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DATE: 11 FEB 2026	DAY: Wednesday
REPORT	
TABLED BY:	Hon. (Dr.) Robert Pukose, on behalf of Leader of Majority
CLERK-AT THE-TABLE:	Lomale

OF

THE AUDITOR-GENERAL

ON

**NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND -
NAKURU TOWN EAST CONSTITUENCY**

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



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

NAKURU TOWN EAST CONSTITUENCY

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
30th JUNE 2025

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

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1. Acronyms and Definition of Key Terms

A. Acronyms

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

B. Definition of Key Terms

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

Comparative Year- Means the prior period.

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

2. Key Constituency Information and Management

(a) Background information

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

Mandate

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

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

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

Vision

Equitable Socio-economic development countrywide.

Mission

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

Core Values

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

Functions of NG-CDF Committee

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

(b) Key Management

The NGCDF Nakuru Town East 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	James Ngunku Gitonga
2.	National Sub-County Accountant	Beatrice Ndege
3.	Chairman NGCDFC	Fatuma Alhaji Yusuf
4.	Member NGCDFC	Benard Kibet
5.	Member NG CDFC	Susan Wangeci

(c) Fiduciary Oversight Arrangements

The Audit Committee of the NGCDF Board provides overall fiduciary oversight on the activities of the NGCDF Nakuru Town East 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 Nakuru Town East Constituency Headquarters

P.O. Box 1746-20100
Lanet A.C.C's office
FreeArea shopping centre
Nakuru KENYA

(e) NGCDF Nakuru Town East Constituency Contacts

P.O. Box 1746-20100
Telephone: (254) 703107009
E-mail: cdfnakurutowneast.go.ke
Website: www.go.ke

(f) NGCDF Nakuru Town East Constituency Bankers

1. Family Bank

Nakuru Finance Branch
P.O.Box 74145-00200
Nairobi, Kenya

2. Family Bank(Deposit account)

Nakuru Finance Branch
P.O.Box 74145-00200
Nairobi, Kenya

3. Family Bank (PMC accounts)

Nakuru Finance Branch and
Nakuru Market Branch
P.O.Box 74145-00200
Nairobi, Kenya




(g) Independent Auditor

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

(h) Principal Legal Adviser

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

3. NGCDF Committee

Name	Details
 <p>Chairperson: Fatuma Yusuf</p>	<p>Mrs. Fatuma Yusuf was born on 17th October 1979. She was admitted to Moi university to pursue a degree in Law. She graduated in 2003 from the same university. She has work experience from Kipkenei & Co advocates, Minds eye org an agricultural NGO and also KAPP under the ministry of agriculture.</p>
 <p>Member: Benard Kibet Male youth representative</p>	<p>Mr. Kibet was born on 1stOctober, 1990. He has a bachelor's degree in commerce and has worked with BW Mathenge and company advocates and Bondeni biashara sacco.</p>
 <p>Member: Susan Wangeci Female adult representative</p>	<p>Ms. Wangeci was born on 1st January 1974 in Nakuru. She has a certificate of O levels. She is a business woman.</p>
 <p>Member: Francis Waititu Male adult representative</p>	<p>Mr. Waititu was born on 22nd February, 1979. His highest level completed is form 4 and has a KCSE certificate. His work experience is being a member of the NG-CDFC.</p>



Member: Lucy Wanja
 Co-opted member

Ms. Wanja was born on 5th May, 1967. her highest level of education attained is form 4 and has a certificate to that effect. She is a businesswoman.



Member: Irene Nyakobo
 Female youth representative

Miss Nyakobo was born on 27th January 1991 in Nakuru. She has a certificate in Social Development. She has worked as a youth coordinator for 3 years and 5 years as a social worker.





Member: Margaret Wanjiru
 Representative of persons with disability

Ms. Margaret Wanjiru was born on 20th October, 1970. She has a O level certificate and previously worked with Jamii children home and Sure 24 children home.



Member: John Maina

Mr. Maina was born on 5th April, 1962 in Nyeri. He has a O level certificate and has a 5-year work experience as a security guard at JKIA.

Male adult representative	
 <p>D.C.C Irene Cheptum</p>	<p>Ms. Irene Cheptum was born on 8th January,1984. Her highest level of education is Masters in Finance. She has worked as the ACC for 15 years.</p>
 <p>F.A.M: James Gitonga</p>	<p>Mr. Gitonga was born on 12th October 1993. He has a bachelor's degree of Economics from the University of Nairobi and a 9-year work experience, 3 of which is in NG-CDF as a Fund Account Manager.</p>

4. NG-CDFC Chairman's Report



Fatuma Yusuf
Chairperson, Nakuru town east NG-CDFC

On behalf of the Nakuru town east NG-CDFC, the following is the overview on the operations of our constituency fund during the financial year 2024/2025

The Nakuru town east National Government Constituencies Development Fund in the Financial Year 2024/2025 was allocated Kshs.179,441,954.47.

We had a total receipt of Kshs. 191,120,543 from the Board as at 30th June 2025. The receipt comprises of both the allocation of the current financial year and the amount which rolled over from the previous financial year.

The budget performance for this financial year was not comparatively achieved as targeted due late approval and disbursement of funds from NG-CDF Board.

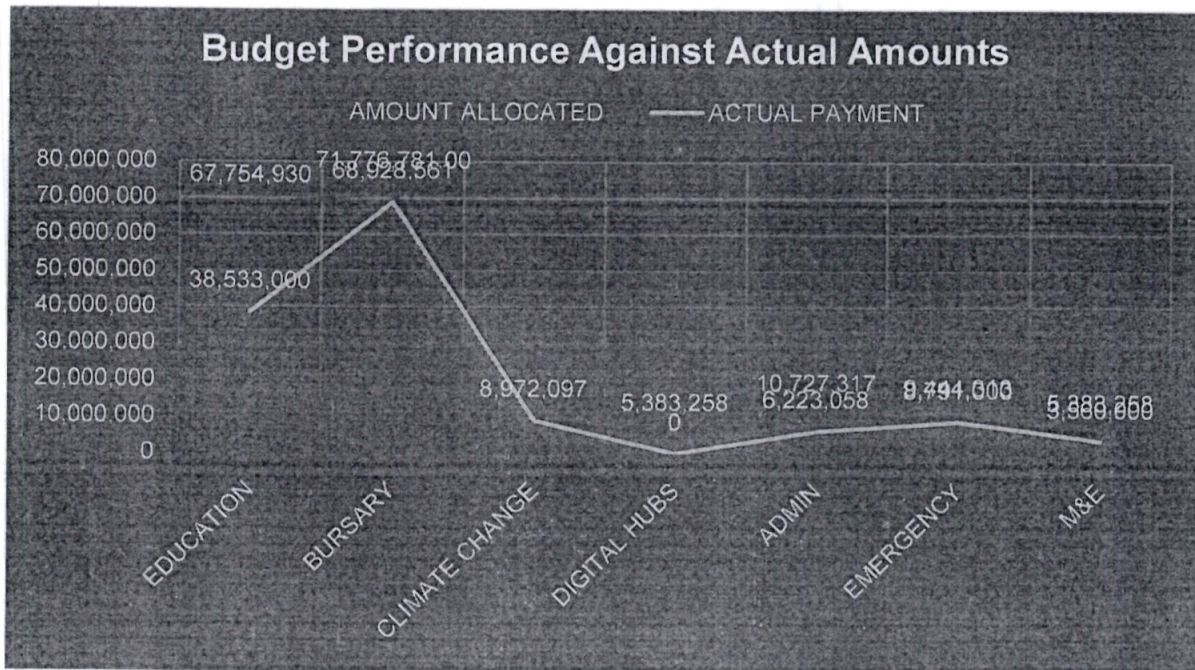
At the close of the Financial Year, not all of the projects allocated funds were complete due to the delay in funds receipt from NG-CDF Board.

NG-CDF has also aided in providing good learning environment by assisting in the construction, furnishing and rehabilitation of classrooms.

All the projects funded in the FY 2024/2025 were allocated funds to full completion. However, funds disbursement delay has delayed implementation of some funded projects to completion as at the close of the Financial Year.

Table of budget performance against actual amounts

NO.	SECTOR	AMOUNT ALLOCATED	ACTUAL PAYMENT
1.	EDUCATION	67,754,930.27	38,533,000
2.	BURSARY	71,776,781.00	68,928,561
3.	CLIMATE CHANGE	8,972,097.00	8,972,097
4.	DIGITAL HUBS	5,383,258.00	0
5.	ADMIN AND RECURRENT	10,727,317.00	6,223,058
6.	EMERGENCY	9,444,313.00	8,791,000
7.	M&E	5,383,258.00	3,560,000



Other areas of key achievements are renovation of classrooms to improve students learning environment which has a bigger impact in learning due through creating more learning spaces. Funds were also allocated on JSS projects to cater for more rooms for those graduating from primary to Junior Secondary School. At the close of the financial year, all the projects allocated funds had not received funds from NG-CDF Board and most of the projects were ongoing. The on-going projects were being implemented well at a good pace.

IMPLEMENTATION CHALLENGES AND RECOMENDATION

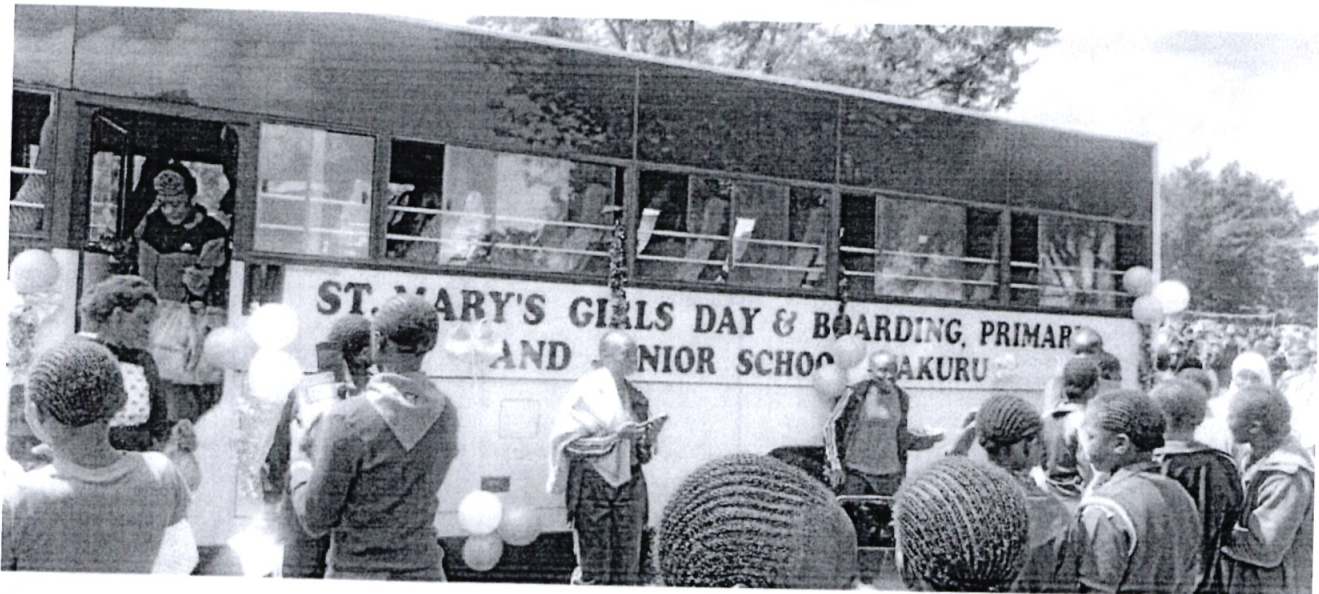
The main challenge is delay and piecemeal in disbursement of funds which delays project completion within the financial year. The NG-CDFC recommends that funds be released to the constituency immediately the projects are approved.

