REPUBLIC OF KENYA

REPUBLIC OF KENYA

OFFICE OF THE AUDITOR-GENERAL
Enhancing Accountability

THE NATIONAL ASSEMBLY
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REPORT

OF

THE AUDITOR-GENERAL

ON

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - THARAKA CONSTITUENCY

FOR THE YEAR ENDED 30 JUNE, 2025







NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

THARAKA CONSTITUENCY

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
30th JUNE 2025

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

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1. Acronyms and Definition of Key Terms

A. Acronyms

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

B. Definition of Key Terms

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

Comparative Year- Means the prior period.

2. Key Constituency Information and Management

(a) Background information

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

Mandate

The mandate of the Fund as derived from sec (3) of the NG-CDF Act, 2015, 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 Tharaka 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	Happi Adan
2.	National Sub-County Accountant	Joseph Kabii Chabari
3.	Chairman NGCDFC	Paul Ngoci
4.	Member NGCDFC	Veronica Kajira

(c) Fiduciary Oversight Arrangements

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

P.O. Box 33
Tharaka NG CDF Building/House/Plaza
Marimanti Nkubu Road, Marimanti,
KENYA

(e) NGCDF Tharaka Constituency Contacts

Telephone: (254) 711181096
E-mail: cdftharaka@ngcdf.go.ke
Website: www.tharaka.ngcdf.go.ke

(f) NGCDF Tharaka Constituency Bankers

1. Family Bank
   (A/C NO. 054000012570 (Operations Account).
   Chuka Branch
   P. o Box 74145-0200
   Nairobi

2. Equity Bank
   (A/C NO. 0210285121321. (Deposit account).
   Chuka Branch
   P. o Box 75104-00200
   Nairobi

3. Sidian Bank,
   A/C NO: Various
   Nkubu Branch
   P. o Box 3066-60200
   Nkubu

(g) Independent Auditor

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

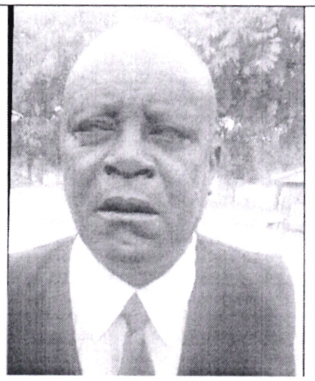
(h) Principal Legal Adviser

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

3. NGCDF Committee

Name	Details
 Chairman: Paul Kirema	Date of Birth: 02/10/1980 Academic Qualification: Diploma in Theology Professional Qualification: pastoral work Work experience: 10 years
 Secretary: Veronica Kajira	Date of Birth: 01/01/1970 Academic Qualification: Bachelor of agriculture Professional Qualification: Business Work experience: 20 years
 Female representative: Fridah Kathure	Date of Birth: 1/01/1990 Academic Qualification: Bachelors of commerce Professional Qualification: business Work experience:8 years.

 Male adult: Josphat Gitonga	**Date of Birth: 31/12/1976** **Academic Qualification: Diploma in education** **Professional Qualification: Business** **Work experience: 12 years**
 Member 5: Lucy Kangai	**Date of Birth: 25/10/1992** **Academic Qualification: Bachelor of co-operative management** **Professional Qualification: business** **Work experience: 5 years**
 Male youth: Eric Murago	**Date of Birth: 25/10/1994** **Academic Qualification: Diploma in theology** **Professional Qualification: pastoral** **Work experience: 5 years**

 PWD Rep: Japheth Nthiga	**Date of Birth: 01/01/1965** **Academic Qualification: KCE** **Professional Qualification: Farmer** **Work experience: 20 years**
 Fund Account Manager	**Date of birth:** 15-01-1986 **Academic qualification:** Doctorate in Philosophy, Education & Leadership Management, Masters in Education, Planning, Finance Management and Administration, Bachelors in Education and Counselling. **Professional qualification:** Attended the Senior Leadership and Development Programmed, Senior Management Course and Administrative Officers Induction Course by the Kenya School of Government. Possesses a certificate in computer packages and a life membership certificate with Redcross Kenya. **Work experience:** Six Years as a Project Officer for Is iolo NGCDF, Four Years as the Bursary Fund Manager for Isiolo County Bursary Fund, Three Years as a Secondary school teacher.

Note:
ALL NGCDFC Members tenure was renewed for another two years.

4. NG-CDFC Chairman's Report



Tharaka constituents have continuously participated effectively in cascading the objectives of the National Development Plan. They are aware of their rights and the power bestowed on them by the constitution of Kenya (2010) in relation to implementation of all the development programs within the constituency. The constitution of Kenya gives the right to participate in public forums in order to air their opinions as well as grievances through public participation. They too get an opportunity to give feedback in relation to the already implemented program carried out with fairness, transparency, openness and accountability.

In the financial year 2024/2025 the NG-CDF Tharaka Constituency received Kshs 146,000,000 The budgetary allocation for the FY 2024/2025 was Kshs 179,441,954 The management therefore received a disbursement of 81% of its budget. During the year a total of Kshs 146,000,000 was paid translating to 81% budget utilization through implementation of tangible/physical projects targeted within the financial year as well as issuance of bursaries to needy students. The remaining 19% consisted of amounts disbursed close to the end of the financial year and money owed from the board therefore could not be utilized within the year. Education program under Primary school projects constituted the highest level of payments amounts to kshs 41,464,709 translating to 23% of the total payments.

The ultimate plan for the year was continuous improvement of infrastructure in our education institutions and ICT sector so as to broaden the labour base by creating jobs to the young

generation as well as conform to the Bottom up transformation agenda of His Excellency the President of the Republic of Kenya.

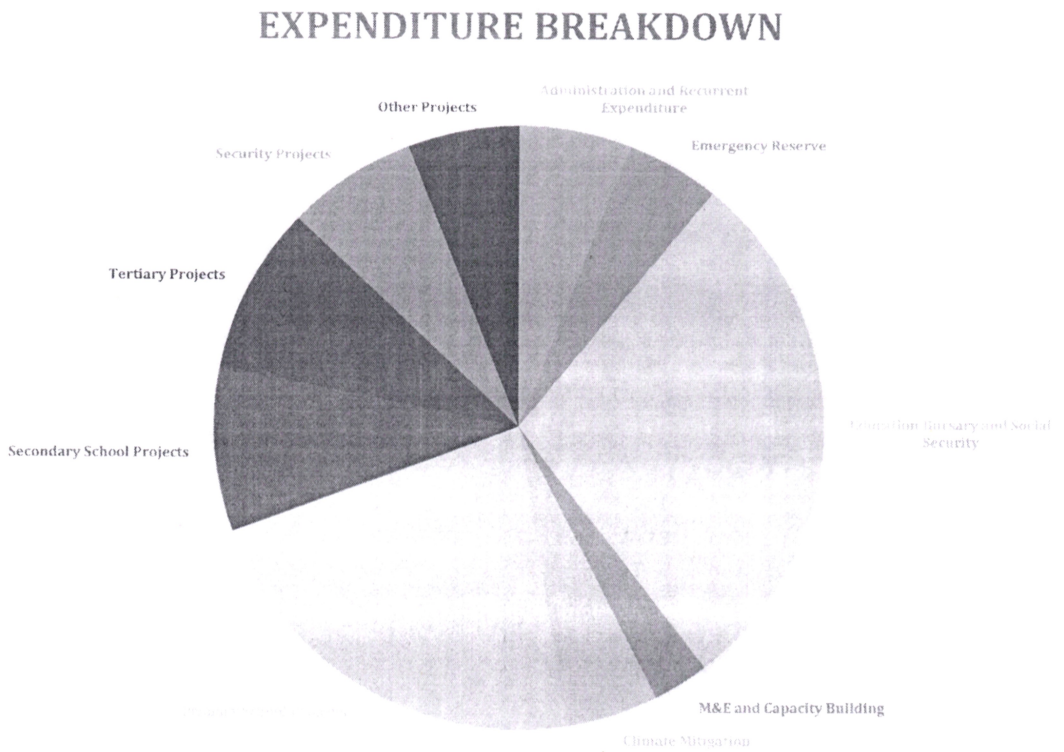




Figure 1 Huduma Centre Tharaka Nithi





Figure 2 School Bus for Karii Kamburi High School – July 2024



Figure 3 School Bus for DOM Mugui Secondary School

Through the initiative of prioritizing issuing bursary to day schools within the constituency the NG-CDF Committee is overwhelmed by large numbers of students in day schools hence consuming a bigger fraction of bursary award. This has increased students retention is learning secondary schools

The NG-CDF Tharaka in its mandate of improving infrastructure in learning institutions came up with an initiative whereby the NG-CDF committee and bursary subcommittee members visited all secondary school within the constituency to create awareness on the need of prioritizing education to anything else so that they get better grades by the time they complete their form four

During rainy season most of learning institutions toilets collapsed due to heavy rains which led to high rate of diseases and subsequent closure notices from the public health officer. The management intervened and constructed toilets to the affected institutions through the emergency fund so as to salvage the institution

EMERGING ISSUES

Adoption of reporting format as guided by the public sector accounting standards.

The format uses accrual basis of accounting as opposed to cash basis.

CHALLENGES

- Inflation leading to increase in project cost.
- Training of pmc on egp system.

WAY FORWARD.

