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REPORT

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THE AUDITOR-GENERAL

ON

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

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

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



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

BONCHARI CONSTITUENCY

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
30th JUNE 2025

Transitional IPSAS Financial Statements Under International Public Sector Accounting Standards (IPSAS)

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

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1. Acronyms and Definition of Key Terms

A. Acronyms

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

B. Definition of Key Terms

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

Comparative Year- Means the prior period.

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



2. Key Constituency Information and Management

(a) Background information

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

Mandate

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

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

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

Vision

Equitable Socio-economic development countrywide.

Mission

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

Core Values

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

Functions of NG-CDF Committee

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

(b) Key Management

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

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

Fiduciary Management

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

No.	Designation	Name
1.	AIE holder	Judith Ochoro
2.	National Sub-County Accountant	Ambrose Maina
3.	Chairperson NGCDFC	Stellah Bonareri Arandi
4.	Member NG CDFC	Cosmas Mbuya – Deposit Account

(c) Fiduciary Oversight Arrangements

The Audit Committee of the NGCDF Board provides overall fiduciary oversight on the activities of the NGCDF Bonchari Constituency. The reports and recommendations of the Audit Committee, when adopted by the NGCDF Board, are forwarded to the Constituency Committee for action. The Board forwards any matters that require policy guidance to the Cabinet Secretary and National Assembly Select Committee.

(d) NGCDF Bonchari Constituency Headquarters

P.O. Box 1267, 40200
NG-CDF Bonchari Suneka Building
Kisii-Migori road
Kisii, Kenya

(e) NGCDF Bonchari Constituency Contacts

P.O. Box 1267, 40200
Telephone: (254) 746687096
E-mail: cdfbonchari@ngcdf.go.ke
Website: www.ngcdf.go.ke

(f) NGCDF Bonchari Constituency Bankers

1. Operations Account

Equity Bank (Kenya) Limited
Kisii Branch
P.O Box-2776-40200
KISII

2. Deposit Account

Equity Bank (Kenya) Limited
Kisii Branch
P.O Box-2776-40200
KISII

3. Project Management Accounts

a) Equity Bank (Kenya) Limited

Kisii Branch
P.O Box-2776-40200
KISII

b) Family Bank

Kisii Branch
KISII




(g) Independent Auditor

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

(h) Principal Legal Adviser

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

3. NGCDF Committee

Name	Details
 <p>Stellah Bonareri Arandi Chairperson</p>	<ul style="list-style-type: none"> • Born on 1st July 1980. She is the chair lady – NG-CDF Bonchari. • Highest Education level: KCSE • She has 3 years’ experience as a member of NG-CDFC Bonchari. • Project Management: Familiarity with managing public or donor-funded projects, including budgeting, monitoring, and evaluation. • Community Engagement: Demonstrated involvement in grassroots development or civic activities within the constituency. • Financial Oversight: Experience in financial management or oversight, especially in public sector or NGO settings.
 <p>Andrew Mogire Masi Secretary</p>	<ul style="list-style-type: none"> • Born on 23rd June 1969. • Highest level of Education: KCSE • She has 3 years’ experience as a member of NG-CDFC Bonchari. • Project Management: Familiarity with managing public or donor-funded projects, including budgeting, monitoring, and evaluation. • Community Engagement: Demonstrated involvement in grassroots development or civic activities within the constituency.
 <p>Caroline Bosibori Mogere Female youth</p>	<ul style="list-style-type: none"> • Born on 11th November 1990. • Highest level of Education: STD 8 • She has 3 years’ experience as a member of NG-CDFC Bonchari • Worked for community based organizations for various works.

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Cosmas Orenge Mbuya
Male Adult representative

- Born on 1st May 1978. With Diploma in Education
- He has 3 years' experience as a member of NG-CDFC Bonchari.
- He is a business entrepreneur
- Retired teacher with over 20 years' experience teaching in various private and public schools
- Currently partly engaged in community policing.



Daniel Momanyi
Co-Opted Member




- Born on 6th June 1972.
- Highest level of Education: KCSE
- He has 3 years' experience as a member of NG-CDFC Bonchari.
- Store Assistant: Help during holiday seasons or sales events.
- Cashier: Temporary support during peak shopping periods.
- Promotional Staff: Represented brands at pop-ups or product launches



Jeff Osoro Barongo
Male Youth Representative

- Born on 12th December 1999.
- Highest level of Education: Bachelor of Arts in Criminology
- He has 3 years' experience as a member of NG-CDFC Bonchari.
- Project Management: Familiarity with managing public or donor-funded projects, including monitoring and evaluation.

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	<ul style="list-style-type: none"> • Born on 12th November 1978. • Highest level of Education: Bachelor of Education • She has 3 years' experience as a member of NG-CDFC Bonchari • Also has a vast experience in management acquired during teaching period • Substitute Teachers: Fill in when regular staff are absent. • Exam Invigilators: Hired during testing periods.
<p>Christine Bonareri Mbeki Female Adult representative</p>	<ul style="list-style-type: none"> • Born on 13th March 1970. She is the Deputy County commissioner, Kisii South. • She Has M.A in leadership and governance and has over 10 years' experience being a member of NG-CDF Committee by law. • As the senior administrator in the sub-county, the DCC provides guidance on law, order, and public policy compliance during project implementation. • Conflict Resolution: Has a vast experience to mediate disputes related to project selection, implementation, or community engagement. • Monitoring and Reporting: The DCC has assisted in tracking project progress and ensuring transparency in fund
	<ul style="list-style-type: none"> • Born on 21st August 1972. She is the Fund Account manager - Bonchari constituency. • She Has a Master's degree in Business Administration and has 18 years' experience in handling NG-CDF Matters as Fund Account Manager. • Has a vast knowledge in administration and management spanning over 15 years
<p>Grace Ouma DCC</p>  <p>Judith Ochoro Fund Account Manager</p>	

(List the NG CDFC members who exited during the financial year and the period they served.)

Name	Details
Delvine Onditi	Former NG-CDFC Chairperson
Johnson Nyakina	Former NG-CDFC Secretary

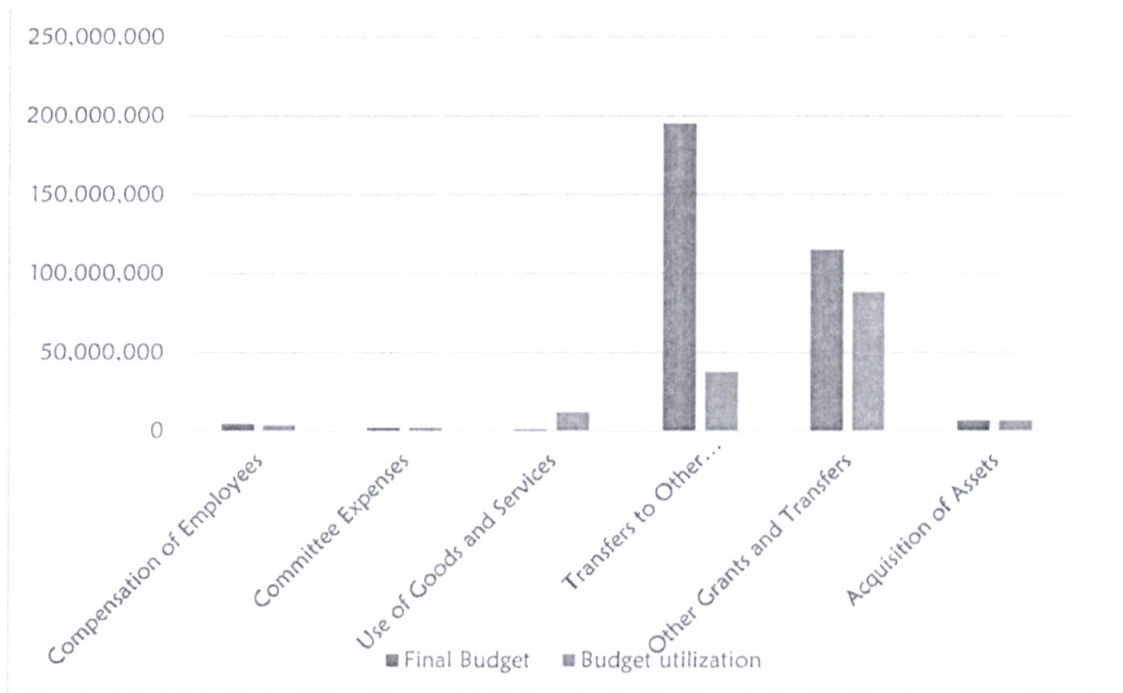
4. NG-CDFC Chairperson's Report



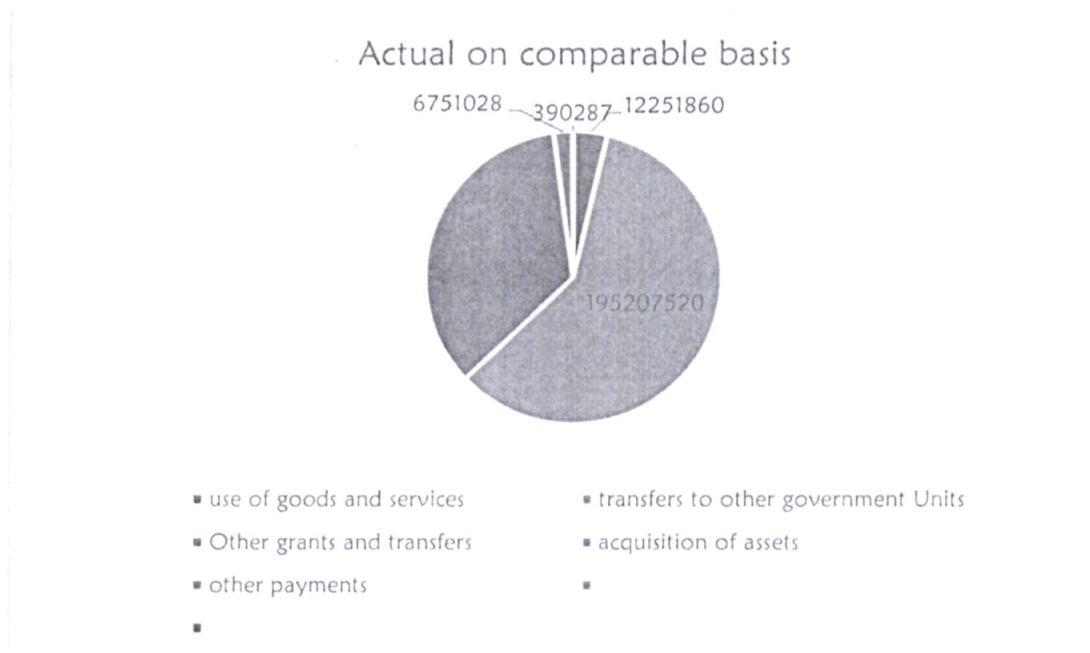
The NG-CDFC wishes to have in summary the budget performance against actual amounts for the current financial year based on economic classification and programs. The NG-CDFC have improved in their budget performance despite the challenges encountered during the year. The performance in all the sectors i.e. Education, Security, Bursary and other projects implemented as per the Act achieved a desirable percentage in terms of utilization.

During the financial year under review, the Bonchari NG-CDFC expected to operate under a total sum of Kshs. 303,703,982 from the NG-CDF Board. Of the total allocation of 170,469,852, the excess funding formed part of the previous financial years' balances of Kshs. 133,550,070 formerly owned by the NG-CDF Board and a cash book balance brought forward of Kshs 61,280,061. However, the NG-CDFC managed to receive only Kshs. 181,259,445. The Constituency therefore, managed to implement a number of key projects as per the proposal including disbursement of Bursary funds to needy students in various institutions, construction of chiefs' offices and also construction of classrooms in various institutions both primary and secondary. By closure of the financial year, the NG-CDFC had remained with a balance of Ksh. 36,469,857 being undisbursed balance at the NG-CDF Board and a cashbook balance of Kshs. 19,114,028.