The NG-CDFC encourages the PMCs to start the project procurement/ implementation immediately project cleared and code list received. The NG-CDFC immediately releases to the PMCs within a week of receipt from NG-CDF board to minimize delays in project implementation.

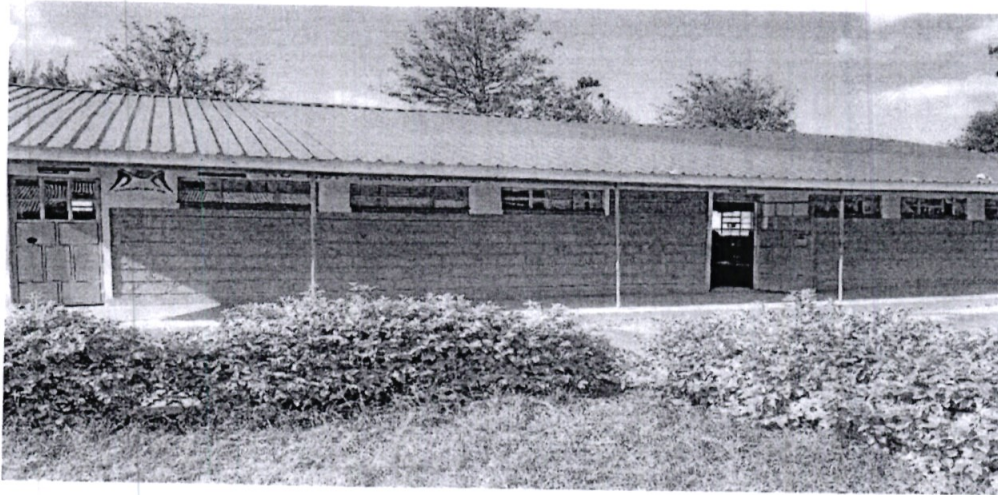
EMERGING ISSUES

1. Lack of enough classes for junior secondary school
2. Lack of enough space/land for building more classes as most of the schools in the constituency were established long ago.

ACHIEVEMENTS: - SAMPLE OF THE PROJECTS IMPLEMENTED



St. Mary's Girls primary school 52-seater semi luxury Hino bus. This bus will enhance educational trips that are usually carried out by the school.



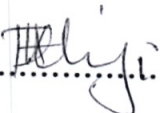
Freehold primary school: - 2 JSS classrooms. The two classrooms have created room for the incoming grade 9 pupils who will join the school.

IMPLEMENTATION CHALLENGES

1. Late disbursement of funds that later on trickle down to late implementation of projects

WAYFORWRD

1. Early disbursement of funds by the board to the constituency to enable the NG-CDF committee implement the projects in a timely manner.


.....

Fatuma Yusuf
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 Nakuru Town East Constituency 2022-2027* plan are to:

- i). Enhance access to education in the constituency.
- ii). Establish new institutions such as schools and centres.
- iii). Improve and enhance ICT infrastructure by putting up digital hubs within the constituency
- iv). Enhance security in each and every part of the constituency.
- v). Enhance better use and management of the environment to serve current and future generations.

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	<i>To have all children of school going age attending school</i>	<i>Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions</i>	<i>number of usable physical infrastructure build in primary, secondary, and tertiary institutions number of bursary's beneficiaries at all levels</i>	<i>In FY 2024/25 -we increased number of classrooms by 24 in the followings schools: St. Johns Primary School Jamhuri Primary School St. Xaviers Primary School St. Joseph Pry School Rhino Pry School Menengai Pry</i>

				<p><i>School Nakuru Teachers Pry Sch Crater Pry School Mburu Gichua Pry Sch Lakeview Pry School Harambee Khalsa Pry School Freehold Primary Sch Umoja Pry School Mirugi Kariuki Pry Sch Nairobi Road Pry School St Xaviers Pry School -Bursary beneficiaries at tertiary level was 434 and secondary school was 6,219 as per the attached schedules</i></p>
Security	Increase security in the ares	Increased security	Improve the working conditions of the security personel	Renovation of the Nakuru town East DCIO's office was done
Climate change mitigation activities	Increase tree coverage in the area	Increased number of newly planted trees	Forest coverage	During the financial year the number of planted trees increased by 22,000. Menengai forest 12,000 and Bahati forest 10,000.
Emergency	To fund institutions with funds to put in place infrastructures that are of emergency in	A few institutions were allocated with funds to implement	A number of schools benefited from the same during the year.	In the financial year 2023/2024 10 primary schools and 1 secondary school benefited. The activities ranged from construction

	nature.	the projects.		of new toilets and re-construction of perimeter walls.
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6. Governance Statement

a. NG-CDFC process of appointment

Section 43(1), (2), (3) and (4) of the National Government Constituencies Development Fund (NG-CDF) Act state that:

1. there is established a National Government Constituency Development Fund Committee for every constituency.
2. Constituency Committee Shall comprise of;
 - a) the national government official responsible for co-ordination of national government functions.
 - b) two men each nominated in accordance with subsection (3), one of whom shall be a youth at the date of appointment
 - c) two women nominated in accordance with subsection (3) one of Whom shall be a youth at the date of appointment;
 - d) one person with disability nominated by a registered group representing persons with disabilities in the constituency in accordance with subsection (3);
 - e) two persons nominated by the constituency office established under Regulations made pursuant to the Parliamentary Service Act;
 - f) the officer of the Board seconded to the Constituency Committee by the Board who shall be an ex officio member without a vote.
 - g) one member co-opted by the Board in accordance with regulations made by the Board
3. The seven persons referred to in sub-section (2) (b), (d) and (e) shall be selected in such manner and shall have such qualifications as the Board may, by Regulations, prescribe.

The names of the persons selected under sub-section (3) shall be submitted by the Board to the National Assembly for approval before appointment and gazettelement by the board.

The current NGCDFC members were gazetted on 21st May 2025 and the first meeting was held in 9th June 2025.

The persons appointed are drawn from different groupings as follows:

- Male Adult-John Maina Gitonga - Member

- Male youth -Benard Kibet Chepkorir - Secretary
- Female adult-Fatuma Yusuf Alhaji - Chairperson
- Female youth-Irene Nyakobo Onchieku - Member
- PWD REP-Margaret Wanjiru Gikaria -Member
- Co-opted Member-Lucy Wanja Gathiga- Member
- Nominee of constituency Office-Francis Titi Waititu- Member
- Nominee of constituency Office-Susan Wangeci Macharia - Member

b. NG-CDFC Tenure

NG-CDF act section 43 (8) The term of office of the members of the Constituency Committee shall be two years and shall be renewable but shall expire upon the appointment of a new Constituency Committee in the manner provided for in the Act, or as may be approved by the Board.

c. The Roles and functions of the Constituency Committee

- i. Build the capacity of project management committees, record the names of the pmc members and Sensitize the Community on the operations of the Fund;
- ii. Consider all project proposals from all wards in the Constituency and any other projects which a Constituency Committee considers beneficial to the Constituency and ensure that all proposed projects that are approved for funding meet the requirements of section 24 of the Act;
- iii. Ensure that project proposals submitted to the Board include detailed budget proposals, procurement plans and work plans and that cost estimates for projects are realistic
- iv. Ensure projects (works and services) fall within the functions of the National Government under the Constitution;
- v. Rank projects proposals in order of priority while ensuring that on-going projects take precedence and all projects receive adequate funding and are completed within three years;

- vi. Where a project involves purchase of a parcel of land or a building, ensure that the ownership thereof is duly verified and ownership documents authenticated with relevant government agencies;
- vii. Monitor the implementation of projects in accordance with the monitoring and evaluation framework prescribed by the Board.
- viii. 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;
- ix. 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;
- x. Enter into performance contracting with the Board on an annual basis and not enter into commitments for which funding has not been allocated
- xi. In exercising its discretion under section 32 of the Act, be guided by the principles of governance enshrined in Article 10 of the Constitution;
- xii. Receive and address all complaints concerning the implementation of projects and collectively respond to audit queries concerning the Fund at the Constituency level;
- xiii. Ensure projects are labelled in accordance with the guidelines issued by the Board; and

d. Removal of a member

Recommend to the Board the removal of a committee member in accordance with section 43(13) and (14) of the Act;

e. NG-CDFC Induction and training

Upon constitution of new Committee, members are inducted and shown their mandates on project management and their mandates as committee members. NGCDFC Members are trained in line with the provisions of the act to build their capacity on project management and implementation. The induction and training of the members took place between 9th and 14th July 2025 at Sai Rock resort, Mombasa.

f. Number of meetings;

NG-CDF Act Section 43(11) stipulates that NG-CDFC shall have a maximum of twenty-four meetings per year and not less than twelve including sub-committee meetings.

In Nakuru town East Constituency, the NG-CDF Committee conducted 24 meetings and 0 sub-committee meetings.

	Name of committee member	Meetings held							
		17/7/24	9/8/24 26/8/24	24/9/24 29/9/24	11/10/23 24/10/23	11/11/24 25/11/24 6/12/24 9/12/24 23/12/24	16/1/25 24/1/25 3/02/25 17/02/25	6/3/25 24/3/25 15/4/25 6/5/25	13/5/25 9/6/25 13/6/25 20/6/25
1	Fatuma Yusuf	√	√ √	√ √	√ √	√ √ √ √√	√ √ √ √	√ √ √√	√ √ √√
2	Benard Kibet	√	√ √	√ √	√ √	√ √ √ √√	√ √ √ √	√ √ √√	√ √ √√
3	Irene Onchieku	√	√ √	√ √	√ √	√ √ √ √√	√ √ √ √	√ √ √√	√ √ √√
4	Lucy Wanja	√	√ √	√ √	√ √	√ √ √ √√	√ √ √ √	√ √ √√	√ √ √√
5	Susan Wangeci	√	√ √	√ √	√ √	√ √ √ √√	√ √ √ √	√ √ √√	√ √ √√
6	Margaret Wanjiru	√	√ √	√ √	√ √	√ √ √ √√	√ √ √ √	√ √ √√	√ √ √√
7	Nicodemus Akibah	√	√ √	√ √	√ √	√ √ √ √√	√ √ √ √	√ √ √√	√
8	Francis Waititu	√	√ √	√ √	√ √	√ √ √ √√	√ √ √ √	√ √ √√	√ √ √√
9	Irene Cheptum	√	√ √	√ √	√ √	√ √ √ √√	√ √ √ √	√ √ √√	√ √ √√
10	John Maina								√ √√

g. Remuneration Rates

Allowances are paid in line with the provisions of the circular issued by the Board whereby the chairman is paid kshs 7000 and members kshs 5000 per sitting.

h. Disclose the policy on conflict of interest

The Members are required to declare any conflict during meetings, which whenever declared, would be recorded in the minutes and in the register.

i. Succession plan

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

j. Ethics and code of conduct

The NG-CDFC members shall be of good conduct and adhere to chapter six of the constitution and shall not have any trail of criminal record. Members shall not indulge in any act in contravention the act and other law, policy regulations that govern operations of NG-CDF.

k. Risk Management

The constituency has a risk policy which they observe and are required to maintain a risk register. The committee has the following responsibilities

- Establish risk management framework.
- Develop risk management strategies.
- Risk assessment.
- Risk planning.
- Contingency planning.
- Employee training and awareness.

7. Management Discussion and Analysis

The primary function of the NG-CDF funds is to facilitate grassroot development and reduce poverty by allocating funds to projects identified by the community from each ward. For the past 5 financial years NG-CDF Nakuru Town East has received a total of Ksh. 764,114,451 from the board.