- Review of market prices before funding project
- Organizing training for pmc

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Name: Paul Kirema
Chairman NGCDF Committee

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

Introduction

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

The key development objectives of the **NGCDF Tharaka Constituency** 2023-2027 plan are to:

i. Promotion of Education and Training in the constituency by empowering students and improving infrastructure in the learning institutions
ii. Ensure universal health coverage
iii. Promotion of sports and creative talent for the youths
iv. Enhancement of administration and security within the constituency.
v. Promotion of Governance and Resource Mobilization
vi. Promotion of a well-defined Monitoring and evaluation model

Progress on the attainment of Strategic development objectives

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

Sector	Objective	Outcome	Indicator	Performance
Education	To have all children of school going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	number of usable physical infrastructure build in primary, secondary, and tertiary institutions number of bursary's beneficiaries at all levels	In FY 2024/25 - we increased number of classes in Junior secondary schools to eleven (11) to enhance learning . - Bursary beneficiaries in day secondary schools increased because the day schools are given priority in bursary award. The poverty rate of students in day schools compared to boarding schools is very high hence the NG-CDF Tharaka Committee priotize day schools. It was

				also observed that applicants from teaching institutions and Medical colleges were on the rise hence we decided to support the students to increase number of teachers and medical officers in the constituency.
Security	To improve security in the constituency	Increase number of police post and chiefs office	Number of police post and chiefs office	In FY 2024/2025 we completed Chiakariga Police Post Admin Bloc, DCC Office and constructed and fenced Ten Latrines in Chiefs Camps
Climate change mitigation activities	To improve climate in the institutions within the Constituenc y	Enhance learning environment to learners	Increase number of trees and water catchment measures	In FY 2024/2025 we managed to plant 2250 tree seedlings a
Emergency	To cater for unforeseen events	Enhancemen t of learning institutions	Increase in toilets in learning institutions	In FY 2024/2025 we managed to construct thirteen (13) toilets in different learning institutions which had submerged during heavy rains almost leading to closure of the school by public health officers.

6. Governance Statement

The NG-CDF Tharaka is governed by the NG-CDF committee members who are selected by a selection panel established under paragraph (4) of NG-CDF regulations.

The functions of a constituency committee shall be to

- Build the capacity of project Management Committees and sensitize the community on the operations of the fund.
- Consider all project proposals from all wards in the constituency and any other projects which a constituency committee considers beneficial to the constituency;
- Ensure that all proposed projects are approved;
- Ensure that project proposals submitted to the board include detailed budget proposals, procurement plans and works plans; in approving a project and before submitting the project to the board for consideration, satisfy itself and make a declaration to the effect that such project (works and services) fall within the functions of the National Government under the constitution;
- Consult with relevant government department to ensure that cost estimates for projects are realistic; in considering joint projects;
- Ensure that projects proposed for funding fulfil the requirements provided in the Act and relevant circulars issued by the Board'
- Monitor the implementation of projects in accordance with the monitoring and evaluation framework prescribed by the Board
- Ensure that project reports are prepared and submitted to the board;
- Ensure formation of project management committees, opening of project accounts, project implementation and closure of projects;
- Ensure that the principles of public finance as provided for under chapter twelve of the constitution and the public finance management legislation are observed in the management of the fund;
- 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;

- Collaborate with the officer of the Board seconded to the Constituency in the management of the fund, including the keeping of proper records and maintenance of books of account in accordance with section 38(b) of the Act;
- Record the names of all the signatories

Removal of NG-CDF Members

- The members of a constituency committee may remove a member in accordance with section 43(13) and (14) of the Act upon receipt of a complaint against a member.
- A complaint against a member of a constituency committee shall be deposited with the National Government Constituency office.
- The complaint referred to in paragraph (2) shall clearly set out the particulars of the issues complained of
- The secretary shall convene a special meeting in accordance with these regulations to deliberate on the complaint, but the member against whom the complaint is raised shall not participate in such a meeting
- If, at a meeting held pursuant to paragraph (4) members determine that sufficient grounds exist requiring the member against whom the complaint is raised to respond to the issues complained of, the secretary shall by notice, require the member to respond to the issues received in the complaint within fourteen days of the date of the notice
- A copy of the complaint and any other grounds of removal shall be attached to the notice issued under paragraph (5).
- The member against whom the complaint is raised may be required to respond to the complaint in writing. The member against whom a complaint is raised may, in addition to the written response required under paragraph (7), elect to be heard orally, and a constituency committee may hear such a member
- The member against whom a complaint is made may call witness. If the member against whom a complaint is raised choose not to submit a response in writing or to attend the hearings, a constituency committee may proceed to determine the matter

- Notwithstanding paragraph (10), a constituency committee may summon the member against whom the complaint is made to clarify any issue, and such member shall attend the hearing. Kenya subsidiary legislation, 2016 1955
- If the member against whom a complaint is made fails to respond to the complaint as may be directed by a constituency committee, the committee may proceed and make a determination based on the evidence available.
- A constituency committee shall issue its decision on the complaint within seven days after the conclusion of the hearing.
- If constituency committee resolves to remove the member against whom a complaint is made, the secretary shall communicate the decision of the constituency committee to the board within fourteen days of the decision.
- The communication to the board under paragraph (14) shall include dully executed proceedings, together with all the supporting documents.
- The board shall, within thirty days after receipt of the communication in the paragraph (14), consider the matter and issues a final declaration which shall be binding on all parties.

NG CDFC members and the categories they represent

S/no	Name	Position
1.	Eric Mutethia Murango	Male youth representative
2.	Lucy Kangai Nyaga	Female youth representative
3.	Japheth Nthiga Gaicu	PWD representative
4.	Josphat Gitonga Nyaga	Constituency Nominee Male representative
5.	Fridah Kathure Gatugi	Constituency Nominee Female representative
6.	Veronica Kajira Mugao	Female Adult Representative
7.	Paul Kirema Ngoci	Male Adult Representative

Members remuneration

During financial year 2024/2025 the NG-CDF committee members conducted 24 meetings. They were remunerated at a rate of kshs 5,000 per sitting and kshs 7,000 for the NG-CDF C Chairperson which were all subjected to 30% income tax

No. of meetings held during the financial year are as shown below.

S/no	Name	Position	No. of meetings attended
1	Eric Mutethia Murango	Male youth representative	24
2	Lucy Kangai Nyaga	Female youth representative	24
3	Japheth Nthiga Gaicu	PWD representative	24
4	Josphat Gitonga Nyaga	Constituency Nominee Male representative	24
5	Fridah Kathure Gatugi	Constituency Nominee Female representative	24
6	Veronica Kajira Mugao	Female Adult Representative	24
7	Paul Kirema Ngoci	Male Adult Representative	24
		DCC	19

Succession in NG CDFC

The NG-CDF Tharaka Committee term came to an end after new committee members were gazzetted on 21st May, 2025 through gazette notice number **Vol. CXXVII – 98.** Member's gazzetted are as tabulated below

No.	Name	Category	Statutory Provision Under NG-CDF Act
1	Eric Mutethia Murango	Male youth representative	Appointment, Pursuant to Sec, 43(2)(b)
2	Lucy Kangai Nyaga	Female youth representative	Appointment, Pursuant to Sec, 43(2)(b)
3	Japheth Nthiga Gaicu	PWD representative	Appointment, Pursuant to Sec, 43(2)(b)
4	Josphat Gitonga Nyaga	Constituency Nominee Male representative	Appointment,
5	Fridah Kathure Gatugi	Constituency Nominee Female representative	Appointment,
6	Veronica Kajira Mugao	Female Adult Representative	Appointment, Pursuant to Sec, 43(2)(b)
7	Paul Kirema Ngoci	Male Adult Representative	Appointment, Pursuant to Sec, 43(2)(b)

Risk management

The management of NG-CDF Tharaka has always put in place measures to identify possible risk areas through a consultative engagement with various stakeholders and all risk mitigation factors have been put in place. In this regard the management has complied with NG-CDF Act 2022 as amended in 2023, PPRA regulations, PFM Act 2012, Board circulars, presidential directives and any other law regarding its operations

Conflict of Interest

During every meeting the management has always reminded committee members to declare any conflict of interest before the meeting starts and none of the members declared interest on any matters discussed during the year ended 30th June 2025.

7. Management Discussion and Analysis

1. Operational and Financial Performance

The Tharaka NG-CDF has consistently received increased allocations over the last five fiscal years, signifying trust and growth in constituency-level development. Fund absorption remains high due to strategic planning and timely execution of priority projects.

Fiscal Year	Allocation	Utilization (%)	Unspent Balance
2020/2021	137,088,879	91	12,329,867
2021/2022	137,088,879	92	10,530,200
2022/2023	145,087,603	94	8,779,562
2023/24	175,361,810	97	23,111,825
2024/25	179,441,954	81	9,920,747

2. Key Projects Implemented and Ongoing

Education:

- 10 new classrooms built and equipped
- Over 20,000 students benefited from bursary disbursements
- Construction of school toilets.
- Junior secondary school labs established in 8 secondary schools.
- Renovation of classrooms
- Construction of complete 2 new dormitories
- Purchase of two (2) new school buses

Social Security & Public Safety:

- Construction of chief's and Assistant chiefs offices
- Construction of Chiakariga Police stations
- Renovation of the DCCs office

3. Statutory Compliance

The Fund adheres to the NG-CDF Act, 2015 and the Public Finance Management framework. Audits are performed annually with no major except for opinion reports. Procurement processes conform to the Public Procurement and Asset Disposal Act, ensuring transparency.

- All statutory reports submitted to the NG-CDF Board and National Treasury in time
- Annual Work plans and Budgets approved and implemented successfully.

4. Major Risks Facing the Fund

Risk Factor	Mitigation Strategy
Delayed disbursements	Continuous engagement with National Treasury
Escalating construction costs	Dynamic budgeting and project prioritization
Low contractor performance	Vetting, contract enforcement, regular audits
Community disputes	Stakeholder forums and public participation

5. Arrears and Financial Obligations

There are **no statutory arrears**. However, the Fund owes the board **KES 33,441,954 primarily** related to infrastructure work and ICT hub.

6. Review of Economy and Sector

National Context

Kenya's post-pandemic recovery, growing GDP, and increased public investment have created a favorable environment for constituency development. The fiscal space, however, remains constrained by inflationary pressures and debt servicing.

Sectoral Dynamics:

- **Education:** Increased demand for digital learning tools.
- **Bursary:** Increased bursary dependence.

- **Climate change:** Emphasis on climate-resilient projects.

7. Future Developments

Looking ahead, Tharaka NG-CDF is set to:

- Expand digital learning by improving ICT infrastructure in schools.
- Increase bursary allocation to support more vulnerable learners
- Address climate change mitigation measures by planting more trees and tap solar energy.
- Strengthen monitoring and evaluation frameworks to ensure project effectiveness.