The Bonchari NG-CDFC's disbursement of funds was purely guided by the budget proposal. The entire proposal for the Bonchari NG-CDFC could be broadly classified as follows:



The Comparison of constituency's actual disbursements per sector is as follows:



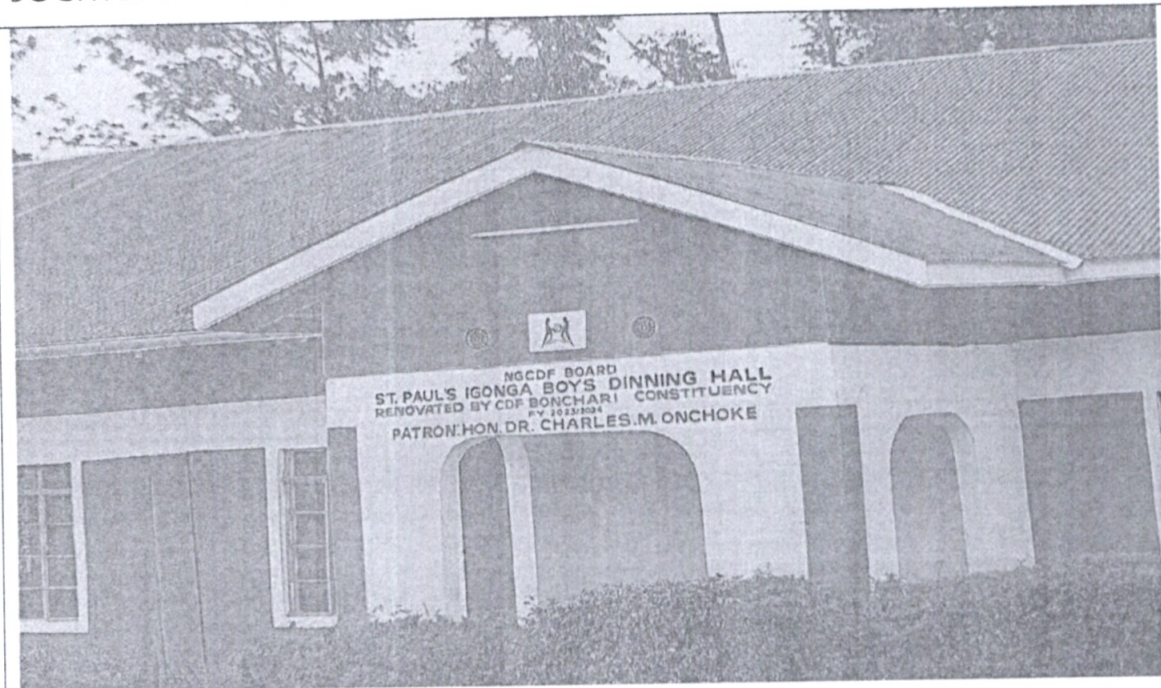
KEY ACHIEVEMENTS BY NGCDF BONCHARI

In the FY 24-25 we have been able to pay school fees for several students via Bursary hence enhancing attendance of student to the various educational facilities. We have also been able to improve the educational institution infrastructures.

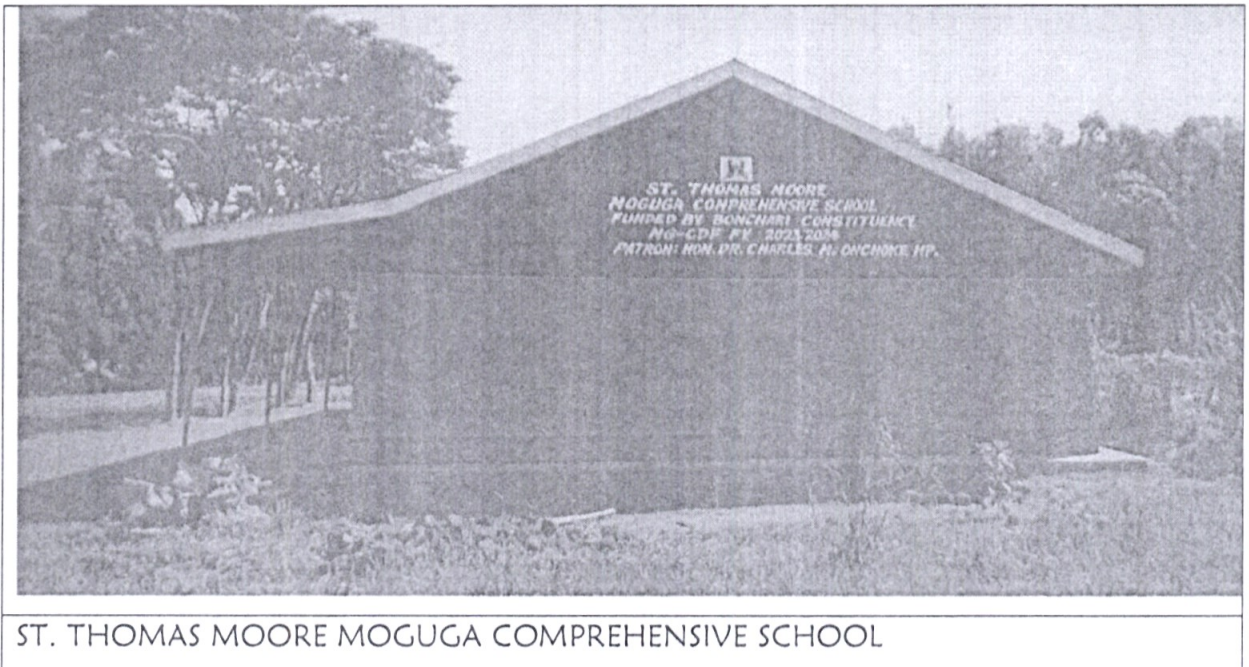
Some of the Key achievements of the constituency were projects that were ongoing at the closure of financial year 2024/2025 as highlighted below:



BOGITAA ELCK COMPREHENSIVE SCHOOL



St. Paul's Igonga boys - Dining Hall



Emerging issues

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

1. Restructuring of the Education Funding

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

2. Junior Secondary School

The introduction of the Junior Secondary School through the CBC Education system has brought a lot of pressure to the existing facilities in various primary schools. There is need for construction and equipping of new classrooms and laboratories to accommodate the students.

3. Inflation Rates

With the current economic position where the rate of exchange of Kenyan shillings to dollar continues to rise, there has been an increase in the cost of construction materials. Hence those projects that were submitted to the board before inflation may not be

completed with the original budgeted cost necessitating need for variations and additional funding.

Challenges and solutions

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

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


Way forward

As we appreciate the continued support from the National Government in making slight additions to the kitty, we however regrettably wish to say that it's not enough to assist the constituency make the rapid anticipated challenge of providing proper infrastructure for the education sector and security organs. The National Government should seriously consider the re-introduction of the poverty index scheme for the distribution of the national cake.

- It's common knowledge that there are certain pocket of regions in this country that have a high poverty index like Bonchari and they have to be jump started economically to catch up with region that have huge strides in matters development.

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- We remain committed as a committee to ensure that the fund makes the expected impact in the constituency in terms of enabling needy and bright students attend and complete their formal education in a convenient environment.
- We are also focused to ensure our constituency achieve the lowest regional and national crime indices



.....
Name: Stellah Bonareri Arandi
Chairperson NGCDF Committee

5. Statement Of Performance Against Predetermined Objectives for FY2025/25

Introduction

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

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

1. To empower the youths and harness their talent through youth and sports funding.
2. To cater for any unforeseen occurrences in the constituency through emergency funding.
3. To promote environmental sustainability through environmental funding
4. To enhance security in the constituency through security funding.
5. To promote performance management and smooth running of NG-CDF office through institutional strengthening

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	This financial year NG-CDF Bonchari allocated funds for construction of 9 classrooms in primary schools, 1 purchase of land in st. Charles Nyankororo primary school. Further, the management funded a total of 2 secondary schools for drilling of bore hole for the

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				supply of water in Bogitaa and Mogori secondary schools
	Improve performance and increase secondary and higher education transition rates	Payment of bursary to needy students in secondary, tertiary and special schools.	Number of bursary beneficiaries at all levels	The total number of beneficiaries in both secondary, tertiary and special schools were 15,100. Total amount disbursed towards bursary was Kshs. 33,029,930, Kshs. 44,914,457 to and Kshs. 194,500 to secondary, tertiary and special school respectively.
Security	Equip, facilitate and enhance capacity of provincial administration and other security organs in order to improve service delivery	Develop and enhance provincial administration and other security organs infrastructure to enhance service delivery	Number of usable physical infrastructure built in locations, sub locations and police stations	During the year, Bonchari NG-CDFC allocated funds towards the following security projects; Banyando Sub-chief's office and Igonga division ACC's office for completion of four roomed office and purchase of executive chairs and tables respectively. further, funds were allocated for Bomakombi chief's office for drilling of bore hole.
Climate change mitigation activities	Create a more sustainable and conserved environment through natural resources conservation initiatives	Equip schools and public facilities with sanitation	Number of sanitation facilities built in primary and secondary	climate change projects are yet to be funded. Related funds have not yet been disbursed by the NG-CDF Board
Emergency	Cater for unforeseen urgencies	Reduced emergencies	To cater for unforeseen activities within the constituency	NG-CDFC funded PMCs for 13 at a total cost of Kshs. 8,681,510. The projects have been completed and are in use.



6. Governance Statement

Introduction

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

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

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

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

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

Appointment of National Government Constituency Development Fund Committee

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

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

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

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

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

Process of Formation of the NGCDF Committee

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

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

The committee was gazette on 21st May 2025 by the Chief Executive Officer of the Board via Gazette Notice Vol. CXXVII-No. 98

S/NO	NAME	CATEGORY
1	Cosmas Orege Mbuya	Male Adult Representative
2	Andrew Mogire Masi	Male Adult Representative
3	Jeff Osoro Barongo	Male Youth Representative
4	Stella Bonareri Arandi	Female Adult Representative
5	Christine Bonareri Mbeki	Female Adult Representative
6	Caroline Bosibori Mogere	Female Youth Representative
7	Ronald Getange Sesa	Representative of Persons Living with Disability

- Mr. Daniel Momanyi was a member co-opted as per the requirements.

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

1. **Chairperson** - Mrs. Stellah Bonareri Arandi
2. **Secretary** - Mr. Andrew Mogire Masi

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

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

The NG-CDF tenure

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

Roles and functions of NG-CDFC

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

- Convene public meetings in every ward in the constituency to deliberate to on development matters.
- Deliberate on project proposals and any other projects considers beneficial to constituency.
- List of projects to be submitted in accordance with the Act to be submitted to the to the Board and ensure that all proposed projects that are approved for funding meet the requirements of section 24 of the Act.
- Ensure formation of project management committees, opening of project accounts, project implementation and closure of projects build the capacity of project management committees and sensitize the Community on the operations of the Fund
- Ensure that all projects receive adequate funding and are completed within three years.

- Monitor the implementation of projects in accordance with the monitoring and evaluation framework prescribed by the Board.
- Submit financial statements to the Board within sixty days of the end of the financial year to enable the Board comply with section 39(4) of the Act.
- Recommend to the Board the removal of a committee member in accordance with section 43(13) and (14) of the Act.
- Enter into performance contracting with the Board on an annual basis.

Removal of NG-CDFC Members

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

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

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

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

Handing over

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

Training of NG-CDFC Members

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

Trained issues were as stated below:

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

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Number of Meetings Held

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

NO	NG-CDFC COMMITTEE MEMBERS	12 th July 2024	10 th August 2024	14 th Nov 2024	20 th Dec 2024	8 th Jan 2025	30 th Jan 2025	12 th Feb 2025	28 th Feb 2025	11 th Mar 2025	16 th Apr 2025	23 rd May 2025	12 th June 2025
1	Cosmas Orenge Mbuya-Male Adult Representative	√	√	√	√	√	√	√	√	√	√	√	√
2	Andrew Mogire Masi - Male Adult Representative (Secretary)	√	√	√	√	√	√	√	√	√	√	√	√
3	Jeff Osoro Barongo - Male Youth Representative	√	√	√	√	√	√	√	√	√	√	√	√
4	Stella Bonareri Arandi - Female Adult Representative (Chairperson)	√	√	√	√	√	√	√	√	√	√	√	√
5	Christine Bonareri Mbeki - Female Adult Representative	√	√	√	√	√	√	√	√	√	√	√	√
6	Caroline Bosibori Mogere - Female Youth Representative	√	√	√	√	√	√	√	√	√	√	√	√
7	Ronald Getange Sesa – PWD representative	√	√	√	√	√	√	√	√	√	√	√	√
8	Daniel Momanyi - Coopted member	√	√	√	√	√	√	√	√	√	√	√	√
9	Grace Ouma - DCC	√	√	√	√	√	√	√	√	√	√	√	√
10	Judith Ochoro - FAM	√	√	√	√	√	√	√	√	√	√	√	√

Ethics & Conduct

Members of NGCDFC are required to observe the following ethical issues

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

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

Members Remuneration

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

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

Disclose policy on conflict of interest

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

Risk management

Risk management has been integrated in the constituency operations through the following: training of the NGCDF staff in their respective technical areas of service to ensure they carry out their roles efficiently, training of the NGCDFCs and the PMCs to equip them with

additional knowledge to carry out their duties efficiently within their mandates and regulations, the Fund account manager avails himself with all the support and required resources to ensure that the identified risk does not hamper with the delivery of service.

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

Succession plan

Succession plan identifies critical roles—such as the Constituency Fund Manager, Accountant, and Procurement Officer—and outlines procedures for talent development, emergency replacements, and transparent appointments.