I. Operational Performance

The major operations of the fund have been on bursaries for needy students both in secondary and tertiary institutions, primary and secondary schools infrastructure that is classes and washrooms, climate change and social security just to mention a few.

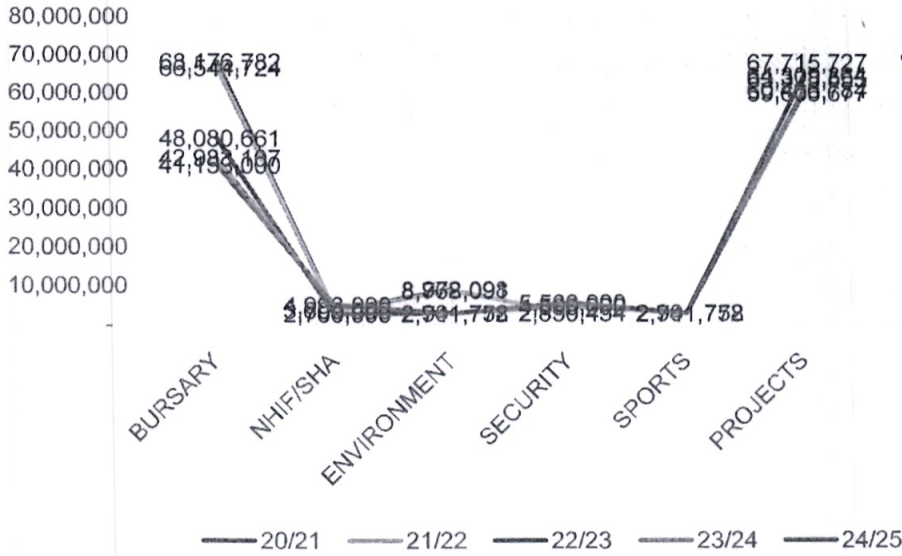
FY	24/25	23/24	22/23	21/22	20/21
ADMIN	10,766,517	10,521,709	8,705,256	8,225,333	8,225,333
M&E	5,383,259	5,260,854	4,352,628	4,100,000	4,100,000
EMERGENCY	9,444,313	9,229,569	7,636,190	7,192,207	7,192,207
BURSARY	68,176,782	66,544,724	48,080,661	42,983,107	41,153,000
NHIF/SHA	3,600,000	3,600,000	2,700,000	4,998,000	4,998,000
ENVIRONMENT	8,972,098	8,768,091	2,901,752	2,741,778	2,741,778
DIGITAL HUBS	5,383,259	5,260,854			
STRATEGIC PLAN			3,500,000		
SECURITY		2,850,454		4,500,000	5,500,000
SPORTS			2,901,752	2,741,778	2,741,778
PROJECTS	67,715,727	63,325,555	64,309,364	59,606,677	60,436,784
TOTAL	179,441,954	175,361,810	145,087,603	137,088,879	137,088,879

The table below show allocations per sector funding for the past 5 financial years. From these we can deduce that school projects and bursary has been the biggest beneficiaries of the funds. This has hence improved the learning conditions of students and increased the number of classes supporting the free primary education and the 100% transition from primary to secondary school.

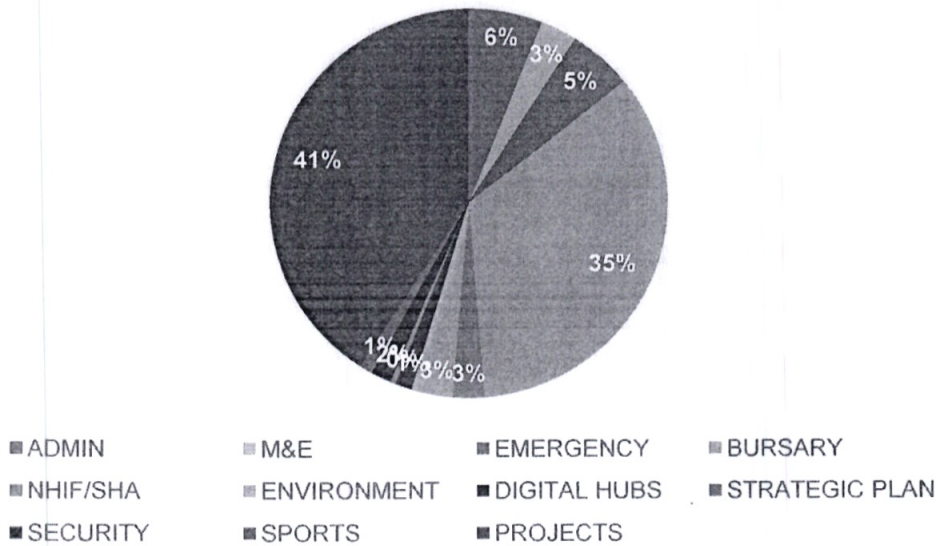
Sector	5 year funding
ADMIN	46,444,148
M&E	23,196,741
EMERGENCY	40,694,486
BURSARY	266,938,274
NHIF/SHA	19,896,000
ENVIRONMENT	26,125,495
DIGITAL HUBS	10,644,113
STRATEGIC PLAN	3,500,000

SECURITY	12,850,454
SPORTS	8,385,307
PROJECTS	315,394,108

Sector Funding/year



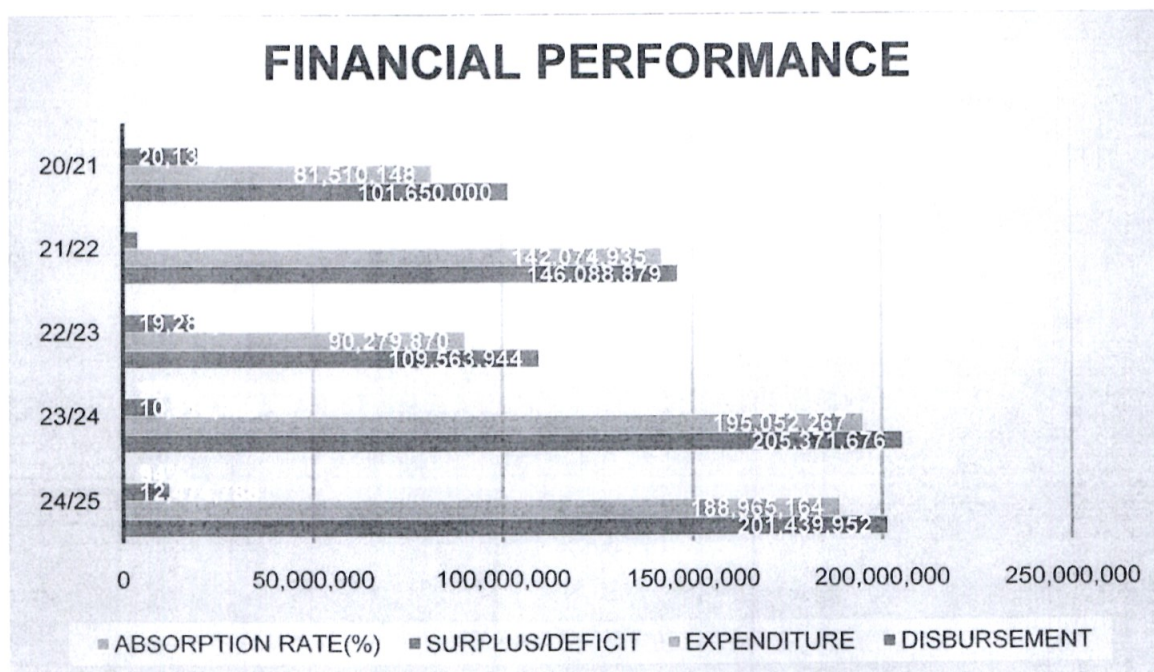
5 year funding



II. Financial Performance

The table below shows the financial performance of the fund for the past 5 financial years with their absorption rates. It is good to note that for each financial year the disbursements received from the board was used instead of the allocations per year.

FY	DISBURSEMNT	EXPENDITURE	SURPLUS/DEFICIT	ABSORPTN RATE(%)
24/25	201,439,952	188,965,164	12,474,788	94%
23/24	205,371,676	195,052,267	10,319,409	95%
22/23	109,563,944	90,279,870	19,284,074	82%
21/22	146,088,879	142,074,935	4,013,944	97%
20/21	101,650,000	81,510,148	20,139,852	80%



III. Key Projects

S.NO	PROJECT NAME	ACTIVITY	BUDGET	STATUS	COMPLETION(%)
1	Racetrack Primary School	Purchase of a 52-seater bus	7,000,000	Complete	100%
2	Kimathi Secondary School	New school	8,450,000	Complete	100%
3	St. Maria Veronica Secondary	Purchase of a 52-seater bus	7,000,000	Complete	100%

*National Government Constituencies Development Fund (NGCDF)
Nakuru Town East Constituency
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4	Kivumbini Secondary School	New school	8,500,000	Complete	100%
5	St.Marys primary school	Purchase of a 52-seater semi-luxury bus	11,350,000	Complete	100%
6	Pangani Special Primary School	Purchase of a 25-seater mini bus	5,400,000	Complete	100%
7	SME kiosks	Construction of 214 sme kiosks	15,000,000	Complete	100%
8	St. Maria Veronica Secondary	New school	23,000,000	Complete	100%

IV. Statutory Compliance

FY	KRA	NSSF	NHIF/SHA
24/25	√	√	√
23/24	√	√	√
22/23	√	√	√
21/22	√	√	√
20/21	√	√	√

V. Risks

- a) Late disbursement of funds from the board
- b) Constitutional risk due to the legality of the NG-CDF funds.

VI. Material arrears

- a) The constituency has income tax penalty amounting to 815,820 dating back from August 2015 to October 2023. These penalties accrued due to the late disbursement of salary funds.

VII. Future developments

- The fund under NGCDF Nakuru Town east has a plan of putting up a new primary school at Kiratina estate with a name of Kiratina primary school. This will reduce the distance the pupils from that estate travel to attend school.

- The fund also has a plan to either build and equip or equip digital hubs in all the five wards within the constituency.



James Ngunku Gitonga
Fund Account Manager

8. Environmental and Sustainability Reporting

NG-CDF main mandate is to address socio-economic development, promoting equity and reducing poverty. The strategy for sustainability focuses on community participation, environmental management and economic empowerment.

1. Sustainability strategy and profile -

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

- a. **Education and Training:** Nakuru Town East 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 50 students, 10 from each ward who are drawn from public primary schools and had attained the cut off marks of 400 and above are taken under our full scholarship program where their fees are paid from the 4 years in secondary schools. 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. This has seen the construction of housing units for the police at free area police post, Kiratina chiefs' office and rhino police post. Construction of Kiratina and Muguga chiefs' offices were also constructed.
- 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 reforestation where a total of 22,000 tree seedlings has been planted at Menengai forest(12,000) and Bahati forest(10,000).

2. Environmental performance

The NG-CDF Nakuru Town East environmental policy is Guided by the Constitution of Kenya (Art. 42), Environmental Management and Coordination Act (EMCA), and Nakuru County Waste Management Policy & Bill. The Key Principles are

- Right to a clean and healthy environment.
- Sustainable development.
- Community participation and inclusivity.
- Polluter pays principle

The Implementation is done through NG-CDF-funded local projects, County Environment Department, and partnerships with NGOs and national agencies.

The NG-CDF Nakuru Town East supports students in carrying out environmental conservation activities by planting trees once in a financial year.

NG-CDF Nakuru Town East has also participated in security activities by construction of police stations such as Muguga police post, construction of police houses at Free are police post and renovation of offices of the OCS, OCPD, DCIO and Regional police commander Nakuru.

