

REPUBLIC OF KENYA



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REPORT

OF

THE AUDITOR-GENERAL

ON

NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT
FUND - KARACHUONYO
CONSTITUENCY

THE NATIONAL ASSEMBLY PAPERS LAID

DATE: 17 FEB 2026 TUESDAY

TABLED BY:	DEPUTY MAJORITY LEADER
CLERK-AT-THE-TABLE:	FINLAY

FOR THE YEAR ENDED
30 JUNE, 2025



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

KARACHUONYO CONSTITUENCY

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
30th JUNE 2025**

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

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

Table of Contents	Page
1. Acronyms and Definition of Key Terms	ii
2. Key Constituency Information and Management.....	iii
3. NGCDF Committee	ix
4. NG-CDFC Chairman’s Report	xii
6. Governance Statement.....	xx
7. Management Discussion and Analysis	xxx
8. Environmental and Sustainability Reporting	xxxvi
9. Statement of Management Responsibilities	xlili
10. Report of the Independent Auditor on the NGCDF- Karachuonyo Constituency	xlv
11. Statement of Financial Performance for the Year Ended 30th June 2025	1
12. Statement Of Financial Position As At 30th June, 2025.....	2
13. Statement of Changes in Net Assets for the year ended 30 June 2025	4
14. Statement Of Cash Flows for The Year Ended 30th June 2025	5
15. Statement of Comparison of Budget and Actual Amounts for the Year ended 30 June 2025	6
16. Budget Execution by Sectors And Projects For The Year Ended 30 th June 2025.....	9
17. Notes to the Financial Statements.....	25
18. Annexes.....	67

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;

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

- 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; v
- 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

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

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 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	Naphatally Mulesi Ochuma
2.	National Sub-County Accountant	David Ongoro Ogeto
3.	Chairman NG-CDFC	Tom Odhiambo Guda
4.	Member NG-CDFC	Eunice Agolla Opilu
5.	Member NG-CDFC	Walter Otieno Nyakinda

(c) Fiduciary Oversight Arrangements

The Audit Committee of the NGCDF Board provides overall fiduciary oversight on the activities of the NGCDF Karachuonyo 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.

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

i. NGCDF Karachuonyo Constituency Headquarters

Rachuonyo North Sub County Headquarters
Kendu Bay - Oyugis Road
Kendu Bay, Kenya.

ii. NGCDF Karachuonyo Constituency Contacts

P.O. Box 36 - 40301
Telephone: +254 720 331 900
E-mail: cdfkarachuonyo@ngcdf.go.ke
Website: www.ngcdf.go.ke

iii. NGCDF Karachuonyo Constituency Bankers

1. Operations Account

Equity Bank (Kenya) Limited
Homa Bay Branch
P.O. Box 320 – 40300
HomaBay Kenya

2. Deposit Account

Kenya Commercial Bank
Kendu Bay Branch
P.O. Box 69-40301
Kendu Bay Kenya

3. Project Management Committee Accounts

Equity Bank (Kenya) Limited
Homa Bay Branch
P.O. Box 320 – 40300
HomaBay Kenya

Equity Bank (Kenya) Limited
Oyugis Branch
P.O. Box 153 – 40222
Oyugis Kenya

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

Kenya Commercial Bank
Kendu Bay Branch
P.O. Box 69-40301
Kendu Bay Kenya

Diamond Trust Bank
Oyugis Branch
P.O. Box 667 – 40222
Oyugis Kenya

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

(d) Independent Auditor

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

(e) Principal Legal Adviser

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


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

3. NGCDF Committee

Name	Details
 <p>Tom Odhiambo Guda Chairman Male Adult Representative</p>	<p>Date Of Birth: 12.08.1972</p> <p>Academic and professional qualifications: Diploma in Project Planning and Management</p> <p>Work experience: Regional Chairperson Lake Victoria BMU Network East Africa Community, Director, Board of Trustees - Fish Levy Trust Fund & OVC, Fielder Assistant – Child Fund Kenya Kendu Bay Currently he is serving as a Member to the Karachuonyo NG-CDF Committee</p>
 <p>Eunice Agolla Opilu Secretary Female Adult Representative</p>	<p>Date Of Birth: 21.07.1979</p> <p>Academic and professional qualifications: Diploma in Community Health & Development</p> <p>Work experience: World Vision - Orphans and Vulnerable Children, Water Mapping – HOMAWASCO Currently she is serving as a Member to the Karachuonyo NG-CDF Committee</p>
 <p>Lucy Anyango Ogola Female Adult Representative</p>	<p>Date Of Birth: 22.11.1983</p> <p>Academic and professional qualifications: Diploma in Health Records & Information Technology</p> <p>Work experience: Worked As An Enumerator For Census At Kenya National Bureau Of Statistics EGPAF Currently she is serving as a Member to the Karachuonyo NG-CDF Committee</p>


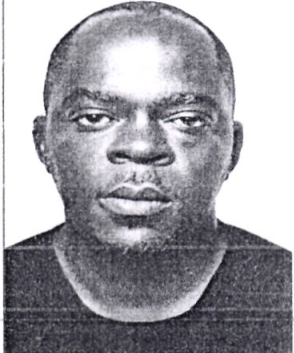
National Government Constituencies Development Fund (NGCDF)

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

	<p>Date Of Birth: 02.10.1983</p> <p>Academic and professional qualifications: Kenya Certificate of Secondary Education</p> <p>Work experience: Businessman-carpenter crafting quality woodwork, blending skill with entrepreneurial success. Currently he is serving as a Member to the Karachuonyo NG-CDF Committee</p>
<p>George Ochieng Opinde Male Adult Representative</p>	
	<p>Date Of Birth: 08.05.1991</p> <p>Academic and professional qualifications: Diploma in Social Work and Community Development</p> <p>Work experience: Community mobilizer – Farm Africa-ECHO Network Africa & Data Enumerator – Department of Agriculture & Livestock. Currently he is serving as a Member to the Karachuonyo NG-CDF Committee</p>
<p>Geophry Sabbath Shem Male Youth Representative</p>	
	<p>Date Of Birth: 09.02.1995</p> <p>Academic and professional qualifications: Diploma in Agriculture</p> <p>Work experience: Community mobilizer – Farm Africa Agriculture & Livestock. Currently she is serving as a Member to the Karachuonyo NG-CDF Committee</p>
<p>Neroline Akinyi Ogirah Female Youth Representative</p>	
	<p>Date Of Birth: 12.07.1980</p> <p>Academic and professional qualifications: Diploma in Social Work and Community Development</p> <p>Work experience: Independent And Electoral Boundaries Commission (Iebc) Polling Clerk Currently he is serving as a Member to the Karachuonyo NG-CDF Committee</p>
<p>Walter Otieno Nyakinda</p>	

National Government Constituencies Development Fund (NGCDF)

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

PLWD Representative	
 <p>Raphael Aura Ondijo Board Nominee</p>	<p>Date Of Birth: 01.01.1960</p> <p>Academic and professional qualifications: Diploma in Education Records & Information Technology</p> <p>Work experience: Retired teacher and currently Businessman Currently he is serving as a Member to the Karachuonyo NG-CDF Committee</p>
 <p>Naphtally Mulesi Ochuma Fund Account Manager</p>	<p>Date Of Birth: 18.04.1978</p> <p>Academic and professional qualifications: Master in Finance</p> <p>Work experience: Fund Account Manager Karachuonyo NG-CDF Currently he is serving as a Member to the Karachuonyo NG-CDF Committee</p>

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

S/NO.	NGCDFC Member	POSITION	Financial Year
1.	Tobias Owino Were	Male Adult Representantive (Chairman)	2022-2023- 2023-2024
2.	Eunice Agolla Opilu	Female Adult Representantive (Secretary)	2022-2023- 2023-2024
3.	Walter Opana	Male Youth Representantive	2022-2023- 2023-2024
4.	Beryl Atieno Osano	Female Youth Representantive	2022-2023- 2023-2024
5.	Winnie Auma Ombija	Female Adult Representantive	2022-2023- 2023-2024
6.	Jared Otieno Akicho	Male Adult Representantive	2022-2023- 2023-2024
7.	George Otieno Kibogo	Co opted	2022-2023- 2023-2024
8.	Jared Ochieng Ongwena	Representantive of PLWD	2022-2023- 2023-2024
9.	Naphtally Mulesi Ochuma	Fund Account Manager	2022-2023- 2023-2024
10.	Aaron Koross	Deputy County Commissioner	2022-2023- 2023-2024

4. NG-CDFC Chairman’s Report



Tom Odhiambo Guda – Chairman

Executive Summary

The Chairman of the Karachuonyo National Government Constituencies Development Fund (NG-CDF), Tom Odhiambo Guda, has provided steadfast leadership during the 2024/25 fiscal year, guiding the constituency through remarkable development milestones and persistent operational challenges. Under his stewardship, Karachuonyo NG-CDF has made significant progress in project implementation, with a strategic focus on infrastructure, education, digital innovation, and social development.

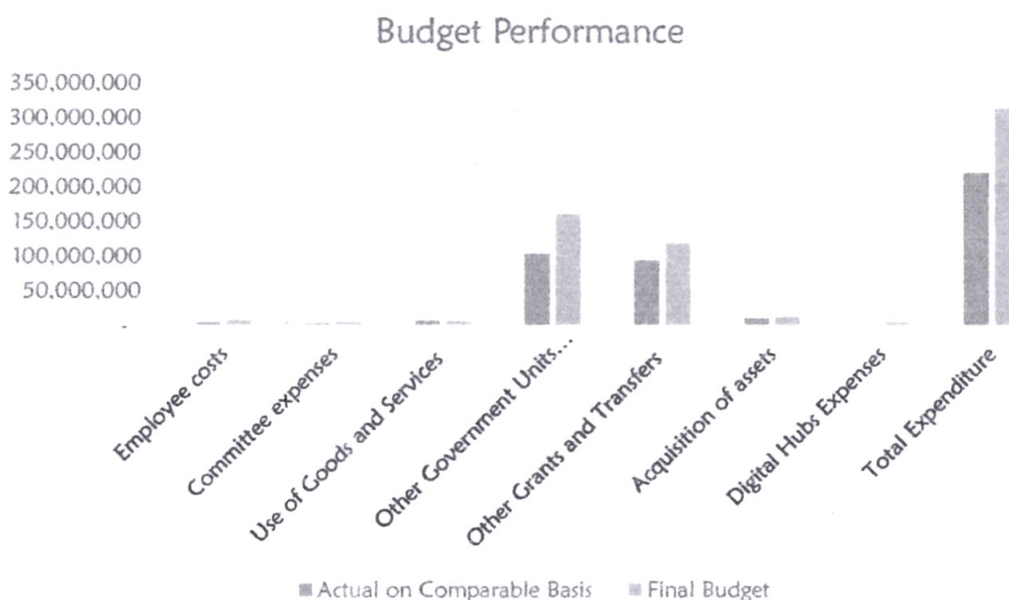
While the total revenue for the year was **Kshs 313 million**, actual expenditure stood at **Kshs million**, reflecting an absorption rate of **70.3%**. The year saw commendable investment in Certified Works and Grants & Transfers, laying a strong foundation for sustainable community development.

Budget Performance Summary

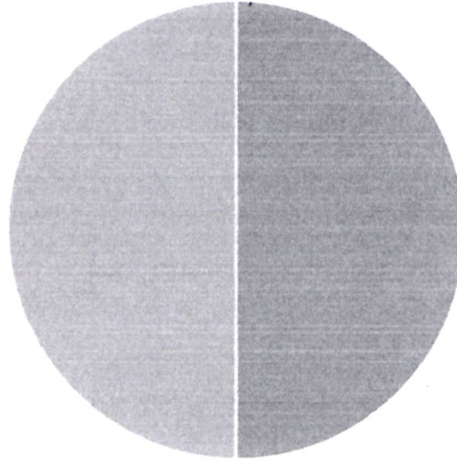
Description	Budgeted (Kshs)	Actual (Kshs)	Variance (Kshs)
Total Revenue	313,944,336	287,577,209	26,367,127
Total Expenditure	313,944,336	220,594,880	93,349,455
Absorption Rate		70.3%	

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

Sector	Expenditure (Kshs)	Final Budget (Kshs)
Employee costs	6,099,938	6,099,938
Committee expenses	684,003	684,003
Use of Goods and Services	5,237,580	5,237,580
Other Government Units Certified Works	103,023,936	159,634,983
Other Grants and Transfers	92,689,460	117,967,053
Acquisition of assets	16,500,000	16,500,000
Digital Hubs Expenses	5,921,584	5,921,584



Budgete (Kshs)



■ Total Revenue ■ Total Expenditure ■ Absorption Rate ■ 4th Qtr

A) Achievements of the entity

- i. Educational Infrastructure; Karachuonyo achieved this by currently renovating 38 classrooms, construction of 14 JSS classrooms and construction of 4 new classrooms, construction of two 96 bed capacity dormitory at Kanam Secondary school and Mawego girls high School, construction of 45 capacity science laboratory at Alaru Central Secondary School to improve infrastructure.
- ii. Improvement of Digital Infrastructure development through the implementation of 2 digital hubs in Rachuonyo West Sub County and Rachuonyo North Sub County
- iii. Payment of school fees to over 5000 needy students across the constituency and training youths in driving schools through bursaries
- iv. Environmental upgrading through construction of gabions along River Kibuon
- v. National Administration and security sector is enhanced and this has been achieved through construction of 2 police post and 3 chiefs offices

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

B) List emerging issues related to the entity

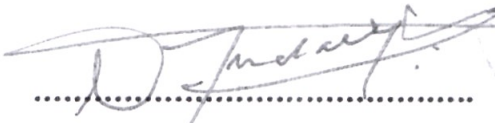
- i. Delayed funds disbursement
- ii. Inadequate funding
- iii. Financial Management & adherence to procurement
- iv. Lack of technical capacity within committees
- v. Governance and oversight
- vi. Project implementation and completion

C) List the implementation challenges and recommended way forward. (Ensure you include what the entity is doing to overcome the challenges noted).