Key components include:

- **Objectives:** Maintain operations, build internal capacity, and uphold public service standards.
- **Framework:** Maps key positions, defines competencies, and develops successors through training and mentorship.
- **Emergency Protocols:** Assign interim roles within 48 hours and initiate formal recruitment within 30 days.
- **Monitoring:** Annual reviews and performance indicators track readiness and continuity.
- **Risk Mitigation:** Backup personnel, documented handovers, and cross-training.
- **Communication:** Transparent updates to staff and stakeholders

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7. Management Discussion and Analysis

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

Financial Year	Amount allocated	AMOUNT DISBURSED	EXPENDITURE
2020/2021	137,223,079	137,223,079	137,223,079
2021/2022	137,088,879	137,088,879	137,088,879
2022/2023	138,215,033	138,215,033	138,215,033
2023/2024	166,593,720	121,334,275	121,334,275
2024/2025	170,469,857	134,000,000	103,484,435



Figure 1. Bonchari NG-CDF Financial Performance

Operational Performance:

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

The fund has been instrumental in

- a. Education: Funding schools, classrooms and bursaries

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- b. Security: Constructing National Government Administration offices, chief's/assistant chief's offices and police offices.
- c. Infrastructure Development: Supporting various infrastructural projects.
- d. Climate Change Mitigation: Enhancing conservation and restoration of forests in the constituency.

Key projects implemented or On-going.

a. St Paul's Igonga Boys Secondary

Background information of St Paul's Igonga Boys Secondary

St Paul's Igonga Boys Secondary is one of the oldest school in the constituency with a growing population.

Location

This project is situated at Riana Sub-location, Riana ward.

Activities done

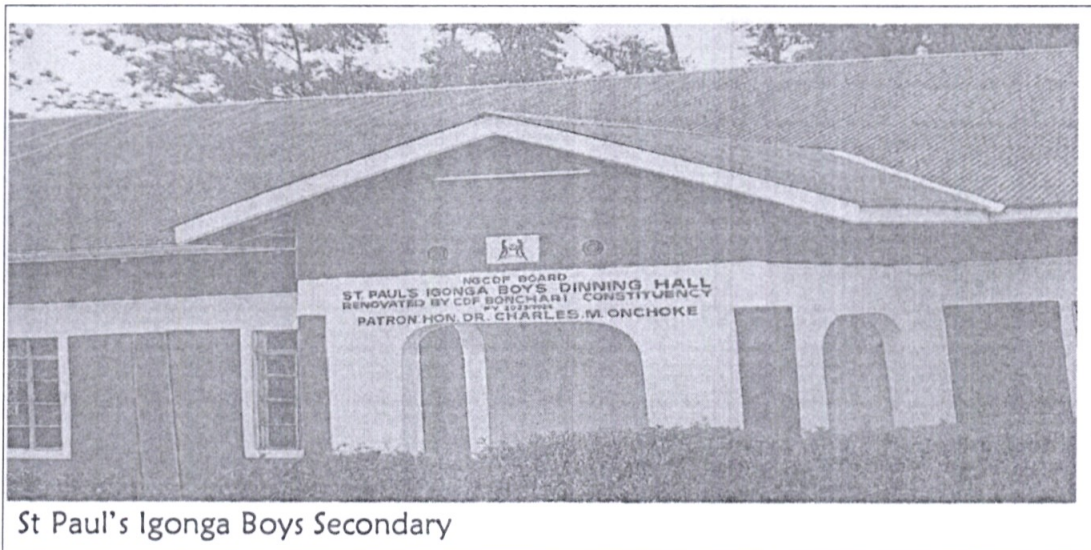
- i. Renovation of 800 student capacity at St Paul's Igonga Boys Secondary

Summary of funding for the Project:

Financial Year	Amount Disbursed	Contract (Kshs)	Sum	Project Start Date	Project Status
2023/2024	2,150,000	2,150,000		Completed	Completed

Anticipated Project Impact

The project has led to improved security operations.



b. Nyamaya Primary School

Background information of Nyamaya Primary School

Nyamaya Primary School is one of schools in the constituency with a growing population.

Location

Activities done

- i. Construction of a tuition block consisting of 4 classrooms

Summary of funding for the Project:

Financial Year	Amount Disbursed	Contract (Kshs)	Sum	Project Start Date	Project Status
2023/2024	11,500,000	11,500,00		Jan 2025	Ongoing

Anticipated Project Impact

The project has led to improved leaning facilities within the ward

Compliance with statutory requirements

Bonchari NG-CDF is an entity that is fully guided by the constitution of Kenya 2010, NG0CDF Act 2015, PFM Act 2012, PPADA2015 and many other relevant laws and has been in full compliance of the same.

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

Major Risks facing the Fund

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

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

Fund's Review on Economy

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

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

Future Development of the Fund

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

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

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

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

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

NG - CDF BONCHARI
P. O. Box 1267 - 40200,
KISII.
Date: *Judith Ochoro*.....

Name: Judith Ochoro
Fund Account Manager

8. Environmental and Sustainability Reporting

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

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

1. Sustainability strategy and profile -

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

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

2. Environmental performance

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

Employee welfare

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

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

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

3. Marketplace practices-

Bonchari Constituency is committed to fair and ethical market practices.

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

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

NGCDF has put in efforts to ensure:

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

4. Community Engagements-

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

Public Participation in Project Identification, Implementation, and Monitoring

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

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

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

Public Awareness

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

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

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Name: Judith Ochoro
Fund Account Manager

9. Statement of Management Responsibilities

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

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

The Accounting Officer in charge of the NGCDF-Bonchari Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Accrual Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the constituency's financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2025, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF- Bonchari Constituency further confirms the completeness of the accounting records maintained for the constituency, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

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

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

Approval of the financial statements

The NGCDF- Bonchari Constituency financial statements were approved and signed by the Accounting Officer on _____ 2025.



.....
Name: Stella Bonareri Arandi
Chairperson – NGCDF Committee



.....
Name: Judith Ochoro
Fund Account Manager



REPUBLIC OF KENYA

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



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

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

PREAMBLE

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

- A. Report on the 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 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, the risk management environment and the 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 for National Government Constituency Development Fund - Bonchari Constituency set out on pages

1 to 88, which comprise of the statement of financial position as at 30 June, 2025, and the statement of financial performance, statement of cash flows, statement of changes in net assets 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 respect, the financial position of National Government Constituency Development Fund - Bonchari Constituency as at 30 June, 2025, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards Accrual Basis (including the transitional provisions permitted under IPSAS 33) and comply with the Public Finance Management Act, 2012, the National Government Constituencies Development Fund Act, 2015 (Amended 2022) and The National Treasury and Economic Planning Circular No.3 of 14 April 2025.

Basis for Qualified Opinion

1. Irregular Insurance Payments

The statement of financial performance reflects a total expenditure of Kshs.14,723,731 under use of goods and services out of which Kshs.500,000 was paid for insurance as indicated in Note 12 to the financial statement. The audit established that the Kshs.500,000 was paid to an insurance broker for insurance services provided in the year 2022 and 2023 at Kshs.250,000 each per annum. The total expenditure of Kshs.500,000 was not disclosed as a trade and other payables in the opening statement as at 01 July 2024 in the statement of financial position as at 30 June, 2025. This payment should have been disclosed in the statement of financial position under trade and other payables. Further, the audit observed that the NG-CDF Bonchari had not insured its motor vehicle which was operational, posing risk in case of any eventuality to the entity and the general public.

In circumstances, the genesis of the expenditure and safety of the entity's staff and public could not be confirmed.

2. Unsupported Project Management Committee Bank Accounts Balances

The statement of financial position reflects cash and cash equivalents a balance of Kshs.149,231,169 as disclosed in note 19 to the financial statement. This amount includes PMC bank accounts balances of Kshs.129,780,736. However, bank balances confirmations, bank reconciliations and cashbooks in support of the balance of Kshs.129,780,736 were not provided for audit.

In circumstances, the accuracy and the completeness of the reported Kshs.129,780,736 bank accounts balances held by PMCs 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 - Bonchari Constituency Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my Qualified opinion.

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.336,444,906 and Kshs.299,975,050 respectively, resulting in an underfunding of Kshs.36,469,857 or 11% of the budget. Similarly, the NGCDF expenditure amounted to Kshs.150,743,881 against the realized receipts Kshs.299,975,050 resulting in an under-utilization of Kshs.149,231,169 or 50% of the actual receipt.

In the circumstances, the underfunding and under-utilization may have impacted negatively on planned activities and on service delivery to the residents of the constituency.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Audit Matters

In the prior year's audit report, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance. Review of the status during audit of the Fund in 2024/2025 revealed that numerous matters remained unresolved as detailed in **Appendix 1**.

Other Information

The Management is responsible for the Other Information set out on pages iv to xxxix which comprise the Key Constituency Information and Management, NG-CDF Committee, NG-CDF Chairperson's Report, Statement of Performance Against the Predetermined Objectives, Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Statement of Management

Responsibilities. The Other Information does not include the financial statements and my auditor's report thereon.

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Non-Compliance with Law on Two-Third Gender Rule and Staff Composition

Analysis of staff bio data for the year under review, revealed that male employees were 80% against female of 20%. This shows that the gender mix of the fund did not conform to the requirements of the 2/3 gender rule as the ratio of male to female employees. This was contrary to Article 27(8) of the constitution of Kenya 2010 and Part B.22(2) of the Human Resource Policies and Procedures Manual for the Public Service, 2016.

In circumstances, Management was in Breach of the law.

2. Projects Funded but not Implemented

The transfer to other government units includes Kshs.8,850,000 that was disbursed to PMCs to implement three (3) water projects at Riamaocha Primary, Bogitaa Secondary and Mogumo Secondary schools. However, the review of the project implementation status report revealed that these funded projects had not been implemented by the PMCs as at the time of audit in September, 2025.

In circumstances, late implementation of projects may have denied constituents of Bonchari service.

2. On-Going Projects

The transfer to other government units includes Kshs.55,331,939 that was disbursed to PMCs to implement ten (10) projects. However, as at the time of audit in September, 2025, which were on-going as at the time of the audit in September, 2025, the projects were on-going and management explained that this was caused by the late disbursement of the funds from Board.

In circumstances, the delay in implementation of the completion of the classroom denies constituents of Bonchari intended benefits.

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 are in compliance, 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

Lack of Bursary Policy or Bursary Awarding Guidelines

The statement of financial performance reflects other grants and transfers actual expenditure a balance of Kshs.88,475,600 as disclosed in note 14 in the financial statement, which includes bursaries to secondary schools of Kshs.33,029,930 and bursaries to tertiary institution a balance of Kshs.44,914,457. However, the bursary policy, list of applicants, filled out application forms and applicants vetting minutes by the bursary sub-committees or the committee were not provided for audit verification. Further, the audit established that different student of Gekongo II Secondary School vide PV No.145, cheque No.011946 and cheque No.011947 were paid varying amounts of Kshs.5,000, Kshs.6,000 and Kshs.7,000 without any justification.

In circumstance, the effectiveness in the bursary allocations management 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 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 Bonchari NG-CDF'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 the 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 Bonchari NG-CDF financial reporting process, reviewing the effectiveness of how the 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 for 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

11 December, 2025

Appendix 1

Unresolved Prior Year Audit Matters

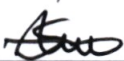
S/No	Financial Year	Audit Issue
1	2023/2024	Unconfirmed Bursaries to Secondary Schools and Tertiary Institutions
2	2023/2024	Unsupported Reconciling Items in Cash and Cash Equivalents
3	2023/2024	Unsupported PMC Account Balances
4	2023/2024	Budgetary Control and Performance
5	2023/2024	Delayed Completion of Phase 1 of 4 Classrooms on the Ground Floor of a Storey Building at Kenyorora Primary School
6	2023/2024	Delayed Construction of 4 Classrooms on Ground Floor of a Storey Building at Nyamiobo Primary School
7	2023/2024	Incomplete Construction to Completion of One Classroom for Junior Secondary Schools (NG-CDF) Sponsored and Junior Secondary School Project (MOE) Sponsored in twelve (12) Primary Schools within the Bonchari Constituency
8	2023/2024	Incomplete Construction of 2 Storey Dormitory with Capacity of 300 Students at Kiabusura Secondary School
9	2023/2024	Unauthorized Reallocation of Fund at Genga Secondary School
10	2023/2024	Project Implementation Status
11	2023/2024	Security Projects: Construction to Completion of 3 Roomed Modern Chiefs Office and three Door Toilets with One Chamber Catering for Persons with Disability at Riana Chief's Camp
12	2023/2024	Management of Emergency Reserves
13	2023/2024	Deterioration of Motor Vehicle
14	2023/2024	Lack of Effective Assets Management and Controls

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

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

	Note	2024/2025
		Kshs
Revenue from non-exchange transactions		
Transfers from the NGCDF Board	6	170,469,857
Transfers from domestic and foreign partners	7	-
Revenue from exchange transactions		
Finance income	8	-
Miscellaneous income	9	-
Total revenue		170,469,857
Expenses		
Employee costs	10	3,805,941
Committee expenses	11	4,447,685
Use of Goods and Services	12	14,723,731
Other Government Units Actual expenditure	13	37,927,328
Other Grants and Transfers Actual expenditure	14	88,475,600
Depreciation and amortization expense	15	247,500
Digital Hubs Expenses Actual expenditure	16	-
Total expenses		149,627,785
Other gains/(losses)		
Gain/Loss on Sale of Assets	17	-
Impairment loss	18	-
Surplus/(Deficit) for the year		20,842,071

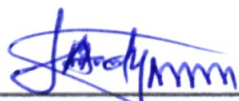
The Constituency financial statements were approved by the NGCDFC on _____ 2025 and signed by:



Chairperson NG-CDF
Committee
Name: Stellah B. Arandi



National Sub-County
Accountant
Name: Ambrose Maina



Fund Account Manager
Name: Judith Ochoro

NG - CDF BONCHARI
P. O. Box 1267 - 40200,
KISII.
Date:.....