3. Employee welfare

We invest in providing the best working environment for our employees. Nakuru Town East 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. Nakuru Town East

constituency invests in capacity-building programs for employees. These include courses on technical competencies relevant to each employee and continuous sensitization on cross-cutting issues.

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

4. Marketplace practices-

Nakuru Town East 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 honouring contracts and respecting payment practices.
- c) Responsible marketing and advertisement
- d) Product stewardship by safeguarding consumer rights and interests.

5. Community Engagements-

Nakuru Town East 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

Nakuru Town East 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.

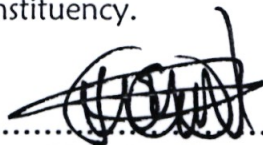
Public participation is a process that directly engages the concerned stakeholders in decision-making and fully considers public input.

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.

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



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James Ngunku Gitonga

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-Nakuru Town East 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.

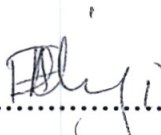
The Accounting Officer in charge of the NGCDF-Nakuru Town East Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Accrual Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting 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 in charge of the NGCDF-Nakuru Town East 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 Nakuru Town East 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-Nakuru Town East Constituency financial statements were approved and signed by the Accounting Officer on 13/08/2025 2025.


.....
Fatuma Yusuf
Chairman – NGCDF Committee


.....
James Ngunku Gitonga
Fund Account Manager

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

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying transitional IPSAS financial statements of National Government Constituencies Development Fund - Nakuru Town East Constituency set out on pages 1 to 62, 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 the statement of comparison of budget and actual

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the transitional IPSAS financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund - Nakuru Town East Constituency as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards Accrual Basis (including the transitional provisions permitted under IPSAS 33) and comply with the National Government Constituencies Development Fund Act, 2015 (Amended 2023), the Public Finance Management Act, 2012 and The National Treasury and Economic Planning Circular No.3 of 14 April, 2025.

Basis for Qualified Opinion

1. Inaccuracies in the Financial Statements

The statement of financial position reflects cash and cash equivalents opening balance of Kshs.17,368,802 as disclosed in Note 19 to the financial statements. However, the previous year's audited financial statements reflect a balance of Kshs.10,319,409 resulting in an unexplained variance of Kshs.7,049,393.

The statement of changes in net assets reflects an adjustment amount of Kshs.69,528,499 in respect of recognition of assets. However, the amount was not supported. Further, the statement reflects recognition of liabilities amount of Kshs.985,112. Similarly, the amount was not supported.

The statement of changes net assets reflects total net assets amount of Kshs.110,498,982. However, the recomputed amount is Kshs.159,211,188 resulting in an unexplained variance of Kshs.48,712,206.

In addition, the statement reflects a surplus for the period amount of Kshs.31,636,186. However, the amount was wrongly classified under revaluation reserves instead of under accumulated surplus column.

The statement of comparison of budget and actual amounts reflects opening balance amount of Kshs.17,368,802. However, the previous year's audited financial statements reflect a closing bank balance of Kshs.10,319,409 resulting in an unexplained variance of Kshs.7,049,393.

Note 30 to the financial statements reflects an increase in receivables amount of Kshs.11,724,652. However, the statement of financial position reflects a decrease in receivables of Kshs.11,724,652 resulting in an unexplained variance of Kshs.23,449,264. The Note further reflects a decrease in payables amount of Kshs.841,587. However, the statement of financial position reflects an increase in payables of Kshs.841,587 resulting in an unexplained variance of Kshs.1,683,174.

Annex 2 to the financial statements reflects Project Management Committee (PMC) accounts opening balance of Kshs.7,049,393. However, the prior year's audited financial statements indicated a balance of Kshs.6,774,894 resulting in an unexplained variance of Kshs.274,499.

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

2. Unconfirmed Opening Balances

Review of the Fund's financial statements and the corresponding Notes to the financial statements revealed that there were some components whose opening balances could not be confirmed since there were no supporting schedules or computations that were provided for audit verification. The details are as shown in the table below;

Item	Opening Balance (Kshs)
Statement of Financial Position	
Receivables from non-exchange transaction	61,120,543
Prepayments	46,063
Property plant and equipment	1,312,500
Gratuity provisions	985,112

In the circumstances, the accuracy of opening balances brought forward from the financial year 2023/2024 could not be confirmed.

3. Variance in the Transfers from the National Government Constituencies Development Fund Board Amount

The statement of financial performance reflects transfers from the NG-CDF Board amount of Kshs.179,441,954 as disclosed in Note 6 to the financial statements. However, review of the Authority to Incur Expenditure (AIEs) provided for audit revealed an amount of Kshs.191,120,543 which was transferred from the Board resulting in an unexplained variance of Kshs.11,678,589.

In the circumstances, the accuracy and completeness of the transfers from NGCDF Board amount of Kshs.179,441,954 could not be confirmed.

4. Unsupported Employee Costs

The statement of financial performance reflects employee costs amounting to Kshs.5,429,489 which as disclosed in Note 10 to the financial statements includes an amount of Kshs.60,000 in respect of payments made to interns for the months of January, 2025 and February, 2025. However, the expenditure was not properly supported with payment vouchers and the appropriate authority and documentation.

In the circumstances, the accuracy and completeness of employee costs amounting to Kshs.60,000 could not be confirmed.

5. Unsupported Committee Expenses

The statement of financial performance reflects Committee expenses amounting to Kshs.3,641,500 as disclosed in Note 11 to the financial statements. However, the expenditure was not supported with Committee minutes, attendance schedules, notices of the meetings and the supporting payment vouchers. Further, included in the amount is other committee expenses totalling Kshs.844,500 in relation to imprest paid to Committee members for monitoring and evaluation. However, the supporting payment voucher was not supported with work tickets and reports of the monitoring and evaluation committee.

In the circumstances, the accuracy, completeness and propriety of the committee expenses amounting to Kshs.3,641,500 could not be confirmed.

6. Unsupported Climate Change Mitigation Projects Expenditure

The statement of financial performance reflects other grants and transfers actual expenditure of Kshs.69,986,735 which as disclosed in Note 14 to the financial statements includes climate change mitigation projects expenditure of Kshs.4,898,520. However, the schedule indicating the list of the projects and payment vouchers in respect of this expenditure were not provided for audit verification.

In the circumstances, the accuracy, completeness and propriety of the other grants and transfers actual expenditure of Kshs.4,898,520 could not be confirmed.

7. Unsupported Cash and Cash Equivalents Balance

The statement of financial position reflects cash and cash equivalents balance of Kshs.61,735,290 which as disclosed in Note 19 to the financial statements includes an amount of Kshs.1,344,495 in a deposit account held at a local bank. However, the cash book, board of survey report, certificate of bank balance and bank reconciliation statements for the account were not provided for audit verification.

Further, the balance of Kshs.61,735,290 includes Project Management Committees (PMC) account balances totalling Kshs.47,916,007 as disclosed in Annex 2 to the financial statements. However, the cash books and bank reconciliations statements in support of the PMC account balances were not provided for audit verification.

Further, the PMC bank balances were not transferred to the Constituency account as required. This was contrary to Section 12(8) of the National Government Constituencies Development Fund Act, 2015 which states that all unutilized funds of the Project Management Committee shall be returned to the Constituency bank account.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.61,735,290 could not be confirmed.

8. Unconfirmed Property, Plant and Equipment Balance

The statement of financial position and Note 23 to the financial statements reflect property, plant and equipment balance of Kshs.1,148,438. However, Annex 1 to the

financial statements on the summary of asset register reflects assets closing balance of Kshs.20,177,436 resulting in an unexplained variance of Kshs.19,028,998.

In the circumstances the accuracy and completeness of the property, plant and equipment balance of Kshs.1,148,438 could not be confirmed.

9. Non-Compliance with Transitional International Public Sector Accounting Standards Reporting Template

The cover page to the annual report and financial statements indicates "Transitional IPSAS financial statements/ Prepared in accordance with accrual basis of accounting method under international public sector accounting standards (IPSAS). This is indicative of Management failure to choose the method adopted to prepare the financial statements. Further, under Note 2 to Financial Statements on Statement of Compliance and Basis of Preparation of the financial statements, Management having taken advantage of the transitional provisions under IPSAS 33 have not indicated the elements of the financial statements that have not been recognized and the steps being taken towards full compliance with IPSAS Accrual.

In the circumstances, the financial statements as prepared and presented are not in compliance with IPSAS reporting framework.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects total budgeted revenue final budget and actual comparable basis amounts of Kshs.257,931,300 and Kshs.208,489,345 respectively, resulting in underfunding of Ksh.49,441,954 or 19% of the budget. Further, the statements reflects that the Fund spent an amount of Kshs.146,754,056 against actual receipts of 208,489,345 resulting in under absorption of Kshs.61,735,289 or 30% of actual receipts.

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

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

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

No.	Financial Year	Audit Issues
1	2023-2024	Variance in Compensation of Employees Expenditure
2	2023-2024	Variance in Committee Expenses
3	2023-2024	Unsupported Project Management Committees Account Balances
4	2023-2024	Unsupported National Health Insurance Fund Expenditure
5	2023-2024	Unsupported Committee Expenses
6	2023-2024	Unsupported transfers to other Government Units
7	2023-2024	Irregular Compensation of Employees
8	2023-2024	Project Implementation Status
9	2023-2024	Stalled Construction of Classrooms

Other Information

The Constituencies Fund committee is responsible for the Other Information set out on page iii to xxxi which comprise of Key Constituency Information and Management, The NG-CDF Committee, Constituencies Fund Committee Chairman's Report, 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 and based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion, on 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. Presentation and Disclosure of the Financial Statements

Review of the Fund's financial statements revealed the following errors in relation to presentation and disclosure

- i) Annex 3 of the financial statements reflects progress on follow up of Auditor recommendation. The status of the issues raised in the previous year was indicated as not resolved. However, Management has not provided any reason/explanation as to why they have been resolved one year after they were issued.
- ii) The NG-CDFC Chairman's report indicated the table of budget performance against actual amounts figures which is at variance with the amounts reflected in the financial statements as detailed in the table below:

Sector	Actual Amount as per NG-CDF Chairman's Report (Kshs.)	Note to the Financial Statements	Amount as per Note to the Financial Statements (Kshs.)	Variance (Kshs.)
Education	38,533,000	13	63,138,819	-24,605,819
Bursary	68,928,561	14	55,050,474	13,878,087
Climate Change	8,972,097	14	4,898,520	4,073,577
Administration and Recurrent	6,223,058	16 - Budget Execution by Sectors and Projects	12,784,002	-6,560,944
Emergency	8,791,000	14	8,338,511	452,489
M&E	3,560,000	16 - Budget Execution by Sectors and Projects	844,500	2,715,500

In the circumstances, Management did not comply with the recommended reporting template as prescribed by the Public Sector Accounting Standards Board (PSASB).

2. Lack of Training Needs Assessment

The statement of financial performance reflects use of goods and services amount of Kshs.5,445,163 which as disclosed in Note 12 to the financial statements includes training expenses totalling Kshs.708,500. However, the expenditure was not supported with a training needs assessment for the officers that were trained during the year. Further, there was no evidence provided to indicate that a training needs assessment was conducted during the year to identify the training needs of each staff member. This was contrary to Section H.3 (1) of the Human Resource Policies and Procedures Manual for the Public Service, 2016 which states that Training Needs Assessment is a performance audit that generates and provides information to assess the inadequacy of knowledge and skills which inhibits an organization from attaining its objectives. Training in the Public Service shall be based on Training Needs Assessment which shall be conducted after every three (3) years in each State Department.

In the circumstances, Management was in breach of the human resources manual.