<i>S/NO.</i>	<i>Sectors</i>	<i>Implementation challenges</i>	<i>Recommendation to overcome the challenges</i>
1.	Education	<p>a) Bursaries programs to support needy students cannot cater for the entire vulnerable and needy students</p> <p>b) Infrastructural development in schools such as classrooms, dormitories, laboratories and administration block. The number of public institutions in the constituency is high compared to funding received, therefore all the public institutions cannot be fully funded which result to improper infrastructure</p>	<p>Lobbying should be done to increase funding towards the bursary program</p> <p>The NGCDF Board and Ministry of Education should consider checking on their funding proposals to avoid double funding of one institution. More funding should be allocated to the development sector</p>
2.	Environment	The poor farming methods and unregulated sand harvesting has resulted to depletion of vegetation cover leading to soil erosion and deep gullies.	The community should be sensitized on the right farming method to avoid erosion
3.	National Administration Security	Land issues has hindered the implementation of infrastructural development as most of the institutions lack of title deed,	Government should consider enhancing community policing to create good governance with the community whereby community can donate land to enable infrastructural development
		Financial and Resources constraint	More funding should be done

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

			to enhance security and more police stations, posts and chiefs offices to be built.
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Tom Odhiambo Guda
Chairman NGCDF Committee



5. Statement of Performance against Predetermined Objectives for FY2024/2025

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 Karachuonyo Constituency 2023-2027* plan are to:

- a) To improve access, affordability and availability of quality education
- b) To harness talent and empower youth Creating awareness among the youth on the establishment of youth groups, and accessing devolved funds funding of youth sporting initiatives
- c) To improve preparatory and response mechanisms in the constituency
- d) To promote environmental sustainability in the constituency

To improve security preparedness and service delivery in the constituency

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</i>	<i>Number of usable physical infrastructure build in primary.</i>	<i>In FY 2023/2024, we increased the renovation of classrooms from 20 to 38, construction of 14 JSS classrooms,</i>

National Government Constituencies Development Fund (NGCDF)

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

		<i>secondary schools and tertiary institutions</i>	<i>secondary, and tertiary institutions number of bursary's beneficiaries at all levels</i>	<p><i>construction of 4 new classrooms, construction of 2 dormitories (Kanam Mixed Secondary School & Mawego Girls High School) and construction of laboratories (Alaru Mixed Secondary School) etc from ... to... in the following schools/institutions</i></p> <p><i>Karachuonyo achieved this by renovating 38 classrooms, construction of 14 JSS classrooms and construction of 4 new classrooms to improve infrastructure</i></p> <p><i>- Bursary beneficiaries was increased from 4000 to over 5000 across the entire constituency.</i></p>
Security	To ensure police station, posts are well equipped and construction of Chiefs offices.	Increased construction of divisional headquarters, police posts & chiefs offices,	<i>Number of usable physical infrastructure build in divisional headquarters, police post & chiefs offices increased at all levels</i>	Number of divisional headquarters offices increased from 1 to 3, police post offices from 0 to 2 & chiefs offices from 16 to 23
Climate change mitigation activities	To enhance tree planting activities and gabion building	Increased plantation of trees, gabion works along river Kibuon and water	Water tanks installation, tree planting in various public institution and gabion building along River Kibuon	Increased supply of water tanks, tree planting and gabion works as was approved by the NGCDF Board and attached code list

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

		tank supplies in various public institution	as was approved by the NGCDF Board	
Emergency	To provide timely response to emergencies and disasters	Reduced response time and improved disaster management	Number of emergency response units established, disaster response time, number of people assisted during emergencies	In FY 2024/25: - Renovated a total of 15 classrooms which serving over 2,000 students.

6. Governance Statement

1. Overview

The Karachuonyo National Government Constituency Development Fund Committee has made a firm commitment to upholding a high standard of corporate governance, as evidenced by the performance contract signed for the 2023/2024 financial year. The committee has established mechanisms to ensure compliance with all applicable laws and regulations in the management of the fund and its interactions with the public.

Our unwavering dedication to the utmost levels of corporate governance and ethical business practices remains steadfast. Strong corporate governance practices are indispensable for delivering sustainable value to our stakeholders and shareholders over the long term.

We continually evaluate our governance operational framework to ensure the presence of robust internal governing bodies and effective systems and processes that support the Board and management in driving change, setting strategic direction, and formulating high-level objectives and policies. The governance of the organization falls under the purview of the Karachuonyo National Government Constituency Development Fund Committee. Committee members are deeply committed to fulfilling their fiduciary responsibilities and have implemented a range of principles essential for ensuring that good governance is adhered to in all interactions with the organization's constituents, customers, and other pertinent stakeholders.

2. Organizational Structure:

- i) **The National Treasury and Planning** is responsible for allocating budgetary provisions and providing policy guidance on development matters to the fund. It

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

also funds the NGCDF budgets and offers financial directives for the effective and efficient management of the Fund.

- ii) **The NG-CDF Board** operates as a corporate board under the jurisdiction of the National Treasury and Planning. Its primary role is to ensure the efficient management of funds within constituencies. The board has a secretariat located in Nairobi, led by the Chief Executive Officer.
- iii) **The NG-CDF Committee (NG-CDFC)** is tasked with formulating project proposals in consultation with the local community through periodic ward-level forums. These proposals are then submitted to the NG-CDF Board for approval and the committee facilitates Project Management Committees (PMCs) in the planning, implementation, and sustainability of projects at the constituency level.
- iv) **The Project Management Committee (PMC)** is responsible for overseeing project implementation projects on behalf of the local community. They collaborate with relevant government departments and prepare reports for submission to the NG-CDF Committee.
- v) **The NGCDFC staff** comprises key personnel responsible for managing the affairs of the constituency. Key positions within the current staffing include the Clerk of Works, Account Assistant, Records Officer, Secretaries, Driver and Janitores.

The process of appointment of NGCDF Committee

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

1. Call for Application and Selection Panel

Invitation; The process starts with a public call for application for the public who would wish to become member of the NGCDF committee for a given constituency.

Selection panel; A selection panel is constituted to check on application letters, carry out shortlisting and to interview the applicants.

2. Qualifications for applicants

For a member to qualify for an appointment, an individual MUST have some criteria as shown below;

- a) Kenyan Citizenship
- b) Resident and registered voter
- c) Someone should have fluent communication, read and write
- d) Meet chapter six of the constitution
- e) Availability to participate in committee duty

3. Nomination and Submission

After review of applications and interview, the panel prepares a list of successful nominees and then the FAM forward to the NGCDF Board, then the NGCDF Board finally forward it to National Assembly for approval.

4. Appointment and gazettelement

After the approval of nominees by the national assembly, NGCDF Board officially appoints the constituency committee members. Then the names of nominees are published in the Kenya Gazette which makes it now official.

5. Leadership after Committee formation

After the gazettelement, the committee holds first meeting whereby the chairperson and secretary are elected then the Board is notified on the leadership formation.

Tenure and removal of NGCDFC Members

The term of office for a member of committee is two years which is renewable. The term ends immediately new committee are appointed and approved by the NGCDF Board.

The tenure of the Kisumu East National Government Constituencies Development Fund Committee (NGCDFC) will run for a period of two years, commencing from the date of its gazette (21st May 2025) under Gazette Notice No.Vol. CXXVII – N0.98. This term presents a crucial opportunity for the Committee to spearhead transformative development, ensure prudent utilization of public resources, and strengthen service delivery across the constituency. With well-defined timelines and responsibilities, the Committee is expected to uphold the highest standards of transparency, accountability, and community-centered leadership throughout its mandate.

Removal of committee member may occur due to the following reasons;

1. Gross misconduct
2. Unethical practices
3. Lack of integrity
4. Physical or mental disorder

Roles and functions of the NGCDFC

The constituency committee members have the following roles as shown below

1. Management of funds; the committee members oversee the fund management of the constituency and ensures transparency and fund disbursement to PMC for the approved projects

National Government Constituencies Development Fund (NGCDF)

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

2. Project Identification and proposal; the committee members are mandated to carry out public participation to identify the projects from the community and come up with project proposal
3. Accountability and reporting; the committee members are required to do the reports and ensure accountability of funds
4. Project Implementation and Oversight; the committee members are mandated to carry out monitoring and evaluation of the approved projects and ensure project are implemented to completion.

Date of gazettelement of each member

1. Guda Tom Odhiambo – Male Adult Representative – 11th April, 2025
2. George Ochieng Opinde - Male Adult Representative – 11th April, 2025
3. Geophry Sabbath Shem - Male Youth Representative – 11th April, 2025
4. Eunice Agolla Opilu - Female Adult Representative – 11th April, 2025
5. Lucy Anyango Ogola - Female Adult Representative – 11th April, 2025
6. Neroline Akinyo Ogira - Female Youth Representative – 11th April, 2025
7. Walter Otieno Nyakinda – PLWD Representative – 11th April, 2025
8. Raphael Ondijo Aura – NGCDF Board Nominee – 23rd June, 2025

Induction and training of Members

The induction and training of committee members is a crucial process to equip members with the knowledge and skills to manage the funds effectively. These are the key areas of induction and training;

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

1. Legal Framework; this is done to enable committee members understand the NGCDF Act and its regulations. It enables committee members to operate within the law and rules governing the funds.
2. Project Management; The committee members are trained in project planning, implementation and sustainability. This enables the members to assist PMC in the execution of the projects
3. Financial Management; the training equips on critical areas like public finance management, budgeting and guidelines on the efficient fund management.

Number of meetings held (tabulate the details)

The number of meetings according to parliamentary reports, the NGCDF constituency committee is required to meet not more than twenty-four meetings and not less than twelve including sub-committee meetings.

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

NAME OF COMMITTEE MEMBER	MEETINGS HELD													
	12/07/24	05/08/24	10/09/24	06/10/24	21/10/24	05/11/24	29/11/24	09/12/24	23/01/25	28/02/25	25/03/25	09/04/25	06/05/25	24/06/25
1. Tom Guda (Chairman)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
2. Lucy Ogola (Member)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
3. Geophry Shem (Member)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
4. Walter Nyakinda (Member)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
5. Nerolie Akinyi (Member)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
6. Eunice Opili (Member)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
7. George Opinde (Member)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
8. Rapahael Aura (Member)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
9. Aaron Koross (Member)	✓	X	✓	✓	✓	✓	✓	X	✓	✓	✓	✓	✓	X
10. Joan Ogada (Member)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
11. Naphthally Ocuma (FAM)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

Disclose the policy on conflict of interest

The policy on conflict of interest for NGCDF committee is primarily governed by the NGCDF act 2015 and the principles of public finance and integrity outlined in the constitution of Kenya. The legal framework and various reports on funds management highlight key aspects of conflict of interest policy;

1. Principle of Integrity; the core principles is that public officers and NGCDFC must always avoid personal interest and their public duties.
2. Disclosure of interest; the committee members and those involved in the procurement and project implementation processes are required to disclose any direct interest they may arise during the course of their responsibilities.

Member's remuneration rates

Members of the NG-CDF Committee receive compensation in accordance with the directives established by both the NGCDF Board and the Salaries and Remuneration Commission (SRC). Currently, committee members are allowed to receive a sitting allowance of Kshs.5,000 per sitting, while the chairperson is entitled to Kshs.7,000 per sitting.

Remuneration for Constituency staff is derived from the allocation designated for office administration, and this is done in alignment with the stipulations outlined by the SRC, NGCDF Board, and the Employment Act of 2007. It is important to note that all payments are subject to the prevailing tax laws and other mandatory deductions as per statutory regulations.

The NGCDFC remuneration rates are categorized under committee expenses and varies depending on the activities as shown below;

1. Sitting allowances; payments for attending official meetings

2. Travel allowances; reimbursement for travel expenses related to committee duties
3. Daily Substance allowance; payment to cover daily expenses for official duties especially during training or travel

Succession plan

The succession plan for the NGCDF committee is primarily governed by NGCDF act section 43(13) and (14), 2015 regulation upon receipt of an complain against a member,

Some of the key points regarding the succession plan are follows;

1. Term of office; the term of office for NGCDF Committee members is two years
2. Renewability; the term is renewable
3. Term expiry; the term normally expires upon appointment and gazettelement of new members according to the NGCDF act
4. Vacancies; vacancy normally occurs due to resignation, incapacitation or death and must be filled with same category.
5. Removal of members; member can be removed due to various reasons such as gross misconduct and lack of integrity.

Ethics and conduct

The ethics and conduct of National Constituencies Development Fund Committee are governed by the NGCDF act, 2015 and related laws in Kenya.

Some of the key ethics and conduct provision for the NGCDF Committees;

1. Integrity and accountability; members of the NGCDF Committee are required to meet chapter six of the constitution which deals with the leadership and integrity.

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

2. Transparency and Public Participation; The process of selecting committee members involves open public meetings and projects identification are also done during public participation to enhance public inclusivity.
3. Conflict of interest; the committee members should not use their position to benefit themselves, their families and friends

Risk Management

The risk management of NGCDF Committee is a crucial aspect of ensuring the effective, transparent and accountability of public funds.

Some of the key areas of risk management for an NGCDF Committee are as follows;

1. Financial risks; mismanagement, misappropriation, misallocation or fraudulent of funds is a major risk.
2. Project mismanagement and implementation risk; substandard project quality and poor project selection which is not given priority by the community is a major risk
3. Governance and compliance risks; violation of NGCDF act, lack of transparency, accountability and conflict of interest by NGCDF committee are risks which can result to wastage of public resources.

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

7. Management Discussion and Analysis

Operational and Financial Performance Review (2020/2021 - 2024/2025)

Over the past five financial years, the Karachuonyo National Government Constituencies Development Fund (NG-CDF) has consistently aligned its development priorities with national goals and Vision 2030. Despite budgetary constraints and rising costs, the Fund has demonstrated steady financial discipline and growth in project delivery.