NATIONAL SUB-COUNTY ACCOUNTANT
KISII SOUTH SUB-COUNTY
P.O. Box 2960-40200.
1 KISII

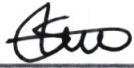
National Government Constituencies Development Fund (NGCDF)
Bonchari Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025

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

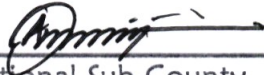
	Note	2024/2025	Opening Statement 1st July 2024
		Kshs	Kshs
Assets			
Current Assets			
Cash And Cash Equivalents	19	149,231,169	118,715,605
Receivables from Exchange Transactions	20	-	-
Receivables from Non-Exchange Transactions	21	36,469,857	47,259,445
Prepayments	22	-	-
Total Current Assets		185,701,026	165,975,050
Non-Current Assets			
Property, Plant and Equipment	23	1,452,500	-
Intangible Assets	24	-	-
Right-of-use assets	25	-	-
Total Non- Current Assets		1,452,500	-
Total Assets (A)		187,153,526	165,975,050
Liabilities			
Current Liabilities			
Trade and Other Payables	26	-	-
Third-Party Deposits	27	-	-
Lease Liabilities	28	-	-
Gratuity provision	29	483,929	147,524
Total Current Liabilities		483,929	147,524
Non-Current Liabilities			
Lease Liabilities	28	-	-
Total Liabilities (B)		483,929	147,524
Net Assets (A-B)		186,669,598	165,827,526
Represented by:			
Accumulated Surplus		20,842,071	
Reserves		165,827,526	165,827,526
Total Net Assets		186,669,597	165,827,526

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

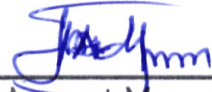
The Constituency financial statements set out on pages 16 to 32 approved by NG CDFC on _____
2025 and signed by:



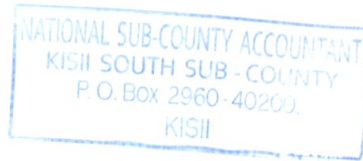
Chairperson NG-CDF
Committee
Name: Stellah B. Arandi



National Sub-County
Accountant
Name: Ambrose Maina
ICPAK M/No:18003



Fund Account Manager
Name: Judith Ochoro



National Government Constituencies Development Fund (NGCDF)
Bonchari 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
Fund Balance as at 30 th June 2024	61,280,062	-	61,280,062
Adjustments			
Recognition of Assets	104,694,988		104,694,988
Recognition of Liabilities	147,524		147,524
As at July 1, 2024	165,827,526		165,827,526
Surplus/(Deficit) For the Period		20,842,071	20,842,071
Revaluation Gain/Loss	-	-	-
As at June 30, 2025 (current year)	165,827,526	20,842,071	186,669,597

Note:

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

National Government Constituencies Development Fund (NGCDF)
Bonchari 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

	Notes	2024/2025
		Kshs
Cash flows from operating activities		
Receipts		
Transfers from the NGCDF Board		181,259,445
Transfers from domestic and foreign partners		-
Finance income		-
Miscellaneous income		-
Total Receipts		181,259,445
Payments		
Employee costs		3,469,536
Committee expenses		4,447,685
Use of Goods and Services		14,723,731
Other Government Units Certified Works		37,927,328
Other Grants and Transfers		88,475,600
Digital Hubs Expenses		-
Total Payments		149,043,881
Net Cash Flows from/ (used in) Operating Activities	30	32,215,564
Cash flows From Investing Activities		
Purchase of PPE		1,700,000
Purchase of Intangible assets		-
Proceeds From Sale of PPE		-
Net Cash Flows from Investing Activities		1,700,000
Net increase/(decrease) in cash & Cash equivalents		30,515,564
Cash Flows from Financing Activities		
Lease Payment		-
Net Cash Flows from Financing Activities		30,515,564
Cash and cash equivalents at 1 July	19	118,715,605
Cash and cash equivalents at 30 June	19	149,231,169

National Government Constituencies Development Fund (NGCDF)
Bonchari 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	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements	2024/2025	2024/2025		
Revenue							
Transfers From the NGCDF Board	170,469,857	118,715,605	47,259,445	336,444,906	299,975,050	36,469,857	89
Grants/donations from other entities	-	-	-	-	-	-	
Finance income	-	-	-	-	-	-	
Miscellaneous income	-	-	-	-	-	-	
Totals	170,469,857	118,715,605	47,259,445	336,444,906	299,975,050	36,469,857	89
Expenses							
Employee costs	1,900,769	2,746,101	-	4,646,870	3,469,536	1,177,334	75
Committee expenses	4,397,685	260,000	-	4,657,685	4,447,685	210,000	95
Use of Goods and Services	9,043,833	4,048,818	-	13,092,651	12,972,703	119,948	99
Other Government Units Certified Works	70,305,472	82,963,671	44,759,445	198,028,588	37,927,328	160,101,260	19
Other Grants and Transfers	84,822,098	24,855,699	2,500,000	112,177,797	88,475,600	23,702,196	79
Digital Hubs Expenses							

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

	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilization
	Kshs	Kshs		Kshs	Kshs	Kshs	
	a	b		C=(a+b)	d	e=(c-d)	f=d/c*100
	2024/2025	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements	2024/2025	2024/2025		
Acquisition of Assets	-	3,451,028	-	3,451,028	3,451,028	-	100
Funds Pending Approval**	-	390,287	-	390,287	-	390,287	-
Total Expenditure	170,469,857	118,715,605	47,259,445	336,444,906	150,743,881	185,701,026	45
Surplus for the period							

***Funds pending approval are sums not yet approved by the board for utilization and include approved allocations and/or AIA not yet allocated for specific projects.*

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

- The Expenditure on Other Grants and Transfers and Other Government Units Certified Works was generally underutilized due to delays in release of funds from the NG-CDF Board with AIEs amounting to Kshs. 68,000,000 being received at the end of the financial year.
- Employee compensation cost were underutilized due to balance of Ksh. 2,746,101 carried forward from last financial year.
- Total expenditure was overally underutilized at 45% due to delay in release of funds from the board.

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	185,701,026
Less undisbursed funds receivable from the Board as at 30 th June 2024	36,469,857
Cash and Cash Equivalents at the end of the 30 th June 2025	149,231,169

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

NGCDF BONCHARI
 P. O. Box 1267 - 40200,
 KISII.
 Date:.....

Judith Ochoro

Fund Account Manager

Ambrose Maina

National Sub-County Accountant

Chairperson NG-CDF Committee

Name: Judith Ochoro

Name: Ambrose Maina
 ICPAK M/No:18003

Name: Stelloh B. Arandi

NATIONAL GOVERNMENT
 KISII SOUTH SUB-COUNTY
 P.O. BOX 2960-40200,
 KISII

National Government Constituencies Development Fund (NGCDF)

Bonchari Constituency

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

16. Budget Execution by Sectors and Projects For The Year Ended 30th June 2025

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent						
1.1 Compensation of employees	1,900,769	2,746,101		4,646,870	3,469,536	1,177,334
1.2 Committee allowances	2,448,000	260,000		2,708,000	2,708,000	-
1.3 Use of goods and services	5,879,423	238,774		6,118,197	5,998,251	119,946
Sub-total	10,228,192	3,244,875	-	13,473,067	12,175,787	1,297,280
2.0 Monitoring and evaluation						
2.1 Capacity building	1,250,000	-		1,250,000	1,249,998	2
2.2 Committee allowances	1,949,685	-		1,949,685	1,739,685	210,000
2.3 Use of goods and services	1,914,410	310,044		2,224,454	2,224,454	-
Sub-total	5,114,095	310,044	-	5,424,139	5,214,137	210,002
4.0 Emergency						
Mosando Sda Primary School	-	853,510		853,510	799,971	53,539
Genga Dok Primary School	-	853,510		853,510	797,060	56,450
Kerina Elck Primary School	-	853,510		853,510	799,521	53,989
Matongo Secondary Schoo	-	853,510		853,510	796,810	56,700
Rianyabaro Centre Of Excellence	-	853,510		853,510	797,810	55,700

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Mwamisoko Deb Primary School	5,098	552,740		557,838	557,160	677
Ebate Dok Primary School	-	552,740		552,740	498,313	54,427
Etureti Primary School	-	552,740		552,740	501,870	50,870
Ekerore Secondary School	-	552,740		552,740	498,680	54,060
Bonyaoro Girls Secondary School	853,000	-		853,000	798,175	54,825
Sigisi Dok Primary School	450,000	-		450,000	-	450,000
Nyamaya Dok Primary School	450,000	-		450,000	-	450,000
Nyamerako Ekerubo Mixed Sec School	450,000	-		450,000	-	450,000
unutilized	8,972,098	8,800,478		17,772,576	6,845,370	10,927,205
Sub-total	8,972,098	8,800,478	-	17,772,576	6,845,370	10,927,205
5.0 Bursary and Social Security						
5.1 Primary Schools	-	-		-		-
5.2 Secondary Schools	33,000,000	54,882	-	33,054,882	33,029,930	24,952
5.3 Tertiary Institutions	33,000,000	11,914,457	-	44,914,457	44,914,457	-
5.4 special needs	700,000	587,488	-	1,287,488	194,500	1,092,988

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
5.5 Education Support Programmes				-		-
5.6 Social Security		-		-		-
Sub-total	66,700,000	12,556,827	-	79,256,827	78,138,887	1,117,940
7.0 Environment						
Mogumo Primary School	50,000	-	-	50,000	-	50,000
Suneka Primary School	50,000	-	-	50,000	-	50,000
Oriang Primary School	50,000	-	-	50,000	-	50,000
Itibo Primary School	50,000	-	-	50,000	-	50,000
Sub-Total	200,000	-	-	200,000	-	200,000
8.0 Primary Schools Projects						-
St. Charles Nyankororo Primary School	3,455,472			3,455,472		3,455,472
Bitare SDA primary school	-	1,317	-	1,317	-	1,317
Bogitaa ELCK primary school	-	2,889,337	-	2,889,337	2,788,252	101,085
Botoro ELCK Primary School	-	275,657	-	275,657	88,137	187,520
Chisaro primary school	-	2,117,746	-	2,117,746	1,920,783	196,962
Ebate primary school	-	-	-	-	-	-
Ekerore DEB primary school	-	2,075,083	-	2,075,083	1,991,911	83,173
Ekerubo DEB primary school	-	3,350,414	-	3,350,414	3,139,609	210,805

National Government Constituencies Developments Fund (NGCDF)

Bonchari Constituency

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Etureti DOK Primary School	10,000,000	5,303,342	7,500,000	22,803,342	4,050,428	18,752,913
Gesero DOK Primary School	10,000,000	533,578	-	10,533,578	211,494	10,322,084
Igonga Primary School	-	719	-	719	-	719
Isamwera DOK Primary School	10,000,000	192,453	6,136,321	16,328,774	-	16,328,774
Isamwera Primary School	-	9,378	-	9,378	-	9,378
Itierio Elck Primary School	-	64,079	-	64,079	17,055	47,024
Itierio Primary School	-	17,590	-	17,590	-	17,590
Kebute primary school	-	3,219	-	3,219	-	3,219
Kenyorora DOK primary School	-	11,150,720	-	11,150,720	4,800,810	6,349,911
Kerina ELCK primary school	-	2,123,348	-	2,123,348	1,624,482	498,867
Kiabusura DOK Primary School	-	4,222,494	1,473,124	5,695,618	-	5,695,618
KIOGE DEB PRIMARY SCHOOL	-	5,473,039	-	5,473,039	-	5,473,039
Kerina ELCK Special school	-	50,348	-	50,348	-	50,348
Kirwanda ELCK primary school	-	4,328,201	-	4,328,201	-	4,328,201
Marindi primary school	-	2,085,702	-	2,085,702	2,080,325	5,377
Masagoye DEB primary school	-	130,896	-	130,896	128,000	2,896
Matongo DEB Primary School	-	2,998,360	-	2,998,360	2,997,548	812
Miranga primary school	-	1,559	-	1,559	-	1,559