3. Irregular Bursary Payments

The statement of financial performance and Note 14 to the financial statements reflects other grants and other transfers actual expenditure amounting to Kshs.69,986,735. Included the expenditure bursary payments to secondary schools and tertiary institutions totalling Kshs.50,022,224 and Kshs.5,028,250 respectively. However, review of supporting expenditure schedules revealed that the bursary applications register showing details of the applicants and the signed education bursary subcommittee minutes stipulating the selection and award process were not provided for audit verification. It was therefore not possible to establish the basis or criteria used to allocate and disburse bursaries or disapprove some applications.

An analysis of the bursaries schedule for the year revealed the following irregularities:

- i. The bursary policy approved on 5 July, 2024 highlights that the amount payable per student in secondary school under normal bursary is Kshs.6,250. However, it was observed that the Fund disbursed a total amount of Kshs.12,340,719 to six hundred and thirteen (613) students above the required rate. There was no evidence provided to justify why the students were given preferential treatment.
- ii. Evidence of acknowledgement of receipts by beneficiaries and respective institutions were not provided for audit verification.
- iii. Bursaries amounting to Kshs.1,299,715 were issued to one hundred and eighty-eight (188) beneficiaries in secondary schools with incomplete admission or NEMIS numbers and missing classes in their respective schools or institutions and therefore it was difficult to verify their identities.

- iv. Review of records revealed that two hundred and twelve (212) beneficiaries received multiple bursaries amounting to Kshs.10,181,379 thereby locking out other deserving cases.

In the circumstances, the regularity of the bursary payments amounting to Kshs.50,050,474 could not be confirmed.

4. Failure to File Report on Utilization of Emergency Reserve

The statement of financial performance reflects an expenditure of Kshs.69,986,735 in respect of other grants and transfers actual expenditure. Included in the amount is Kshs.8,338,511 in respect of funds utilized on eleven (11) emergency projects from the emergency reserves. However, the schedule provided in support of the expenditure reflect Kshs.8,791,000 resulting in a variance of Kshs.452,489. Further, no documents were provided for audit review to confirm if the same was reported to the NG-CDF Board within thirty (30) days of the occurrence of the emergency. This was contrary to Regulation 20(2) of National Government Constituencies Development Fund Regulations, 2016, which provides that the utilization of emergency reserve shall be reported to the Board within thirty days of the occurrence of the emergency, in the format prescribed by the Board.

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

5. Failure to Register Construction Works with National Construction Authority

The statement of financial performance reflects other Government units actual expenditure totalling Kshs.63,138,819 as disclosed in Note 13 to the financial statements. Review of records revealed that the transfers were in respect of works related to removal of asbestos, drilling of boreholes, renovation of classrooms, construction to completion of administration block and perimeter walls in secondary schools all amounting to Kshs.63,138,819. However, the constructions were not registered with the National Construction Authority as required. This was contrary to Regulation 17(1) of the National Construction Authority Regulations, 2014 which require that all construction works, contracts or projects either in the public or private sector to be registered with the Authority.

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

6. Project Implementation Status

Review of the project implementation status reports for 2024/2025 indicated that fifty-nine (59) projects were funded for a total amount of Kshs.112,246,687 and were at different implementation status as detailed in the table below:

Status	Number of Projects	Amount (Kshs.)
Completed	29	59,041,596
On-going	3	8,054,994
Not Started	27	45,150,097
Total	59	112,246,687

Review of records revealed that the funds for the ongoing and not started projects had been remitted to the respective Project Management Committee (PMC) bank accounts. However, no explanation was provided for not implementing the projects on time. Projects which are not implemented impact negatively on the service delivery to the residents of Nakuru Town East Constituency.

In the circumstances, Projects which have delayed completion time or are not implemented, impact negatively on the service delivery to the residents of Nakuru Town East Constituency.

7. Non-Compliance with the Law on Staff Ethnic Composition

Review of human resources records revealed that the Fund had a total of eight (8) employees out of whom seven (7) or 87.5% are from the same ethnic community. This is contrary to Section 7(1) and (2) of the National Cohesion and Integration Act, 2008 which stipulates that all public establishments shall seek to represent the diversity of the people of Kenya in the employment of staff; and no public establishment shall have more than one third of its staff from the same ethnic community.

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

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

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

Conclusion

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

Basis for Conclusion

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

Responsibilities of Management and those Charged with Governance

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

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

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


FCPA Nancy Gathungu CBS
AUDITOR-GENERAL

Nairobi

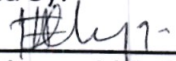
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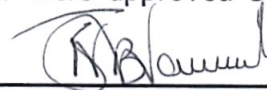
*National Government Constituencies Development Fund (NGCDF)
Nakuru Town East Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025*

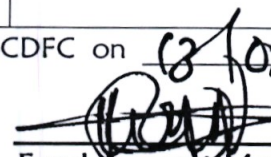
11. Statement of Financial Performance for the Year Ended 30th June 2025

	Note	2024/2025
		Kshs
Revenue from non-exchange transactions		
Transfers from the NGCDF Board	6	179,441,954
Transfers from domestic and foreign partners	7	-
Revenue from exchange transactions		
Finance income	8	-
Miscellaneous income	9	-
Total revenue		179,441,954
Expenses		
Employee costs	10	5,429,489
Committee expenses	11	3,641,500
Use of Goods and Services	12	5,445,163
Other Government Units Actual expenditure	13	63,138,819
Other Grants and Transfers Actual expenditure	14	69,986,735
Depreciation and amortization expense	15	164,063
Digital Hubs Expenses Actual expenditure	16	-
Total expenses		147,805,768
Other gains/(losses)		
Gain/Loss on Sale of Assets	17	-
Impairment loss	18	-
Surplus/(Deficit) for the year		31,636,186

The Constituency financial statements were approved by the NGCDFC on 12/08 2025 and signed by:


Chairman NG-CDF
Committee
Fatuma Yusuf


National Sub-County
Accountant
Beatrice Ndege
ICPAK M/No:22322


Fund Account Manager
James Ngunku Gitonga

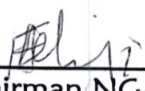

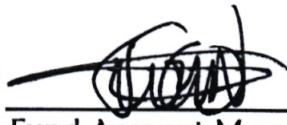
National Government Constituencies Development Fund (NGCDF)
Nakuru Town East Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025

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

	Note	2024/2025	Opening Statement 1st July 2024
		Kshs	Kshs
Assets			
Current Assets			
Cash And Cash Equivalents	19	61,735,290	17,368,802
Receivables from Exchange Transactions	20	-	-
Receivables from Non-Exchange Transactions	21	49,441,954	61,120,543
Prepayments	22	-	46,063
Total Current Assets		111,177,244	78,535,408
Non-Current Assets			
Property, Plant and Equipment	23	1,148,438	1,312,500
Intangible Assets	24	-	-
Right-of-use assets	25	-	-
Total Non- Current Assets		1,148,438	1,312,500
Total Assets (A)		112,325,681	79,847,908
Liabilities			
Current Liabilities			
Trade and Other Payables	26		
Third Party Deposits	27		
Lease Liabilities	28		
Gratuity Provision	29	1,826,699	985,112
Total Current Liabilities		1,826,699	985,112
Non-Current Liabilities			
Lease Liabilities	28		
Total Liabilities (B)		1,826,699	985,112
Net Assets (A-B)		110,498,982	78,862,796
Represented by:			
Revaluation Reserves		110,498,982	78,862,796
Accumulated Surplus			
Total Net Assets		110,498,982	78,862,796

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

The Constituency financial statements set out on pages 2 to 5 approved by NG CDFC on 13/08 2025 and signed by:

		
Chairman NG-CDF Committee Name: Fatuma Yusuf	National Sub-County Accountant Name: Lee Omanje ICPAK M/No: 9066	Fund Account Manager Name: James Gitonga

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

Description	Revaluation Reserves	Accumulated surplus/Deficit	Total
		Kshs	Kshs
Fund Balance as at 30 th June 2024	10,319,409	48,712,206	59,031,615
Adjustments			
Recognition of Assets	69,528,499		69,528,499
Recognition of Liabilities	985,112		985,112
As at July 1, 2024	78,862,796		127,575,002
Surplus/(Deficit) For the Period	31,636,186		31,636,186
Revaluation Gain/Loss	-	-	-
As at June 30, 2025	110,498,982	-	110,498,982

Note:

- 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.
- 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	2024/2025
		Kshs
Cashflowsfromoperatingactivities		
Receipts		
Transfers from the NGCDF Board		191,120,543
Transfers from domestic and foreign partners		-
Finance income		-
Miscellaneous income		-
Total Receipts		191,120,543
Payments		
Employee costs		4,587,902
Committee expenses		3,641,500
Use of Goods and Services		5,399,100
Other Government Units Certified Works		63,138,819
Other Grants and Transfers		69,986,735
Digital Hubs Expenses		-
Total Payments		146,754,056
Net Cash Flows from/ (used in) Operating Activities	30	44,366,487
Cash flows From Investing Activities		
Purchase of PPE		(-)
Purchase of Intangible assets		(-)
Proceeds From Sale of PPE		-
Net Cash Flows from Investing Activities		-
Netincrease/(decrease)incash& Cash equivalents		44,366,487
Cash Flows from Financing Activities		
Lease Payment		-
Net Cash Flows from Financing Activities		44,366,487
Cash and cash equivalents at 1 July	19	17,368,802
Cash and cash equivalents at 30 June	19	61,735,289

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

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

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

	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilization
	Kshs	Kshs		Kshs	Kshs	Kshs	
	a	b		C=(a+b)	d	e=(c-d)	f=d/c*100
	2024/25	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements	2024/25	2024/25		
Revenue							
Transfers From the NGCDF Board	179,441,954	17,368,802	61,120,543	257,931,300	208,489,345	49,441,954	81%
Transfers from domestic and foreign partners							-
Finance income							-
Miscellaneous income							-
Totals	179,441,954	17,368,802	61,120,543	257,931,300	208,489,345	49,441,954	81%
Expenses							
Employee costs	5,397,703	1,596,702	1,065,112	8,059,516	4,587,902	3,471,614	57%
Committee expenses	5,714,000	614,300	-	6,328,300	3,641,500	2,686,800	58%
Use of Goods and Services	4,998,872	896,085	3,026,867	8,921,824	5,399,100	3,522,724	61%
Other Government Units Certified Works	77,199,243	7,047,556	56,840,455	141,087,253	63,138,819	77,948,435	45%
Other Grants and Transfers	80,748,879	7,214,160	188,110	88,151,148	69,986,735	18,164,413	79%
Digital Hubs Expenses	5,383,258	-	-	5,383,258	-	5,383,258	0.00%
Funds Pending Approval**							
Total Expenditure	179,441,956	17,368,802	61,120,543	257,931,300	146,754,056	111,177,244	57%
Surplus for the period							

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

Explanatory Notes.

