	2,880,183	0	2,880,183
Nyatago Kachar Primary School	Equity Bank Homa Bay	980261754595	6,211	0	6,211
Nyauu Primary	Equity Bank Homa Bay	980268395917	29,290	0	29,290

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PMC	Bank	Account number	Audited Balances as at 30 June 2024	Variance	Adjusted Balances as at 30 June 2024
Ogande Primary School	Equity Bank Homa Bay	980266141178	22,850	0	22,850
Ogande Special School	Equity Bank Homa Bay	980266236187	4,915	0	4,915
Ogongo Katuma Primary	Equity Bank Homa Bay	980261773246	2,500,483	0	2,500,483
Ojunge Primary School	Equity Bank Homa Bay	980271174470	5,125,631	0	5,125,631
Olodo Primary School	Equity Bank Homa Bay	980268454675	3,360	0	3,360
Orego Primary School	Equity Bank Homa Bay	980263840143	1,180,700	0	1,180,700
Otaro Primary School	Equity Bank Homa Bay	980279897147	1,351,598	0	1,351,598
Pap Ndege Primary School	Equity Bank Homa Bay	980280269637	2,267,546	0	2,267,546
Pedo Primary School	Equity Bank Homa Bay	980279107164	18,093	0	18,093
Pundo Kalanya Primary School	Equity Bank Homa Bay	980261736094	12,269	0	12,269
Rabuor Masawa Primary School	Equity Bank Homa Bay	980282534488	400	0	400
Radiro Primary School	Equity Bank Homa Bay	980266276075	1,744	0	1,744
Rangwena Primary School	Equity Bank Homa Bay	980261799747	1,520,168	0	1,520,168
Riwa Primary School	Equity Bank Homa Bay	980282325349	1,001	0	1,001
Roba Primary School	Equity Bank Homa Bay	980261733354	100,644	0	100,644
Pala Masogo Primary	Equity Bank Homa Bay	980267079014	0	218,204	218,204
Rodi Primary School School	Equity Bank Homa Bay	980262623835	84,797	0	84,797
Ruga Primary School	Equity Bank Homa Bay	980282291505	1,126,000	0	1,126,000
Sero Primary School School	Equity Bank Homa Bay	980263669075	10,940	0	10,940
Shauri Yako Primary School	Equity Bank Homa Bay	980278904589	22,313	0	22,313
St. Patrick Makongeni Primary School	Equity Bank Homa Bay	980261737570	205	0	205

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<b>PMC</b>	<b>Bank</b>	<b>Account number</b>	<b>Audited Balances as at 30 June 2024</b>	<b>Variance</b>	<b>Adjusted Balances as at 30 June 2024</b>
Wahambla Primary School	Equity Bank Homa Bay	980261737169	761,198	0	761,198
Wangapala Kobuola Primary School	Equity Bank Homa Bay	980262611661	19,832	0	19,832
Watata Primary	Equity Bank Homa Bay	980261736854	752,422	0	752,422
Wiamen Primary School	Equity Bank Homa Bay	980266085074	35,006	0	35,006
Wiga Primary School	Equity Bank Homa Bay	980269136926	2,486	0	2,486
Wiobiero Primary School	Equity Bank Homa Bay	980268443443	6,691	0	6,691
Yao Primary School	Equity Bank Homa Bay	980263875593	25,542	0	25,542
Opande Primary	Equity Bank Homa Bay		0	0	0
Sinangi Primary	Equity Bank Homa Bay	980286507197	0	0	0
Achiero Primary School	Equity Bank Homa Bay	980286400397	0	0	0
Sero Mixed Secondary School	Equity Bank Homa Bay	980261742746	1,032,244	0	1,032,244
Bishop Ochiel Otaru Secondary	Equity Bank Homa Bay	980261758847	17,469	0	17,469
Bishop Okulu Magare Girls	Equity Bank Homa Bay	980277829282	305,228	0	305,228
Chiga Mixed Secondary School	Equity Bank Homa Bay	980261768889	136	0	136
Gogo Katuma Mixed Secondary School	Equity Bank Homa Bay	980261764725	13,914	0	13,914
Got Kokech Secondary	Equity Bank Homa Bay	980284529275	0	95,520	95,520
Homabay High School	Equity Bank Homa Bay	980278813036	6,165	0	6,165
Kuja Mixed Secondary School	Equity Bank Homa Bay	,098026173600	5,808	0	5,808