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
		Kshs	Kshs			
Mogumo primary school	-	31,328	4,500,000	4,531,328	-	4,531,328
Mosando primary school	-	5,016	5,000,000	5,005,016	-	5,005,016
Mugori D.O.K Primary School	-	2,160,407	-	2,160,407	2,119,321	41,086
Mwata primary school	-	75,569	-	75,569	-	75,569
Nyakungu DOK Primary Shool	-	226,698	-	226,698	-	226,698
St. Thomas Aquinas Nyamare DOK Primary School	10,000,000	10,193	11,500,000	21,510,193	10,000	21,500,193
Nyamaya primary school	-	301,170	-	301,170	300,000	1,170
Nyamaya primary school	-	4,458,850	-	4,458,850	-	4,458,850
Nyamerako DEB Primary School	-	2,073,845	-	2,073,845	1,997,285	76,560
ST. Elias Nyamiobo DOK primary school	-	215,488	-	215,488	35,000	180,488
Nyamokenye DOK Primary School	10,000,000	39,899	6,500,000	16,539,899	1,025	16,538,874
Nyamokenye DOK Primary School	-	664,647	-	664,647	663,383	1,264
Nyangena primary school	-	1,972,735	-	1,972,735	-	1,972,735
Nyang'iti primary school	-	2,074,551	-	2,074,551	2,064,750	9,800
Nyangoge Primary school	-	310,944	-	310,944	-	310,944
Nyotoima primary school	-	50,560	-	50,560	-	50,560
Oriang D.O.K Primary School	-	2,156,758	-	2,156,758	1,441,448	715,309

National Government Constituencies Development Fund (NGCDF)

Bonchari Constituency

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Riamagige primary school	-	28,932	-	28,932	-	28,932
Riamaoncha ELCK Primary School	2,950,000	38,083	-	2,988,083	-	2,988,083
Riamontinga BED Primary School	-	2,114,463	-	2,114,463	2,016,025	98,438
Rianyabaro primary school	-	28,508	-	28,508	-	28,508
Rianyapara ELCK Primary School	-	416,012	-	416,012	416,007	5
Sigisi primary school	-	373,589	-	373,589	368,000	5,589
Omwari D.O.K Primary	-	11,668	-	11,668	-	11,668
St. Angela Merici Igonga DOK Primary School	-	94,172	-	94,172	87,933	6,239
St. Benedict Bomariba DOK Primary School	-	98,228	-	98,228	94,735	3,494
St. Vincent Omwari D.O.K primary school	-	1	-	1	-	1
St Lawrence Nyabieyo Primary School	2,000,000	11,817	-	2,011,817	-	2,011,817
St. Reges Ebate Dok Primary School	-	4,672	-	4,672	-	4,672
St. Reges Ebate Dok Primary School	-	112,633	-	112,633	-	112,633
St. Thomas Moore Moguga D.O.K Primary School	-	2,568	-	2,568	-	2,568

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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
Sugunana primary school	-	10,645		10,645	-	10,645
SUNEKA PRIMARY SCHOOL		1,500,000	-	1,500,000	-	1,500,000
Entange Primary School		800,000		800,000		800,000
Sub-total	58,405,472	71,873,223	42,609,445	172,888,140	37,453,744	135,434,395
9.0 Secondary Schools Projects (List all the Projects)						
Bitare SDA mixed secondary school		57,197	-	57,197	56,929	268
Bogitaa Secondary School	2,950,000	-	-	2,950,000	-	2,950,000
Ekerubo secondary school	-	180,243	-	180,243	-	180,243
Genga D.O.K Secondary School	-	305,801	-	305,801	141,655	164,146
Iruma secondary school	-	3,037	-	3,037	-	3,037
Kiabusura DOK Secondary School	-	5,537,536	-	5,537,536	275,000	5,262,536
Mogumo Secondary School	2,950,000	-	-	2,950,000	-	2,950,000
Mwata secondary	-	137,498	-	137,498	-	137,498
Nyabieyo Secondary School	-	-	-	-	-	-
Nyamerako Ekerubo sec school	-	1,000,000	-	1,000,000	-	1,000,000
Riamontinga Mixed secondary School	-	3,212	-	3,212	-	3,212
St Anne's Nyangoge Secondary	6,000,000	-	-	6,000,000	-	6,000,000

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
St. Francis Nyasagati Secondary school	-	1,378	-	1,378	-	1,378
St. Peters Suneka secondary	-	164,547	-	164,547	-	164,547
ST PAULS IGONGA SEC SCHOOL	-	-	2,150,000	2,150,000	-	2,150,000
Ekerore Secondary School	-	3,700,000	-	3,700,000	-	3,700,000
Sub-total	11,900,000	11,090,449	2,150,000	25,140,449	473,584	24,666,865
10.0 Tertiary institutions Projects (List all the Projects)						-
						-
						-
						-
Sub-total	-	-	-	-	-	-
11.0 Security Projects						
Riana Location Chief Office		3,498,360	2,500,000	5,998,360	3,491,343	2,507,017
Suneka police station		34		34	-	34
Banyando Sub Chief's Office	3,000,000			3,000,000	-	3,000,000
Igonga Division ACC' s Office	3,000,000			3,000,000	-	3,000,000
Bomakombi Chief's Office	2,950,000			2,950,000	-	2,950,000
Sub-total	8,950,000	3,498,394	2,500,000	14,948,394	3,491,343	11,457,051
12.0 Acquisition of assets						-

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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
12.1 Motor Vehicles (including motorbikes)			-	-		-
12.2 Purchase of furniture and fittings		1,700,000		1,700,000	1,700,000	-
12.2 Construction of CDF office				-		-
Renovation of CDF office		1,751,028	-	1,751,028	1,751,028	-
Sub-total		3,451,028	-	3,451,028	3,451,028	-
13.0 Others						-
Strategic plan preparation		3,500,000	-	3,500,000	3,500,000	-
			-	-		-
Sub-total		3,500,000	-	3,500,000	3,500,000	-
Funds pending approval**						-
unapproved projects			-	-		-
AiA		390,287		390,287		390,287
Sub-total		390,287	-	390,287	-	390,287
Total	170,469,857	118,715,605	47,259,445	336,444,906	150,743,881	185,701,026

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

17. Notes to the Financial Statements

1. General information

The National Government Constituencies Development Fund (NG-CDF) formerly Constituencies Development Fund (CDF), is established by and derives its authority and accountability from the NG-CDF Act 2015 (amended 2023). The NG-CDF is wholly owned by the Government of Kenya and is domiciled in Kenya. The NG-CDF Bonchari Constituency principal activity is based on infrastructure in education and security sectors, climate change and mitigation activities, bursary to needy students and social programs.

2. Statement of Compliance and Basis of Preparation

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

The financial statements have been prepared in accordance with the PFM Act, and International Public Sector Accounting Standards (IPSAS) or the entity has taken advantage of the transitional provisions under IPSAS 33 and therefore these 1st/ 2nd/ 3rd/ are transitional financial statements (entity to state the transitional provisions it has applied, and the steps being taken towards full compliance with IPSAS Accrual).

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the NG-CDF. The financial statements have been prepared in accordance with the PFM Act, the NGCDF Act (include any other applicable

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legislation), and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

Adoption of New and Revised Standards

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

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

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

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

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<p>IPSAS 45: Property Plant and Equipment</p>	<p><i>Applicable 1st January 2025</i></p> <p>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 infrastructure assets, under-maintenance of assets and distinguishing significant parts of infrastructure assets.</p> <p>Not applicable.</p>
<p>IPSAS 46: Measurement</p>	<p><i>Applicable 1st January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS. iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p>Not applicable.</p>
<p>IPSAS 47: Revenue</p>	<p><i>Applicable 1st January 2026</i></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</p>

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

iii. Early adoption of standards

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

3. 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 25th June 2024 for the period 1st July 2024 to 30th June 2025 as required by law. Included in the adjustments are Cash book opening balance, AIA generated during the year and constituency allocations not yet disbursed at the beginning of the financial year.

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

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

c) Property, plant and equipment

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

d) Leases

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

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

e) Intangible assets

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

f) Financial instruments

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

a) Financial assets

Classification of financial assets

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

the sale, exchange, or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the *Entity*.

h) Provisions

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

i) Social Benefits

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

j) Contingent liabilities

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

k) Contingent assets

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

l) Employee benefits

Retirement benefit plans

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

m) Foreign currency transactions

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

n) **Related parties**

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

o) **Cash and Cash Equivalents**

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

p) **Comparative figures**

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

q) **Subsequent events**

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

4. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

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

Useful lives and residual value

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

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

Provisions

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

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6. Transfers from the NGCDF Board

Description	2024/2025
	Kshs
NGCDFB Transfers (Allocation for the FY)	170,469,857
Total	170,469,857

7. Transfers from domestic and foreign partners

Description	2024/2025
	Kshs
Grants	-
Total	-

8. Finance income

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

9. Miscellaneous income

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

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10. Employees cost

	<i>2024/2025</i>
	Kshs
NG-CDFC Basic staff salaries	3,304,232
Personal allowances paid as part of salary	-
House Allowance	-
Transport Allowance	-
Leave allowance	-
Gratuity to contractual employees	336,405
Employer Contributions Compulsory national social security schemes	128,586
Employer Contributions Compulsory Housing levy	32,319
Employer contributions to National Industrial Training Authority	4,400
Other Specify	-
Total	3,805,941

11. Committee Expenses

	<i>2024/2025</i>
	Kshs
Sitting allowance	2,197,685
Other Committee expenses	2,250,000
Total	4,447,685

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12. Use of Goods and services

	<i>2024/2025</i>
	Kshs
Utilities, supplies and services	70,000
Communication, supplies and services	370,000
Domestic travel and subsistence	2,700,000
Printing, advertising and information supplies & services	367,410
Office Rent	-
Training expenses	1,249,998
Hospitality supplies and services	1,450,623
Insurance costs	500,000
Specialized materials and services	-
Office and general supplies and services	1,320,580
Fuel, oil & lubricants	600,000
Bank charges	20,145
Routine maintenance – vehicles and other transport equipment	1,023,947
Routine maintenance – other assets	1,751,028
Strategic plan expenses	3,500,000
Other operating expenses	
Total	14,923,731

13. Other Government Units Actual expenditure

Description	<i>2024/2025</i>
	Kshs
Primary Schools Actual expenditure	37,453,744
Secondary Schools Actual expenditure	473,584
Tertiary Institutions Actual expenditure	-
Total	37,927,328

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14. Other Grants and transfers Actual expenditure

	2024/2025
	Kshs
Bursary – secondary schools	33,029,930
Bursary – tertiary institutions	44,914,457
Bursary – special schools	194,500
Bursary - Education Support programmes	-
Social Security programmes (SHIF)	-
Security projects Actual expenditure	3,491,343
Climate change mitigation projects	-
Emergency projects Actual expenditure	6,845,370
Roads projects Actual expenditure	-
Others specify	-
Total	88,475,600

15. Depreciation and Amortization Expenses

Description	2024/2025
	Kshs
Property Plant and Equipment	247,500
Intangible Assets	-
Total	247,500

16. Digital Hubs Expenses

Description	2024/2025
	Kshs
Construction/ renovation/ Actual expenditure	-
Digital Hub utility costs Water, Electricity,	-
Maintenance of ICT equipment	-
Maintenance of building	-
Others (<i>specify</i>)	-
Total	-

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17. Gain/loss on Sale of Assets

Description	2024/2025
	Kshs
Property, Plant and Equipment	-
Intangible Assets	-
Total Gain/loss on Sale of Assets	-

18. Impairment Loss

Description	2024/2025
	Kshs
Property, Plant and Equipment	-
Intangible Assets	-
<i>(Include financial instruments that are impaired)</i>	-
Total Impairment Loss	-

19. Cash and Cash Equivalents

Name Of Bank and Account No.	2024/2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Bank Accounts (Cash Book Bank Balance)		
<i>Equity Bank, A/C no. , 0510263641594 Kisii Branch . (Operations account)</i>	19,114,028	61,280,062
<i>Operations account pending closure (Indicate name & account no.)</i>	-	-
<i>Equity Bank, A/C no., 510286083559. Kisii Branch. (Deposit account)</i>	336,405	-
<i>Name of Bank, account No. (PMC accounts)</i>	129,780,736	57,435,543
Total	149,231,169	118,715,605
Cash Balances		
Location 1	-	-
Location 2	-	-
Other Locations <i>(Specify)</i>	-	-
Total	-	-

20. Receivables from Exchange Transactions

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

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

i. Ageing Analysis for Receivables

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

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21. Receivables from Non-Exchange Transactions