Between FY 2020/2021 and FY 2024/2025, Karachuonyo NG-CDF disbursed a cumulative total of KES 823,294,644.23. This funding was channeled toward critical sectors such as education, security, and digital empowerment.

Financial Performance Summary (FY 2021/2022 – FY 2024/2025)

Below is the Fund's annual budget allocation and absorption for the last four financial years:

Financial Year	Balance from Allocation (KES)	Funds from previous year received (KES)	Total Funds available	Actual Expenditure (KES)	Absorption Rate
2020–2021	137,088,879	137,088,879	137,088,879	137,088,879	100%
2021–2022	137,088,879	137,088,879	137,088,879	133,088,879	97%
2022–2023	158,832,745	158,832,745	158,832,745	138,215,033	100%
2023–2024	192,897,991	90,221,804	283,119,795	162,593,720	98%
2024–2025	197,386,149	66,800,180	264,186,329	156,000,000	79%
Total	823,294,644			726,986,511	99%

The Fund has demonstrated high budget absorption rates year-on-year, averaging **over 99%** for the past five years. This performance underscores the Fund's effective planning and execution capacity.

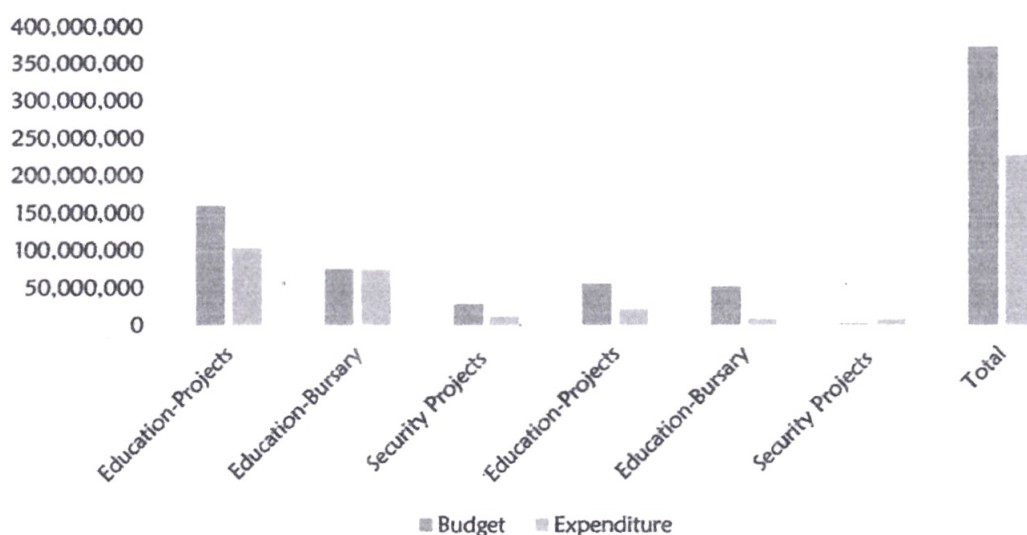
National Government Constituencies Development Fund (NGCDF)
Karachuonyo Constituency Annual Report and Financial Statements for The Year Ended June 30, 2025

The below table further illustrates the expenditure performance of Karachuonyo NG-CDF in the past two years;

Financial Year	Sector	Budget	Expenditure
2024-2025	Education-Projects	79,150,000	
	Education-Bursary	66,852,067	
	Security Projects	11,000,000	
2023-2024	Education-Projects	106,872,666	
	Education-Bursary	55,747,782	
	Security Projects	10,850,000	
	Total	330,472,515	

Sector	Sector Budget	Percentage
Education	308,622,515	93.39%
Security	21850,000	6.61%
	330,472,515	

Financial Performance



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

Based on the above information for the last two financial years; the key consumer of the resources is Education sector with an average of 91.3% of the entire allocation and secondly the security sector with average of 8.7%. This is an indicator that the Fund has put more efforts in improving the academic standards of Karachuonyo constituency through both the infrastructure and bursaries to needy students studying in various institutions.

Further from the above analysis, it is important to note that the Fund has been able to serve the rural communities and be able to improve on the living standards of the people, poverty eradication being one of its key objective. The management advocates for more resource allocation to further improve on its mandate.

Sector Performance

Over the reporting period, the Karachuonyo NG-CDF focused its interventions in key sectors as outlined below:

Education Sector

- Over 150 classrooms constructed or renovated across primary and secondary schools.
- More than 20,000 students benefited from bursaries over five years.
- New science laboratories constructed or completed to equip students with scientific skills.
- Key infrastructure support and mobility for institutions such as Siburi Secondary School (Dormitory) and Kendu Muslim Secondary School (School Bus).

Security Sector

- Construction to completion Kendu Bay Police Station, Construction of Kadel Police Post to improved safety and police welfare.
- Additional support to administrative offices such as Wangchieng, Kanyaluo Divisional Headquarters and Chiefs offices.

ICT and Digital Empowerment

- Digital Innovation: Initiating implementation of a Constituency Digital Hub, expected to promote access to internet and online jobs.

Key Projects Implemented and Ongoing

1. **Siburi Secondary School (PMC Project)**
 - Constructed to completion of 96 bed capacity to enhance dormitory space that can accommodate the good number.
2. **Kendu Muslim Secondary School (PMC Project)**
 - Full funding of School Bus has eased the movement of students during science practicals and sports.
3. **Wang'chieng & Kanyaluo Divisional Headquarters**
 - Constructed to completion of the administration office block, a key facility supporting public service delivery and governance within the sub-county.



Figure 1: Wang'chieng Divisional Headquarters - Construction of Administration Block to completion

Statutory Compliance and Financial Obligations

The Fund has complied with all statutory obligations, including submission of financial statements, quarterly reports, procurement plans, and environmental impact assessments

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

where applicable. There are no material arrears or pending statutory obligations as of the end of FY 2024/2025.

Major Risks Facing the Fund

- **Delayed Disbursements:** Timely release of funds from the National Treasury remains a challenge, impacting project timelines.
- **Inflation and Cost Escalation:** Rising costs of construction materials affect project scope and delivery.
- **Land Ownership Issues:** In some projects, unclear land documentation has led to delays.

Mitigation Measures:

- Engaging Treasury through the NG-CDF Board for timely disbursements.
- Early procurement and cost forecasting.

Review of the Economy and Sector Performance

The national economy experienced moderate recovery post-COVID-19, but fiscal tightening has led to cautious spending. In the education sector, the introduction of the Competency-Based Curriculum (CBC) has increased demand for infrastructure in Junior Secondary Schools. The Fund responded by allocating resources to classroom construction and science laboratories.

Future Developments

Looking ahead, the Fund will focus on:

- **Full operation of Digital Hubs in every ward** to foster internet access and youth employment.
- **Increased environmental initiatives** such as tree planting and water harvesting in schools and various security sectors.
- **Completion of all ongoing projects** in education and security.

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

- **Increased stakeholder participation** to enhance community ownership and accountability of the projects.



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Naphtally Mulesi Ochuma
Fund Account Manager

8. Environmental and Sustainability Reporting

Environmental sustainability is a crucial world issue that requires proper approach. The mandate and strategy components are key aspects to ensure that the sustainability is achieved. The mandate defines the core purpose and non-negotiable principles of sustainability effort while the strategy outlines how the specific action and policies and approaches to achieve the above mentioned mandate's strategy. The recent amendment to the NG-CDF Act 2022, which raised the allocation for climate change activities from 2% to 5%, reinforces the commitment to addressing these issues through the NG-CDF Fund. In the 2023-2024 & 2024-2025 financial years, Karachuonyo NG-CDF allocated Kshs.800,000 & Kshs.4,000,000 for tree planting projects in various institutions and gabion building respectively within the constituency.

1. Sustainability strategy and profile -

To ensure the sustainability of Karachuonyo Constituency, the committee funds the following key sectors with the following sustainable priorities;

- a. **Education and Training:** Karachuonyo Constituency's focus on human capital for constituency development is entrenched in its strategy to support needy and bright students from each ward of the constituency. The intention is to empower the constituents such that in years to come, the beneficiaries at secondary school levels would have transitioned to Tertiary institutions while those at tertiary level would have transitioned to the job market as employees or employers, thereby contributing positively to the economic growth of the constituency. This strategy takes care of both marginalized groups, including girls and people living with disabilities.
- b. **Security Sector Support:** Among Karachuonyo constituency 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

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

environment for law enforcement agencies while collaborating with the community in trust on matters of security.

- c. **Climate change mitigation:** Karachuonyo Constituency acknowledges that all its operation has an impact on the environment. Cognizant of the Sustainable development goals, Karachuonyo NG-CDF has allocated part of its budget to climate change mitigation activities such as afforestation, reafforestation, grassroots sensitization, and tree seedling production.

2. Environmental performance

1. Outline clearly;

The environmental policy guiding and provide evidence of the policy the constituency

Karachuonyo constituency has set aside the policy by providing funding in every financial year to ensure the environmental activities are achieved. Some key guidelines laid down are as follows;

1. Project identification which is a primary objective for identifying sustainable environment development through tree planting and water conservation efforts.
2. Public participation; this is done to give the public platform on decision making process on environmental projects selection.
3. Local action plans; the constituency in partnership with community have developed local regulations for waste collection, tree planting and disposal actions.

Outline successes

Karachuonyo Constituency has managed to achieve success and is still in progress to sustain environmental activities as shown below;

1. Tree planting in various schools and chiefs offices
2. Water tank installation
3. Building on gabions along River Kibuon

Shortcomings

Karachuonyo Constituency has been hit by some of the problems to enable achieve the target as shown below;

1. Scientific uncertainty; Lack of scientific data on climate change affects the planning to meet the target
2. Weak enforcement and implementation; lack of political will and inadequate funding challenges the sustainability of environment.

Efforts to manage biodiversity

Karachuonyo constituency is in the line to manage biodiversity of environmental activities such as;

1. Community Involvement and Education; public members engagement through creation of awareness on the importance of tree planting

2. Sustainable practices; members are encouraged to adopt practices such as reducing waste and pollution, water management, agriculture practices to eliminate soil erosion.
3. Policy and Governance; effective biodiversity management requires strong regulations and policy framework.

Waste management policy

Karachuonyo constituency has created some policies and guidelines which ensures that wastes are managed accordingly by initiating the below policies;

1. Recycle; this involves change wastes materials into new usable products
2. Disposal; it involves controlled disposal of wastes that cannot be managed through other methods

Efforts to reduce the environmental impact of the constituency's activities.

2. Karachuonyo in partnership with other bodies (Equity Bank & NGO) has been providing various public school children and students with trees to help in curbing environmental dangers annually.
3. Karachuonyo constituency is fully involved in the sensitization of youth/ community on the impact of drug abuse through creating activities that shall always keep youths busy and this been achieved by taking them to vocational, technical and driving school.
4. Karachuonyo constituency is taking responsibility in each and every financial year allocating the funds towards the security infrastructural development as shown below;
 - (a) Construction of Administration Block at Kendu Bay Police Station
 - (b) Construction of Administration Block at Wang'chieng Divisional Headquarters
 - (c) Construction of Administration Block at Kanyaluo Divisional Headquarters
 - (d) Construction of Administration Block at Kadel Police Post
 - (e) Construction of Chief's Offices at various locational level

3. Employee welfare

We invest in providing the best working environment for our employees. Karachuonyo 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. Karachuonyo 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-

Karachuonyo 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 value for money is felt on all goods and services procured.

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

NGCDF has put in efforts to ensure:

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

5. Community Engagements-

Karachuonyo 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

Karachuonyo 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

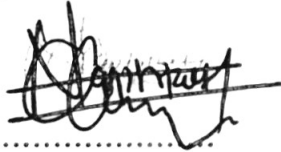
This is the process that directly engages the concerned stakeholders in decision-making and fully considers public input.

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.

Karachuonyo 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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Naphtally Mulesi Ochuma
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 Karachuonyo 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-Karachuonyo 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 (IPAS). The Accounting Officer is of the opinion that the Karachuonyo's financial statements give a true and fair view of the state of Karachuonyo's transactions during the financial year ended June 30, 2025, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF- Karachuonyo Constituency further confirms the completeness of the accounting records maintained for the Karachuonyo, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

National Government Constituencies Development Fund (NGCDF)

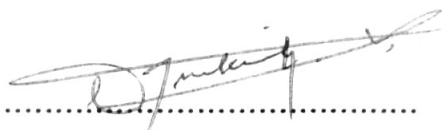
Karachuonyo Constituency Annual Report and Financial Statements for The Year Ended June 30, 2025

The Accounting Officer in charge of the NGCDF Karachuonyo Constituency confirms that the Karachuonyo 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 Karachuonyo'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.

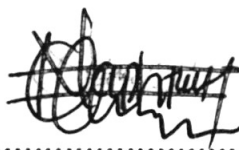
In preparing the financial statements, the Committee has assessed the Fund's ability to continue as a going concern and disclosed as applicable. Nothing has come to the attention of the Committee that the Fund will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The NGCDF-Karachuonyo Constituency financial statements were approved and signed by the Accounting Officer on 30th Sept 2025.



Name: Tom Odhiambo Guda
Chairman – NGCDF Committee



Name: Naphtally Mulesi Ochuma
Fund Account Manager

REPUBLIC OF KENYA

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NAIROBI

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

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying transitional IPSAs financial statements of National Government Constituency Development Fund – Karachuonyo Constituency set out on

pages 1 to 84, which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial performance, statement of net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the transitional IPSAs financial statements present fairly, in all material respects, the financial position of National Government Constituency Development Fund – Karachuonyo Constituency as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards Accrual Basis (including the transitional provisions permitted under IPSAS 33) and comply with the Public Finance Management Act, 2012, the National Government Constituencies Development Fund Act, 2015 (Amended 2022) and the National Treasury and Economic Planning Circular No.3 of 14 April 2025.