The Tharaka Constituency NG-CDF remains committed to fostering sustainable development and improving the quality of life for its constituents through prudent



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Name: Happi Adan
Fund Account Manager

8. Environmental and Sustainability Reporting

NG-CDF Tharaka exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, which is founded on social sector, namely, Education & Training, Security sector support and Climate mitigation. This pillar also makes special provisions for Kenyans with various disabilities and previously marginalized communities.

1. **Sustainability strategy and profile -**

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

a. **Education and Training**: Tharaka 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, reafforestation, grassroots sensitization, tapping solar energy and tree seedling production.

2. Environmental performance

During the financial year 2024-2025 we managed to plant 5,000 tree seedlings.

Employee welfare

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

The constituency promotes a healthy lifestyle and provides all employees with health insurance coverage through a reliable insurance Scheme. Employees are encouraged and supported to build on their skills and knowledge continually. Tharaka 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-

Tharaka Constituency is committed to fair and ethical market practices.

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

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

NGCDF has put in efforts to ensure:

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

4. Community Engagements-

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

Public Participation in Project Identification, Implementation, and Monitoring

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

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

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

Public Awareness

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

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

FUND MANAGER
THARAKA CONSTITUENCY DEV FUND

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

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

The Accounting Officer in charge of the NGCDF Tharaka 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- Tharaka Constituency financial statements were approved and signed by the Accounting Officer on 15/8/ 2025.

.....

Name: Paul Kirema

Chairman – NGCDF Committee

.....

Name: Happi Adan

Fund Account Manager

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
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REPUBLIC OF KENYA

OFFICE OF THE AUDITOR-GENERAL
Enhancing Accountability

HEADQUARTERS
Anniversary Towers
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P.O Box 30084-00100
NAIROBI

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

PREAMBLE

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

A. Report on Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements;

B. Report on Lawfulness and Effectiveness in the Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose; and,

C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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 financial statements of National Government Constituencies Development Fund –Tharaka Constituency set out on pages 1 to 65 which

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

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund - Tharaka 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) and comply with the National Government Constituencies Development Fund Act, 2015 (Amended, 2022) and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

Unconfirmed Ownership and Value of Fixed Assets

As previously reported, Annex 1 to the financial statements on the Summary of the Fixed Assets Register reflects assets with a historical cost balance of Kshs.14,378,068 comprising of zero balance for land. However, the land on which the Fund's offices have been built have not been surveyed, valued and included in the fixed asset register and the annual report and financial statements. Further, land ownership documents in form of land title deeds were not provided for audit.

In the circumstances, the accuracy and completeness of the fixed assets historical cost of Kshs.14,378,068 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 - Tharaka Constituency Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of Matter

Budgetary Control and Performance

The summary statement of appropriation reflects final receipts budget and actual on a comparable basis of Kshs.294,612,435 and Kshs.261,170,481 respectively resulting in underfunding of Kshs.33,441,954 or 11% of the budget. Similarly, the Fund spent Kshs.174,944,235 against actual receipts of Kshs.261,170,481, resulting in under-utilization of Kshs.86,226,246 or 33% of the actual receipts.

The under-funding and under-utilization affected the planned activities and may have impacted negatively on service delivery to the public.

My opinion is not modified in respect of the above matter.

Key Audit Matters

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

Other Matter

Prior Year Audit Matters

Review of the progress on follow up on prior year auditor's recommendations reveal that, 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 which remained unresolved contrary to Section 149(2)(l) of the Public Finance Management Act, 2012 which require Accounting Officers designated for county government entities to try to resolve any issues resulting from an audit that remain outstanding. The matters have been summarized in **Appendix I**.

Other Information

The National Government Constituencies Development Fund Committee is responsible for the Other Information set out on page iii to xxx which comprise of Key Entity Information and Management, NGCDF Committee, Statement of Performance Against Predetermined Objectives, Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting and Statement of Management Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the 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 USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effects of the matter described in the Basis for Conclusion on the Lawfulness and Effectiveness in 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. Failure to Insure Buildings and Structures

Annex 1 to the financial statements on the summary of the fixed assets register reflects assets with a historical cost balance of Kshs.14,378,068 consisting of buildings and structures of Kshs.8,610,523. However, audit review revealed that the Fund's main office building and related structures were not insured contrary to Section 36(3) of the National Government Constituencies Development Fund Act, 2015 which stipulates that all fixed and movable assets, including equipment bought under this Act for use by the Constituency Committee shall be the property of the Board and shall be insured in the name of the Board.
In the circumstances, Management was in breach of the law.

2. Failure to Implement Projects

The statement of financial performance reflects other government units' actual expenditure amount of Kshs.76,872,151 as disclosed in Note 13 to the financial statements which relates to disbursement to various Project Management Committees (PMC) for implementation of forty nine (49) projects. However, the projects were not implemented during the year under review.

In the circumstances, value for money in the Other Government Units' actual expenditure amount of Kshs.76,872,151 could not be confirmed.

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

REPORT ON THE 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 effects of the matter described in the Basis for

Conclusion on the 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

Unutilized Fund Balances

Annex 2 to the financial statements discloses Project Management Committee account balances of Kshs.75,912,291.00 which includes unutilized funds totalling Kshs.71,481,823 held in forty three (43) Project Management Committee accounts.

However, Management did not provide the measures put in place to address the issue of unutilized funds as failure to implement projects may lead to backlog and over rolling of projects over the years.

In the circumstances, it was not possible to confirm whether the Fund budget is realistic and whether it has the capacity to implement the overlapping projects

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

Responsibilities of the Management and the National Government Constituencies Development Fund Committee

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

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

FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

20 November, 2025

Appendix ; Prior Year Audit Matters

	Matters
1	Incomplete Assets Register
2	Failure by the NG-CDF Committee to Conduct Periodic Monitoring and Evaluation of Bursary Programme
3	Failure to Tag Assets Procured by the Fund for Project

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

	Note	Period ended June 2025
		Kshs
Revenue from non-exchange transactions		
Transfers from the NGCDF Board	6	179,441,954
Grants/donations from other entities	7	
Revenue from exchange transactions		
Finance income	8	
Miscellaneous income	9	
Total revenue		**179,441,954**
Expenses		
Employee costs	10	5,096,099
Committee expenses	11	4,177,100
Use of Goods and Services	12	8,638,809
Other Government Units Actual expenditure	13	76,872,151
Other Grants and Transfers Actual expenditure	14	78,530,028
Depreciation and amortization expense	15	-
Digital Hubs Actual expenditure	16	2,975,971
Total expenses		**176,290,157**
Other gains/(losses)		
Gain/Loss on Sale of Assets	17	-
Impairment loss	18	-
Surplus/(Deficit) for the year		**3,151,798**

The Constituency financial statements were approved by the NGCDFC on 15th/8/ 2025 and signed by:

Chairman NG-CDF Committee	**National Sub-County Accountant**	**Fund Account Manager**
Name: Paul Kirema	**Name: Joseph Chabari**	**Name: Happi Adan**
	ICPAK M/No: 14516	

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

12. Statement Of Financial Position as at 30th June, 2025

	Note	Period as at June 2025	Opening Statement 1st July 2024
		Kshs	Kshs
Assets			
Current Assets			
Cash And Cash Equivalents	19	86,226,247	69,908,652
Receivables from Exchange Transactions	20	-	-
Receivables from Non-Exchange Transactions	21	33,441,954	45,261,829
Prepayments	22	163,644	166,356
Total Current Assets		**119,831,845**	**115,336,837**
Non-Current Assets			
Property, Plant and Equipment	23	-	-
Intangible Assets	24	-	-
Right-of-use assets	25	-	-
Total Non- Current Assets		**-**	**-**
Total Assets (A)		**119,831,845**	**115,336,837**
Liabilities			
Current Liabilities			

Trade and Other Payables	26	-	-
Third-Party Deposits	27	478,815	-
Lease Liabilities	28	-	-
Gratuity provision	29	2,088,957	1,224,561
Total Current Liabilities		**2,567,772**	**1,224,561**
Non-Current Liabilities			
Lease Liabilities	28	-	-
Total Liabilities (B)		**2,567,772**	**1,224,561**
Net Assets (A-B)		**117,264,073**	**114,112,276**
Represented by:			
Accumulated Surplus		**117,264,074**	**114,112,276**

The Constituency financial statements set out on pages 1 to 24 approved by NG CDFC on 15/08/ 2025and signed by:

Chairman NG-CDF Committee
Name: Paul Kirema

THE NATIONAL SUB-COUNTY ACCOUNTANT THARAKA SOUTH P.O. BOX 33-60215 MARIMANTI

National Sub-County Accountant
Name: Joseph Chabari
ICPAK M/No: 14516

FUND MANAGER P.O. Box 33, MARIMANTI THARAKA CONSTITUENCY DEV. FUND

Fund Acccount Manager
Name: Happi Adan

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

Description	Accumulated surplus/Deficit	Reserve	Total
	Kshs	Kshs	Kshs
As at 30th June 2024 (cash basis)	9,921,282		9,921,282
Adjustments: (to recognize assets and liabilities			-
Add Assets	105,415,555		105,415,555
Less Liabilities	1,224,561		1,224,561
As at July 1, 2024	**114,112,276**		**114,112,276**
			-
Surplus/(Deficit) For the Period	3,151,798		3,151,798
Revaluation Gain/Loss	-		-
As at 30th June (current year)	**117,264,074**		**117,264,074**

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

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

	Notes	Period ended June 2025
		Kshs
Cash flows from operating activities		
Receipts		
Transfers from the NGCDF Board		191,261,829
Grants/donations from other entities		-
Finance income		-
Miscellaneous income		-
Total Receipts		**191,261,829**
Payments		
Employee costs		4,231,703
Committee expenses		4,177,100
Use of Goods and Services		8,636,097
Other Government Units Certified Works		76,364,144
Other Grants and Transfers		78,559,220
Digital Hubs Expenses		2,975,971
Total Payments		**174,944,234**
Net Cash Flows from/ (used in) Operating Activities	28	**16,317,595**
Cash flows From Investing Activities		
Purchase of PPE		-
Purchase of Intangible assets		-
Proceeds From Sale of PPE		-
Net Cash Flows from Investing Activities		**-**
Cash Flows from Financing Activities		
Lease payment		-
Net Cash Flows from Financing Activities		**-**
Net Changes in Cash & Cash Equivalent		**16,317,595**
Cash and cash equivalents at Period Start	17	**69,908,652**
Cash and cash equivalents at Period End	17	**86,226,247**

