

REPUBLIC OF KENYA



REPORT




OF

THE AUDITOR-GENERAL

ON

**NATIONAL GOVERNMENT CONSTITUENCIES
DEVELOPMENT FUND – NANDI HILLS
CONSTITUENCY**

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

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 18 FEB 2025	DAY: WED
TABLED BY:	MAJORITY LEADER WHP STAN SWANEY OGB
CLERK-AT THE-TABLE:	OBIEDU



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

NANDI HILLS CONSTITUENCY

ANNUAL REPORT AND FINANCIAL STATEMENTS

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

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

Table of Contents	Page
1. Acronyms and Definition of Key Terms	ii
2. Key Constituency Information and Management.....	iii
3. NGCDF Committee	vii
4. NG-CDFC Chairman’s Report	x
5. Statement Of Performance Against Predetermined Objectives for FY2024/25	xii
1. Governance Statement	xiv
7. Management Discussion and Analysis	xx
8. Environmental and Sustainability Reporting	xxiii
9. Statement of Management Responsibilities.....	xxvii
10. Report Of the Independent Auditor on the NGCDF- Nandi Hills Constituency	xxix
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	21
18. Annexes.....	58

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
NCSA	National Sub-County Accountant
PFM	Public Finance Management
PMCs	Project Management Committees
PWD	Persons with Disability
FY	Financial Year

B. Definition of Key Terms

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

Comparative Year- Means the prior period.

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

2. Key Constituency Information and Management

(a) Background information

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

Mandate

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

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

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

Vision

Equitable Socio-economic development countrywide.

Mission

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

Core Values

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

Functions of NG-CDF Committee

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

(b) Key Management

The NGCDF Nandi Hills 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	Milcah Sugut
2.	National Sub-County Accountant	Joseph Rotich
3.	Chairman NGCDFC	Josphat Sang
4.	Member NGCDFC	Arnoda Taboi

DEPOSIT ACCOUNT SIGNATORIES

No.	Designation	Name
1.	AIE holder	Milcah Sugut
2.	National Sub-County Accountant	Joseph Rotich
3.	Member NGCDFC	Arnoda Taboi

(c) Fiduciary Oversight Arrangements

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

(d) NGCDF Nandi Hills Constituency Headquarters

P.O. Box 181
Nandi Hills DCC Office Compound
Nandi Hills, KENYA.

(e) NGCDF Nandi Hills Constituency Contacts

Telephone: (254) 740 364 329
E-mail: cdfnandihills@ngcdf.go.ke
Website: www.ngcdf.go.ke

(f) NGCDF Nandi Hills Constituency Bankers

1. Bank A. Operations account
Equity Bank Kenya
Nandi hills Branch
P.O. Box 200-30301
Nandi Hills

1. Bank B. (Deposit account).
Equity Bank Kenya
Nandi hills Branch
P.O. Box 200-30301
Nandi Hills

2. Bank C. (PMC Accounts)
Equity Bank Kenya
Nandi hills Branch
P.O. Box 200-30301
Nandi Hills





(g) Independent Auditor

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



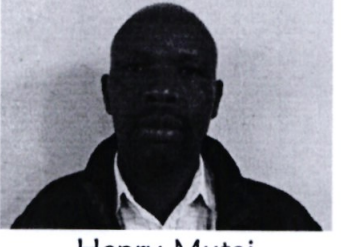


(h) Principal Legal Adviser

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


3. NGCDF Committee

Name	Details
 <p>Josphat K. Sang Chairman-Male youth representative</p>	<p>Date of Birth: 1993 Key Academic Qualification: KCSE Professional Qualification: N/A Work Experience: PTA Chairperson St Elizabeth Chepkunyuk-2020-2024</p>
 <p>Arnoda Taboi Secretary-Female Adult representative</p>	<p>Date of Birth: 1988 Key Academic Qualification: KCSE Professional Qualification: N/A Work Experience: N/A</p>
 <p>Anjela Jepkosgei Member-Female Adult representative</p>	<p>Date of Birth: 1986 Key Academic Qualification: KCSE Professional Qualification: N/A Work Experience: N/A</p>
 <p>Ridah Jepchirchir Member-Female Youth representative</p>	<p>Date of Birth: 1992 Key Academic Qualification: Diploma in Human Resource Professional Qualification: N/A Work Experience: Clerk Kolenge Sacco-Nandi Hills</p>

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

	<p>Date of Birth: 1986 Key Academic Qualification: KCSE Professional Qualification: N/A Work Experience:2018-2024 Office Administrator Cheruiyot Melly And Associates Advocates Law Firm,</p>
<p>Hosea Boit Member-Male Adult representative</p>	
	<p>Date of Birth: 1986 Key Academic Qualification: KCSE Professional Qualification: N/A Work Experience: N/A</p>
<p>Daniel K. Rutto Member-Male Adult representative</p>	
	<p>Date of Birth: 1970 Key Academic Qualification: KCSE Professional Qualification: N/A Work Experience: N/A</p>
<p>Henry Mutai Member-Representing PWD's</p>	
	<p>Date of Birth: 1994 Key Academic Qualification: KCSE Professional Qualification: N/A Work Experience: N/A</p>
<p>Joel Kibet Barno Co-opted Member</p>	
	<p>Date of Birth: 25/4/1987 Key academic qualifications: Bachelor of commerce (Finance) Work experience: Business executive -Nation Media Group Fund Account Manager at NG-CDF since 2013</p>
<p>Milcah Sugut</p>	

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

Fund Account Manager	
 <p data-bbox="197 725 448 797">NGALIA NDAYA DCC</p>	<p data-bbox="571 271 911 304">Date of Birth:17/11/1976</p> <p data-bbox="571 309 1533 344">Key academic qualifications: Masters in Nation Security and Strategy</p> <p data-bbox="571 347 1315 383">Work experience: Sub County Deputy Commissioner</p>