1. Unsupported Cash and Cash Equivalents

The statement of financial position and as disclosed under Note 19 to the financial statements reflect Kshs.153,434,273 in respect to cash and cash equivalents. Included in this and as disclosed in Annex 2 to the financial statement is Kshs.84,019,870 in respect of one hundred and thirty-two (132) project management committee (PMC) balances as at 30 June, 2025. However, the balances were not supported with the cashbooks, bank statements, bank confirmation certificates and monthly bank reconciliation statements.

In the circumstances, the accuracy and completeness of cash and cash equivalents figure of Kshs.136,444,362 could not be confirmed.

2. Inaccurate Statement of Financial Position

The statement of financial position reflects Kshs.196,820,423 in respect to total assets. However, recalculation of the balance results to Kshs.198,820,423. The resultant variance of Kshs.2,000,00 has not been explained.

In the circumstances, the accuracy of the statement of financial position could not be confirmed.

3. Unsupported Bursary Payments

The statement of financial performance and as disclosed under Note 14 to the financial statements reflects Kshs.55,724,749 in respect to other grants and transfers actual expenditure. Included in this is Kshs.22,799,000 and Kshs.16,086,800 relating to bursary secondary schools and as bursary tertiary institutions respectively. Examination of

available records revealed that included in this figure is Kshs.4,195,265 representing 11% of total bursary disbursements that was not supported by acknowledgement receipts.

In the circumstances, it was not possible to confirm whether Kshs.4,195,265 was properly incurred as bursary payments.

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

Emphasis of Matter

1. Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects approved final revenue budget and actual on comparable basis of Kshs.350,834,844 Kshs.307,448,695 respectively, resulting in an underfunding of Kshs.43,386,150 representing 12% of the budget. Similarly, the NGCDF expenditure amounted to Kshs.154,014,451 against the realized revenue of Kshs.307,448,695 resulting in an under-utilization of Kshs.153,434,244 or 50% of the actual revenue.

In the circumstances, the under-funding and under-utilization may have impacted negatively on service delivery to the residents of Karachuonyo Constituency.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Audit Matters

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

S/No.	Financial Year	Audit Issue
1	2023/2024	Variances in Bursaries Disbursement Balances
2	2023/2024	Unsupported Bursary Disbursements
3	2023/2024	Unsupported Emergency Expenditure
4	2023/2024	Unsupported Committee Expenses
5	2023/2024	Budgetary Control and Performance
6	2023/2024	Lack of Bursary Sub-Committee
7	2023/2024	Failure to Report on Utilization of Emergency Reserves
8	2023/2024	Over Expenditure – Use of Goods and Services

Other Information

The Management is responsible for the Other Information set out on page iii to xlii which comprises Key Entity Information and Management, NG-CDF Committee, NG-CDF Chairman's Report, Governance Statement, Management Discussion Analysis, Environmental Sustainability Reporting and Statement of Management Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution 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 the Use of Public Resources section of my report, I confirm that nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Irregular Payment of Construction Works at Kendu Bay Law Court

The statement of financial performance and as disclosed under Note 14 to the financial statements reflects Kshs.55,724,749 in respect to other grants and transfers actual

expenditure. Examination of records however revealed that this figure includes Kshs.1,100,461 incurred for fencing and construction of a two (2) door pit latrine at Kendu Bay Law Court. This expenditure relates to Judiciary infrastructure, which is outside the mandate of NGDFC as the Judiciary, including construction and maintenance of law courts, is an independent arm of government with its own funding under Article 173 of the Constitution.

In the circumstances, Management was in breach of law.

2. Irregular Expenditure on Construction of Gabions

The statement of financial performance and as disclosed under Note 14 to the financial statements reflect Kshs.55,724,749 in respect to other grants and transfers actual expenditure. Examination of available records however revealed that included in this figure is Kshs.3,445,000 spent on the construction of a 160-metre-long gabion wall along river Tende during the year. This project constitutes a county government function and is therefore outside the mandate of the NG-CDF. Soil and water conservation, storm water management, and riverbank protection works (such as gabion construction) are constitutionally assigned to County Governments under Part 2 of the Fourth Schedule.

In the circumstances, Management was in breach of law.

3. Idle Project Management Committee (PMC) Cash Balances

The statement of financial position and as disclosed under Note 19 to the financial statements reflect Kshs.153,434,273 in respect to cash and cash equivalents. Included in this and as disclosed in Annex 2 to the financial statement reflects Kshs.84,019,870 in respect to project management committee (PMC) balances as at 30 June, 2025. This figure includes Kshs.3,286,293 relating to twenty-four (24) bank accounts which remained idle during the year under audit. The management did not provide any explanation for the accumulation of the idle cash contrary to Regulation 83(2)(c) of the public finance management (National Government) Regulations, 2015 states that 'For purposes of this regulation, sound cash management includes avoiding accumulation of idle balances'.

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

4. Transfer to Other Government Units

4.1 Construction of a Storey Building Dormitory and Ablution Block at Kuwuor Mixed Secondary School

The constituency entered into a contract with a company on 27 October, 2021 for the construction of a storey building dormitory and ablution block at a contract sum of Kshs.10,065,500 for a contract period was nine (9) months. However, audit verification of the project conducted on 2 October, 2025 three years after contract commencement date

revealed that the project was still incomplete with slab roof leakages. The project completion status was estimated at only 98% with payments totaling Kshs.3,680,000.

4.2 Construction of Administration Block at Kanyaluo Divisional Headquarters

The constituency entered into a contract with a company on 1 September, 2023 for the construction of administration block at Kanyaluo Divisional headquarters at a contract sum of Kshs.4,998,300 for a contract period was three (3) months. However, audit verification of the project conducted on 2 October, 2025 two years after contract commencement date revealed that the project was still incomplete with paintwork, electrical installation, tiling, water tank, construction of concrete water base, installation of gutters and pit latrine works outstanding. The project completion status was estimated at only 80% with total payments of Kshs.2,606,208.

4.3 Construction of One No. Classroom at Nyamwala Primary School

The contract agreement submitted for audit review was not signed and authorized with the details of the project including the contract sum and contract period also not indicated. However, audit verification of the project conducted on 2 October, 2025 revealed that the project was still incomplete with outstanding electrical works and painting works not complete. The project completion status was estimated at only 90% with payments of Kshs.1,195,000 having been made to the contractor.

In the circumstances the regularity of the Kshs.7,481,208 expenditure on the three (3) security projects could not be confirmed.

5. Project Implementation Status

The project implementation status report as at 30 June, 2025 provided for audit review indicated that two-hundred (200) projects worth Kshs.262,468,867 were budgeted to be implemented during the year under review. However, eighty-six (86) projects worth Kshs.40,697,906 were completed, fourteen (14) projects worth Kshs.29,323,650 were still ongoing and one hundred (100) projects worth Kshs.192,447,311 were not started. In view of the foregoing, the Constituents did not get the expected services equivalent to one-hundred and fourteen (114) ongoing and not started projects worth Kshs.221,770,961. No explanation was provided for the non-implementation of the projects.

In the circumstances, Management was not effective in the implementation of the projects.

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply, in all material respects, with the authorities that govern

them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal control 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.

The 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 are in compliance 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 overall 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

04 December, 2025

*National Government Constituencies Development Fund (NGCDF)
Karachuonyo 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

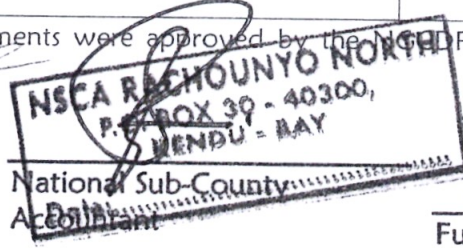
	Note	Period ended June 2025
		Kshs
Revenue from non-exchange transactions		
Transfers from the NGCDF Board	6	197,386,150
Transfers from domestic and foreign partners	7	-
Revenue from exchange transactions		
Finance income	8	-
Miscellaneous income	9	-
Total revenue		197,386,150
Expenses		
Employee costs	10	4,189,598
Committee expenses	11	4,639,000
Use of Goods and Services	12	7,639,530
Other Government Units Actual expenditure	13	86,573,939
Other Grants and Transfers Actual expenditure	14	55,724,749
Depreciation and amortization expense	15	-
Digital Hubs Expenses Actual expenditure	16	-
Total expenses		158,766,816
Other gains/(losses)		
Gain/Loss on Sale of Assets	17	-
Impairment loss	18	-
Surplus/(Deficit) for the year		38,619,334

The Constituency financial statements were approved by the NGCDF on 30th Sept 2025 and signed by:

[Signature]

Chairman NG-CDF
Committee

Name: Tom Odhiambo Guda



National Sub-County
Accountant
Name: David Ongoro Ogeto

ICPAK M/No: 21739

[Signature]

Fund Account Manager
Name: Naphtally Mulesi
Ochuma

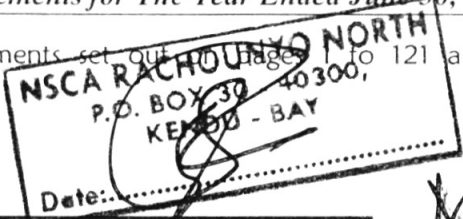
National Government Constituencies Development Fund (NGCDF)
Karachuonyo Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025

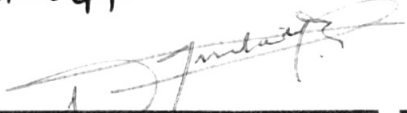
12. Statement Of Financial Position As At 30th June, 2025

	Note	Period ended June 2025	Opening Statement 1st July 2025
		Kshs	Kshs
Assets			
Current Assets			
Cash And Cash Equivalents	19	153,434,273	88,648,515
Receivables from Exchange Transactions	20	-	-
Receivables from Non-Exchange Transactions	21	45,386,150	64,800,180
Prepayments	22	-	-
Total Current Assets		196,820,423	153,448,695
Non-Current Assets			
Property, Plant and Equipment	23	-	-
Intangible Assets	24	-	-
Right-of-use assets	25	-	-
Total Non- Current Assets		-	-
Total Assets (A)		196,820,423	153,448,695
Liabilities			
Current Liabilities			
Trade and Other Payables	26	-	-
Third Party Deposits	27	4,155,952	-
Lease Liabilities	28	-	-
Gratuity Provision	29	1,775,013	1,178,570
Total Current Liabilities		5,930,965	1,178,570
Non-Current Liabilities			
Lease Liabilities	28	-	-
Total Liabilities (B)		5,930,965	1,178,570
Net Assets (A-B)		190,889,458	152,270,124
Represented by:			
Revaluation Reserves		190,889,458	152,270,124
Accumulated Surplus			
Total Net Assets		190,889,458	137,280,213

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


The Constituency financial statements set out on pages 1 to 121 approved by NG CDFC on 30th Sept 2025 and signed by:





Chairman NG-CDF
Committee
Name: Tom Odhiambo
Guda

National Sub-County
Accountant
Name: David Ongoro Ogeto
ICPAK M/No: 21739



Fund Account Manager
Name: Naphtally Mulesi
Ochuma

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

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

Description	Revaluation Reserves	Accumulated surplus/Deficit	Total
		Kshs	Kshs
Fund Balance as at 30 th June 2024	608,221	-	608,221
Adjustments			
Recognition of Assets	152,840,474		152,840,474
Recognition of Liabilities	1,178,570		1,178,570
As at July 1, 2025	152,270,124		152,270,124
Surplus/(Deficit) For the Period	38,619,334		38,619,334
Revaluation Gain/Loss	-	-	-
As at June 30, 2025 (current year)	190,889,458	-	190,889,458

Note:

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

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

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

	Notes	Period ended June 2025
		Kshs
Cash flows from operating activities		
Receipts		
Transfers from the NGCDF Board		218,800,180
Transfers from domestic and foreign partners		-
Finance income		-
Miscellaneous income		-
Total Receipts		218,800,180
Payments		
Employee costs		3,593,155
Committee expenses		4,639,000
Use of Goods and Services		7,639,530
Other Government Units Certified Works		82,764,554
Other Grants and Transfers		55,378,183
Digital Hubs Expenses		-
Total Payments		154,014,421
Net Cash Flows from/ (used in) Operating Activities	30	64,785,759
Cash flows From Investing Activities		-
Purchase of PPE		-
Purchase of Intangible assets		-
Proceeds From Sale of PPE		-
Net Cash Flows from Investing Activities		64,785,759
Net increase/(decrease) in cash & Cash equivalents		
Cash Flows from Financing Activities		
Lease Payment		-
Net Cash Flows from Financing Activities		64,785,759
Cash and cash equivalents at 1 July	19	88,648,515
Cash and cash equivalents at 30 June	19	153,434,273

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 a	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements	Kshs C=(a+b) 2024-2025	Kshs d 2024-2025	Kshs e=(c-d)	f=d/c*100
Revenue							
Transfers From the NGCDF Board	197,386,150	88,648,515	64,800,180	350,834,844	307,448,695	43,386,150	86%
Transfers from domestic and foreign partners	-	-	-	-	-	-	
Finance income	-	-	-	-	-	-	
Miscellaneous income	-	-	-	-	-	-	
Totals	197,386,150	88,648,515	64,800,180	350,834,844	307,448,695	43,386,150	86%
Expenses							
Employee costs	6,099,938	608,221	1,178,570	7,886,730	3,593,155	4,293,575	46%
Committee expenses	6,328,025	-	-	6,328,025	4,639,000	1,689,025	93%
Use of Goods and Services	4,645,791	-	-	4,645,791	7,639,530	(2,993,740)	104%
Other Government Units Certified Works	79,150,000	83,777,253	33,736,333	196,663,586	82,764,554	113,899,032	43%
Other Grants and Transfers	92,190,813	4,263,041	10,685,277	107,139,129	55,378,183	51,810,947	57%
Digital Hubs Expenses	5,921,585	-	5,700,000	11,621,585	-	11,621,585	0%

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

	Original Budget	Adjustments	Previous Years' Outstanding disbursements	Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilization
	Kshs	Kshs		Kshs	Kshs	Kshs	n
	a	b		C=(a+b)	d	e=(c-d)	f=d/c*100
	2024-2025	Opening Balance (C/Bk) and AIA		2024-2025	2024-2025		
Acquisition of asset	3,000,000	-	13,500,000	16,500,000	-	16,500,000	0%
Funds Pending Approval**	-	-	-	-	-	-	
Total Expenditure	197,336,150	88,648,515	64,800,180	350,834,845	154,014,421	196,820,423	46%
Surplus for the period					153,434,273	(153,434,273)	

Explanatory Notes:

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.