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

**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.

10. Statement of Comparison of Budget and Actual Amounts for Period Ended June 30, 2025							
	Original Budget			Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilization
		Adjustments					
	Kshs	Kshs		Kshs	Kshs	Kshs	
	a	b		C=(a+b)	d	e=(c-d)	f=d/c*100
	Insert current FY	Opening Balance (operational, deposit and PMCs C/Bk) and AIA	Previous Years' Outstanding disbursements	2024-2025	2024-2025		
Revenue							
Transfers From the NGCDF Board	179,441,954	69,908,652	45,261,829	**294,612,435**	**261,170,481**	**33,441,954**	**89%**
Grants/donations from other entities	-	-	-	-	-	-	
Finance income	-	-	-	-		-	
Miscellaneous income	-	-	-	-		-	
Totals	**179,441,954**	**69,908,652**	**45,261,829**	**294,612,435**	**261,170,481**	**33,441,954**	**89%**
Expenses				-		-	
Employee costs	4,339,869	1,225,096	-	5,564,965	4,231,703	**1,333,263**	76%

Committee expenses	6,772,336	-	-	6,772,336	6,612,100	**160,236**	98%
Use of Goods and Services	4,837,569	1,224,026	261,829	6,323,424	6,203,809	**119,615**	98%
Other Government Units Certified Works	83,629,313	54,509,990	29,100,000	167,239,303	89,490,008	**77,749,295**	54%
Other Grants and Transfers	75,662,867	12,949,540	11,700,000	100,312,407	65,430,644	**34,881,763**	65%
Digital Hubs Expenses	4,200,000	-	4,200,000	8,400,000	2,975,971	**5,424,029**	35%
Funds Pending Approval**	-	-	-	-	-	**-**	-
Total Expenditure	**179,441,954**	**69,908,652**	**45,261,829**	**294,612,435**	**174,944,235**	**119,668,200**	59%

Explanatory Notes.

The underutilization was due to delayed disbursement of funds from the NGCDFB.

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	**Amount**
Budget utilization difference totals	119,668,202
Less undisbursed funds receivable from the Board as at period 30th June 2025	33,441,954
Cash and Cash Equivalents at the end of the 30th June 2025	86,226,247

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 15/08/ 2025 and signed by:

Chairman NG-CDF Committee
Name: Paul Kirema

THE NATIONAL SUB-COUNTY ACCOUNTANT THARAKA SOUTH P.O. BOX 36-60215, MARIMANTI

National Sub-County Accountant
Name: Joseph Chabari
ICPAK M/No: 14516

FUND MANAGER THARAKA CONSTITUENCY DEV FUND P.O. BOX 33, MARIMANTI

Fund Account Manager
Name: Happi Adan

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 (operational, deposit and PMCs C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent						
1.1 Compensation of employees	4,339,869	1,225,096		**5,564,965**	4,231,703	1,333,263
1.2 Committee allowances	2,718,482			**2,718,482**	2,688,550	29,932
1.3 Use of goods and services	3,508,165	1,224,026	261,829	**4,994,020**	4,993,920	100
Sub-total	**10,566,516**	**2,449,122**	**261,829**	**13,277,467**	**11,914,173**	1,363,295
2.0 Monitoring and evaluation				-		-
2.1 Capacity building	1,435,000			**1,435,000**	1,435,000	-
2.2 Committee allowances	2,618,854			**2,618,854**	2,488,550	130,304
2.3 Use of goods and services	1,329,404			**1,329,404**	1,209,889	119,515
Sub-total	**5,383,258**	-	-	**5,383,258**	**5,133,439**	249,819
4.0 Emergency				-		-

CCM NJUKINI COMPREHENSIVE SCHOOL PMC	400,000			**400,000**	373,737	26,263
CCM TUNYAI PRIMARY SCHOOL PMC	700,000			**700,000**	670,551	29,449
DEB KIORIMBA DAY COMPREHENSIVE	700,000			**700,000**	671,188	28,812
KAMARANDI MIXED DAY SEC SCH PMC	1,200,000			**1,200,000**	1,096,186	103,814
KITHIORI PRIMARY SCHOOL PMC	700,000			**700,000**	639,178	60,822
MARORERIA PRIMARY SCHOOL PMC	700,000			**700,000**	1,025	698,975
MATAKIRI PRIMARY SCHOOL PMC	800,000			**800,000**	730,446	69,554
MCK KAGURINI SCHOOL PMC	700,000			**700,000**	670,390	29,610
MWIRU TURIMA TWERU MIXED DAY SEC	700,000			**700,000**	670,400	29,600
NTUJIA PRIMARY SCHOOL PMC	700,000			**700,000**	670,535	29,465
SA NKUNYINI PRIMARY SCH PMC	700,000			**700,000**	633,057	66,943
TONYA MIXED DAY BOARD SEC SCH PMC	700,000			**700,000**	638,942	61,058
TURIMA TWERU PRY & JUNIOR SCH PMC	700,000			**700,000**	672,118	27,882
DCC THARAK NORTH		598,975		**598,975**	568,695	30,281
DEB KARWAMBA PRIMARY SCHOOL NGCDF		37,466		**37,466**	8,115	29,351
GACERAKA PRIMARY SCHOOL		63,950	-	**63,950**	32,953	30,997
KAROCHO PRIMARY SCHOOL NG-CDF		598,975	-	**598,975**	568,182	30,793

MARIMANTI AP CAMP NGCDF		598,975	-	**598,975**	541,188	57,787
MCK UCWENI PRIMARY SCHOOL NGCDF		41,359	-	**41,359**	12,115	29,244
MUBUURA PRIMARY SCHOOL NG-CDF		66,472		**66,472**	37,037	29,435
NG'ONYA PRIMARY SCHOOL		598,975		**598,975**	569,379	29,597
NKARINI PRIMARY SCHOOL NG-CDF		57,014		**57,014**	28,230	28,784
PRINCE ALEX SECONDARY SCHOOL PMC		598,975		**598,975**	596,833	2,143
unutilized	44,313			**44,313**	318,606	(274,293)
Sub-total	**9,444,313**	**3,261,134**	**-**	**12,705,447**	**12,640,934**	**1,286,362**
5.0 Bursary and Social Security				**-**		-
5.1 Primary Schools				**-**		-
5.2 Secondary Schools	29,178,553	4,773,229		**33,951,782**	27,398,576	6,553,206
5.3 Tertiary Institutions	23,642,215	3,922,957		**27,565,172**	22,725,576	4,839,596
5.4 special needs				**-**		-
5.5 Education Support Programmes				**-**		-
5.6 Social Security				**-**		-
Sub-total	**52,820,768**	**8,696,186**	**-**	**61,516,954**	**50,124,152**	**11,392,802**
7.0 Environment				**-**		-
	3,342,099		3,200,000	**6,542,099**	3,200,000	3,342,099
				-		-
Sub-total	**3,342,099**	**-**	**3,200,000**	**6,542,099**	**3,200,000**	**3,342,099**
8.0 Primary Schools Projects				**-**		-

Kiuguni Primary School	1,200,000			**1,200,000**		1,200,000
Iria Riamanthunka Primary School	2,000,000			**2,000,000**		2,000,000
Mwanyani Primary School	1,200,000			**1,200,000**		1,200,000
Ndurumoni Primary School	1,200,000			**1,200,000**		1,200,000
Irimba Primary School	2,500,000			**2,500,000**		2,500,000
Kagurini Primary School	4,000,000			**4,000,000**		4,000,000
Kamarenge Primary School	1,500,000			**1,500,000**		1,500,000
Iruruma Primary School	1,500,000			**1,500,000**		1,500,000
Uturini Primary School	1,200,000			**1,200,000**		1,200,000
Nyagaari Primary School	1,200,000			**1,200,000**		1,200,000
Ndiuni Primary School	2,500,000			**2,500,000**		2,500,000
Kithunguru Primary School	2,400,000			**2,400,000**		2,400,000
Tunyai Primary School	700,000			**700,000**		700,000
Kithunguru Primary School	700,000			**700,000**		700,000
Gancabi Primary School	700,000			**700,000**		700,000
Njukini Primary School	1,200,000			**1,200,000**		1,200,000
Marimanti Primary School	10,000,000			**10,000,000**		10,000,000

Meru Boys Home	3,500,000			**3,500,000**		3,500,000
Gaciongo Primary School	1,500,000			**1,500,000**		1,500,000
GACERAKA PRIMARY SCHOOL			1,000,000	**1,000,000**	938,900	61,100
GACERAKA MIXED DAY SECONDARY SCHOOL NGCDF		69,035	600,000	**669,035**	612,157	56,878
GAKUNGUGUNI PRIMARY SCHOOL NG-CDF		998,975		**998,975**	979,722	19,253
GANCABI PRIMARY SCHOOL NG-CDF		1,000,000		**1,000,000**	976,136	23,864
IRUMA PRIMARY SCHOOL NG-CDF		1,498,975		**1,498,975**	1,469,099	29,876
ITHANGA PRIMARY SCHOOL			1,000,000	**1,000,000**	905,763	94,237
KAARA GA NKURU PRIMARY SCHOOL			1,000,000	**1,000,000**	989,304	10,697
KAIRANTHI PRIMARY SCHOOL			1,000,000	**1,000,000**	**954,065**	45,935
KAMAGANJIU PRIMARY SCHOOL			1,000,000	**1,000,000**	**903,292**	96,708
KAMARENGE PRIMARY SCHOOL		1,000,000		**1,000,000**	989,608	10,392
KAMARENGE PRIMARY SCHOOL NG-CDF			1,000,000	**1,000,000**	999,457	543
KAMUTUANDUPRIMARYSCHOOL			1,000,000	**1,000,000**	954,941	45,059
KANDOND PRIMARY SCHOOL			1,000,000	**1,000,000**	616,889	383,111
KARANGARE PRIMARY SCHOOL			1,000,000	**1,000,000**	**914,258**	85,742
KATHANGA PRIMARY SCHOOL			1,000,000	**1,000,000**	**981,054**	18,946