Description	2024/2025		Opening Statement 1 st July 2024	
	Kshs		Kshs	
Transfers from NGCDFB	36,469,857		47,259,445	
Outstanding imprest	-		-	
Total	36,469,857		47,259,445	
Ageing Analysis- Receivables from non-exchange transactions	2024/2025	% of the total	Opening Balance	% of the total
Less than 1 year	36,469,857	100%	47,259,445	100%
Between 1-2 years	-	-	-	-
Between 2-3 years	-	-	-	-
Over 3 years	-	-	-	-
Total	36,469,857	100%	47,259,445	100%

22. Prepayments

Description	2024/2025		Opening Statement 1 st July 2024	
	Kshs		Kshs	
Prepaid Rent	-		-	
Prepaid Insurance	-		-	
Prepaid Electricity Costs	-		-	
Other Prepayments (Specify)	-		-	
Total	-		-	

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23. Property, Plant and Equipment

	Land	Buildings	Motor vehicles	Furniture and fittings	Computers & ICT Equipment	Other Assets (specify)	Capital Work in progress	Total
Depreciation Rate(specify)		2%	25%	12.5%	30%	x%		
Cost	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Opening Bal as 1 st July 2024	-	-	-	-	-	-	-	-
Additions	-	-	-	1,500,000	200,000	-	-	1,700,000
Disposals	-	-	-	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-	-	-	-
As At 30 th June 2025	-	-	-	1,500,000	200,000	-	-	1,700,000
Depreciation And Impairment								
Opening Depreciation	-	-	-	-	-	-	-	-
Depreciation	-	-	-	187,500	60,000	-	-	247,500
Disposals	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-	-	-
As At 30 th June 2025	-	-	-	187,500	60,000	-	-	247,500
Net Book Values								
Opening Bal as at 1 st July 2024	-	-	-	-	-	-	-	-
As At 30 th June 2025	-	-	-	1,312,500	140,000	-	-	1,452,500

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Valuation

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

22 b) Property, Plant and Equipment at Cost

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

	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land	-	-	-
Buildings	-	-	-
Plant And Machinery	-	-	-
Motor Vehicles, Including Motorcycles	-	-	-
Computers And Related Equipment	200,000	60,000	-
Office Equipment, Furniture, And Fittings	1,500,000	187,500	1,312,500
Total	1,700,000	247,500	1,312,500

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

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

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24. Intangible Assets

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

25. Right-of use assets

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

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26. Trade and Other Payables

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

27. Third-Party deposits

	2024/2025	Opening Statement 1 st July 2024
	KShs	
Retention as at 1 st July (A)	-	-
Retention held during the year (B)	-	-
Retention paid during the Year (C)	-	-
Closing Retention as at 30 th June D= A+B-C	-	-

Retentions aging analysis.

	Insert Current FY	% of the total	Insert Comparative FY	% of the total
Less than 1 year	-	%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total	-		-	

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28. Lease Liabilities

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

Maturity Analysis

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

Analysed as:

Description	Amount
Current	-
Non- Current	-
Total	-

29. Gratuity Provision

Description	2024/2025	Opening Statement 1 st July 2024
	Kshs	
Gratuity at the beginning of the year 1 st of July 2024	147,524	-
Gratuity held during the year	336,405	147,524
Gratuity paid during the year	-	-
Total Gratuity Provision 30th June (A+B-C)	483,929	147,524

30. Cash Generated from Operations

	<i>2024/2025</i>
	Kshs
Surplus/Deficit for the year	20,702,071
Adjusted for:	
Depreciation	187,500
Impairment	-
Gains and losses on disposal of assets	-
	-
Working capital adjustments	-
Increase/decrease in receivables	(10,789,588)
	-
Increase/decrease in payables	(336,405)
	-
Net cash flow from operating activities	32,015,564

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

31. Financial Risk Management

The Entity's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The Entity's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to 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
As at 30th June 2025				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	36,469,857	36,469,857	-	-
Bank balances	149,231,169	149,231,169	-	-
Total	185,701,026	185,701,026	-	-
As at 30 June 2024				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	47,259,445	47,259,445	-	-
Bank balances	118,715,605	118,715,605	-	-
Total	165,975,050	165,975,050	-	-

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

Financial Risk Management

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the Entity has 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 2025. The board of directors sets the Entity's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

ii) Liquidity risk management

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
As at 30th June 2025				
Trade payables	-	-	-	-
Current proportion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Gratuity Provision	-	-	483,929	483,929
Total	-	-	483,929	483,929
As at 30th June 2024				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Employee benefit obligation	-	-	147,524	147,524
Total	-	-	147,524	147,524

iii) Market risk

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

a) Foreign currency risk

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:

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Current FY

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

Foreign currency sensitivity analysis

Current FY

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

Financial Risk Management

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

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

b) Interest rate risk

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

Management of interest rate risk

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

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

Fair value of financial assets and liabilities

a) Financial instruments measured at fair value.

Determination of fair value and fair values hierarchy

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

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

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

Description	Level 1	Level 2	Level 3	Total
	Kshs	Kshs	Kshs	Kshs
As at 30 June 2025	N/A			
Financial Assets				
Quoted Equity Investments	-	-	-	-
Non- Financial Assets				
Investment Property	-	-	-	-
Land And Buildings	-	-	-	-
Total	-	-	-	-

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As at 30 th June (2024)				
Financial Assets				
Quoted Equity Investments	-	-	-	-
Non- Financial Assets				
Investment Property	-	-	-	-
Land And Buildings	-	-	-	-
Total	-	-	-	-

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 1st July 2024</i>
	Kshs	Kshs
Revaluation Reserve	-	-
Retained Earnings	186,669,597	165,827,526
Capital Reserve	-	-
Total Funds	-	-
Total Borrowings	-	-
Less: Cash and Bank Balances	149,231,169	118,715,605
Net Debt/(Excess Cash And Cash Equivalents)	-	-
Gearing	-%	-%

32. Related Party Disclosures

	2024/2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Committee Members Remuneration		
Sitting allowance of committee Members during the year	2,197,685	1,648,000
Transaction with the NGCDF Board		
Transfers from the NGCDF Board during the year	181,259,445	228,130,020
Total	183,457,130	229,778,020

33. Segment Information

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

34. Contingent Assets and Contingent Liabilities

Contingent Assets

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

Contingent Liabilities

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

35. Capital Commitments

Capital Commitments	2024/2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Authorised for	NA	NA
Authorised and Contracted for	NA	NA
Total	NA	NA

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

36. Events after the Reporting Period

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

37. Ultimate and Holding Entity

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

38. Currency

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

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18. Annexes
Annex 1: Summary of Asset Register

Asset class	Historical cost/valuation cost balance brought forward (Kshs)	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) At Year End
Land	20,000,000			20,000,000
Buildings and structures	13,700,000			13,700,000
Transport equipment	13,700,853			13,700,853
Office equipment, furniture, and fittings	15,000	1,500,000		1,515,000
ICT Equipment and Other ICT Assets	90,000	200,000		290,000
Other Machinery and Equipment				-
Intangible assets				-
Total	47,505,853	1,700,000		49,205,853

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

PMC	Bank	Account number	Bank Balance Current FY	Bank Balance Comparative FY
Bitare primary school	Equity – Kisii	510277460300	1,317	1,317
Bitare SDA mixed secondary school	Equity – Kisii	510269054913	268	57,197
Bogitaa ELCK primary school	Equity – Kisii	510278974966	101,085	789,337
Bogitaa Secondary School	-	0	2,950,000	-
BONYANDO SUB CHIEF'S OFFICE			3,000,000	
BONYAORO GIRLS SECONDARY SCHOOL			54,825	
Botoro ELCK Primary School	Family – Kisii	27000062011	187,520	275,657
Chisaro primary school	Equity – Kisii	510279005015	196,962	2,117,746
EBATE DOK PRIMARY SCHOOL	15,000		54,427	
Ekerore DEB primary school	Equity – Kisii	510269922980	83,173	2,075,083
EKERORE SECONDARY SCHOOL			54,060	
Ekerubo DEB primary school	Equity – Kisii	510277462281	210,805	3,350,414
Ekerubo secondary school	Equity – Kisii	510277598488	180,243	180,243
Etureti DOK Primary School	Family – Kisii	27000062009	8,752,913	3,803,342
ETURETI PRIMARY SCHOOL	-		50,870	
Genga D.O.K Secondary School	Equity – Kisii	510270015206	164,146	305,801
GENGA DOK PRIMARY SCHOOL			56,450	
Gesero DOK Primary School	Family – Kisii	27000062014	10,322,084	533,578

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PMC	Bank	Account number	Bank Balance Current FY	Bank Balance Comparative FY
IGONGA DIVISION ACC'S OFFICE			3,000,000	-
Igonga Primary School	Equity – Kisii	510269057771	719	719
Iruma secondary school	Equity – Kisii	510269966429	3,037	3,037
Isamwera DOK Primary School	Family – Kisii	27000062087	6,328,774	192,453
Itierio Elck Primary School	Family – Kisii	27000062000	47,024	64,079
Itierio Primary School	Equity – Kisii	510271106144	17,590	17,590
Kebute primary school	Equity – Kisii	510269935008	3,219	3,219
Kenyorora DOK primary School	Equity – Kisii	510269969323	6,349,911	11,150,720
Kenyorora DOK primary School	Family – Kisii	27000061996	-	-
KERINA ELCK PRIMARY SCHOOL	Equity – Kisii	510282828682	53,989	
Kerina ELCK primary school	Equity – Kisii	510282828682	498,867	2,123,348
Kerina ELCK primary school	Family – Kisii	27000062086	50,348	50,348
Kiabusura DOK Primary School	-	0	5,695,618	-
Kiabusura DOK Secondary School	-	0	5,262,536	5,537,536
KIOGE DEB PRIMARY SCHOOL	-	0	5,473,039	-
Kirwanda ELCK primary school	Equity – Kisii	510269952503	4,328,201	4,328,201
Marindi primary school	Equity – Kisii	510279011136	5,377	2,085,702
Masagoye DEB primary school	Equity – Kisii	510269059130	2,896	130,896
Matongo DEB Primary School	Family – Kisii	27000061999	812	2,998,360

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PMC	Bank	Account number	Bank Balance Current FY	Bank Balance Comparative FY
MATONGO SECONDARY SCHOO			56,700	-
Miranga primary school	Equity – Kisii	510271790340	1,559	1,559
Mogumo primary school	Equity – Kisii	510269994680	4,531,328	31,328
Mogumo secondary School	Equity – Kisii	0	2,950,000	-
Mosando primary school	Equity – Kisii	510277459954	5,005,016	5,016
MOSANDO SDA PRIMARY SCHOOL			53,539	-
Mosando SDA secondary school	Cooperative – Kisii	1120297020100	-	-
Mugori D.O.K Primary School	Equity – Kisii	510271790340	41,086	60,407
MWAMISOKO DEB PRIMARY SCHOOL	Equity – Kisii		677	
Mwamisoko primary school	Equity – Kisii	510272621627	-	5,098
Mwata primary school	Equity – Kisii	510269033745	75,569	75,569
Mwata secondary	Equity – Kisii	510270016216	137,498	137,498
Nyabieyo secondary	Equity – Kisii	510269966097	-	-
Nyakungu DOK Primary Shool	Family – Kisii	27000062010	22,736	22,736
NYAMAYA DOK PRIMARY SCHOOL			451,170	-
Nyamaya primary school	Equity – Kisii	510277460547	4,458,850	301,170
Nyamegukuna Primary school	Equity – Kisii	0	-	-
Nyamerako DEB Primary School	-	0	76,560	2,073,845
NYAMERAKO EKERUBO MIXED SEC SCHOOL	Bank		450,000	-

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PMC	Bank	Account number	Bank Balance Current FY	Bank Balance Comparative FY
Nyamerako Ekerubo sec school	Equity – Kisii	510278989214	1,000,000	-
Nyamiobo Primary School	Equity – Kisii	510271075492		215,488
Nyamokenye DOK Primary School	Equity – Kisii	27000062112	6,538,874	664,647
Nyamokenye DOK primary school	Equity – Kisii	510270373687	1,264	39,899
Nyangena primary school	Equity – Kisii	510269028235	1,972,735	8,838
Nyang'iti primary school	Equity – Kisii	510277471649	9,800	2,074,551
Nyang'iti Secondary School	Equity – Kisii	510270007453	-	-
Nyangoge Primary school	Equity – Kisii	510271346254	310,944	310,944
Nyotoima primary school	Equity – Kisii	510278990206	50,560	50,560
Oriangi D.O.K Primary School	Equity – Kisii	510280121059	11,668	
Oriangi D.O.K Primary School			715,309	2,156,758
Oriangi primary school	Equity – Kisii	510280121059	-	-
Riamagige primary school	Equity – Kisii	510269967847	28,932	28,932
Riamaoncha ELCK Primary School	Family – Kisii	27000062047	2,988,083	38,083
Riamontinga DEB primary School	Equity – Kisii	510278959700	98,438	2,114,463
Riamontinga Mixed secondary School	Equity – Kisii	510270055972	3,212	3,212
Riana Location Chief Office	Family – Kisii	27000061979	7,017	3,498,360
RIANYABARO CENTRE OF EXCELLENCE	-		55,700	
Rianyabaro primary school	Equity – Kisii	510278997714	28,508	28,508