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


- (a) During the financial FY2024/2025, there was underutilization for compensation of employees at 56.9% due to unpaid gratuity and late disbursement of funds.
- (b) Use of good and services was at 60.5% mainly due to the late disbursement of funds from the board.
- (c) The transfer of funds to other government units was at 44.7% due to late disbursement of funds from the board
- (d) During the FY 2024/2025, Digital Hub expenses stood at 0% mainly due to the late disbursement of funds from the board.
- (e) Other payment had a 79.3% utilization percentage due to late disbursement of funds

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	111,177,244
Less undisbursed funds receivable from the Board as at 30 th June 2025	(49,441,954)
Cash and Cash Equivalents at the end of the 30 th June 2025	61,735,290

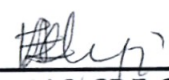
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.
 The Constituency financial statements were approved by NG CDFC on 13/08 2025 and signed by:



 Fund Account Manager
 Name: James Ngunku Gitonga



 National Sub-County Accountant
 Beatrice Ndege
 ICPAK M/No:22322



 Chairman NG-CDF Committee
 Name: Fatuma Yusuf

National Government Constituencies Development Fund (NGCDF)

Nakuru Town East Constituency

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

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent						
<i>1.1 Compensation of employees</i>	5,397,703	1,596,702	1,065,112	8,059,516	4,587,902	3,471,614
<i>1.2 Committee allowances</i>	2,208,000	608,300		2,816,300	2,797,000	19,300
<i>1.3 Use of goods and services</i>	3,421,614	825,839	1,836,013	6,083,466	5,399,100	684,366
Sub-total	11,027,317	3,030,840	2,901,124	16,959,282	12,784,002	4,175,280
2.0 Monitoring and evaluation						
2.1 Capacity building	1,250,000			1,250,000		1,250,000
2.2 Committee allowances	2,256,000	6,000		2,262,000	844,500	1,417,500
2.3 Use of goods and services	1,577,258	70,246	1,190,854	2,838,358		2,838,358
Sub-total	5,083,258	76,246	1,190,854	6,350,358	844,500	5,505,858
3.0 Emergency						
unutilized	9,444,313	1,759		9,446,072	8,338,511	1,107,561
Sub-total	9,444,313	1,759	-	9,446,072	8,338,511	1,107,561
4.0 Bursary and Social Security						
4.1 Primary Schools						-
4.2 Secondary Schools	50,000,000	444,966	188,110	50,633,076	50,022,224	610,852
4.3 Tertiary Institutions	18,176,781	186,155		18,362,936	5,028,250	13,334,686
4.4 Special Needs		6,147,424		6,147,424		6,147,424

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

- (a) During the financial FY2024/2025, there was underutilization for compensation of employees at 56.9% due to unpaid gratuity and late disbursement of funds.
- (b) Use of good and services was at 60.5% mainly due to the late disbursement of funds from the board.
- (c) The transfer of funds to other government units was at 44.7% due to late disbursement of funds from the board
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- (e) Other payment had a 79.3% utilization percentage due to late disbursement of funds

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	111,177,244
Less undisbursed funds receivable from the Board as at 30 th June 2025	(49,441,954)
Cash and Cash Equivalents at the end of the 30 th June 2025	61,735,290

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 18/08 2025 and signed by:



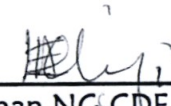
Fund Account Manager

Name: James Ngunku Gitonga



National Sub-County Accountant

Beatrice Ndege
 ICPAK M/No:22322



Chairman NG-CDF Committee

Name: Fatuma Yusuf

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
4.5 Education Support Programme				-		-
4.6 Social Security	3,600,000	432,019		4,032,019		4,032,019
Sub-total	71,776,781	7,210,564	188,110	79,175,454	55,050,474	24,124,980
5.0 Climate Change Mitigation						
5.1 Menengai Forest	4,896,000	3,596		4,899,596	4,898,520	1,076
5.2 Bahati Forest	4,076,098			4,076,098		4,076,098
Sub-total	8,972,098	3,596	-	8,975,694	4,898,520	4,077,174
6.0 Primary Schools Projects (List all the Projects)						
Nairobi road primary school	2,000,000.00	618.00	1,000,000	3,000,618	998,009	2,002,609
Madaraka primary school	1,000,000.00	925,448.40		1,925,448	925,317	1,000,132
Nairobi road primary school	1,725,000.00			1,725,000		1,725,000
Mirugi Kariuki primary	1,725,000.00	1,640.00		1,726,640	-	1,726,640
Crater primary school	232,785.47	4,664.20		237,450		237,450
Kisulisuli primary School	1,250,000.00	4,342.92		1,254,343	4,204	1,250,139
Kaloleni primary school	1,950,000.00	732,785.21		2,682,785	732,440	1,950,345
Baharini primary School	750,000.00	651,783.60		1,401,784	630,000	771,784
Flamingo primary School	800,000.00	2,300.00	2,580,267	3,382,567	2,580,542	802,025
St. Xaviers primary school	1,725,000.00	1,469.76	1,725,000	3,451,470	1,726,458	1,725,011
Crater primary school	500,000.00		2,251,248	2,751,248	2,241,067	510,181

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
		Kshs	Kshs			
Jamhuri primary School	750,000.00	371.60	1,725,000	2,475,372	1,724,018	751,353
St. theresa's primary school	1,250,000.00	491.20		1,250,491		1,250,491
Bondeni primary School	1,000,000.00	1,580.00		1,001,580		1,001,580
Umoja primary School	1,512,000.00	24,615.44	1,500,000	3,036,615	1,511,846	1,524,770
Kenyatta primary School	1,250,000.00	5,908.40		1,255,908		1,255,908
St Joseph's primary School	1,000,000.00	6,246.00	2,251,248	3,257,494	2,250,608	1,006,886
Kiratina primary school	16,279,144			16,279,144		16,279,144
Kariba road primary School	500,000.00	2,926.00		502,926		502,926
Freehold primary School	1,500,000.00	117,247.00	3,000,000	4,617,247	3,114,184	1,503,063
Freehold primary school	1,000,000.00			1,000,000		1,000,000
Hyrax primary school	1,470,000.00	4,654.10		1,474,654		1,474,654
ST. JOHNS Primary School	1,000,000.00	2,863.50	1,725,000	2,727,864	1,723,067	1,004,797
Pangani Special primary School	1,000,000.00	9.20		1,000,009		1,000,009
Lakeview primary School	1,000,000.00	1,215.80	1,725,000	2,726,216	1,586,250	1,139,966
Kimathi primary School	1,000,000.00	902,977.80		1,902,978	902,240	1,000,738
Pangani primary School	500,000.00	225.40		500,225		500,225
Lenana Primary School	980,000.00	903.20	945,000	1,925,903	944,009	981,894
Aberdare Ranges Primary School		148.10		148	-	148
Harambee Khalsa Primary School		1,156.50	2,251,248	2,252,404	2,250,067	2,337

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
		Kshs	Kshs			
Lanet Primary School		1,040.00		1,040		1,040
Lionhill Primary School		1,202.28		1,202		1,202
Mburu Gichua Primary School		1,004,188.00	2,251,248	3,255,436	3,255,279	157
Menengai Intergrated Primary School		102,042.50	2,251,248	2,353,290	2,352,000	1,290
Naka Primary School		29,933.20	3,500,000	3,529,933	3,529,885	48
Nakuru East Primary School		1,340.00		1,340		1,340
Nakuru Primary School		2,238.00	1,750,000	1,752,238	1,748,151	4,087
Nakuru Teachers Primary		51,682.37	2,251,248	2,302,930	2,301,366	1,564
Ndimu Primary School		8,060.00		8,060	230	7,830
Race Track Primary School		2,963.70		2,964		2,964
Rhino Primary School		1,094.00	2,251,248	2,252,342	2,248,058	4,284
St Marys Boarding Primary School		27,874.95	11,350,000	11,377,875	11,350,575	27,300
St Paul Primary School		2,282.00	1,090,000	1,092,282	1,090,067	2,215
Sub-total	46,648,930	4,634,532	49,374,000	100,657,463	53,719,935	46,937,528
7.0 Secondary Schools Projects (List all the Projects)						
ST. Maria Veronicah secondary sch.	5,500,000	5,216		5,505,216	9	5,505,207
Rhino secondary School	4,000,000	1,182		4,001,182	2,200,184	1,800,998

*National Government Constituencies Development Fund (NGCDF)
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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
		Kshs	Kshs			
Nakuru central secondary school	980,000	436	500,000.00	1,480,436	500,070	980,366
Nakuru day secondary school	1,500,000	736	4,116,000	5,616,736		5,616,736
Afraha High school	1,000,000	501,230		1,501,230	350,120	1,151,110
Menengai High school	6,250,000	360		6,250,360	5,306,299	944,061
Upperhill secondary school	1,176,000	1,061,343		2,237,343	1,062,201	1,175,142
Flamingo High		67,472		67,472		67,472
Hillcrest Secondary School		4,922		4,922		4,922
Kimathi Secondary School		636,070		636,070		636,070
Kivumbini Secondary School		4,599		4,599		4,599
Langalanga Secondary School		59,204		59,204		59,204
Nairobi Road Secondary School		11,527		11,527		11,527
Nakuru East Mixed Sec		3,853		3,853		3,853
Natewa Secondary School		16,464		16,464		16,464
St Mary's Girls Secondary School		857		857		857
Sub-total	20,406,000	2,375,473	4,616,000	27,397,473	9,418,884	17,978,589
8.0 Tertiary institutions Projects (List all the Projects)						
8.1						
8.2						

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
		Kshs	Kshs			
8.3						
Sub-total						
9.0 Security Projects						
Nakuru town East DCIO office		-	1,705,600	1,705,600	1,699,230	6,370
Kiratina Chiefs Office		641		641		641
Rhino Police Post	-	9,590	-	9,590		9,590
Free Area Chiefs Ground		520		520		520
Assistant County Commissioner Lanet		4,040.00		4,040		4,040
Rift Valley Regional Commissioner Residence		1,523.00	644,854	646,377		646,377
Central Police Station		506.00		506		506
Nakuru Town East Sub County Police Commander		1,523.00	500,000	501,523		501,523
Nakuru Town East CDF Rhino Chief Office		74.18		74		74
Nakuru Railways Police Station		523.00		523		523
Nakuru Central Police		4,756.00		4,756		4,756
Muguga Chiefs Office		7,730.00		7,730		7,730
County Commisioners Office	-	1,523.00	-	1,523		1,523
Sub-total	-	32,949	2,850,454	2,883,403	1,699,230	1,184,173
10.0 Acquisition of assets						

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
10.1 Motor Vehicles (including motorbikes)						
10.2 Construction of CDF office						
10.3 Purchase of furniture and equipment						
10.4 Purchase of computers						
10.5 Purchase of land						
Sub-total						
11.0 Digital Hubs						5,383,258
K.I.T.I Digital Hub	5,383,258.00	-	-	5,383,258		5,383,258
Sub total	5,383,258.00	-	-	5,383,258		
12.0 Others						
Nakuru national treasury	700,000.00	-	-	700,000		700,000
Cdf Office Construction		308.63	-	309		309
NTE Corona Virus Pandemic Account		796.00				
Nakuru Town East Enviromental Project		854.28				
Nakuru Town East Sports Storm Water Project CDF Account		486.04				
		100.00				

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Nakuru Town East CDF ICT Hub		298.00				
Sub-total	700,000	2,843	-	700,309	-	700,309
13.0 Funds pending approval**						
13.1 Unapproved projects						
13.2 AIA						
13.3						
Sub-total						
Total	179,441,956	17,368,802	61,120,543	257,928,766	146,754,056	111,174,710

(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 Nakuru Town East Constituency principal activity is implementing development projects.