KATHUURA PRIMARY SCHOOL NGCDF		998,975		**998,975**	952,561	46,414
KERERIA PRIMARY SCHOOL			1,000,000	**1,000,000**	999,774	226
KIIGANI PRIMARY SCHOOL			1,000,000	**1,000,000**	989,661	10,339
KILIMANI PRIMARY SCHOOL NG-CDF		998,975		**998,975**	957,150	41,826
KITHIOROKA PRIMARY SCHOOL NG-CDF		998,975		**998,975**	953,229	45,747
KITHIOROKA PRIMARYSCHOOL			1,000,000	**1,000,000**	939,073	60,927
KOMBO PRIMARY SCHOOL			1,000,000	**1,000,000**	1,015,633	(15,633)
KOMBO PRIMARY SCHOOL NG-CDF		998,975		**998,975**	984,533	14,443
MAKITHI PRIMARY SCHOOL			1,000,000	**1,000,000**	945,619	54,381
MARIENE PRIMARY SCHOOL			1,000,000	**1,000,000**	994,943	5,057
MATAKIRI PRIMARY SCHOOL NG-CDF		1,998,975		**1,998,975**	1,909,037	89,939
MAUTHINI PRIMARY SCHOOL			2,000,000	**2,000,000**	1,909,526	90,474
MAWENI PRIMARYA SCHOOL			1,000,000	**1,000,000**	**952,242**	47,758
MBACACA PRIMARY SCHOOL			1,000,000	**1,000,000**	983,258	16,742
MIOMPONI PRIMARY SCHOOL NG-CDF		998,975		**998,975**	998,790	186
MPUNGUNI PRIMARY SCHOOL			1,000,000	**1,000,000**	939,328	60,672
NDURUMONI PRIMARY SCHOOL			1,000,000	**1,000,000**	1,025	998,975

NGAINI PRIMARY SCHOOL			1,000,000	**1,000,000**	**988,804**	11,196
NTOGORO PRIMARY SCH			1,000,000	**1,000,000**	949,492	50,508
RIAMIKUU PRIMARY SCHOOL			1,000,000	**1,000,000**	954,486	45,514
RUKANI PRIMARY SCHOOL NG-CDF		1,198,975		**1,198,975**	1,198,976	(1)
RWERIGO PRIMARY SCHOOL			1,000,000	**1,000,000**	953,062	46,938
THIITI PRIMARY SCHOOL NG-CDF		998,975		**998,975**	902,254	96,721
TURIMA TWERU PRIMARY SCHOOL NG-CDF		1,998,975		**1,998,975**	1,998,975	-
TWANTHANJU PRIMARY SCHOOL			1,000,000	**1,000,000**	**999,388**	612
UTURINI PRIMARY SCH			1,000,000	**1,000,000**	909,249	90,751
Sub-total	**40,700,000**	**15,757,760**	**28,600,000**	**85,057,760**	**41,464,709**	**43,593,050**
9.0 Secondary Schools Projects (List all the Projects)				-		-
GAKAUNI SECONDARY SCHOOL NG-CDF		2,498,975		**2,498,975**	**2,498,975**	-
Gakuuru Secondary School	500,000			**500,000**	-	500,000
GAKUURU SECONDARY SCHOOL NG CDF		1,998,975		**1,998,975**	**1,998,975**	-
IRIANI SECONDARY SCHOOL NG-CDF		2,398,975		**2,398,975**	**2,398,975**	-
Kabuabua Girls Secondary School	1,200,000			**1,200,000**		1,200,000

KAIGAKAMWE SECONDARY SCHOOL NG-CDF		2,498,975		**2,498,975**	**2,498,975**	-
KAMACABI SECONDARY SCHOOL PMC		1,998,975		**1,998,975**	**1,957,033**	41,943
KAMAGUNA SECONDARY SCHOOL NG-CDF		1,198,975	**500,000**	**1,698,975**	**1,607,763**	91,213
Kamariru Secondary School	1,200,000			**1,200,000**	-	1,200,000
KAMATUNGU SECONDARY SCHOOL		1,998,975		**1,998,975**	**1,816,368**	182,608
KAMWATHU SECONDARY SCHOOL NG-CDF		1,998,225		**1,998,225**	**1,960,012**	38,213
KIRUNDI SECONDARY SCHOOL NG-CDF		1,998,975		**1,998,975**	**1,998,675**	301
MUGUI SECONDARY SCHOOL NGCDF		9,998,975		**9,998,975**	**9,998,000**	975
Nthaara Secondary School	1,200,000			**1,200,000**		1,200,000
Ntoroni Secondary School	10,000,000			**10,000,000**		10,000,000
RUKENYA SECONDARY SCHOOL NGCDF		2,498,975		**2,498,975**	**2,386,543**	112,433
RUKENYA SECONDARY SCHOOL NGCDF		998,975		**998,975**	**998,729**	247
Shinyhun Secondary School	2,500,000			**2,500,000**		2,500,000
Sub-total	**16,600,000**	**32,086,950**	**500,000**	**49,186,950**	**32,119,020**	**17,067,930**
10.0 Tertiary institutions Projects (List all the Projects)				-		-
Kenya Medical Training College Marimanti Campus	1,385,000			**1,385,000**		1,385,000
KENYA MEDICAL TRAINING COLLEGE PMC		140,771		**140,771**	139,988	783

KENYA MEDICAL TRAINING COLLEGE PMC		298,975		**298,975**	298,575	400
KENYA MEDICAL TRAINING COLLEGE PMC		298,975		**298,975**	297,779	1,196
KENYA MEDICAL TRAINING COLLEGE PMC		198,975		**198,975**	198,975	-
KENYA MEDICAL TRAINING COLLEGE PMC		70,551		**70,551**	70,551	-
KENYA MEDICAL TRAINING COLLEGE PMC		998,975		**998,975**	952,857	46,118
KENYA MEDICAL TRAINING COLLEGE PMC		498,975		**498,975**	475,899	23,076
KENYA MEDICAL TRAINING COLLEGE PMC		398,975		**398,975**	361,844	37,131
Kenya School Of Law Marimanti Campus	4,500,000			**4,500,000**		4,500,000
Kithino University	4,500,000			**4,500,000**		4,500,000
KMTC Marimanti Campus	2,000,000			**2,000,000**		2,000,000
THARAKA TEACHERS COLLEGE NG-CDF		498,975		**498,975**	468,878	30,097
Turima University	4,500,000			**4,500,000**		4,500,000
Sub-total	**16,885,000**	**3,404,147**	**-**	**20,289,147**	**3,265,346**	**17,023,801**
11.0 Security Projects				-		-
Gituma Chiefs Camp	700,000			**700,000**		700,000
Kereria Chiefs Camp	700,000			**700,000**		700,000
Turima Chief's Camp	700,000			**700,000**		700,000

Nkarini Police Post	1,000,000			**1,000,000**		1,000,000
Gacereka Chief's Camp	1,000,000			**1,000,000**		1,000,000
Uturini Chief's Camp	1,000,000			**1,000,000**		1,000,000
Kamanyaki Chief's Camp	1,000,000			**1,000,000**		1,000,000
Kamanyaki Assistant Chief's Camp	1,000,000			**1,000,000**		1,000,000
Kirukuma Ass.Chief's Camp	1,000,000			**1,000,000**		1,000,000
Deputy County Commissioner Tharaka South	700,000			**700,000**		700,000
Deputy County Commissioner Tharaka South	700,000			**700,000**		700,000
Chiakariga Police Station	2,000,000			**2,000,000**		2,000,000
Mauthini Assistant Chief's Office	1,000,000			**1,000,000**		1,000,000
Twanthanju Ass.Chief's Office	1,000,000			**1,000,000**		1,000,000
KITHINO ASS CHIEFS OFFICE			**2,000,000**	**2,000,000**	**1,979,415**	20,585
NKONDI CHIEFS OFFICE			**1,500,000**	**1,500,000**	**1,393,865**	106,135
NTUGI CHIEFS OFFICE NG-CDF		598,975		**598,975**	**571,684**	27,292
Sub-total	**13,500,000**	**598,975**	**3,500,000**	**17,598,975**	**3,944,964**	**13,654,012**
12.0 Acquisition of assets				-		-
12.1 Motor Vehicles (including motorbikes)			-	-		-
12.2 Purchase of furniture and fitiings				-		-

12.2 Construction of CDF office				-		-
Sub-total	-	-	-	-	-	-
13.0 Others				-		-
Chiakariga Court	2,000,000		-	2,000,000		2,000,000
Kathangachini Law Court	2,000,000		-	2,000,000		2,000,000
Rural Electrification and Renewable Energy Corporation (REREC)	2,000,000		5,000,000	7,000,000	7,000,000	-
THARAKA HUDUMA CENTRE		958,400		958,400		958,400
LAND REGISTRY OFFICE		1,554,379		1,554,379	54,058	1,500,322
TSC OFFICE MARIMANT PMC		107,950		107,950	106,811	1,139
MARIMANTI LAND REGISTRY PMC		717,150		717,150	686,285	30,865
HUDUMA CENTRE-MARIMANTI PMC		316,500		316,500	314,375	2,125
Sub-total	**6,000,000**	**3,654,379**	**5,000,000**	**14,654,379**	**8,161,529**	**6,492,851**
DIGITAL HUBS (ASSET/PROJECT)				-		-
Digital Hub at Marimanti Ward	**4,200,000**			**4,200,000**		4,200,000
			4,200,000	**4,200,000**	2,975,971	2,182
Sub-total	**4,200,000**	-	**4,200,000**	**8,400,000**	**2,975,971**	**4,202,182**
				-		-
Funds pending approval**				-		-
unapproved projects		-		-		-

AiA	-			-		-
Sub-total	-	-	-	-	-	-
Total	**179,441,954**	**69,908,652**	**45,261,829**	**294,612,435**	**174,944,235**	**119,668,202**

(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 Tharaka Constituency principal activity is service delivery to the constituents through provision of bursary to vulnerable learners and construction of infrastructure to schools.