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PMC	Bank	Account number	Bank Balance Current FY	Bank Balance Comparative FY
Rianyapara ELCK Primary School	Family – Kisii	27000062016	5	416,012
SIGISI DOK PRIMARY SCHOOL	Equity – Kisii		450,000	-
Sigisi primary school	Equity – Kisii	510295226573	5,589	373,589
ST. Elias Nyamiobo DOK primary school			180,488	
St Anne's Nyangoge Secondary			6,000,000	
St Lawrence Nyabieyo Primary School	-	0	2,011,817	11,817
St Vincent Omwari D.O.K Primary	Equity – Kisii	510269033312	-	-
ST PAULS IGONGA SEC SCHOOL	-	0	2,150,000	-
St. Angela Merici Igonga DOK Primary School	Family – Kisii	27000062018	6,239	94,172.
St. Benedict Bomariba DOK Primary School	Family – Kisii	27000061998	3,494	98,228
St. Francis Nyasagati Secondary school	Equity – Kisii	510270007453	1,378	1,378
St. Vincent Omwari D.O.K primary school	Equity – Kisii	510280173557	1	11,668
St. Peters Suneka secondary	Equity – Kisii	510280161689	164,547	164,547
St. Reges Ebate Dok Primary School	Equity – Kisii	510282901476	4,672	4,672
St. Reges Ebate Dok Primary School	Family – Kisii	27000062002	112,633	112,633
St. Thomas Aquinas Nyamare DOK Primary School	Equity – Kisii	510277156666	21,500,193	10,193
St. Thomas Moore Moguga D.O.K Primary School	Equity – Kisii	510269996827	2,568	2,568
Sugunana primary school	Equity – Kisii	51026056118	10,645	10,645
Sugunana Secondary school	Equity – Kisii	510278588533		-

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PMC	Bank	Account number	Bank Balance Current FY	Bank Balance Comparative FY
Suneka police station	Equity – Kisii	510278728479	34	34
Suneka Primary School	-	0	1,500,000	-
Total			129,780,736	57,435,543

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Annex 3: Progress On Follow Up of Auditor Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.0	<p>1.0. Unconfirmed Bursaries to Secondary Schools and Tertiary Institutions</p> <p>The statement of receipts and payments reflects other grants and transfers amount of Kshs. 84,685,420 which as disclosed in Note 8 to the financial statements, includes Kshs. 39,553,100 disbursed to secondary schools and Kshs. 27,719,000 to tertiary institutions. However, bursaries amounting to Kshs. 20,614,100 disbursed for students in thirteen (13) secondary schools and 8 tertiary institutions were not supported with receipts and</p>	<p>Invoice for the 210 trainees was later corrected and a copy is here attached.</p> <p>The Bursary vetting minutes are here attached. The criteria for selecting applicants was not based on wards but rather open to the whole constituency as shown in Minute 02/04/04/2024.</p> <p>Management disbursed bursaries to the said institutions. However, some institutions have acknowledged receipt while others have not and the management is following up on the</p>	Not resolved	30/12/2025

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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>acknowledgement letters from the respective schools and colleges. Further, the disbursement to tertiary institutions of Kshs. 27,719,000 includes an amount of Kshs. 3,360,000 paid to a local driving school for training two hundred and ten (210) students. However, the Local Service Order instructing the service provider to offer the services and indicating the agreed contract timelines was not provided for audit review. In addition, unique identifiers such as identity card numbers and area of residence were not captured in the list provided.</p> <p>In the circumstances, the accuracy, completeness and authenticity of expenditure of Kshs. 20,614,100 on bursaries to students in secondary and colleges and Kshs 3,360,000 to</p>	<p>same. The available acknowledgement receipts are here attached for your verification.</p> <p>On the amount of Kshs. 691,000 paid to the Fund account manager, the funds were used to settle expenses during and bursary processing. Clearly documented payment vouchers are here attached for your review.</p> <p>Copies of Interim certificates of participation for the participants are here attached for your review.</p> <p>See Annex 10 – Invoice, Minutes with criteria and vetting, PVs acknowledgements, PVs for 691,000 and interim certificates.</p>		

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	the driving school could not be confirmed.			
2.0	<p>Unsupported Reconciling Items in Cash and Cash Equivalents</p> <p>The statement of assets and liabilities as at 30 June 2024 reflects cash and bank equivalents balances of Kshs. 61,280,062 as disclosed in Note 11A to the financial statements. The supporting bank reconciliation statement provided for audit reflected unpresented cheques amounting to Kshs.41,551,777. However, Management did not indicate the dates on which the cheques were subsequently presented for payments. This is contrary to</p>	<p><i>The accuracy and completeness of the cash book bank balance of Kshs.61,280,062 as at 30 June, 2024 ought to have been confirmed. The bank reconciliation statement presented for audit was as at 30th June 2024 - end of the financial year under review. Therefore, the unpresented cheques amounting to Kshs.41,551,777 were as of that date and thus, are to be subsequently cleared in the financial year 2024/2025 (starting 1st July 2025), a period falling outside the financial year under review.</i></p>	Not resolved	30/12/2025

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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>section 90(1) Public Finance Management Regulations 2015 which states that accounting officers shall ensure any discrepancies noted during bank reconciliation exercise are investigated immediately and appropriate action taken including updating the relevant cash books.</p> <p>In the circumstances, the accuracy and completeness and the cash and cash equivalents balance of Kshs.61,280,062 could not be confirmed.</p>	<p>However, certificate of bank balance and board of survey certificate to confirm the bank and cash balances respectively have been attached here for your review. (Annex13).</p>		
3.0	<p>Unsupported PMC Account Balances</p> <p>The Financial statements under Annex 5 reflect a balance of Kshs. 30,005,844 in respect of Project Management Committees (PMC) bank</p>	<p>- On the twenty-seven (27) PMC bank accounts, it was erroneously indicated that they had Nil balance in the comparative</p>	Not resolved	30/12/2025

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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>balances as at 30 June 2024. However, the cash books, certificates of bank balances and bank reconciliations statements supporting this balance were not provided for audit. Further, quarterly reports prepared and tabled before the Constituency Committee in accordance with Regulation 15(10)(b) were not provided for audit review.</p> <p>In the circumstance, the accuracy and completeness of the PMC Bank balances of Kshs.30,005,844 could not be confirmed.</p> <p>The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the Bonchari NG-CDF 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</p>	<p>column. The variance noted has since been reconciled and necessary adjustments have been done in the attached amended financial statement. See also the attached Bank statements.</p> <p>On Miranga and Mugori DOK primary schools, there was a typing error that resulted from Auto-filling feature in Ms Excel. The Account number 510271790340 for Mugori DOK primary school was also reflected in the section for Miranga primary school by</p>		

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>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.</p>	<p>mistake. Therefore, Account numbers 0510270243916 and 510271790340 relates to Mugori DOK primary school and Miranga primary school respectively. The error is regrettable and has been corrected in the attached amended financial statements. See also the attached copies of the Bank statements.</p> <p>- Ebate primary is the same school as St. Reges Ebate DOK Primary school. Actually the school full name is St.Reges Ebate DOK Primary school. The amount appeared twice by mistake. The error is</p>		

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
		<p><i>regrettable and has been corrected in the attached amended financial statements. See also the attached copies of the Bank statements.</i></p> <p><i>- Further, the PMC Account for Nyamaya primary school did not have an overdraft as indicated. The balance is actually Kshs. 301,170.00. see attached Bank statement.</i></p> <p><i>(Refer Annex Annex 6 – Bank statements for 27 PMCs, Bank statements for Miranga and Mugori DOK primary schools, bank statement for St.Regis Ebate DOK Primary school, Bank</i></p>		

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		<i>statement for Nyamaya primary school)</i>		
	<p>Emphasis of Matter</p> <p>Budgetary Control and Performance</p> <p>The summary statement of appropriation for the year under review reflects total budgeted receipts of Kshs.316,716,934 and actual receipts on comparable basis of Kshs.269,457,489, resulting in an underfunding of Kshs.47,259,445, or 15% of the budget. Similarly, the summary statement of appropriation reflects approved final budget expenditure of Kshs.316,716,934 and actual expenditure on comparable basis of Kshs.208,177,427 resulting in an under-expenditure of Kshs.108,539,507, or 34% of the budget.</p>	<p><i>As at the end of the period under review, there was under funding of Kshs. 47,459,445 by the NG-CDF Board and thus, implementation of projects attached to this amount was still waiting.</i></p> <p><i>On under-expenditure, our receipts on actual on comparable basis was Kshs. 269,457,489 while our expenditure on actual on comparable basis was 208,177,427 leading to underutilization of Kshs. 61,280,062.</i></p> <p><i>Disbursement of funds to PMCs attached to these projects and their implementation delayed as a result of delayed</i></p>	Not resolved	30/12/2025

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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>Further, the Fund spent Kshs.208,177,427 out of the actual receipts of Kshs.208,177,427 resulting in under-utilization of available funds by Kshs.61,280,062 or 23% of the actual receipts. In addition, the under expenditure of Kshs.108,539,507 includes a budget amount of Kshs.62,427,725 in respect of eighteen (18) projects that had not been implemented as at 30 June, 2024: In the circumstances, the underfunding, under-expenditure and under-utilization of available funds affected the planned activities.</p>	<p>receipt of AIEs and approved code list from the from the NG-CDF Board. AIE No. B233932 Amounting to Kshs. 20,000,000 and AIE No. B233839 of Kshs. 42,234,906 were received on 29/05.2024 and 13/05 2024 respectively. Few weeks to the closure of the financial year. There was no enough time to Advertise and procure the projects activities. The CDFC made efforts to utilize the allocations but due to time constraints, there was an under absorption of the said figure. Copies of the said AIEs and a code list dated 31st may 2024 are here attached for your review. (Annex 16).</p>		

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved/ Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	impacting negatively on service delivery to the Bonchari constituents.			
	Other Matter Unresolved Prior Year Matters Various prior year audit issues remained unresolved as at 30 June, 2024. Management has not provided satisfactory reasons for the delay in resolving the prior year audit issues.	<i>All our prior year matters are in the process of being resolved with the Auditor alongside the Decentralized funds Accounts Committee (DFAC). Management is waiting for a date with the Committee.</i>	Not resolved	30/12/2025
1.0	Basis for Conclusion 1.0. Transfers to Other Government Units		Not resolved	30/12/2025
1.1	1.1. Delayed completion of Phase 1 of 4 Classrooms on the Ground Floor of a Storey Building at Kenytorora Primary School The amount transferred to primary schools includes Kshs.4,500,000 for the construction of phase one	<i>All our prior year matters are in the process of being resolved with the Auditor alongside the Decentralized funds Accounts Committee</i>	Not resolved	30/12/2025

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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>of 4 classrooms on the ground floor of one storey building at Kenyora Primary School. The scope of work entailed substructure works and superstructure frame work and columns, including foundation, walling, installation of first floor slab, installation of windows and doors as per the approved code list of 2022/2023 financial year. The contract for the works was awarded to a local contractor at a contract sum Kshs.4,976,940. The commencement date was 13 February, 2024, contract period was ninety 90 days with expected completion date of 13 May, 2024.</p> <p>Further, another Kshs.6,500,000 was also disbursed to the school's Project Management Committee (PMC) account on 28 June, 2024 for the construction to completion of four (4) classrooms on the ground floor of a storey building. the works entailed foundation, installation of columns, walling, installation of first floor suspended slab, flooring, installation of</p>	<p>(DFAC). Management is waiting for a date with the Committee.</p>		

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>windows and doors, electrical works and painting.</p> <p>However, physical verification in the month of November, 2024 revealed that the project was incomplete and not in use.</p> <p>In the circumstances, the value for money realized from the disbursement of Kshs.11,000,000 to Kenyora Primary School could not be confirmed.</p>			
1.2	<p>1.2. Delayed Construction of 4 No. Classrooms on Ground Floor of a Storey Building at Nyamiobo Primary School</p> <p>The amount transferred to primary schools also includes Kshs.4,500,000 for the construction of four (4) classrooms on the ground floor of a storey building at Nyamiobo Primary School. Records provided indicated that the project's scope entailed</p>	<p>i. Kshs. 6,000,000 was allocated to Nyamiobo primary school for the Construction of four (4) classrooms on the ground floor of a storey building as opposed to Kshs. 4,500,000 indicated. However, management wishes to state that due diligence was observed in</p>	Not resolved	30/12/2025