2. Statement of Compliance and Basis of Preparation

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

The financial statements have been prepared in accordance with the Public Finance Management (PFM) Act and the International Public Sector Accounting Standards (IPSAS). The NG-CDF Nakuru Town East 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 Nakuru Town East 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 (*include any other applicable legislation*), and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

3. Adoption of New and Revised Standards

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

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

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

Standard	Effective date and impact:
IPSAS 43: Leases	<i>Applicable 1st January 2025</i> The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity. The new standard requires entities to recognize, measure and present information on right of use assets and lease liabilities.
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<i>Applicable 1st January 2025</i> The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.
IPSAS 45: Property Plant and	<i>Applicable 1st January 2025</i> The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets

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Equipment	and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under-maintenance of assets and distinguishing significant parts of infrastructure assets.
IPSAS 46: Measurement	<p><i>Applicable 1st January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS. iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
IPSAS 47: Revenue	<p><i>Applicable 1st January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p>
IPSAS 48:	<i>Applicable 1st January 2026</i>

Transfer Expenses	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.
IPSAS 49: Retirement Benefit Plans	<i>Applicable 1st January 2026</i> 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.
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<i>Applicable 1st January 2027</i> The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires: <ul style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.

iii. Early adoption of standards

The Entity did not early – adopt any new or amended standards in the financial year or *the entity adopted the following standards early (state the standards, reason for early adoption, and impact on the entity's financial statements.)*

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Sale of goods

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

Interest income

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

Rental income

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

b) Budget information

The original budget was approved by Parliament on 30 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.* A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

a) Financial assets

Classification of financial assets

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

Subsequent measurement

Based on the business model and the cash flow characteristics, the entity classifies its financial assets into amortized cost or fair value categories for financial instruments. Movements in fair

value are presented in either surplus or deficit or through net assets/ equity subject to certain criteria being met.

Amortized cost

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

Fair value through net assets/ equity

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

Trade and other receivables

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

Fair value through surplus or deficit

Financial assets that do not meet the criteria for amortized cost or fair value through net assets/ equity are measured at fair value through surplus or deficit. A business model where

the entity manages financial assets with the objective of realizing cash flows through solely the sale of the assets would result in a fair value through surplus or deficit model.

Impairment

The entity assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The entity recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL) are set out in *Note 18*

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 recognises a social benefit as an expense for the social benefit scheme at the same time that it recognises a liability. The liability for the social benefit scheme is measured at the best estimate of the cost (the social benefit payments) that the entity will incur in fulfilling the present obligations represented by the liability.

j) Contingent liabilities

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

k) Contingent assets

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

economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

l) Employee benefits

Retirement benefit plans

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

m) Foreign currency transactions

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

n) Related parties

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

o) Cash and Cash Equivalents

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

p) Comparative figures

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

q) Subsequent events

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

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

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

Useful lives and residual value

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

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

Provisions

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

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

6. Transfers from the NGCDF Board

Description	2024/2025
	Kshs
NGCDFB Transfers (Allocation for the FY)	179,441,954
Total	179,441,954

7. Transfers from domestic and foreign partners

Description	2024/2025
	Kshs
Grants	-
Total	-

8. Finance income

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

(Provide a brief explanation for this revenue)

9. Miscellaneous income

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

10. Employees cost

	<i>2024/2025</i>
	Kshs
NG-CDFC Basic staff salaries	3,267,829
Personal allowances paid as part of salary	-
House Allowance	476,640
Transport Allowance	-
Leave allowance	80,000
Gratuity to contractual employees	1,344,495
Employer Contributions Compulsory national social security schemes	200,903
Employer Contributions Compulsory Housing levy	54,822
Employer contributions to National Industrial Training Authority	4,800
Other Specify	-
Total	5,429,489

11. Committee Expenses

	<i>2024/2025</i>
	Kshs
Sitting allowance	2,797,000
Other Committee expenses	844,500
Total	3,641,500

12. Use of Goods and services

	<i>2024/2025</i>
	Kshs
Utilities, supplies and services	-
Communication, supplies and services	50,000
Domestic travel and subsistence	1,725,600
Printing, advertising and information supplies & services	48,000
Office Rent	-
Training expenses	708,500
Hospitality supplies and services	919,200
Insurance costs	46,063
Specialized materials and services	-
Office and general supplies and services	1,067,800
Fuel, oil & lubricants	15,000
Bank charges	30,000
Routine maintenance – vehicles and other transport equipment	735,000
Routine maintenance – other assets	100,000
Strategic plan expenses	-
Other operating expenses	-
Total	5,445,163

13. Other Government Units Actual expenditure

Description	<i>2024/2025</i>
	Kshs
Primary Schools Actual expenditure	53,719,935
Secondary Schools Actual expenditure	9,418,884
Tertiary Institutions Actual expenditure	-
Total	63,138,819

14. Other Grants and transfers Actual expenditure

	<i>2024/2025</i>
	Kshs
Bursary – secondary schools	50,022,224
Bursary – tertiary institutions	5,028,250
Bursary – special schools	-
Bursary - Education Support programmes	-
Social Security programmes (SHIF)	-
Security projects Actual expenditure	1,699,230
Climate change mitigation projects	4,898,520
Emergency projects Actual expenditure	8,338,511
Roads projects Actual expenditure	-
Others specify	-
Total	69,986,735

15. Depreciation and Amortization Expenses

Description	<i>2024/2025</i>
	Kshs
Property Plant and Equipment	164,063
Intangible Assets	-
Total	164,063

16. Digital Hubs Expenses

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

17. Gain/loss on Sale of Assets

Description	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	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.	2024/2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Bank Accounts (Cash Book Bank Balance)		
Family Bank, AC/NO. 018000049926. (Operations account)	12,474,788	10,319,409.00
Operations account pending closure (Indicate name & account no.)	-	-
Family Bank, AC/No. 018000114829 (Deposit account)	1,344,495	-
Family Bank, (PMC accounts)	47,916,007	7,049,393
Total	61,735,290	17,368,802
Cash Balances		
Location 1	-	-
Location 2	-	-
Other Locations (Specify)	-	-
Total	-	-
[Provide Cash Count Certificates for Each]		

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

20. Receivables from Exchange Transactions

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

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

i. Ageing Analysis for Receivables

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

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21. Receivables from Non-Exchange Transactions

Description	2024/2025		Opening Statement 1 st July 2024	
	Kshs		Kshs	
Transfers from NGCDFB	49,441,954		61,120,543	
Outstanding imprest	-		-	
Total	49,441,954		61,120,543	
Ageing Analysis- Receivables from non-exchange transactions	2024/2025	% of the total	Opening Balance	% of the total
Less than 1 year	49,441,954	100%	61,120,543	100%
Between 1-2 years	-	%	-	%
Over 3 years	-	%	-	%
Total	49,441,954	%	61,120,543	%

22. Prepayments

Description	2024/2025		Opening Statement 1 st July 2024	
	Kshs		Kshs	
Prepaid Rent	-		-	
Prepaid Insurance	-		46,063	
Prepaid Electricity Costs	-		-	
Other Prepayments (<i>Specify</i>)	-		-	
Total	-		46,063	

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23. Property, Plant and Equipment

	Land	Buildings	Motor vehicles	Furniture and fittings	Computers & ICT Equipment	Other Assets (specify)	Capital Work in progress	Total
Depreciation Rate(specify)		2%	25%	12.5%	30%	x%		
Cost	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Opening Bal as 1 st July 2024	-	-	-	1,500,000	-	-	-	1,500,000
Additions	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-	-	-	-
As At 30 th June 2025	-	-	-	1,500,000	-	-	-	1,500,000
Depreciation And Impairment								
Opening Depreciation		-	-	187,500	-	-	-	187,500
Depreciation	-	-	-	164,063	-	-	-	164,063
Disposals	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-	-	-
As At 30 th June 2025		-	-	351,563	-	-	-	351,563
Net Book Values								
Opening Bal as at 1 st July 2024	-	-	-	1,312,500	-	-	-	1,312,500
As At 30 th June 2025	-	-	-	1,148,438	-	-	-	1,148,438

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 2025.

22 b) Property, Plant and Equipment at Cost

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

	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land	-	-	-
Buildings	-	-	-
Plant And Machinery	-	-	-
Motor Vehicles, Including Motorcycles	-	-	-
Computers And Related Equipment	-	-	-
Office Equipment, Furniture, And Fittings	1,500,000	351,563	1,148,438
Total	1,500,000	351,563	1,148,438

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

25. Right-of use assets

Description	Buildings	Plant	Equipment	Total
	Kshs	Kshs	Kshs	Kshs
Cost				
As At 1 July 2024	-	-	-	-
Additions	-	-	-	-
As At 30 June 2024	-	-	-	-
Additions	-	-	-	-
As At 30 June 2025	-	-	-	-
Accumulated Depreciation				
As At 1 July 2024	-	-	-	-
Charge for the period	-	-	-	-
As At 30 June 2024	-	-	-	-
Charge for the period	-	-	-	-
As At 30 June 2025	-	-	-	-
Carrying Amount				
As At 30 June 2025	-	-	-	-
As At 30 June 2024	-	-	-	-

26. Trade and Other Payables

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

27. Third-Party deposits

	Period ended June 2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Retention as at start of the period (A)	-	-
Retention held during the period (B)	-	-
Retention paid during the period (C)	-	-
Closing Retention as at period 2025, D= A+B-C	-	-

Retentions aging analysis.

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

28. Lease Liabilities

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

Maturity Analysis

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

Analysed as:

Description	Amount
Current	-
Non- Current	-
Total	-

29. Gratuity Provision

Description	Period ended June 2025	Opening Statement 1st July 2025
	Kshs	Kshs
Gratuity at the beginning of the period (A)	985,112	985,112
Gratuity held during the period (B)	1,344,495	-
Gratuity paid during the period (C)	502,908	-
Total Gratuity provision as at period 2025 D=(A+B-C)	1,826,699	985,112

30. Cash Generated from Operations

	2024/2025
	Kshs
Surplus/Deficit for the year	31,636,186
Adjusted for:	
Depreciation	164,063
Impairment	-
Gains and losses on disposal of assets	(-)
Working capital adjustments	
Increase/decrease in receivables	(11,724,652)
Increase/decrease in payables	(841,587)
Net cash flow from operating activities	44,366,487

31. Financial Risk Management

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

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

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	49,441,954	49,441,954	-	-
Bank balances	61,735,289	61,735,289	-	-
Total	111,177,244	111,177,244	-	-
As at 30 June 2024				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	61,120,543	61,120,543	-	-
Bank balances	17,368,802	17,368,802	-	-
Total	78,489,345	78,489,345	-	-

Financial Risk Management

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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 2024. 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	-	-	1,344,495	1,344,495
Total	-	-	1,344,495	1,344,495
As at 30th June 2024				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Employee benefit obligation	-	-	-	-

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Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
			985,112	985,112
Total	-	-	985,112	985,112

iii) Market risk

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

a) Foreign currency risk

The *Entity* has transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate. The *Entity* manages foreign exchange risk from future commercial transactions and recognised assets and liabilities by projecting for expected sales proceeds and matching the same with expected payments.