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

The financial statements have been prepared in accordance with the Public Finance Management (PFM) Act and the International Public Sector Accounting Standards (IPSAS). The NG-CDF [NG-CDF THARAKA] has taken advantage of the transitional provisions under IPSAS 33 and adopted a phased approach. Accordingly, this is the first transitional financial statement. The NG-CDF [NG-CDF THARAKA] has recognized all financial assets, including cash and cash equivalents held in the operational account, deposit account, and PMC bank accounts; receivables (amounts due from the Board and other parties); prepayments; property, plant, and equipment (PPE); and intangible assets acquired during the financial year 2023/2024 up to the reporting date.

Liabilities recognized include trade and other payables, third-party deposits, and gratuity provisions.
The recognition of all other non-financial assets acquired prior to the 2023/2024 financial year will be undertaken in the third year of the transition period, after the necessary identification and valuation processes have been completed.

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

3. Adoption of New and Revised Standards

(When an IPSAS becomes effective on 1st January 2025, it is applicable in Kenya from 1st July 2025)

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	**Applicable 1st January 2025** 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 recognise, measure and present information on right of use assets and lease liabilities.

	This IPSAS is not applicable in this constituency this financial year
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	**Applicable 1st January 2025** The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.
IPSAS 45: Property Plant and Equipment	**Applicable 1st January 2025** 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. **This IPSAS is applicable from 1st July 2025**
IPSAS 46: Measurement	**Applicable 1st January 2025** The objective of this standard was to improve measurement guidance across IPSAS by:

	i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS. iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. The standard also introduces a public sector specific measurement bases called the current operational value. **This IPSAS is not applicable in this constituency this financial year**
IPSAS 47: Revenue	**Applicable 1st January 2026** This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions. **This IPSAS is not applicable in this constituency this financial year**
IPSAS 48: Transfer Expenses	**Applicable 1st January 2026** 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. **This IPSAS is not applicable in this constituency this financial year**

IPSAS 49: Retirement Benefit Plans	**Applicable 1st January 2026** 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. **This IPSAS is not applicable in this constituency this financial year**
IPSAS 50: Exploration For & Evaluation of Mineral Resources	**Applicable 1st January 2027** The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires: i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized. **This IPSAS is not applicable in this constituency this financial year**

iii. Early adoption of standards

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

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Sale of goods

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

Interest income

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

Rental income

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

b) Budget information

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

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

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

c) Property, plant and equipment

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

d) Leases

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

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

e) Intangible assets

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

f) Financial instruments

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

a) Financial assets

Classification of financial assets

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

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

Trade and other receivables

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

Fair value through surplus or deficit

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

Impairment

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

b) Financial liabilities

Classification

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

g) Inventories

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

i) Raw materials: purchase cost using the weighted average cost method.

ii) Finished goods and work in progress: cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs.

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current

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

h) Provisions

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

i) Social Benefits

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

j) Contingent liabilities

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

k) Contingent assets

The Entity does not recognize a contingent asset but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future

events not wholly within the control of the Entity in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

l) Employee benefits

Retirement benefit plans

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

m) 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.

n) 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.

o) Comparative figures

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

p) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 20xx

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

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

Useful lives and residual value

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

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

Provisions

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

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

6. Transfers from the NGCDF Board

Description	Period ended June 2025
NGCDFB Transfers (Allocation for the FY)	179,441,954
TOTAL	**179,441,954**

7. Transfers from domestic and foreign partners

Description	FY 2024-2025
	Kshs
Grants	-
Total	**-**

8. Finance income

Description	FY 2024-2025
	Kshs
Interest Income on Bank Deposits	-
Total	**-**

(Provide a brief explanation for this revenue)

9. Miscellaneous income

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

10. Employees cost

Description	Period ended June 2025
	Kshs
NG-CDFC Basic staff salaries	3,830,713
Personal allowances paid as part of salary	-
House Allowance	-
Transport Allowance	-
Leave allowance	40,000
Gratuity to contractual employees	364,396
Employer Contributions Compulsory national social security schemes	259,200
Employer Contributions Compulsory Housing levy	95,790
Employer contributions to National Industrial Training Authority	6,000
Other Specify	-
Total	**5,096,099**

11. Committee Expenses

Description	Period ended June 2025
	Kshs
Sitting allowance	59,200
Other Committee expenses	4,117,900
Total	**4,177,100**

12. Use of Goods and services

Description	Period ended June 2025
	Kshs
Utilities, supplies and services	21,150
Communication, supplies and services	169,200
Domestic travel and subsistence	5,663,000
Printing, advertising and information supplies & services	-
Office Rent	-
Training expenses	-
Hospitality supplies and services	-
Insurance costs	328,009
Specialized materials and services	-
Office and general supplies and services	2,457,450
Fuel, oil & lubricants	-
Bank Charges	-
Routine maintenance – vehicles and other transport equipment	-
Routine maintenance – other assets	-
Strategic plan expenses	-
Other operating expenses	-
Total	**8,638,809**

13. Other Government Units Actual expenditure

Description	Period ended June 2025
	Kshs
Primary Schools Actual expenditure	41,464,709
Secondary Schools Actual Expenditure	32,119,020
Tertiary Institutions Actual Expenditure	3,288,422
Total	**76,872,151**

14. Other Grants and transfers Actual expenditure

Description	Period ended June 2025
	Kshs
Bursary – secondary schools	28,010,856
Bursary – tertiary institutions	23,337,856
Bursary – special schools	-
Bursary - Education Support programmes	-
Social Security programmes (SHIF)	-
Security projects Actual Expenditure	3,944,964
Climate change mitigation projects	3,200,000
Emergency projects Actual Expenditure	11,874,824
Roads projects	-
Others specify	8,161,529
Total	**78,530,028**

15. Depreciation and Amortization Expenses

Description	Period ended June 2025
	Kshs
Property Plant and Equipment	---
Intangible Assets	---
Total	---

16. Digital Hubs Expenses

Description	Period ended June 2025
	Kshs
Construction/ renovation/Actual Expenditure	2,975,971
Digital Hub utility costs Water, Electricity,	-
Maintenance of ICT equipment	-
Maintenance of building	-
Others (specify)	-
Total	**2,975,971**

17. Gain/loss on Sale of Assets

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

(Provide brief explanation on gains on sale of fixed assets)

18. Impairment Loss

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

(Provide brief explanation on assets impairment loss)

19. Cash and Cash Equivalents

Name Of Bank and Account No.	Period ended June 2025	Opening Statement 1st July 2024
	Kshs	Kshs
Bank Accounts (Cash Book Bank Balance)		
Name Of Bank, Account No. (Operations account)	8,225,000	12,020,747
Operations account pending closure (Indicate name & account no.)	-	-
Name of Bank, account No. (Deposit account)	2,088,957	1,224,561
Name of Bank, account No. (PMC's account)	75,912,291	56,663,344
Total	**86,226,247**	**69,908,652**
Cash Balances		
Location 1	-	-

Location 2	-	-
Other Locations (Specify)	-	-
Total	**-**	**-**
[Provide Cash Count Certificates for Each]		

(A schedule of all reconciled PMC bank balances as at the end of the period is in annex 2)

20. Receivables from Exchange Transactions

Description	FY 2024-2025	Opening Statement 1st July 2025
	Kshs	Kshs
Total receivables		
Other exchange debtors (Specify)	-	-
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	FY 2024 -2025		Opening Statement 1st July 2024	
	Kshs		Kshs	
	FY 2024-2025	% of the total	Opening Balance	% of the total
Less than 1 year	-	%	-	%
Between 1- 2 years	-	%	-	%
Between 2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total (a+b)	-	**%**	-	**%**

21. Receivables from Non-Exchange Transactions

Description	Period ended June 2025	Opening Statement 1st July 2024
	Kshs	Kshs
Transfers from NGCDFB	33,441,954	45,261,829
Outstanding imprest	-	-
Total	**33,441,954**	**45,261,829**

22. Prepayments

Description	Period ended June 2025	Opening Statement 1st July 2024
	Kshs	Kshs
Prepaid Rent	-	-
Prepaid Insurance	163,644	166,356
Prepaid Electricity Costs	-	-
Other Prepayments (Specify)	-	-
Total	**163,644**	**166,356**

23. Property, Plant and Equipment

Asset class	Historical Cost b/f (Kshs)	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) At Year End
Land	0			0
Buildings and structures	8,610,523			8,610,523
Transport equipment	4,579,250			4,579,250
Office equipment, furniture and fittings	425,000			425,000
ICT Equipment, Software and Other ICT Assets	563,795			563,795
Other Machinery and Equipment	199,500			199,500
Intangible assets	-			-
Total	**14,378,068**			**14,378,068**

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). These amounts were adopted on 1st July 2025.

23 b) Property, Plant and Equipment at Cost

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

	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land	-	-	-
Buildings	-	-	-
Plant And Machinery	-	-	-
Motor Vehicles, Including Motorcycles	-	-	-
Computers And Related Equipment	-	-	-
Office Equipment, Furniture, And Fittings	-	-	-
Total	-	-	-

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	-	-

24. Intangible Assets

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

25. Right-of use assets

Description	Buildings	Plant	Equipment	Total
	Kshs	Kshs	Kshs	Kshs
Cost				
As At 1 July 2024(Comparative period)	-	-	-	-
Additions	-	-	-	-
As At 30 June 2025 (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)	-	-	-	-

26. Trade and Other Payables

Description	FY 2024-2025		Opening Statement 1st July 2024	
	Kshs		Kshs	
Trade payables	-		-	
Employee payables	-		-	
Other payables	-		-	
Total trade and other payables	-		-	
Aging analysis: (Trade and other payables)	June2025	% of the Total	1st July	% of the Total
Under one year	-	%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total (tie to above total)	-		-	

27. Third-Party deposits

	Period ended June 2025	Opening Statement 1st July 2024
	Kshs	Kshs
Retention as at start of the period (A)		-
Retention held during the period (B)	2,068,135	-
Retention paid during the period (C)	1,589,320	-
Closing Retention as at period xx, D= A+B-C	**478,815**	-

Retentions aging analysis.