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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>construction of four (4) number classrooms on the ground floor of a storey building: walling, installation of windows and doors, internal and external plastering, flooring, electrical works and painting. The PMC engaged the services of another contractor at a contract sum of Kshs.4,490,060, the commencement date was 7 March 2024, contract period 90 days and expected completion date of 7 June, 2024.</p> <p>However, audit inspection in the month of November, 2024 revealed that the project was incomplete and had not been put to intended use.</p> <p>In the circumstances, the value for money realized from the disbursement of Kshs.4,500,000 to Nyamiobo Primary School could not be confirmed.</p>	<p>advertising and award to the first contractor. The Code list and tender documents for Ms. Mathila Company Limited are here attached for your review. (See Annex 5).</p> <p>ii. The project is 95% complete and the contractor is on site fixing floor tiles and thereafter, the project shall be handed over ready to use in January, on opening of schools.</p>		

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.3	<p>Incomplete Construction to Completion of One Classroom for Junior Secondary Schools (NG-CDF) Sponsored and Junior Secondary School Project (MOE) Sponsored In 12 Primary Schools Within the Bonchari Constituency</p> <p>The amount transferred to primary schools further includes Kshs.24,866,040 disbursed to twelve (12) primary schools, each getting Kshs.2,072,170 which comprised Kshs.1,036,085 for construction to completion of one classroom for junior secondary school project(National Government Constituency Development Fund sponsored) and another Kshs.1,036,085 for construction to completion of one classroom for junior secondary school (Ministry of Education sponsored). Review of records revealed that the funds were</p>	<p><i>The cheques were drawn on 28th June 2024 but were not fully signed. The Chairperson was hospitalized and stayed in hospital for 3 months and after discharge, he resigned. NG-CDFC elected the new chair in October who signed the cheque and were delivered to the PMC. (See Attached Bank statement – Annex6). The project files are here attached for your review.</i></p>	Not resolved	30/12/2025

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	<p>transferred to the schools on 28 June, 2024. However, Management did not provide for audit the respective project files, complete with duly constituted Project Management Committee membership, the details of bank accounts where funds were disbursed and the project implementation status report. Further, project verification in the month of November, 2024 of 5 sampled schools revealed that the projects were incomplete and not serving the intended purpose</p>			
	<p>Incomplete Construction of 2 Storey Dormitory with Capacity of 300 Students at Kiabusura Secondary School</p> <p>The amount transferred to secondary schools includes Kshs.5,500,000 disbursed on 14November, 2023 to the PMC Accounts of Kiabusura Secondary School for the construction to completion of 160-students</p>	<p>Management concurs with the Auditor that this project has not started. The contract has not been signed as well since there is a request for change of activity that is pending approval at the NG-CDF Board. (See attached – Annex 7)</p>	<p>Not resolved</p>	<p>30/12/2025</p>

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	<p>capacity dormitory on the first floor of one storey building. The works entailed framework, walling, roofing, installation of doors and windows, installation of a ramp, internal and external wall finishes, tiling, electrical works, plumbing works and painting.</p> <p>Review of records revealed that the funding for the project started when the project was allocated Kshs. 1,500,000 in the code list of the 2019/2020 financial year, being additional funds for the construction of 2 storey dormitory with capacity of 300 students for casting first floor slab, walling and retaining wall. The project was again allocated Kshs. 6,000,000 in the code list of the 2020/2021</p>			

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	<p>financial year for the completion of 160-student capacity storey dormitory on the ground floor which entailed installation of the columns, beams, slabbing, walling, fixing doors and windows, glazing, plastering, flooring, external finishes, ramp, painting and labelling.</p> <p>However, audit inspection conducted in the month of November, 2024 revealed that the project had not been completed and put to intended use</p>			
1.4	<p>Unauthorized Reallocation of Fund at Genga Secondary School</p> <p>The amount transferred to secondary schools also includes Kshs. 1,800,000 transferred to Genga Secondary School for the completion of 4 classrooms on first floor of one storey</p>	<p><i>Management wishes to state that there was no change of activity at Genga Secondary School. Activities under implementation as just as approved in the code list. There is no construction</i></p>	Not resolved	30/12/2025

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	<p>building. The works entailed wall finishes on 2 classrooms, flooring, fixing of handrails and painting. However, there was change of activities as per the contractor's Bill of Quantities without approval from the CDF board to construction of 4 classrooms which comprised finishing of 2 more classrooms and handrails.</p> <p>Further, the project files for the construction works were not supported with procurement records such as advertisements, inspection and acceptance committee reports, signed contract agreements, Project Management Committee (PMC) accounting records such as cash books, bank statements and expenditure returns.</p> <p>In addition, project verification in the month of November, 2024 revealed that the 4classrooms were complete but not in use. Poor paintwork of the doors was noted, the</p>	<p>but rather completion as may be seen in the attached BoQ and code list.</p> <p>The project file for the completion works is here attached. The four classrooms were done to completion on the first floor but there was lack of enough funds to implement the hand rails due to the rising cost of materials. NG-CDFC shall consider adding more funds to the project in 2024/2025FY to complete the remaining activities. (see attachments - Annex 8).</p>		

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>classrooms on first floor and the building rails had not been implemented making it a safety hazard for the intended users.</p> <p>In the circumstances, the value for money realized from the expenditure of Kshs. 1,800,000 could not be confirmed.</p>			
1.5	<p>Projects Implementation Status</p> <p>Physical verification of twelve (12) projects with total allocation of Kshs.48,187,242 in the month of November 2024 revealed that two (2) with a budgetary allocation of Kshs.5,700,000 were completed, five projects with a budgetary allocation of Kshs.22,500,000 were completed but not put to the intended use (idle), three projects with a budgetary allocation of Kshs.11,500,000 were incomplete and two projects with a budgetary</p>	<p><i>Invoice for the 210 trainees was later corrected and a copy is here attached.</i></p> <p><i>The Bursary vetting minutes are here attached. The criteria for selecting applicants was not based on wards but rather open to the whole constituency as shown in Minute 02/04/2024.</i></p> <p><i>Management disbursed bursaries to the said institutions. However, some institutions have acknowledged receipt</i></p>	Not resolved	30/12/2025

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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>allocation of Kshs.9,500,000 had not been started even though funds had been transferred to their respective PMAC accounts.</p> <p>The non-completion of projects as planned denied the residents of Bonchari Constituency the services and benefits that would have accrued from the completed projects.</p>	<p>while others have not and the management is following up on the same. The available acknowledgement receipts are here attached for your verification.</p> <p>On the amount of Kshs. 691,000 paid to the Fund account manager, the funds were used to settle expenses during and bursary processing. Clearly documented payment vouchers are here attached for your review.</p> <p>Copies of Interim certificates of participation for the participants are here attached for your review.</p> <p>See Annex 10 – Invoice, Minutes with criteria and vetting, acknowledgements, PVs</p>		

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
		<i>for 691,000 and interim certificates.</i>		
2.0	<p>Other Grants and Transfers</p> <p>The statement of receipts and payments reflects other grants transfers amount of Kshs. 84,685,420 as disclosed in Note 8 to the financial statements. The following audit issues were noted:</p>		Not resolved	30/12/2025
2.1	<p>Security Projects: Construction to Completion of 3 Roomed Modern Chiefs Office and three Door Toilets with One Chamber Catering for Persons With Disabilities at Riana Chief's Camp</p> <p>The other grants and transfers amount includes security projects expenditure of Kshs.'3,500,000. The project entailed the construction to completion of a 3-roomed</p>	<p><i>Management wishes to state that there is no toilet to be constructed at Riana chief's office. There was a change of activities approved by the NG-CDF Board to construction of chief's office on ground floor by foundation and columns for four roomed offices on ground floor and five roomed office on first floor. Project</i></p>	Not resolved	30/12/2025

**National Government Constituencies Development Fund (NGCDF)
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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>modern chief's office at Kshs. 3,140,000 and a three-door toilet with one chamber catering for persons with disabilities at Kshs.360,000.</p> <p>Review of records revealed that the Department of Public Works on 28 November, 2023 requested for payments of Kshs.105,000 for works which comprised the following:</p> <table border="1" data-bbox="917 1288 1220 1713"> <thead> <tr> <th>Works</th> <th>Amount (Kshs.)</th> </tr> </thead> <tbody> <tr> <td>Drawings (architectural and structural)</td> <td>25,000</td> </tr> <tr> <td>Bills of quantities and certificate</td> <td>20,000</td> </tr> <tr> <td>Structural certificate</td> <td>10,000</td> </tr> <tr> <td>Architectural certificate</td> <td>10,000</td> </tr> <tr> <td>PPA 2</td> <td>5,000</td> </tr> <tr> <td>NEEMA Report and certificate</td> <td>25,000</td> </tr> <tr> <td>National Construction Authority</td> <td>10,000</td> </tr> </tbody> </table>	Works	Amount (Kshs.)	Drawings (architectural and structural)	25,000	Bills of quantities and certificate	20,000	Structural certificate	10,000	Architectural certificate	10,000	PPA 2	5,000	NEEMA Report and certificate	25,000	National Construction Authority	10,000	<p>implementation is ongoing and the contractor in on site. See attached approval for change of activity (Annex 11).</p>		
Works	Amount (Kshs.)																			
Drawings (architectural and structural)	25,000																			
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	<p>Total 105,000</p> <p>However, field verification in the month of November, 2024 revealed that project had not started, 52 weeks after funds had been disbursed for the project implementation.</p> <p>In the circumstances, the value for money on the expenditure of Kshs.3,500,000 could not be confirmed.</p>			
2.2	<p>Management of Emergency Reserves</p> <p>The other grants and transfers amount includes emergency projects expenditure of Kshs.6,001,220. However, no evidence was provided to confirm that the utilization of the emergency reserves was reported</p>	<p>The above expenditure were incurred at a time when the NG-CDFC did not have money in the Administration vote. Payment to Nation Media Group was to cater for the advertisement fee of the projects that were to be</p>	Not resolved	30/12/2025

**National Government Constituencies Development Fund (NGCDF)
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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>to the Board within thirty (30) days of the occurrence of the funded emergency projects. This was contrary to Regulation 20(2) of the National Government Constituencies Development Fund Regulations, 2016, which states that utilization of the emergency reserve shall be reported to the Board within thirty days of the occurrence of the emergency, in the format prescribed by the Board. In the circumstances, Management was in breach of the law</p>	<p>implemented. Payment to Surman Group Company Ltd was for the supply of fuel and the fuel vote had been depleted.</p> <p>On imprests, the expenditure were meant to cater for the training expenses in Nakuru and Eldoret. The trainings were organized late in the financial year when our administration vote had been depleted and thus, we had to utilize the emergency vote that had funds unutilized.</p> <p>However, since the funds were borrowed from emergency vote to cater for the above expenditure, the funds shall be returned to the vote on receipt of our</p>		

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved/ Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.0	<p>Basis for Conclusion</p> <p>Deterioration of Motor Vehicle</p> <p>Review of records, interviews of Management and physical verification revealed that the Bonchari NG-CDF owns a Land rover Registration No. GKA 960T that has been grounded within the precincts of the Fund offices for a long time. However, no evidence was provided to show that the Management had made efforts to have it repaired for use and that it had provided the necessary information on the vehicles to the chief executive officer of the NG-CDF Board for necessary action.</p>	<p>allocations from the NG-CDF Board.</p> <p>See attached documents in relation to the trainings. (Refer Annex 10).</p>	Not resolved	30/12/2025
		<p>- It is regrettable that the fixed assets register was not presented to the auditor for verification. The management has here in attached a copy for your review.</p> <p>- On the grounded motor vehicle Land Rover Registration No. GKA 960T, the management is in the process of disposing it. See attached NG-CDF Minutes: -</p>	Not resolved	30/12/2025

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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)
	In the circumstances, the Fund may not get any value from the vehicle.	Minute 10/19/02/2024. (Annex 14).		
2.0	<p>Lack of Effective Assets Management and Controls</p> <p>Annex 4 to the financial statements on Summary of fixed asset register discloses the value of fixed assets as at 30 June.2024 of Kshs.47,505,853. However, review of the fixed asset register/inventory revealed that the relevant details relating to the parcels of land owned by the Bonchari NG-CDF, including land size, land values, date of acquisition, costs, accumulated depreciation, net book values, locations and codes, were not included in the asset register.</p> <p>Further, Management did not provide title deeds for the parcels of land. It was therefore not possible to confirm the ownership status and security of the Fund's land.</p>	<p>- It is regrettable that the fixed assets register was not presented to the auditor for verification. The management has here in attached a copy for your review.</p> <p>- On the grounded motor vehicle Land Rover Registration No. GKA 960T, the management is in the process of disposing it. See attached NG-CDFC Minutes: - Minute 10/19/02/2024. (Annex 14).</p>	Not resolved	30/12/2025

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	<p>In addition, Management did not provide evidence that the Fund's major assets were revalued, and records of assets' counts and verification carried out at regular intervals to confirm existence and condition of the recorded assets. It was also noted that most of the assets were not tagged and asset movement registers were not properly maintained</p>			

Date:
 NGCDF BONCHARI
 P. O. Box 1267/140200,
 KISII.

.....
 Name: Judith Ochoro
 Fund Account Manager.