Employee costs (46%). Committee expenses (93%). Other Government Units Certified Works (43%). Other Grants and Transfers (57%). Acquisition of assets (0%). Digital Hubs Expenses (0%) because some funds had not been disbursed by NG-CDF Board.

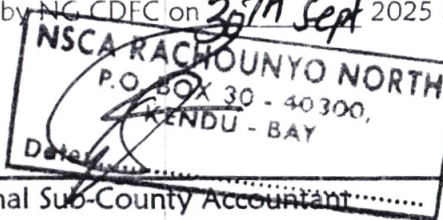
*National Government Constituencies Development Fund (NGCDF)
 Karachuonyo Constituency
 Annual Report and Financial Statements for The Year Ended June 30, 2025*

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	196,820,423
Less undisbursed funds receivable from the Board as at 30 th June 2025	43,386,150
Cash and Cash Equivalents at the end of the 30 th June 2025	153,434,273

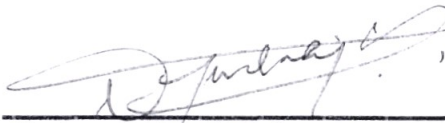
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.
 The Constituency financial statements were approved by NG-CDFC on *30th Sept* 2025 and signed by:


 Fund Account Manager

Name: Naphtally Mulesi Ochuma


 National Sub-County Accountant

Name: David Ongoro Ogeto
 ICPAK M/No: 21739


 Chairman NG-CDF Committee

Name: Tom Odhiambo Guda

National Government Constituencies Development Fund (NGCDF)

Karachuonyo Constituency

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

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent						
1.1 Compensation of employees	6,099,938	608,221	1,178,570	7,886,730	3,593,155	4,293,575
1.2 Committee allowances	2,426,000	-	-	2,426,000	2,748,020	(322,020)
1.3 Use of goods and services	2,626,231	-	-	2,626,231	2,183,105	443,126
Sub-total	11,152,169	608,221	1,178,570	12,938,960	8,524,280	4,414,680
2.0 Monitoring and evaluation				-		
2.1 Capacity building	1,304,000	-	-	1,304,000	724,130	579,870
2.2 Committee allowances	2,598,025	-	-	2,598,025	2,387,050	210,975
2.3 Use of goods and services	2,019,560	-	-	2,019,560	2,636,225	(616,665)
Sub-total	5,921,585	-	-	5,921,585	5,747,405	174,180
3.0 Emergency				-		
Unutilized	3,928,267	-	-	3,928,267	-	3,928,267
				-		-
Maguti Primary School	2,664,798	197,431	-	2,862,229	2,664,798	197,431
Mawego Primary School	1,995,680	-	-	1,995,680	1,995,680	1
St. Benards Otaru High School		-	-	-	-	-
Achuth Primary School		-	-	-	-	-

*National Government Constituencies Development Fund (NGCDF)
Karachuonyo 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
Karachuonyo NGCDFC Office	1,800,000	-	-	1,800,000	1,800,000	-
Sub-total	10,388,745	197,431	-	10,586,176	6,460,478	4,125,699
4.0 Bursary and Social Security						
4.1 Primary Schools	-			-		-
4.2 Secondary Schools	32,852,068	-	(7,714,903)	25,137,164	22,799,000	2,338,164
4.3 Tertiary Institutions	21,000,000	-	(3,000,000)	18,000,000	13,936,800	4,063,200
4.4 special needs	3,000,000	-	-	3,000,000	-	3,000,000
4.5 Vocational Institutions	10,000,000	-	-	10,000,000	2,150,000	7,850,000
4.6 Education Support Programmes						
4.7 Social Security	-			-		-
Sub-total	66,852,068	-	(10,714,903)	56,137,164	38,885,800	17,251,364
5.0 Sports						
Constituency Sports Tournament	-			-		-
Regional Sports tournament	-			-		-
Sub-total	-	-	-	-	-	-
6.0 Environment						
Kanyadhiang Village	4,000,000		3,500,000	7,500,000	3,445,000	4,055,000
Ogango Primary School	-		50,000	50,000		50,000

National Government Constituencies Development Fund (NGCDF)
Karachuonyo 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
Kodhoch Secondary School	-		50,000	50,000		50,000
Kibugu Primary School	-		50,000	50,000		50,000
Abundu Primary School	-		50,000	50,000		50,000
Dr. Adhuu Awiti Secondary School	-		50,000	50,000		50,000
Kideswa Primary School	-		50,000	50,000		50,000
Oono Nam Primary School	-		50,000	50,000		50,000
Obuya Primary School	-		50,000	50,000		50,000
Soko Kagwa Primary School	-		50,000	50,000		50,000
Daraja Primary School	-		50,000	50,000		50,000
Kogembo Primary School	-		50,000	50,000		50,000
Haggai Oyier Primary School	-		50,000	50,000		50,000
Adiedo Mixed Secondary School	-		50,000	50,000		50,000
Lwala Primary School	-		50,000	50,000		50,000
Koyugi Location Chief's Office	-		50,000	50,000		50,000
Kanyaluo Divisional Headquarters	-		50,000	50,000		50,000
Nyawii Omuga Primary School	-		150,000	150,000		150,000
Omindi Primary School	-		150,000	150,000		150,000
Kital Primary School	-		150,000	150,000		150,000
Nyanja Rateng Primary School	-		150,000	150,000		150,000

National Government Constituencies Development Fund (NGCDF)
Karachuonyo 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
Nyatir Primary School	-		50,000	50,000		50,000
Kanyadhiang Village	-			-		-
Kendu Bay Law Court	-		-	-		-
Balance B/F	-	-	-	-		-
Sub-total	4,000,000	-	4,950,000	8,950,000	3,445,000	5,505,000
7.0 Primary Schools Projects						
Achuth Primary School	-	5,550	1,200,000	1,205,550	893,722	311,828
Adhiro Primary School	1,350,000	-	-	1,350,000	-	1,350,000
Adhiro Primary School	-	1,200,000		1,200,000	1,144,895	55,105
Adita Primary School	-	1,800,000		1,800,000	1,713,850	86,150
Akwakra Primary School	1,350,000	-	-	1,350,000	-	1,350,000
Ajigo Primary School		1,400,000	-	1,400,000	-	1,400,000
Alara Primary School	-	1,200,000		1,200,000	1,141,406	58,595
Alego Primary School	-	-	1,200,000	1,200,000	1,146,693	53,307
Anduu Primary School	-	2,400,000		2,400,000	2,280,124	119,876
Ang'onga Primary School	-	1,585		1,585	-	1,585
Apuko Sda Primary School	-	1,200,000		1,200,000	1,002,431	197,570
Ayub Okoko Primary School	-	2,436,333		2,436,333	2,261,750	174,583
Bala Primary School	2,800,000	-	-	2,800,000		2,800,000

National Government Constituencies Development Fund (NGCDF)
 Karachuonyo 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			
Bongia Primary School	-	1,187,891		1,187,891	695,246	492,645
Bware Primary School	-	600,640	1,200,000	1,800,640	1,184,527	616,114
Daraja Primary School	-	3,175	1,200,000	1,203,175	627,692	575,483
Gendia Primary School	-	400,000	-	400,000	-	400,000
Gendia Primary School	-	600,000	1,200,000	1,800,000	1,691,815	108,185
Gogo Primary School	-	1,200,000		1,200,000	1,140,798	59,203
Got Okii Primary School	-	550	1,200,000	1,200,550	1,095,701	104,849
Homa Hills Primary School	-	-	1,200,000	1,200,000	1,002,431	197,570
Jonyo Primary School	-	-	200,000	200,000		200,000
Jonyo Primary School	-	1,200,000		1,200,000	1,140,750	59,250
Kajiei Primary School	-	-	200,000	200,000		200,000
Kambusi Primary School	2,100,000	-	-	2,100,000		2,100,000
Kamolo Primary School	-	1,200,000		1,200,000	1,136,205	63,795
Kandiego Primary School	-	1,200,000		1,200,000	1,130,947	69,054
Kanjira Primary School	-	1,200,000		1,200,000	1,133,255	66,745
Kanyadhiang Primary School	-	1,200,959		1,200,959	1,159,303	41,656
Karabondi Primary School	-	-	1,236,333	1,236,333	923,517	312,816
Kasibos Primary School	-	-	400,000	400,000	-	400,000
Kawiti Primary School	-	1,200,000		1,200,000	1,138,328	61,672

*National Government Constituencies Development Fund (NGCDF)
Karachuonyo 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
	-	1,200,000		1,200,000		1,200,000
Kendu Muslim Primary School	-	700	1,200,000	1,200,700	1,143,849	56,851
Kendu Muslim Primary School	-	159,360		159,360	-	159,360
Kibaga Primary School	-	-		1,350,000		1,350,000
Kideswa Primary School	1,350,000	-		800,000	-	800,000
Kital Primary School	-	800,000		2,768	-	2,768
Kital Primary School	-	2,768		2,400,000	1,745,398	654,603
Kobila Primary School	-	1,200,000	1,200,000	6,786	-	6,786
Koboo Primary School	-	6,786		2,402,700	1,916,039	486,661
Kobuya Primary School	-	2,402,700		1,200,000	1,138,328	61,672
Kodhoch Primary School	-	1,200,000		800,000		800,000
Kogembo Primary School	-	800,000		1,827,860	1,711,409	116,451
Kogweno Primary School	-	627,860	1,200,000	1,200,000	1,147,745	52,255
Koliech Primary School	-	1,200,000		2,100,000		2,100,000
Konyach Primary School	2,100,000	-		-		-
Kotonje Primary School	-	-		2,400,000	2,239,311	160,689
Kotonje Primary School	-	1,200,000	1,200,000	200,000		200,000
Kowour Primary School	-	-	200,000	1,350,000		1,350,000
Liera Primary School	1,350,000	-		600,000	578,472	21,528
Liera Primary School	-	600,000				

National Government Constituencies Development Fund (NGCDF)
Karachuonyo 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			
Lieta Primary School	-	905,500		905,500	904,400	1,100
Loo Rateng Primary School	1,350,000	-	-	1,350,000		1,350,000
Lower Kamuga Primary School	2,100,000	-	-	2,100,000		2,100,000
Maguti Primary School	-	1,200,000	-	1,200,000		1,200,000
Maguti Primary School	-	1,810,339		1,810,339	1,702,707	107,633
Makaka Primary School	-	13,736	1,200,000	1,213,736	1,004,789	208,947
Mango Primary School	-	-	1,200,000	1,200,000	552,055	647,945
Mariwa Primary School	1,350,000	-	-	1,350,000		1,350,000
Mawego Mixed Primary School	-	10,425		10,425	-	10,425
Migeni Primary School	-	1,200,000		1,200,000	1,142,223	57,778
Miginggo Primary School	-	800,000		800,000	736,896	63,104
Migunde Primary School	-	6,800		6,800	-	6,800
Mirembe Primary School	-	6,750		6,750	-	6,750
Miyuga Primary School	-	17,753		17,753	-	17,753
Ngeta Primary School	-	1,200,000		1,200,000	645,860	554,140
Ngeta Secondary School	-	-	200,000	200,000		200,000
Ngoche Primary School	-	1,200,000	-	1,200,000		1,200,000
Ngoche Primary School	-	2,402,700		2,402,700	1,944,204	458,496
Ng'ura Primary School	1,350,000	-	-	1,350,000		1,350,000

*National Government Constituencies Development Fund (NGCDF)
Karachuonyo 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			
Nyabige Primary School	-	219,487		219,487	-	219,487
Nyaburi Primary School	2,100,000	-	-	2,100,000		2,100,000
Nyakech Primary School	1,350,000	-	-	1,350,000		1,350,000
Nyakech Primary School	-	1,800,000		1,800,000	1,475,011	324,990
Nyamwala Primary School	-	800,000	-	800,000		800,000
Nyamwala Primary School	-	1,200,000		1,200,000	1,140,750	59,250
Nyandusi Primary School	-	1,200,000		1,200,000	1,002,431	197,570
Nyangajo Primary School	1,350,000	-	-	1,350,000		1,350,000
Nyangajo Primary School	-	1,200,000		1,200,000	1,144,550	55,450
Nyangao Primary School	-	1,200,000		1,200,000	1,121,161	78,839
Nyanja Rateng Primary School	-	122,110		122,110	-	122,110
Nyaola Primary School	-	11,532		11,532	-	11,532
Nyasanja Primary School	-	1,800,000		1,800,000	1,706,744	93,256
Nyatir Primary School	-	3,597		3,597	-	3,597
Nyawino Primary School	2,100,000	-	-	2,100,000		2,100,000
Nyawino Primary School	-	600,000	-	600,000		600,000
Obangla Primary School	-	14,199		14,199	-	14,199
Obilo Primary School	1,350,000	-	-	1,350,000		1,350,000
Obilo Primary School	-	52,045		52,045	-	52,045