	FY 2024-2025	% of the total	FY 2023-2024	% of the total
Less than 1 year	---	---	---	---
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total	---	---	---	---

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

28. Lease Liabilities

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

Maturity Analysis

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

Analysed as:

Description	Amount
Current	-
Non- Current	-
Total	-

29. Gratuity Provision

Description	Period ended June 2025	Opening Statement 1st July 2024
	Kshs	Kshs
Gratuity at the beginning of the period (A)	1,224,561	1,224,561
Gratuity held during the period (B)	864,396	-
Gratuity paid during the period (C)	-	-
Total Gratuity provision as at 30th June 2025 D=(A+B-C)	**2,088,957**	**1,224,561**

30. Cash Generated from Operations

	Period ended June 2025
	Kshs
Surplus for the period before tax	**3,151,798**
Adjusted for:	
Depreciation	-
Non-cash grants received	-
Contributed assets	-
Impairment	-
Gains and losses on disposal of assets	-
Contribution to provisions	-
Contribution to impairment allowance	-
Working capital adjustments	
Changes in Prepayments	2,712
Changes in receivables	11,819,875
Changes in deferred income	-
Changes in Third party deposits	478,815
Changes in gratuity provision	864,396
Changes in payments received in advance	-
Net cash flow from operating activities	**16,317,595**

(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 program 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:

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	**33,441,954**	**33,441,954**	-	-
Bank balances	86,226,247	86,226,247	-	-
Total	**119,668,201**	**119,668,201**	-	-
As at 30 June 2024				
Receivables from exchange transactions			-	-
Receivables from non-exchange transactions	**45,261,829**	**45,261,829**	-	-
Bank balances	69,908,652	69,908,652	-	-
Total	**115,170,481**	**115,170,481**	-	-

(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 xxx. The board of directors sets the Entity's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

ii) Liquidity risk management

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
As at 30th June 2025				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Gratuity Provision	---	---	---	---
Total	---	---	---	---
As at 30th June 2024				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	------	-	-	---
Deferred income	-	-	-	-

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
Employee benefit obligation	-	-	-	-
Total	---	---	---	---

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.

Financial Risk Management

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

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

Euro	10%	-	-
USD	10%	-	-

a) Interest rate risk

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

Management of interest rate risk

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

Sensitivity analysis

The Entity analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year. Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as a decrease/increase of Kshs 0 (Current FY: Kshs 0). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs 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				
Financial Assets				
Quoted Equity Investments	-	-	-	-
Non- Financial Assets				
Investment Property	-	-	-	-
Land And Buildings	-	-	-	-
Total	-	-	-	-
As at 30th 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	FY 2024-2025	Opening Statement 1st July 2024
	Kshs	Kshs
Revaluation Reserve	**117,264,074**	**114,112,276**
Retained Earnings	**3,151,798**	-
Capital Reserve	-	-
Total Funds		**114,112,276**
Total Borrowings	-	-
Less: Cash and Bank Balances	86,226,247	69,908,652
Net Debt/(Excess Cash And Cash Equivalents)		
Gearing	0%	0%

32. Related Party Disclosures

	FY 2024-2025	Opening Statement 1st July 2024
	Kshs	Kshs
Committee Members Remuneration		
Sitting allowance of committee Members during the year	**4,177,100**	
Transaction with the NGCDF Board		
Transfers from the NGCDF Board during the year	**179,441,954**	---
Total		---

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

35. Capital Commitments

Capital Commitments	FY 2025	Opening Statement 1st July 2024
	Kshs	Kshs
Authorized for	-	-
Authorised and contracted for	-	-
Total	-	-

(NB: Capital commitments are commitments to be carried out in the next financial year and are disclosed in accordance with IPSAS 17. Capital commitments maybe those that have been authorized 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 Tharaka 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.

18. Annexes

Annex 1: Summary of Asset Register

Asset class	Historical Cost b/f (Kshs)20232024	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) At Year End 2024-2025
Land	0			0
Buildings and structures	8,610,523			8,610,523
Transport equipment	4,579,250			4,579,250
Office equipment, furniture and fittings	425,000			425,000
ICT Equipment, Software and Other ICT Assets	563,795			563,795
Other Machinery and Equipment	199,500			199,500
Intangible assets	-			-
Total	**14,378,068**			**14,378,068**

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

Annex 2 –PMC Bank Balances as At 30th June 2025

PMC	BANK	ACCOUNT	Bank Balance	Bank Balance
			Current FY	Comparative FY

PRIMARY SCH. PROJECTS	BANK	ACCOUNT NUMBERS	BALANCES
GACERAKA PRY SCH PMC	SIDIAN	A01030710003240	61,100.50
ITHANGA PRIMARY SCHOOL NG-CDF	SIDIAN	A01030710005927	94,237
KAARA GANKURU PRIMARY SCHOOL	SIDIAN	A01030710005987	10,696.50
KAMAGAJIU PRIMARY SCHOOL	SIDIAN	A01030710003360	96,708
KAMARENGE PRIMARY SCHOOL NG-CDF	SIDIAN	A01030710005937	542.8
KAMUTUANDU PRIMARY SCHOOL	SIDIAN	A01030710005947	45,059.50
KANDONDO PRIMARY SCHOOL	SIDIAN	A01030710005977	383,111
KARANGARE PRIMARY SCHOOL NG-CDF	SIDIAN	A01030710003270	85,742.50
KATHANGA PRIMARY SCHOOL NG-CDF	SIDIAN	01030710003180	18,946
KERERIA PRIMARY SCHOOL NG-CDF	SIDIAN	01030710005957	226.50
KIAIRINTHI PRIMARY SCHOOL NG-CDF	SIDIAN	01030710004399	45,935.500
KIIGANI PRIMARY SCHOOL NG-CDF	SIDIAN	01030710005967	10,339.50
KITHIOROKA PRIMARY SCHOOL NG-CDF	SIDIAN	01030710005997	60,927.50
KOMBO PRIMARY SCHOOL NG-CDF	SIDIAN	01030710003930	45,467.50
MAKITHI PRIMARY SCHOOL NG-CDF	SIDIAN	01030710006005	54,381

MARIENE PRIMARY SCHOOL NG-CDF	SIDIAN	01030710003800	5,058
MAUTHINI PRIMARY SCHOOL NG-CDF	SIDIAN	01025150034669	90,474.5
MAWENI PRIMARY SCHOOL NG-CDF	SIDIAN	01030710003280	47,758
MBACACA PRIMARY SCHOOL NG-CDF	SIDIAN	01030710006015	16,743
MPUNGUNI PRIMARY SCHOOL NG-CDF	SIDIAN	01030710006025	60,673
NDURUMONI PRIMARY SCHOOL	SIDIAN	01030710006035	998,975
NGAINI PRIMARY SCHOOL NG-CDF	SIDIAN	01030710003470	11,196
NTONGORO PRIMARY SCHOOL NG-CDF	SIDIAN	01030710003310	50,508.50
RIAMIKUU PRIMARY SCHOOL NG-CDF	SIDIAN	01030710006045	45,514
RWERIGO PRIMARY SCHOOL NG-CDF	SIDIAN	01030710003410	46,938.5
TWANTHANJU PRIMARY SCHOOL NG-CDF	SIDIAN	01030710003390	612
UTURINI PRIMARY SCHOOL NG-CDF	SIDIAN	01030710003830	90,751
IRIMBA PRIMARY SCHOOL	SIDIAN	01030710007123	2,500,000
NDIUNI PRIMARY SCHOOL	SIDIAN	01030710007113	2,500,000
NYAGAARI PRIMARY SCHOOL	SIDIAN	01030710007163	1,200,000
NJUKINI PRIMARY SCHOOL	SIDIAN	01030710007143	1,200,000
KITHUNGURU PRIMARY SCHOOL	SIDIAN	01030710007103	2,400,000

GANCABI PRIMARY SCHOOL	SIDIAN	01030710007133	700,000
TUNYAI PRIMARY SCHOOL	SIDIAN	01030710007153	700,000
UTURINI PRIMARY SCHOOL	SIDIAN	A01030710007793	1,200,000
IRIA RIAMANTHUKA PRIMARY SCHOOL	SIDIAN	01030710007693	2,000,000
MERU BOY PRIMARY SCHOOL	SIDIAN	01030710007713	3,500,000
KAGURINI PRIMARY SCHOOL	SIDIAN	A01030710007733	4,000,000
KAMARENGE PRIMARY SCHOOL	SIDIAN	01030710007443	1,500,000
IRURUMA PRIMARY SCHOOL	SIDIAN	A01030710007433	1,500,000
MARIMANTI PRIMARY SCHOOL	SIDIAN	01030710007413	10,000,000
KIUGUNI PRIMARY SCHOOL	SIDIAN	01030710007813	1,200,000
GACERAKA MIXED DAY SECONDARY SCHOOL NGCDF	SIDIAN	A01030710003450	416
GAKUNGUGUNI PRIMARY SCHOOL NG-CDF	SIDIAN	01030710003490	19,253
GANCABI PRIMARY SCHOOL NG-CDF	SIDIAN	01030710004359	23,864
IRUMA PRIMARY SCHOOL NG-CDF	SIDIAN	01030710003320	29,875.87
KAMARENGE PRIMARY SCHOOL NG-CDF	SIDIAN	01030710004349	10,392
KATHUURA PRIMARY SCHOOL NGCDF	SIDIAN	01030710003110	46,414
KILIMANI PRIMARY SCHOOL NG-CDF	SIDIAN	01030710003210	41,825.5
KITHIOROKA PRIMARY SCHOOL NG-CDF	SIDIAN	01030710003790	45,746.5
KOMBO PRIMARY SCHOOL NG-CDF	SIDIAN	01030710004029	14,442.5