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<b>PMC</b>	<b>Bank</b>	<b>Account number</b>	<b>Audited Balances as at 30 June 2024</b>	<b>Variance</b>	<b>Adjusted Balances as at 30 June 2024</b>
Lala Mixed Secondary School	Equity Bank Homa Bay	980261759144	201,012	0	201,012
Langoromo Mixed Secondary School	Equity Bank Homa Bay	980262130924	594	0	594
Maguti Mixed Secondary School	Equity Bank Homa Bay	980264228556	19,704	-1	19,703
Ngere Mixed Secondary	Equity Bank Homa Bay	980261759721	14,030	-1	14,029
Nyagidha Mixed Secondary School	Equity Bank Homa Bay	980266406972	75,546	0	75,546
Nyakahia Mixed Secondary School	Equity Bank Homa Bay	980265987477	2,000,873	0	2,000,873
Nyalkinyi Mixed Secondary School	Equity Bank Homa Bay	980262637125	1,822	0	1,822
Ogande Girls Secondary School	Equity Bank Homa Bay	980262300238	212,886	0	212,886
Ogande Mixed Secondary	Equity Bank Homa Bay	980261738427	22,850	161,155	184,005
Pala Masogo Mixed Secondary School – Pmc	Equity Bank Homa Bay	980263676095	2,740,640	0	2,740,640
Pap Ndege Mixed Secondary School	Equity Bank Homa Bay	980269026996	14,200	0	14,200
Rabuor Masawa Mixed Secondary School	Equity Bank Homa Bay	980266041934	78,045	0	78,045
Riwa Mixed Secondary School	Equity Bank Homa Bay	980263474286	5,038,686	0	5,038,686

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<b>PMC</b>	<b>Bank</b>	<b>Account number</b>	<b>Audited Balances as at 30 June 2024</b>	<b>Variance</b>	<b>Adjusted Balances as at 30 June 2024</b>
Ruga Mixed Secondary School	Equity Bank Homa Bay	980261732258	198,797	0	198,797
St Ambrose Got Rabuor Mixed	Equity Bank Homa Bay	980261743690	11,845	0	11,845
St Dominic Wiga Secondary School	Equity Bank Homa Bay	980261767294	3,209,688	0	3,209,688
St Peters Disii Secondary School	Equity Bank Homa Bay	980262784191	258,990	0	258,990
St Pius Ndiru Mixed Secondary School	Equity Bank Homa Bay	980263580662	2,686,746	0	2,686,746
St Therasas Nyauu Girls	Equity Bank Homa Bay	980262200124	1,076,893	0	1,076,893
Olodo Chiefs Office	Equity Bank Homa Bay	980264467243	9	-9	0
St Marys Marindi Girls Secondary School	Equity Bank Homa Bay	980262152807	480	0	480
St. Camillus Ojunge Mixed Secondary School	Equity Bank Homa Bay	980261729279	230,494	0	230,494
Wiobiero Secondary School	Equity Bank Homa Bay	980262667929	39,950	0	39,950
Dr. Mbai Secondary	Equity Bank Homa Bay	980261746911	2,300	0	2,300
Komollo Location Chief's Office	Equity Bank Homa Bay	980282642165	180,930	2,000	182,930
Kanyabala Chiefs Office	Equity Bank Homa Bay	980264467243	10,140	0	10,140
Rodi Police Post	Equity Bank Homa Bay	980280881697	202	-1	201
East Kanyada Location Chief's Office	Equity Bank Homa Bay	980297989913	730,019	0	730,019

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<b>PMC</b>	<b>Bank</b>	<b>Account number</b>	<b>Audited Balances as at 30 June 2024</b>	<b>Variance</b>	<b>Adjusted Balances as at 30 June 2024</b>
Adongo Primary School	Equity Bank Homa Bay	980271097763	1,883,768	-1,883,768	0
Arunda Primary	Equity Bank Homa Bay	980261746780	13,685	-13,685	0
Kambeke Primary School	Equity Bank Homa Bay	980261593903	31,493	-31,493	0
Langoromo Primary School	Equity Bank Homa Bay	980279866444	3,214,121	-3,214,121	0
Rodi Primary School School	Equity Bank Homa Bay	980262623835	84,797	-84,797	0
Pala Masogo Mixed Secondary School – Pmc	Equity Bank Homa Bay	980263676095	2,740,640	-2,740,640	0
<b>Total</b>			<b>66,399,460</b>	<b>1,766,350</b>	<b>68,165,810</b>