National Government Constituencies Development Fund (NGCDF)
 Karachuonyo 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			
Ochuoga Primary School	-	1,400,000	-	1,400,000		1,400,000
Ochuoga Primary School	-	600,000		600,000	549,808	50,192
Oindo Primary School	-	1,200,000		1,200,000	1,120,981	79,020
Omboga Primary School	-	1,200,000		1,200,000	1,087,627	112,373
Omindi Primary School	-	2,518		2,518	-	2,518
Omolo Agar Primary School	-	800,000	-	800,000		800,000
Omuga Primary School	-	800,000	-	800,000		800,000
Oneno Nam Primary School	3,500,000	-	-	3,500,000		3,500,000
Onyando Primary School	-	1,200,000		1,200,000	1,143,335	56,666
Oriang Manyuanda Primary School	-	1,202,000		1,202,000	1,126,691	75,310
Orire Primary School	-	1,200,000		1,200,000	1,143,196	56,804
Oriwo Primary School	-	1,200,000		1,200,000	982,718	217,282
Osika Primary School	1,350,000	-	-	1,350,000		1,350,000
Osodo Primary School	-	2,000,000	-	2,000,000		2,000,000
Osodo Primary School	-	-	200,000	200,000		200,000
Osodo Primary School	-	4,479		4,479	-	4,479
Otaro Primary School	-	-	200,000	200,000		200,000
Otok Primary School	-	10,825		10,825	-	10,825
Oyombe Primary School	-	-	1,200,000	1,200,000	598,066	601,934

**National Government Constituencies Development Fund (NGCDF)
Karachuonyo 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
	Kshs	Kshs	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
Pier Got Primary School	3,500,000	-	1,200,000	-	4,700,000	4,700,000	4,700,000
Raongo Primary School	1,350,000	-	-	-	1,350,000	1,350,000	1,350,000
Raria Primary School	1,350,000	-	-	-	1,350,000	1,350,000	1,350,000
Rongo Nyagowa Primary School	-	18,498	-	-	18,498	-	18,498
Samanga Primary School	-	1,200,000	-	-	1,200,000	1,136,205	63,795
Samba Primary School	-	1,806,000	-	-	1,806,000	1,629,000	177,000
Sanda Primary School	1,350,000	-	-	-	1,350,000	1,350,000	1,350,000
Sanda Primary School	1,350,000	-	-	-	1,350,000	1,350,000	1,350,000
Simbi Primary School	-	1,200,000	1,200,000	-	2,400,000	2,258,343	141,658
Soko Kagwa Primary School	-	89,784	-	-	89,784	-	89,784
Soko Kogira Primary School	-	10,404	-	-	10,404	-	10,404
Sombro Primary School	-	1,200,000	-	-	1,200,000	904,583	295,417
St. Douglas Weta Primary School	-	1,200,000	1,200,000	-	2,400,000	1,002,431	1,397,570
St. Mary Goretti Mawego Primary School	-	-	-	-	1,200,000	627,692	572,308
Wagwe Primary School	2,100,000	-	-	-	2,100,000	2,100,000	2,100,000
Wagwe Primary School	-	1,200,000	-	-	1,200,000	1,125,474	74,526
Wangadonji Primary School	-	250,000	-	-	250,000	-	250,000
Warao Primary School	2,100,000	-	-	-	2,100,000	2,100,000	2,100,000
Wikondiek Primary School	-	1,200,000	-	-	1,200,000	1,141,033	58,967

National Government Constituencies Development Fund (NGCDF)
 Karachuonyo 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			
Yala Primary School	2,700,000	-	-	2,700,000		2,700,000
Yala Primary School	-	1,800,000		1,800,000	1,696,750	103,250
Sub-total	47,450,000	79,228,339	24,436,333	151,114,672	73,903,643	77,211,029
8.1 JSS NGCDF						
Karabondi Primary School	-	-	-	-		-
Daraja Primary School	-	-	-	-		-
St. Douglas Weta Primary School	-	-	-	-		-
St. Mary Goretty Primary School	-	-	-	-		-
Oyombe Primary School	-	-	-	-		-
Kendu Muslim Primary School	-	-	-	-		-
Gendia Primary School	-	-	-	-		-
Makaka Primary School	-	-	-	-		-
Bware Primary School	-	-	-	-		-
Achuth Primary School	-	-	-	-		-
Alego Primary School	-	-	-	-		-
Mango Primary School	-	-	-	-		-
Simbi Primary School	-	-	-	-		-
Kobila Primary School	-	-	-	-		-
Kajiei Primary School				-	-	-

National Government Constituencies Development Fund (NGCDF)
 Karachuonyo 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			
Kowour Primary School				-	-	-
Otaro Primary School				-	-	-
Osodo Primary School				-	-	-
Jonyo Primary School				-	-	-
Sub-total	-	-	-	-	-	-
8.2 JSS MOE						
Got Okii Primary School	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Sub-total	-	-	-	-	-	-
9.0 Secondary Schools Projects						
Alara Secondary School	2,100,000	-	-	2,100,000		2,100,000
Alaru Central Mixed Secondary School	3,500,000	-	-	3,500,000		3,500,000
George Agola Owuor Secondary School	-	-	1,200,000	1,200,000	1,143,258	56,742
Kamser Secondary School	-	-	1,200,000	1,200,000	1,143,610	56,390
Kanam Secondary School	5,000,000	-	-	5,000,000		5,000,000
Kanyamfwa Mixed Sec School	-	1		1		1

*National Government Constituencies Development Fund (NGCDF)
Karachuonyo 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
Kanyamfwa Mixed Seconadry School	-	1,407	-	1,407	-	1,407
Karabondi Bidii Secondary School	12,500,000	-	-	12,500,000		12,500,000
Kowour Mixed Secondary School	-	878,109	3,000,000	3,878,109	3,500,000	378,109
Masogo Secondary School	1,350,000	-	-	1,350,000		1,350,000
Ngeta Secondary School	-	19,029		19,029	-	19,029
Ongang Secondary School	-	400,000		400,000		400,000
Ongang Secondary School	2,250,000	-	1,500,000	3,750,000	1,368,000	2,382,000
Otok Secondary School	-	-	1,200,000	1,200,000		1,200,000
Paul Mboya High School	-	-	800,000	800,000		800,000
Paul Mboya High School	-	52,329	-	52,329	-	52,329
Siburi Mixed Seconadry School	-	3,256	2,000,000	2,003,256	1,706,043	297,213
Simbi Mixed Secondary School	-	604,873	-	604,873	-	604,873
St. Ignatus Loyola Mawego Girls High School	5,000,000	-	-	5,000,000		5,000,000
St. Innocent Jonyo Secondary School	-	40,000	2,400,000	2,440,000		2,440,000
St. John Seka Secondary School	-	1,149,910		1,149,910		1,149,910
St. Josephs Miranga Sec School	-	1,000,000		1,000,000		1,000,000
Wagwe Mixed Secondary School	-	400,000		400,000		400,000

National Government Constituencies Development Fund (NGCDF)
Karachuonyo 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			
Sub-total	31,700,000	4,548,914	13,300,000	49,548,914	8,860,911	40,688,003
10.0 Tertiary institutions Projects						
				-		-
				-		-
Sub-total	-	-	-	-	-	-
11.0 Security Projects						
Kamser Nyakongo Chief's Office	2,500,000	-	-	2,500,000	-	2,500,000
Kakdhimu West Chief's Office	2,000,000	-	-	2,000,000	-	2,000,000
North Kanyaluo Chief's Office	2,500,000	-	-	2,500,000	-	2,500,000
Critical Infrastructure Protection Unit Residential Houses	-	-	1,200,000	1,200,000	-	1,200,000
Got Oyaro Police Post	-	-	1,200,000	1,200,000	-	1,200,000
Kobala Chief's Office	-	-	1,750,000	1,750,000	-	1,750,000
Kanam B Chief's Office	-	700,000	-	700,000	-	700,000
Kadel Police Post	4,000,000	-	1,500,000	5,500,000	-	5,500,000
Rachuonyo North Sub County HQ	-	500,000	-	500,000	-	500,000
Kendu Bay Police Station	-	-	-	-	-	-
Koyugi Chiefs Office	-	250,000	-	250,000	-	250,000
North Karachuonyo Chiefs Office	-	250,000	-	250,000	-	250,000

*National Government Constituencies Development Fund (NGCDF)
Karachuonyo 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			
Wangchieng Divisional HQ	-	700,000	-	700,000	-	700,000
Kendu Law Court	-	-	-	-	-	-
Kanyaluo Divisional Headquarters	-	1,588	3,000,000	3,001,588	2,606,208	395,380
Kendubay Law Courts	-	6,434	2,300,180	2,306,614	1,052,008	1,254,606
Kogweno Oriang Chiefs Office	-	-	1,500,000	1,500,000	1,428,689	71,311
Nps Rachuonyo North Subcounty	-	8,359	-	8,359	-	8,359
Rachuonyo North Sub County Headquarters-Dcc	-	9,308	-	9,308	-	9,308
Rachuonyo North Sub Prison	-	1,505,311	-	1,505,311	1,500,000	5,311
Rachuonyo North Subcounty	-	134,609	-	134,609	-	134,609
Got Oyaro Police Post	-	-	-	-	-	-
Sub-total	11,000,000	4,065,610	12,450,180	27,515,790	6,586,905	20,928,885
12.0 Acquisition of assets						
12.1 Motor Vehicles (including motorbikes)	3,000,000		13,500,000	16,500,000	-	16,500,000
12.2 Purchase of furniture and fittings				-	-	-
12.2 Construction of CDF office				-	-	-
Sub-total	3,000,000	-	13,500,000	16,500,000	-	16,500,000
13.0 Others						

*National Government Constituencies Development Fund (NGCDF)
Karachuonyo 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
STRATEGIC PLAN	-	-	2,000,000	2,000,000	1,600,000	400,000
Karachuonyo Digital ICT Hub - Karachuonyo Youth Empowerment Centre - Rachuonyo North Sub County	4,710,792	-	-	4,710,792	-	4,710,792
Karachuonyo Digital ICT Hub - Got Oyaró - Rachuonyo West Sub County	1,210,792	-	3,700,000	4,910,792	-	4,910,792
Sub-total	5,921,585	-	5,700,000	11,621,585	1,600,000	10,021,585
Funds pending approval**						
unapproved projects		-		-	-	-
AiA	-			-	-	-
Sub-total	-	-	-	-	-	-
Total	197,386,150	88,648,515	64,800,180	350,834,845	154,014,421	196,820,423

(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 Karachuonyo Constituency principal activity is to service delivery through improvement of infrastructure and provision of bursaries to needy students within the constituency.

2. Statement of Compliance and Basis of Preparation

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

The financial statements have been prepared in accordance with the Public Finance Management (PFM) Act and the International Public Sector Accounting Standards (IPSAS). The NG-CDF Karachuonyo 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 Karachuonyo 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.

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

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 recognise, measure and present information on right of use assets and lease liabilities. <i>Not Applicable</i>
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. <i>Not Applicable</i>
IPSAS 45:	<i>Applicable 1st January 2025</i>

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

Property Plant and Equipment	<p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be 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.</p> <p><i>Not Applicable</i></p>
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> <p><i>Not Applicable</i></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</p>

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

	<p>that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> <p><i>Not Applicable</i></p>
<p>IPSAS 48: Transfer Expenses</p>	<p><i>Applicable 1st January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p> <p><i>Not Applicable</i></p>
<p>IPSAS 49: Retirement Benefit Plans</p>	<p><i>Applicable 1st January 2026</i></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p> <p><i>Not Applicable</i></p>
<p>IPSAS 50: Exploration For & Evaluation of Mineral Resources</p>	<p><i>Applicable 1st January 2027</i></p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <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. <p><i>Not Applicable</i></p>

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

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.

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

b) Budget information

The original budget was approved by Parliament on 30th June 2024 for the period 1st July 2025 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.

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

Intangible assets with an indefinite useful life are assessed for impairment at each reporting date.

f) Financial instruments

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

a) Financial assets

Classification of financial assets

The entity classifies its financial assets as subsequently measured at a mortised 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

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).

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

6. Transfers from the NGCDF Board

Description	Period ended June 2025
	Kshs
NGCDFB Transfers (Allocation for the FY)	197,386,150
Total	197,386,150

7. Transfers from domestic and foreign partners

Description	Period ended June 2025
	Kshs
Grants	-
Total	-

8. Finance income

Description	Period ended June 2025
	Kshs
Interest Income on Bank Deposits	-
Total	-

(Provide a brief explanation for this revenue)

9. Miscellaneous income

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

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

10. Employees cost

	<i>Period ended June 2025</i>
	Kshs
NG-CDFC Basic staff salaries	2,154,597
Personal allowances paid as part of salary	-
House Allowance	329,900
Transport Allowance	212,000
Leave allowance	-
Gratuity to contractual employees	596,443
Employer Contributions Compulsory national social security schemes	138,619
Employer Contributions Compulsory Housing levy	39,339
Employer contributions to National Industrial Training Authority	3,700
Other Specify	715,000
Total	4,189,598

11. Committee Expenses

	<i>Period ended June 2025</i>
	Kshs
Sitting allowance	2,748,020
Other Committee expenses	1,890,980
Total	4,639,000

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

12. Use of Goods and services

	<i>Period ended June 2025</i>
	Kshs
Utilities, supplies and services	45,022
Communication, supplies and services	392,800
Domestic travel and subsistence	496,070
Printing, advertising and information supplies & services	534,490
Office Rent	-
Training expenses	724,130
Hospitality supplies and services	1,211,025
Insurance costs	-
Specialized materials and services	-
Office and general supplies and services	932,400
Fuel, oil & lubricants	1,151,130
Bank charges	120,963
Routine maintenance – vehicles and other transport equipment	307,500
Routine maintenance – other assets	24,000
Strategic plan expenses	1,600,000
Other operating expenses	100,000
Total	7,639,530

13. Other Government Units Actual expenditure

Description	<i>Period ended June 2025</i>
	Kshs
Primary Schools Actual expenditure	77,264,560
Secondary Schools Actual expenditure	9,309,379
Tertiary Institutions Actual expenditure	-
Total	86,573,939

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

14. Other Grants and transfers Actual expenditure

	<i>Period ended June 2025</i>
	Kshs
Bursary – secondary schools	22,799,000
Bursary – tertiary institutions	16,086,800
Bursary – special schools	-
Bursary - Education Support programmes	-
Social Security programmes (SHIF)	-
Security projects Actual expenditure	6,704,499
Climate change mitigation projects	3,445,000
Emergency projects Actual expenditure	6,689,450
Roads projects Actual expenditure	-
Others specify	-
Total	55,724,749