MATAKIRI PRIMARY SCHOOL NG-CDF	SIDIAN	01030710003330	89,938.5
MIOMPONI PRIMARY SCHOOL NG-CDF	SIDIAN	01030710003990	185.5
RUKANI PRIMARY SCHOOL NG-CDF	SIDIAN	01030710003340	60,303.5
THIITI PRIMARY SCHOOL NG-CDF	SIDIAN	01030710004009	96,721
TURIMA TWERU PRIMARY SCHOOL NG-CDF	SIDIAN	A01030710003350	90,759
SECONDARY SCHOOL PROJECTS			
GAKAUNI SECONDARY SCHOOL NG-CDF	SIDIAN	01030710003200	103,823
GAKUURU SECONDARY SCHOOL NG CDF	SIDIAN	01030710003150	573
IRIANI SECONDARY SCHOOL NG-CDF	SIDIAN	01030710004019	1,630
KAIGAKAMWE SECONDARY SCHOOL NG-CDF	SIDIAN	01030710003190	113,246
KAMACABI SECONDARY SCHOOL PMC	SIDIAN	01030710004039	41,942.5
KAMAGUNA SECONDARY SCHOOL NG-CDF	SIDIAN	01030710003430	91,212.5
KAMATUNGU SECONDARY SCHOOL	SIDIAN	01030710004179	100,717.5
KAMWATHU SECONDARY SCHOOL NG-CDF	SIDIAN	01030710003420	38,213
KIRUNDI SECONDARY SCHOOL NG-CDF	SIDIAN	01030710003760	300.5
MUGUI SECONDARY SCHOOL NGCDF	SIDIAN	A01030710003890	975
RUKENYA SECONDARY SCHOOL NGCDF	SIDIAN	A01030710003970	112,433
RUKENYA SECONDARY SCHOOL NGCDF	SIDIAN	01030710003960	247
NTHAARA SECONDARY SCHOOL	SIDIAN	A01030710007453	1,200,000
NTORONI SEC SCHOOL	SIDIAN	A01030710007423	10,000,000

KABUABUA GIRLS SECONDARY SCHOOL	SIDIAN	A01030710007183	1,200,000
KAMARIRU SECONDARY SCHOOL	SIDIAN	A01030710007193	1,200,000
GAKUURU SECONDARY SCHOOL	SIDIAN	01030710007173	500,000
TERTIARY INSTITUTION PROJECTS			
KENYA MEDICAL TRAINING COLLEGE PMC	SIDIAN	01030710003590	783
KENYA MEDICAL TRAINING COLLEGE PMC	SIDIAN	01030710003510	400
KENYA MEDICAL TRAINING COLLEGE PMC	SIDIAN	01030710003640	1196
KENYA MEDICAL TRAINING COLLEGE PMC	SIDIAN	01030710003560	8,804
KENYA MEDICAL TRAINING COLLEGE PMC	SIDIAN	01030710003630	897
KENYA MEDICAL TRAINING COLLEGE PMC	SIDIAN	A01030710003580	46,118
KENYA MEDICAL TRAINING COLLEGE PMC	SIDIAN	A01030710003550	86
KENYA MEDICAL TRAINING COLLEGE PMC	SIDIAN	01030710003610	23,076
KENYA MEDICAL TRAINING COLLEGE PMC	SIDIAN	01030710003660	37,131
KENYA MEDICAL TRAINING COLLEGE PMC	SIDIAN	01030710007203	1,385,000
THARAKA TEACHERS COLLEGE NG-CDF	SIDIAN	01030710003710	30,097.46
SECURITY PROJECTS			
KITHINO ASSISTANT CHIEFS OFFICE PMC	SIDIAN	01030710003170	20,585
NKONDI CHIEFS CAMP NG CDF	SIDIAN	01030710003120	106,135
NTUGI CHIEFS OFFICE NG-CDF	SIDIAN	01030710003290	27,291.5
TWANTHANJU ASS. CHIEF	SIDIAN	01030710007263	1,000,000

TURIMA CHIEFS CAMP	SIDIAN	01030710007253	700,000
GITUMA CHIEFS CAMP	SIDIAN	01030710007223	700,000
NKARINI POLICE POST	SIDIAN	01030710007273	1,000,000
MAUTHINI ASSISTANCE CHIEFS OFFICE	SIDIAN	01030710007243	1,000,000
DCC.THARAKA SOUTH	SIDIAN	01030710007213	700,000
KERERIA CHIEFS CAMP	SIDIAN	01030710007233	700,000
KITHUNGURU PRIMARY SCHOOL	SIDIAN	01030710007753	700,000
KIRUKUMA ASS.CHIEFS OFFICE	SIDIAN	01030710007763	1,000,000
KAMANYAKI CHIEFS CAMP	SIDIAN	01030710007773	2,000,000
KAMANYAKI ASS. CHIEFS OFFICE	SIDIAN	01030710007933	0
GACERAKA CHIEFS CAMP	SIDIAN	01030710007783	1,000,000
DCC THARAKA SOUTH	SIDIAN	01030710007803	700,000
CHIAKARIGA POLICE STATION	SIDIAN	01030710007743	2,000,000
DIGITAL HUBS (ASSET/PROJECT)			
ICT HUB	SIDIAN	01030710005747	1,224,029.5
OTHER PROJECTS			
LAND REGISTRY OFFICE	SIDIAN	01030710001484	1,500,321.5
TSC OFFICE MARIMANT PMC	SIDIAN	01030710006405	1,139.5
MARIMANTI LAND REGISTRY PMC	SIDIAN	01030710006415	30,865.5
HUDUMA CENTRE-MARIMANTI PMC	SIDIAN	01030710006425	2,125.5
THARAKA HUDUMA CENTRE	SIDIAN	01030030000731	59,896.5

EMERGENCY PROJECTS			
CCM NJUKINI COMPREHENSIVE SCHOOL PMC	SIDIAN	01030030001488	26,263
CCM TUNYAI PRIMARY SCHOOL PMC	SIDIAN	01030710006625	29,449
DEB KIORIMBA DAY COMPREHENSIVE	SIDIAN	01030710006675	28,812
KAMARANDI MIXED DAY SEC SCH PMC	SIDIAN	01030710006695	103,814.5
KITHIORI PRIMARY SCHOOL PMC	SIDIAN	01030030001498	60,822.50
MARORERIA PRIMARY SCHOOL PMC	SIDIAN	01030710006655	698975
MATAKIRI PRIMARY SCHOOL PMC	SIDIAN	01030030001508	69,554
MCK KAGURINI SCHOOL PMC	SIDIAN	01030710006665	29,610
MWIRU TURIMA TWERU MIXED DAY SEC	SIDIAN	01030710006685	29,600
NTUJIA PRIMARY SCHOOL PMC	SIDIAN	01030710006625	29,465
SA NKUNYINI PRIMARY SCH PMC	SIDIAN	01030710006705	66,943.5
TONYA MIXED DAY BOARD SEC SCH PMC	SIDIAN	01030030001528	61,058
TURIMA TWERU PRY & JUNIOR SCH PMC	SIDIAN	01030030001518	27,882
DCC THARAK NORTH	SIDIAN	01030710003980	1,831.50
DEB KARWAMBA PRIMARY SCHOOL NGCDF	SIDIAN	01030710003140	250.50
GACERAKA PRIMARY SCHOOL	SIDIAN	01030710003230	2,591.50
KAROCHO PRIMARY SCHOOL NG-CDF	SIDIAN	01030710003160	30,793
MARIMANTI AP CAMP NGCDF	SIDIAN	01030710003950	29,370
MCK UCWENI PRIMARY SCHOOL NGCDF	SIDIAN	01030710003130	243.50
MUBUURA PRIMARY SCHOOL NG-CDF	SIDIAN	01030710003440	242.50

NG'ONYA PRIMARY SCHOOL	SIDIAN	**01030710003090**	242.50
NKARINI PRIMARY SCHOOL NG-CDF	SIDIAN	01030710003220	367.50
PRINCE ALEX SECONDARY SCHOOL PMC	SIDIAN	01030710003940	2,142.50
THARAKA NG-CDF OFFICE	SIDIAN	01030710006725	18,863.50

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	1. Incomplete Assets Register Annex 4 to the financial statements reflects a summary of the fixed assets register balance of Kshs.14,378,068. Review of records and physical inspection revealed that the Fund's offices stand on un-surveyed and unvalued land whose ownership documents were not provided. The Kshs.14,378,068 excludes the land and has not been disclosed in the financial statements. In these circumstances, the accuracy, ownership, existence, and completeness of the fixed assets balance of Kshs.14,378,068 could not			

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)
	be confirmed.			
2	2. Unacknowledged Bursary The statement of receipts and payments reflects other grants and transfers amounting to Kshs.70,238,950, which includes secondary and tertiary school bursary amounts of Kshs.33,200,800 and Kshs.17,977,900 respectively, as disclosed in Note 8. However, out of the Kshs.51,178,700 disbursed, expenditure of Kshs.857,000 was not acknowledged by the receiving institutions.	Schools have been contacted to write the acknowledgement receipts.		
	Non-Compliance with the Fiscal Responsibility Principles on Preservation to AGPO Suppliers Procurement records revealed that Management presented an annual procurement plan covering Kshs.110,093,299 for projects in 2023/2024. However, there was no evidence that 30% of the procurement value was allocated to women, youth, and persons living with disability, contrary to Section	AGPO Suppliers have been included in the current financial year. Resolved.	Resolved	

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)
	53(6) of the Public Procurement and Disposals Act, 2015 (revised 2022).			
	The constituency a warded contracts for the construction of Gatunga police station in the financial year 2022/2023 at contract sum of ksh 1,000,000 hover the project had not been Lebed and occupied .In circumstance the money of ksh 1000,000 spend on the project had not be realized	The management have forwarded the issue to the county security committee.	Not resolved	
	The constituency fund awarded a contract of ksh 7,000,000 for construction of two classroom and the provision of furniture and fittings to Tharaka kmtc .The lack of tagging made it difficult to confirm whether the assets were indeed delivered as per the contract.	Tagging have been done .	Resolved	

FUND MANAGER
P.O. BOX 22, MARIMANTI
THARAKA CONSTITUENCY DEV. FUND

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Name: Happi Adan
Fund Account Manager.