**Annex 3: Progress on Follow Up of Auditor Recommendations**

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1	<p><b>Budgetary Control and Performance</b></p> <p>The statement of comparison of budget and actual amounts reflects total budget of Kshs.242, 296,697 against actual receipts of Kshs.222, 843,507 resulting to under realization of Kshs. 236,140,000. Similarly, the NGCDF made actual payments of Kshs.173, 468,003 against budgeted amount of Kshs. 242,296,697 resulting to under-funding of Kshs.68, 828,694. The under realization may have affected the planned activities and impacted negatively on service delivery to the public.</p>	<p>The actual under realization was Kshs.19,453,190 which was occasioned by non-disbursement of all the funds meant for the financial year under review by the NG-CDF Board as at the close of the financial year. However, these funds have so far been received and disbursed to various PMCs for the implementation of the intended projects. However, the projects have since been implemented as approved.</p> <p>The management wishes to assure the audit team that they will seek ways of improving the Fund's budgetary performance as per the recommendations of the auditor.</p> <p>(Annex 2: AIE NO. B233878 Kshs. 30,000,000 and AIE No B228725 Kshs.19,453.190)</p>	Not resolved	31 <sup>st</sup> December 2025
2	<p><b>Project Implementation Status</b></p>	<p>There was late disbursement and non-receipt of some budgeted funds within the financial year</p>	Not resolved	31 <sup>st</sup> December 2025

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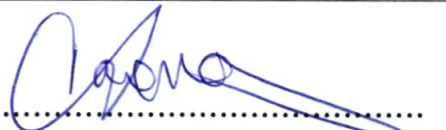
Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>The project implementation status report as at 30th June 2024 provided for audit review indicated that thirty-nine (39) projects, three (3) new and thirty-six ongoing valued at Kshs.101,029,696 were budgeted for be completion during the year under review. A review of the project implementation status report however revealed that only twenty-six (26) projects valued at Kshs.58, 533,513 were completed during the year. The management has not explained why the remaining thirteen (13) projects were not completed as had been planned and budgeted for implementation thereby denying the constituents of Homabay Town expected services.</p>	<p>that negatively impacted on timely implementation of the budgeted projects. We wish to clarify that these funds were received in the subsequent year and disbursed to the approved projects for implementation. The audit recommendation has been noted with a lot of concern by the management, the management wishes to commit to ensure that all projects started are implemented to completion within the set time lines. (Annex 5: PMC Account reconciliation Statements and PMC bank statements)</p>		
3	<p><b>Komolo Chiefs' Office-</b> Kshs.1, 250,000 paid to Saodeo Ltd for Completion of a three roomed office; roofing, fitting of doors and windows, plastering, painting, electrical works and branding. Physical verification revealed that although the</p>	<p>The management allocated funds for Construction to completion of Komolo Chief's Office and Kanyach Kachar Chief's office, the two projects were executed to completion as noted by the auditor. However, fencing and furnishing of</p>	Not resolved	31 <sup>st</sup> December 2025

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
4	<p><b>Stalled Projects-Construction of a Modern Library at Ogande Girls High School</b></p> <p>The statement of receipt and payment reflected the transfers to other Government units of kshs.90, 806,355 which as disclosed under Note 7 to the financial statements includes transfers to secondary schools' amount of Kshs.42, 950,000.</p> <p>Homabay NG-CDF signed a contract with the board of management for Ogande Girls High School for the construction of a modern library (Dr Ida Odinga library, innovation &amp; resource centre) at Ogande Girls High School on 15/1/2021 at a contract sum of Kshs.50, 000,000, with a completion period of 18 months.</p>	<p>these projects were not part of the approved activities.</p> <p>(Annex 9: Copies of Bills of quantitie</p>	Not resolved	31 <sup>st</sup> December 2025

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>During the current financial year NG-CDF transferred an amount of Kshs.20, 000,000 towards the construction of the library, research and innovation bringing the total sums transferred to the project to Kshs.40, 000,000.</p> <p>A physical inspection of the project carried out in the month of November 2024 revealed that the internal wall finishes, the ceiling, entrance canopy finishing, flat roof finishes, fitting and fixtures had not been done and the contractor was not on site. The interim certificate was not provided for audit review and the contract has expired.</p>	<p>(Annex 15: PMC account Reconciliation, PMC bank account statement and Extract of approved code list 2023/2024 Financial year</p>		

  
 David Onyango Agong  
 Fund Account Manager  
 Homabay Town Constituency

  
 National Government  
 Constituency Development Fund  
 Homa Bay Town Constituency  
 18 AUG 2025  
 Fund Account Manager  
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