15. Depreciation and Amortization Expenses

Description	<i>Period ended June 2025</i>
	Kshs
Property Plant and Equipment	-
Intangible Assets	-
Total	-

16. Digital Hubs Expenses

Description	<i>Period ended June 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	-

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

17. Gain/loss on Sale of Assets

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

18. Impairment Loss

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

19. Cash and Cash Equivalents

Name Of Bank and Account No.	Period ended June 2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Bank Accounts (Cash Book Bank Balance)		
Equity Bank, Homabay Branch, Account No. 0980265100797 (Operations account)	68,817,960	608,221
Operations account pending closure (Indicate name & account no.) N/A	-	-
KCB Bank, Kendu Bay Branch, Account No. 1341927733 (Deposit account)	596,443	-
PMC accounts – Various Banks Listed in Annex 2	84,019,870	88,040,294
Total	153,434,273	88,648,515
Cash Balances		
Location 1	-	-
Location 2	-	-
Other Locations <i>(Specify)</i>	-	-
Total	-	-

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

20. Receivables from Exchange Transactions

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

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

i. Ageing Analysis for Receivables

Description	Period ended June 2025		Opening Statement 1 st July 2024	
	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)	-	%	-	%

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

21. Receivables from Non-Exchange Transactions

Description	Period ended June 2025		Opening Statement 1 st July 2024	
	Kshs		Kshs	
Transfers from NGCDFB	43,386,150		64,800,180	
Outstanding imprest				
Total	43,386,150		64,800,180	
Ageing Analysis- Receivables from non-exchange transactions	2024-2025	% of the total	Opening Balance	% of the total
Less than 1 year	41,386,150	91%	55,500,000	83%
Between 1- 2 years	-	0%	6,300,180	9%
Between 2-3 years	2,000,000	9%	2,000,000	6%
Over 3 years	-	0%	1,000,000	1%
Total	43,386,150	100%	64,800,180	100%

22. Prepayments

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

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

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 2025	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-	-	-	-
As At 30 th June 2025	-	-	-	-	-	-	-	-
Depreciation And Impairment								
Opening Depreciation	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-	-	-
As At 30 th June 2025	-	-	-	-	-	-	-	-
Net Book Values								
Opening Bal as at 1 st July 2025	-	-	-	-	-	-	-	-
As At 30 th June 2025	-	-	-	-	-	-	-	-

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

Valuation

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

22 b) Property, Plant and Equipment at Cost

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

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

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

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

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

24. Intangible Assets

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

25. Right-of use assets

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

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

As At 30 June 2025 (Current FY)	-	-	-	-
As At 30 June 2025. (Comparative Period)	-	-	-	-

26. Trade and Other Payables

Description	Period ended June 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)	2024-2025	% of the Total	1st July	% of the Total
Under one year	-	%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total (tie to above total)	-		-	

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

27. Third-Party deposits

	<i>Period ended June 2025</i>	<i>Period ended June 2024</i>
	KShs	KShs
Retention as at 1 st July (A)	-	-
Retention held during the year (B)	4,155,952	-
Retention paid during the Year (C)	-	-
Closing Retention as at 30th June D= A+B-C	4,155,952	-

Retentions aging analysis.

	Period ended June 2025	% of the total	Period ended June 2024	% of the total
Less than 1 year	4,155,952	100%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total	4,155,952	100%	-	

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

28. Lease Liabilities

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

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

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
	Kshs	1st July 2024
Gratuity at the beginning of the year 1 st of July	1,178,570	-
Gratuity held during the year	596,443	1,178,570
Gratuity paid during the year	-	-
Total Gratuity Provision 30th June (A+B-C)	1,775,013	1,178,570

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

30. Cash Generated from Operations

	<i>Period ended June 2025</i>
	Kshs
Surplus for the period before tax	38,619,334
Adjusted for:	
Depreciation	-
Non-cash grants received	-
Contributed assets	-
Impairment	-
Gains and losses on disposal of assets	-
Contribution to provisions	-
Contribution to impairment allowance	-
Working capital adjustments	
Changes in inventory	-
Changes in receivables	(21,414,030)
Changes in deferred income	-
Changes in Third party deposits	(4,155,952)
Changes in gratuity provision	(596,443)
Changes in payments received in advance	-
Net cash flow from operating activities	64,785,758

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

31. Financial Risk Management

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

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

i) Credit risk

Karachuonyo NGCDF 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 Karachuonyo NGCDF 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 Karachuonyo NGCDF 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	43,336,150	43,336,150	-	-
Bank balances	153,434,273	153,434,273	-	-
Total	196,820,423	196,820,423	-	-
As at 30 June 2024				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	64,800,180	64,800,180	-	-
Bank balances	88,648,515	88,648,515	-	-
Total	153,448,695	153,448,695	-	-

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

Financial Risk Management

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that Karachuonyo NGCDF has recognized in the financial statements is considered adequate to cover any potentially irrecoverable amounts. Karachuonyo NGCDF has significant concentration of credit risk on amounts due from 2024. The NGCDFC members sets the Karachuonyo NGCDF 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 Karachuonyo NGCDF committee members, who have built an appropriate liquidity risk management framework for the management of the Karachuonyo NGCDF short, medium and long-term funding and liquidity management requirements. Karachuonyo NGCDF manages liquidity risk through continuous monitoring of forecasts and actual cash flows. The table below represents cash flows payable by Karachuonyo NGCDF 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 poportion of borrowings	-	-	-	-
Provisions	-	-	4,155,952	4,155,952
Deferred income	-	-	-	-
Gratuity Provision	-	-	1,775,013	1,775,013
Total	-	-	5,930,965	5,930,965
As at 30th June 2024				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
Deferred income	-	-	-	-
Employee benefit obligation	-	-	1,178,570	1,178,570
Total	-	-	1,178,570	1,178,570

iii) Market risk

Karachuonyo NGCDF has put in place an internal audit function to assist it in assessing the risk faced by Karachuonyo NGCDF 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 Karachuonyo NGCDF income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee. Karachuonyo NGCDF 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 Karachuonyo NGCDF exposure to market risks or the way it manages and measures the risk.

a) Foreign currency risk

Karachuonyo NGCDF 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. Karachuonyo NGCDF manages foreign exchange risk from future commercial transactions and recognized assets and liabilities by projecting for expected sales proceeds and matching the same with expected payments. The carrying amount of Karachuonyo NGCDF foreign

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

currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.

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

2024-2025 FY

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

Foreign currency sensitivity analysis

2024-2025 FY

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

Financial Risk Management

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

Description	Change in currency rate	Effect on Profit before tax	Effect on Equity/Net assets
	Kshs	Kshs	Kshs
2024-2025 FY			
Euro	10%	N/A	N/A
USD	10%	N/A	N/A
2023-2024 FY			
Euro	10%	N/A	N/A
USD	10%	N/A	N/A

b) Interest rate risk

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

Management of interest rate risk

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

Sensitivity analysis

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

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

increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs nil
 (Current FY – Kshs nil)

Fair value of financial assets and liabilities

a) Financial instruments measured at fair value.

Determination of fair value and fair values hierarchy

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

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

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

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

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

As at 30 th June 2024				
Financial Assets				
Quoted Equity Investments	N/A	N/A	N/A	N/A
Non- Financial Assets				
Investment Property	-	-	-	-
Land And Buildings	-	-	-	-
Total	-	-	-	-

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

iv) Capital Risk Management

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

Description	Period ended June 2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Revaluation Reserve	-	-
Retained Earnings	175,899,547	137,280,213
Capital Reserve	-	-
Total Funds	175,899,547	71,658,604
Total Borrowings	-	-
Less: Cash and Bank Balances	136,444,362	71,658,604
Net Debt/(Excess Cash And Cash Equivalents)	39,455,185	65,621,609
Gearing	22%	48%

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

32. Related Party Disclosures

	Period ended June 2025	Opening Statement 1 st July 2025
	Kshs	Kshs
Committee Members Remuneration		
Sitting allowance of committee Members during the year	2,748,020	197,386,150
Transaction with the NGCDF Board		
Transfers from the NGCDF Board during the year	7,685,300	210,934,324
Total	10,433,320	408,320,474

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	Period ended June 2025	Opening Statement 1 st July 2025
	Kshs	Kshs
Contingent Assets		
Insurance Reimbursements	NA	NA
Assets Arising from Determination Of Court Cases	NA	NA
Reimbursable Indemnities and Guarantees	NA	NA
Receivables From Other Government Entities	NA	NA
Others (Specify)	NA	NA
Total	NA	NA

(Give details)

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

Contingent Liabilities

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

35. Capital Commitments

Capital Commitments	Period ended June 2025	Opening Statement 1 st July 2025
	Kshs	Kshs
Authorised for	NA	NA
Authorised and Contracted for	NA	NA
Total	NA	NA

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

36. Events after the Reporting Period

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

37. Ultimate And Holding Entity

The Karachuonyo 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.

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

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	-	-	-	-
Transport equipment	13,387,004	-	-	13,387,004
Office equipment, furniture, and fittings	442,000	-	-	442,000
ICT Equipment and Other ICT Assets	678,495	-	-	678,495
Other Machinery and Equipment	-	-	-	-
Intangible assets	-	-	-	-
Total	14,507,499	-	-	14,507,499

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

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

PMC	Bank	Account number	Bank Balance Current FY	Bank Balance Comparative FY
Achuth Primary School	Equity-Oyugis	1500282398964	311,828	5,550
Adhiro Primary School	Kcb-Homabay	1330752635	55,105	1,200,000
Adita Primary School	Equity-Oyugis	1500286208961	86,150	1,800,000
Alara Primary School	Equity-Homabay	0980285974056	58,595	1,200,000
Alego Primary School	Equity-Oyugis	1500285966393	53,307	-
Anduu Primary School	Equity-Oyugis	1500286015363	119,876	2,400,000
Ang'onga Primary School	Equity-Homabay	0980284608353	1,585	1,585
Apuko Sda Primary School	Equity-Oyugis	1500285966334	197,570	1,200,000
Ayub Okoko Primary School	Equity-Homabay	0980280230320	174,583	2,436,333
Borgia Primary School	Equity-Homabay	0980269053484	492,645	1,187,891
Bware Primary School	Equity-Homabay	0980277442999	616,114	600,640
Daraja Primary School	Equity-Oyugis	1500284587111	575,483	3,175
Gendia Primary School	Kcb-Homabay	1173072683	108,185	600,000
Gogo Primary School	Kcb-Homabay	1330750519	59,203	1,200,000
Got Okii Primary School	Equity-Homabay	0980285974020	104,849	550
Homa Hills Primary School	Equity-Homabay	0980285973870	197,570	-
Jonyo Primary School	Kcb-Homabay	1330749715	59,250	1,200,000
Kamolo Primary School	Dtb-Oyugis	0264294001	63,795	1,200,000

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

PMC	Bank	Account number	Bank Balance Current FY	Bank Balance Comparative FY
Kandiege Primary School	Equity-Homabay	0980285973939	69,054	1,200,000
Kanjira Primary School	Equity-Homabay	0980285973967	66,745	1,200,000
Kanyadhiang Primary School	Equity-Homabay	0980280765140	41,656	1,200,959
Kawiti Primary School	Equity-Homabay	0980285973930	61,672	1,200,000
Kendu Muslim Primary School	Equity-Oyugis	1500282410405	56,851	700
Kibaga Primary School	Equity-Oyugis	1500204504401	159,360	159,360
Kital Primary School	Equity-Oyugis	1500262447362	2,768	2,768
Kobila Primary School	Dtb-Oyugis	0263854001	654,603	1,200,000
Koboo Primary School	Equity-Homabay	0980277655604	6,786	6,786
Kobuya Primary School	Equity-Oyugis	1500282413256	486,661	2,402,700
Kodhoch Primary School	Equity-Homabay	0980285973953	61,672	1,200,000
Kogweno Primary School	Equity-Oyugis	1500282399299	116,451	627,860
Koliech Primary School	Kcb-Homabay	1330752465	52,255	1,200,000
Kotonje Primary School	Equity-Homabay	0980285978027	160,689	1,200,000
Liera Primary School	Equity-Homabay	0980285973890	21,528	600,000
Lieta Primary School	Equity-Oyugis	1500282416904	1,100	905,500
Maguti Primary School	Equity-Oyugis	1500282397630	107,633	1,810,339
Makaka Primary School	Equity-Homabay	0980286060211	208,947	13,736
Mango Primary School	Equity-Oyugis	1500285966277	647,945	-

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

PMC	Bank	Account number	Bank Balance Current FY	Bank Balance Comparative FY
Mawego Mixed Primary School	Kcb-Kendubay	1336236353	10,425	10,425
Migeni Primary School	Kcb-Homabay	1330752058	57,778	1,200,000
Migingi Primary School	Dtb-Oyugis	0264271001	63,104	800,000
Migunde Primary School	Equity-Homabay	0980284626214	6,800	6,800
Mirembe Primary School	Equity-Oyugis	1500264594050	6,750	6,750
Miyuga Primary School	Kcb-Homabay	1310962553	17,753	17,753
Ngeta Primary School	Dtb-Oyugis	0272947002	554,140	1,200,000
Ngoche Primary School	Equity-Oyugis	1500282441848	458,496	2,402,700
Nyabige Primary School	Equity-Homabay	0980284585555	219,487	219,487
Nyakech Primary School	Equity-Oyugis	1500277592606	324,990	1,800,000
Nyamwala Primary School	Equity-Homabay	0980285974032	59,250	1,200,000
Nyandusi Primary School	Equity-Oyugis	1500285966303	197,570	1,200,000
Nyangajo Primary School	Equity-Oyugis	1500285966245	55,450	1,200,000
Nyangao Primary School	Equity-Homabay	0980285974048	78,839	1,200,000
Nyanja Rateng Primary School	Equity-Homabay	0980284609341	122,110	122,110
Nyaola Primary School	Equity-Homabay	0980284586049	11,532	11,532
Nyasanja Primary School	Equity-Homabay	0980285973981	93,256	1,800,000
Nyatir Primary School	Equity-Homabay	0980284603600	3,597	3,597
Obangla Primary School	Equity-Homabay	0980284609423	14,199	14,199