Financial Risk Management

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

b) Interest rate risk

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

Management of interest rate risk

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

Sensitivity analysis

The Entity analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year. Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as a decrease/increase of Kshs (FY2024/2025: Kshs). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs (FY2024/2025 – Kshs)

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:

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	<i>2024/2025</i>	<i>Opening Statement 1st July 2024</i>
	Kshs	Kshs
Revaluation Reserve	110,498,982	78,862,796
Retained Earnings	-	-

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Capital Reserve	110,498,982	78,862,796
Total Funds	-	-
Total Borrowings	-	-
Less: Cash and Bank Balances	(61,735,290)	(17,368,802)
Net Debt/(Excess Cash And Cash Equivalents)	48,763,692	61,493,994
Gearing		

32. Related Party Disclosures

	<i>2024/2025</i>	<i>Opening Statement 1st July 2024</i>
	Kshs	Kshs
Committee Members Remuneration		
Sitting allowance of committee Members during the year	1,128,000	253,000
Transaction with the NGCDF Board		
Transfers from the NGCDF Board during the year	130,000,000	61,120,543
Total	131,128,000	61,373,543

33. Segment Information

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

34. Contingent Assets and Contingent Liabilities

Contingent Assets

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

(Give details)

Contingent Liabilities

Description	2024/2025	Opening Statement 1 st 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	2024/2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Authorised for		
Authorised and Contracted for		
Total		

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

36. Events after the Reporting Period

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

37. Ultimate And Holding Entity

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

38. Currency

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

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18. Annexes
 Annex 1: Summary of Asset Register

Asset class	Historical Cost/valuation cost balance brought forward (Kshs)	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) At Year End
Land				
Buildings and structures	11,648,498			11,648,498
Transport equipment	5,500,000			5,500,000
Office equipment, furniture, and fittings	1,653,438			1,653,438
ICT Equipment and Other ICT Assets	1,375,500			1,375,500
Other Machinery and Equipment				
Intangible assets				
Total	20,177,436		-	20,177,436

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

PMC	Bank	Account number	Bank Balance 2024/2025	Bank Balance 2023/2024
Afraha High School	FAMILY BANK	018000093042	1,151,110	501,230
Aberdare Ranges Primary School	FAMILY BANK	018000088027	148	148
Assistant County Commisioner Lanet	FAMILY BANK	018000079661	4,040	4,040
Baharini Primary School	FAMILY BANK	018000079666	22,784	651,784
Bahati Forest pmc	FAMILY BANK	018000122077	4,076,097	-
Bondeni Primary School	FAMILY BANK	018000079633	1,001,580	1,580
CDF Office Construction	FAMILY BANK	018000059114	309	309
Central Police Station	FAMILY BANK	018000076397	506	506
County Commisioners Office	FAMILY BANK	018000104081	1,523	1,523
Crater Primary School	FAMILY BANK	018000098921	14,845	4,664
DCIO Nakuru East	FAMILY BANK	018000117153	6,370	-
Flamingo Primary School	FAMILY BANK	018000108767	2,025	2,300
Flamingo Secondary School	FAMILY BANK	018000080757	67,472	67,472
Free Area Chiefs Ground	FAMILY BANK	018000079255	520	520
Freehold Primary School	FAMILY BANK	018000076347	2,503,063	117,247
Harambee Khalsa Primary School	FAMILY BANK	018000078029	2,337	1,157
Hillcrest Secondary School	FAMILY BANK	018000073724	4,922	4,922

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PMC	Bank	Account number	Bank Balance 2024/2025	Bank Balance 2023/2024
Hyrax Primary School	FAMILY BANK	018000013854	1,474,654	4,654
Jamuhuri Primary School	FAMILY BANK	018000079720	1,353	372
Kaloleni Primary School	FAMILY BANK	018000070796	1,950,345	732,785
Kariba Road Primary School	FAMILY BANK	018000081948	2,926	2,926
Kenyatta Primary School	FAMILY BANK	018000086686	1,255,908	5,908
Kimathi Primary School	FAMILY BANK	018000078106	1,000,738	902,978
Kimathi Secondary School	FAMILY BANK	018000073682	636,070	636,070
Kiritina Chiefs Office	FAMILY BANK	018000073599	641	641
Kisulisuli Primary School	FAMILY BANK	018000068506	1,250,139	4,343
Kivumbini Secondary School	FAMILY BANK	018000073816	4,599	4,599
Lakeview Primary School	FAMILY BANK	019000047174	1,139,966	1,216
Lanet Primary School	FAMILY BANK	018000070827	1,040	1,040
Langa Langa Secondary School	FAMILY BANK	018000068523	59,204	59,204
Lenana Primary School	FAMILY BANK	018000079693	1,894	903
Lionhill Primary School	FAMILY BANK	019000047173	1,202	1,202
Madaraka Primary School	FAMILY BANK	018000086758	1,000,132	925,448
Mburu Gichua Primary School	FAMILY BANK	019000021454	157	1,004,188
Menengai Forest Climate	FAMILY BANK	018000105059	1,076	3,596
Menengai Intergrated Pri. School	FAMILY BANK	018000089251	1,290	102,043

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PMC	Bank	Account number	Bank Balance 2024/2025	Bank Balance 2023/2024
Menengai Secondary School	FAMILY BANK	018000081096	944,061	360
Mirugi Kariuki Primary School	FAMILY BANK	018000086858	1,726,640	1,640
Muguga Chiefs Office	FAMILY BANK	018000078795	7,730	7,730
Nairobi Road Primary School	FAMILY BANK	018000012451	3,727,609	618
Nairobi Road Secondary School	FAMILY BANK	018000073657	11,527	11,527
Naka Primary School	FAMILY BANK	018000089504	48	29,933
Nakuru Central Police	FAMILY BANK	018000079598	4,756	4,756
Nakuru Central Secondary School	FAMILY BANK	018000024728	366	436
Nakuru Day Secondary School	FAMILY BANK	018000068547	5,616,736	736
Nakuru East Mixed Secndry School	FAMILY BANK	018000079362	3,853	3,853
Nakuru East Pimary School	FAMILY BANK	018000028038	1,340	1,340
Nakuru National Treasury	FAMILY BANK	018000122081	700,000	-
Nakuru Primary School	FAMILY BANK	018000040373	4,087	2,238
Nakuru Railways Police Station	FAMILY BANK	018000104164	523	523
Nakuru Teachers Primary School	FAMILY BANK	018000070832	1,563	51,682
Nakuru Town East CDF ICT Hub	FAMILY BANK	018000074279	298	298
Nakuru Town East Enviromental Project	FAMILY BANK	018000073587	854	854
Nakuru Town East Sports	FAMILY BANK	018000059433	486	486
Natewa High School	FAMILY BANK	018000068568	16,464	16,464

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PMC	Bank	Account number	Bank Balance 2024/2025	Bank Balance 2023/2024
Ndimu Primary School	FAMILY BANK	018000081127	7,830	8,060
NTE Corona Virus Pandemic Account	FAMILY BANK	018000079570	796	796
pangani primary school	FAMILY BANK	018000093506	225	225
Pangani Special Primary School	FAMILY BANK	018000070689	1,000,009	9
Racetrack Primary School	FAMILY BANK	018000086696	454,453	2,964
Rhino Chief Office	FAMILY BANK	018000070027	74	74
Rhino Police Post	FAMILY BANK	018000084315	9,590	9,590
Rhino Primary School	FAMILY BANK	018000076318	4,284	1,094
Rhino Secondary School	FAMILY BANK	018000073725	1,800,998	1,182
Rift Valley Regional Commissioner Residence	FAMILY BANK	018000101591	1,523	1,523
St Johns Primary School	FAMILY BANK	018000079825	1,004,797	2,864
St Joseph Catholic Primary School	FAMILY BANK	018000076690	1,006,886	6,246
St Maria Veronica Girls Secondary School	FAMILY BANK	018000080710	5,505,207	5,216
St Mary Girls Secondary School	FAMILY BANK	018000068614	857	857
St Marys Boarding Primary School	FAMILY BANK	018000088897	27,300	27,875
St Paul Primary School	FAMILY BANK	019000051293	2,215	2,282
St Theresas Primary School	FAMILY BANK	018000086722	1,250,491	491
St Xavier Primary School	FAMILY BANK	018000068414	1,725,011	1,470
Storm Water Project CDF Account	FAMILY BANK	018000078542	100	100

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PMC	Bank	Account number	Bank Balance 2024/2025	Bank Balance 2023/2024
Sub County Police Commander	FAMILY BANK	018000101583	1,523	1,523
Umoja Primary School	FAMILY BANK	018000075577	1,524,770	24,615
Upperhill Mixed Secondary School	FAMILY BANK	018000073777	1,175,142	1,061,343
Total			47,916,007	7,049,393

Annex 3: Progress On Follow Up of Auditor Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1	<p>Variance in Compensation of Employees Expenditure The statement of receipts and payments reflects compensation of employees amounting to Kshs.3,381,757 as disclosed in Note 4 to the financial statements. However, the amount differs with the general ledger amount of Kshs.3,222,615 resulting in an unexplained and unreconciled variance of Kshs.159, 141.44. In the circumstances, the accuracy and completeness of compensation of employees amount of Kshs.3,381,757 could not be confirmed.</p>		Not resolved	December, 2025
2	<p>Variance in Committee Expenses The statement of receipts and payments reflects Committee expenses amounting to</p>		Not resolved	December, 2025

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>Kshs.2,845,000. However, the amount differs with the ledger/schedule balance of Kshs.3,093,695 resulting in an unexplained variance of Kshs.248,695.</p> <p>In the circumstances, the accuracy and completeness of committee expenses of Kshs.2,845,000 could not be confirmed.</p>			
3	<p>Unsupported Project Management Committees Account Balances</p> <p>Note 19.4 to the financial statements reflects Project Management Committees (PMC) account balance totaling Kshs.6,774,894 as disclosed in Annex 5 to the financial statements. However, the cash books and bank reconciliations in support of the PMC bank account balances were not provided for audit. Further, the PMC bank balances had not been transferred to the Constituency account. This was</p>		Not resolved	December, 2025

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	contrary to Section 12(8) of the National Government Constituencies Development Fund Act, 2015 which states that all the unutilized funds of the project management committee shall be returned to the constituency bank account. In the circumstances, the accuracy and completeness of the PMC account balances of Kshs.6,774,894 could not be confirmed.			
4	<p>Unsupported National Health Insurance Fund Expenditure</p> <p>The statement of receipts and payments reflects other grants and transfers amount of Kshs.101,946,258 as disclosed in Note 8 to the financial statements which includes National Health insurance Fund (NHIF) amounting to 3,600,000. Review of documents revealed that expenditure relates to NHIF payments for six hundred (600) beneficiaries. However, the criteria for identifying the beneficiaries</p>		Not resolved	December, 2025

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>were not provided for audit and no documentary evidence was provided to confirm that the beneficiaries were residents of Nakuru East Constituency. Further, the NHIF numbers of the beneficiaries' confirmations from NHIF were not provided for audit. In the circumstances, the accuracy and completeness of payments in respect of social security programmes of Kshs.3,600,000 could not be confirmed</p>			
5	<p>Unsupported Committee Expenses The statement of receipts and payments reflects Committee expenses amount of Kshs.2,845,000 which comprises of NG-CDFC expenses of Kshs.2,235,000 and Constituency Oversight Committee expenses of Kshs.610,000. Review of the Fund records indicated that the Committee did not have an approved annual work plan or calendar of events to show how the meetings and other activities was to</p>		Not resolved	December, 2025

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>be conducted. Further, included in the Committee expenses of Kshs.2,845,000 was Kshs.610,000 paid as facilitation allowance to Committee Members during project verification. However, there were no reports from the field verifications and list of projects verified. In the circumstances, the propriety and completeness of committee expenses of Kshs.2,845,000 could not be confirmed.</p>			
6	<p>Unsupported Transfers to Other Government Units The statement of receipts and payments reflects transfers to other government units amount totaling Kshs. 71,558,241.00 as further disclosed in Note 7 to the financial statements. Review of records revealed that the transfers were in respect of construction of administration blocks, classrooms,</p>		Not resolved	December, 2025

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
	<p>ablution blocks and perimeter walls, and a three (3) bedroom house for the deputy teacher in primary and secondary schools for Kshs. 71,558,241. However, the constructions companies were not registered with National Construction Authority. This was contrary to Regulation 17 of the National Construction Authority Regulations, 2014 which requires that all construction works, contracts or projects either in the public or private sector to be registered with the Authority. Further, procurement records such as tender advertisement, bids/quotations, tender evaluation minutes, signed contracts, inspections and acceptance reports, joint measurements, pmc accounting records such as cashbooks, bank statements and expenditure returns were not provided for audit review. In the circumstances, the accuracy and</p>			

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
	completeness of transfers to other government units amounting to 71,558,241 could not be confirmed.			



JAMES NGUNKU GITONGA
 Fund Account Manager.