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

PMC	Bank	Account number	Bank Balance Current FY	Bank Balance Comparative FY
Obilo Primary School	Equity-Homabay	0980284626173	52,045	52,045
Ochuoga Primary School	Kcb-Homabay	1337499838	50,192	600,000
Oindo Primary School	Kcb-Homabay	1330745973	79,020	1,200,000
Omboga Primary School	Dtb-Oyugis	0255604002	112,373	1,200,000
Omindu Primary School	Kcb-Homabay	0980284585691	2,518	2,518
Onyando Primary School	Equity-Homabay	0980285973908	56,666	1,200,000
Oriang Manyuanda Primary School	Equity-Oyugis	1500282438203	75,310	1,202,000
Orire Primary School	Equity-Homabay	0980285973841	56,804	1,200,000
Oriwo Primary School	Kcb-Homabay	1330752295	217,282	1,200,000
Osodo Primary School	Equity-Oyugis	1500284240175	4,479	4,479
Otok Primary School	Kcb-Homabay	1147132321	10,825	10,825
Oyombe Primary School	Dtb-Oyugis	0255714001	601,934	-
Rongo Nyagowa Primary School	Kcb-Homabay	1311108394	18,498	18,498
Samanga Primary School	Equity-Homabay	0980285973882	63,795	1,200,000
Samba Primary School	Dtb-Oyugis	1500282416300	177,000	1,806,000
Simbi Primary School	Dtb-Oyugis	0264411001	141,658	1,200,000
Soko Kagwa Primary School	Equity-Oyugis	1500264612490	89,784	89,784
Soko Kogira Primary School	Equity-Homabay	0980284626277	10,404	10,404
Sombro Primary School	Kcb-Homabay	1330751590	295,417	1,200,000

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

PMC	Bank	Account number	Bank Balance Current FY	Bank Balance Comparative FY
St. Douglas Weta Primary School	Equity-Oyugis	1500285974639	1,397,570	1,200,000
St. Mary Goretti Mawego Primary School	Dtb-Oyugis	0264860002	572,308	-
Wagwe Primary School	Kcb-Homabay	1330751191	74,526	1,200,000
Wikondiek Primary School	Dtb-Oyugis	0264324001	58,967	1,200,000
Yala Primary School	Dtb-Oyugis	0264277001	103,250	1,800,000
Wangadonji Primary School	Equity-Oyugis	1500285973638	2,050,000	2,050,000
Karabondi Primary School	Kcb-Kendubay	1340689421	312,816	-
Kajiei Primary School	Kcb-Kendubay	1340830167	200,000	-
Kowour Primary School	Kcb-Kendubay	1336256825	200,000	-
Otaro Primary School	Kcb-Kendubay	1340829364	200,000	-
Osodo Primary School	Equity-Oyugis	1336255978	200,000	-
Jonyo Primary School	Kcb-Homabay	1330749715	200,000	-
Onero Nam Primary School	Kcb-Kendubay	1336254831	3,500,000	-
Nyangajo Primary School	Kcb-Kendubay	1340830159	1,350,000	-
Loo Rateng Primary School	Kcb-Kendubay	1336256621	1,350,000	-
Pier Got Primary School	Kcb-Kendubay	1340829061	3,500,000	-
Sanda Primary School	Kcb-Kendubay	1336255978	1,350,000	-
Adhiro Primary School	Kcb-Kendubay	1336256273	1,350,000	-
Bala Primary School	Kcb-Kendubay	1336257075	2,800,000	-

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

PMC	Bank	Account number	Bank Balance Current FY	Bank Balance Comparative FY
Nyakech Primary School	Kcb-Kendubay	1336256257	1,350,000	-
Wagwe Primary School	Kcb-Kendubay	1340829134	2,100,000	-
Akwakra Primary School	Kcb-Kendubay	1336254572	1,350,000	-
Ngura Primary School	Kcb-Kendubay	1340829584	1,350,000	-
Raongo Primary School	Kcb-Kendubay	1336255919	1,350,000	-
Mariwa Primary School	Kcb-Kendubay	1336257156	1,350,000	-
Nyaburi Primary School	Kcb-Kendubay	1340829045	2,100,000	-
Rarua Primary School	Kcb-Kendubay	1336256737	1,350,000	-
Osika Primary School	Kcb-Kendubay	1336254947	1,350,000	-
Obilo Primary School	Kcb-Kendubay	1336256214	1,350,000	-
George Agola Owuor Secondary School	Dtb-Oyugis	0259336001	56,742	-
Kamser Secondary School	Equity-Homabay	1500286015740	56,390	-
Kanyamfwa Mixed Seconadry School	Kcb-Homabay	1319412416	1,407	1,407
Kowuor Mixed Secondary School	Equity-Oyugis	1500282063428	378,109	878,109
Ngeta Secondary School	Kcb-Homabay	1265090513	219,029	19,029
Ongang Secondary School	Equity-Oyugis	1500282404112	132,000	-
Otok Secondary School	Dtb-Oyugis	0261907002	1,200,000	-
Paul Mboya High School	Equity-Oyugis	1500284629319	852,329	52,329
Siburi Mixed Seconadry School	Equity-Homabay	0980284626327	297,213	3,256

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

PMC	Bank	Account number	Bank Balance Current FY	Bank Balance Comparative FY
Simbi Mixed Secondary School	Equity-Homabay	0980280229592	604,873	604,873
Karabondi Bidii Secondary School	Kcb-Kendubay	1340828928	7,800,000	-
Critical Infrastructure Protection Unit	Equity-Oyugis	1500285966370	1,200,000	-
Kanyaluo Divisional Headquarters	Kcb-Homabay	1319413641	395,380	1,588
Kendubay Law Courts	Kcb-Homabay	1319413927	254,606	6,434
Kobala Chiefs Office	Kcb-Kendubay	1339241781	1,750,000	-
Kogweno Oriang Chiefs Office	Kcb-Kendubay	1339264595	71,311	-
Nps Rachuonyo North Subcounty	Kcb-Homabay	1320472761	8,359	8,359
Rachuonyo North Sub County Headquarters-Dcc	Equity-Oyugis	1500264633624	9,308	9,308
Rachuonyo North Sub Prison	Equity-Oyugis	1500264590914	5,311	1,505,311
Rachuonyo North Subcounty	Kcb-Homabay	1319412777	134,609	134,609
Got Oyarro Police Post	Kcb-Kendubay	1342378458	1,200,000	-
Kanam B Chiefs Office	Kcb-Kendubay	1340829614	700,000	-
Kadel Police Post	Kcb-Kendubay	1340829967	1,500,000	-
Kanyadhiang Village	Equity-Oyugis	1500285593401	55,000	-
Maguti Primary School	Equity-Oyugis	1500282397630	332,633	197,431
Mawego Primary School	Kcb-Kendubay	1336236353	104,321	-
St. Benards Otarro High School	Kcb-Kendubay	1336236781	200,000	-
Achuth Primary School	Equity-Oyugis	1500282398964	950,000	-

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

PMC	Bank	Account number	Bank Balance Current FY	Bank Balance Comparative FY
Total			67,029,959	71,050,383

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)
Qualified opinion	Basis for qualified	All stale cheques have been reversed in the cash book	Resolved	December 2025.
1.	<p>Bursary fund (a) Variances in the bursary disbursement balances; the statement of receipts and payments reflects other grants and other transfer of Kshs.83,152,487 which includes bursaries disbursed to secondary schools totaling to Kshs.32,378,500 as disclosed in Note 8 to financial statement. However, the summation of the payment vouchers provided as disbursements during the year amounted to Kshs.33,277,000 resulting to unreconciled variance of Kshs.898,500</p>	The lists of beneficiaries, acknowledgement letter and receipts have been provided for audit verification.	Not Resolved	30/09/2025

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

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)
2.	<p>(b)Unsupported bursary disbursements Examination of sample of bursary disbursement records to secondary schools which included cash book, payment schedule, and cheque books revealed an amount of Kshs. 1,400,000, through cheques number 14005 and 14006 for 700,000 each was disbursed to Zenyth High School. However, the payments were not supported by the list of beneficiaries, acknowledgement letters and receipts from the institution.</p>	<p>The lists of beneficiaries, acknowledgement letter and receipts have been provided for audit verification.</p>	Not Resolved	30/09/2025
3.	<p>(c)Unsupported emergency The statements and receipts reflects other grants and other transfers of Kshs.83,152,487 as disclosed in Note 8 to financial statements which includes emergency projects of Kshs.21,337,713. Review of sampled payment vouches revealed that management spent money on full board staff training and conference and supply of exams to the schools. However, two payments totaling Kshs.1, 360,000 were made to NG-CDF members full board training and conference facility for two weeks.</p>	<p>The National Government Constituency Development Fund Board was duly notified on the utilization of emergency reserves. All the correspondences to the Board have been availed for audit verification.</p>	Not Resolved	30/09/2025

National Government Constituencies Development Fund (NGCDF)
 Karachuonyo Constituency

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>The expenditure was not supported with requisite documentation such as invitation letter, attendance register, venue and nature of training not disclosed. Further, two payments totaling to 1Kshs.1, 614,505 were made to a supplier for supply and delivery of mocks and CAT in various primary schools. The expenditure was not supported with requisite documentation such as list of beneficiaries and acknowledgement receipts from the recipient institutions. In the circumstances, the priority and validity of emergency expenditure of Kshs.21, 337,713 could not be confirmed.</p>			
4.	<p>(d) Unsupported committee The statements of receipts and payments reflects committee expenses balance of Kshs.17, 897, 300 as disclosed in Note 8 to the financial statement. Included in thus balance is an amount totaling Kshs.1, 305,000 that was spent spent on monitoring and evaluation. However, the journey were</p>	<p>Over expenditure occurred due to roll over of funds from previous year balances and late disbursement of funds from the Board. A.I.Es, cashbook extract and other</p>	Not Resolved	30/09/2025

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

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)
	never supported by the work tickets/ bus tickets for the journeys, neither were the projects visited disclosed. Further, payments totaling Kshs.1, 035,000 were not in ledger and other payments totaling Kshs.2, 697,000 were not supported by payment vouchers. In addition, management spent Kshs.17, 897,300 on committee expenses against a budget of Kshs.2, 248,000 hence an assumption of 773%. No explanation was provided for this over expenditure.	supporting documents have been provided for audit verification.		
Emphasis of matter				
5.	(b) Budget Control and Performance The summary statement of appropriation reflects totaling budgets receipts of Kshs.315,838,633 and actual receipts of Kshs.249,038,453 resulting in an underfunding of Kshs.66,800,180 or 21% of the budget. Similarly, the statement reflects final expenditure budget and actual on comparable basis of Kshs.315, 838,633 and Kshs.248, 430,232 respectively resulting in an under-expenditure of Kshs.64, 725,934	The funds that were used over and above the budget were balances brought forward hence there were no over expenditure on bursary, committee expenses and other projects in the financial year 2023-2024.	Not Resolved	30/09/2025

*National Government Constituencies Development Fund (NGCDF)
Karachuonyo Constituency*

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

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)
	or 21% of the budget. The underfunding and under-expenditure affected the planned activities and may have impacted negatively on service delivery to the Karachuonyo Constituency.	There were no water projects implemented during the year due to delay in receipt of funds hence the projects were implemented in the subsequent years.		
Basic for conclusion	<p>a) Lack of bursary sub committee</p> <p>The statement of receipts and payments reflects other grants and other transfers of Kshs.83, 152,487 which includes bursaries disbursed to secondary schools totaling Kshs. 32, 378,500 as disclosed in Note 8 to the financial statements. However, management had not established bursary subcommittee to manage</p>	<p>Karachuonyo NG-CDF has an established Bursary Sub-Committee. All the documents related to formation, composition and the Bursary Sub-Committee proceedings have</p>	Not Resolved	30/09/2025
6.				

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

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)
	bursary scheme. This is contrary to NGCDF Board circular reference number Vol1/111 of 13 th September, 20210, to fund managers which requires Fund to establish a subcommittee of the constituency development fund committee to manage the bursary scheme, including co-opted members one who must be the area education officer seconded from the ministry. In the circumstance, management was in breach of the law,	been availed for audit verification.		
	<p>b) Failure to Report on Utilization of Emergency Reserves</p> <p>The statement of receipts and payments reflects other grants and other transfer of Kshs.83, 152,487</p>	All the documents requested have been provided for audit verification.	Not Resolved	30/09/2025

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

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>which includes Kshs.21,337,713 spent on emergency projects as disclosed in the Note 8 to financial statement. However, no evidence was provided of reporting on utilization of emergency reserve to the Board within 30 days of the occurrence of the emergency in the format prescribed by the Board. This is contrary to Regulation 20(2) of NGCDF Regulations of 2016 which requires that the utilization of the emergency reserve be reported to the Board within 30 days of the occurrence of the emergency, in the format prescribed by the board. In the circumstances, management</p>			

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

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)
	was in breach of the law.			
7.	<p>c) Over expenditure – Use of Goods and services</p> <p>The statement of receipts and payments reflects use of goods and services balance of Kshs.19, 410,468 and as disclosed in Note 6 to the financial statements. However, the expenditure on the use of goods and services increased by Kshs.13,740,228 from the previous year’s expenditure of Kshs.5,670,240 to Kshs.19,410,228 an increase of 224%. No justifiable explanation was provided for this sharp rise in expenditure. Further, management spent Kshs.19, 410,468</p>		Not Resolved	30/09/2025

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

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)
	against a budget of Kshs.6, 751,253 for the item. In the circumstances, priority of the expenditure of Kshs. 19, 410,468 under use of goods and services could not be ascertained.			



03 2025

Naphtally Mulesi Ochuma
 Fund Account Manager.