EX- NG CDFC members

NAME	DESIGNATION	PERIOD	TERM
FELIX K. TANUI	CHAIRMAN	02/12/2022-30/05/2025	2 YEARS
SHEILA MWEI	SECRETARY	02/12/2022-30/05/2025	2 YEARS
HELLEN ROTICH	MEMBER	02/12/2022-30/05/2025	2 YEARS
EDNAH JERUBET	MEMBER	02/12/2022-30/05/2025	2 YEARS
CLEOPHAS ROP	MEMBER	02/12/2022-30/05/2025	2 YEARS
COSMAS KIPKOSGEI	MEMBER	02/12/2022-30/05/2025	2 YEARS
SOLOMON TOROREI	MEMBER	02/12/2022-30/05/2025	2 YEARS

4. NG-CDFC Chairman's Report

Introduction



On behalf of Nandi Hills NG-CDF Committee and staff, I am profoundly glad to present the FY 2024/2025 annual report and financial statements for the Nandi Hills National Government Constituencies Development Fund. During the FY 2024-2025, the Nandi Hills NG-CDF committee continued to discharge its core mandate in prudent, transparent and accountable management of the fund. In so doing, the committee considered project proposals from the residents of Nandi Hills constituency and ensured that all approved projects meet the requirements of Sec 24 of the Act. To ensure effective management of the fund, the committee also ensured timely disbursements of funds to projects in addition to undertaking capacity building of all the Project Management Committees (PMCs) in the constituency. During the period as well, there was close monitoring and evaluation of the funded projects to ensure delivery of planned project activities which achieving value for money.

I wish to reiterate that the Nandi Hills NG-CDF Committee registered exemplary performance in the year under review as demonstrated by successful implementation of projects, programmes and activities in the sectors of education, security, sports and environment which will fall within the mandate of the Fund established by the NG CDF ACT 2015(As amended in 2016). In deed we can affirm that the Fund augmented the National Government's infrastructure development efforts in the education sector through construction, renovation and equipping of schools.

Funds Disbursement

I wish to report that during FY 2024-2025, we had a total budget of Kshs. 378,858,479 out of which Kshs. 170,469,857 was 24/25 budget, Kshs. 126,269,267.80 was opening balance and Kshs. 81,673,075 was previous years outstanding disbursement. A total of Kshs 185,154,972 was disbursed to the constituency during the financial year comprising of 62% of the total budget.

On the utilization of funds, a total of Kshs. 88,655,652 was utilized. This translated to a 23.42% of the total budget. The slow intake of the funds was highly attributed to a delay in the submission of the 2024/2025 project proposal, request for reallocation of funds and project outstanding issues.

Bursary Management

During the FY 2024/2025, the committee also allocated funds for bursary, mocks and CATs as provided for in the Act. A total of Kshs. 60,000,000 was allocated as bursary to needy students in the constituency during the year who were identified using the developed bursary award guidelines and criteria. The funding was allocated to bright but needy students from across the constituency as vetted during public participation forums. The disbursement of

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

bursary to identified needy student further helped in increasing transition, retention, completion and access to education in Nandi Hills Constituency. In the financial year 2024/2025 Nandi Hills NG-CDF budget performance against actual amounts for current year based on economic classification and programmes, was derailed by a delay in the approval of project proposal. Sampled projects implemented within the year.



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Joseph M. M. M. M.

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Name *Joseph M. M. M.*
Chairman NGCDF Committee

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

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

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

- a) Improve security.
- b) Improve education standards.
- c) Conserve environment.
- d) Nature talent through sporting activities.
- e) Increase youth, women and persons with disabilities participation in development objectives.
- f) Supplementing infrastructure development at the constituency level in matters falling within the functions of the national government in accordance with the constitution.

Progress on the attainment of Strategic development objectives

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

Sector	Objective	Outcome	Indicator	Performance
Education	To have all children of school going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	number of usable physical infrastructure build in primary, secondary, and tertiary institutions number of bursary’s beneficiaries at all levels	In FY 2024/2025 The committee allocated funds to approximately 30 classrooms and renovated of 25 classrooms. Bursary beneficiaries at all levels were approximately 12,000 across all levels of Education.
Security	To have a safe and secure environment for business, learning and where the residents go about their lives without	Improved security and more secure business environment	Security facilities	

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

	fearing for their lives and properties.			
Environment	To have as well conserved and conducive environment, this ensures a safe and habitable planet for the current and future generations.	Increased tree cover and sustainable waste management and disposal practices contributing to mitigation of negative effects of climate change.	Number of tree seedlings planted in public land. Sustainable management activities.	In FY 24/25 We increased number of trees planted where hundreds of tree seedlings were purchased and distributed and planted in various schools as per the attached code list.
Emergency	To be able to urgently address unforeseen occurrences in the constituency	Immediate restoration of daily activities at minimum disruption of daily life occasioned by unforeseen occurrences.	Numbers of usable physical infrastructure build and other emergency related activities addressed.	IN FY 2024-2025 We constructed approximately 15 pit latrines in various schools when the schools were facing immediate closure by the county department of health

6. Governance Statement

NG-CDF Nandi Hills Constituency operates in accordance to the law and regulations and ensure the process are adhered and enhance quality management.

A. Appointment process of committees.

There's established constituency committee who were appointed in line with NG-CDF Act Sect 43(1) (2) (3) and (4), The selection process began by constituting a selection panel who conducted the process in line with the Act and the Circular provided by the board.

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

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

The current NG-CDFC members were gazetted on 21st May 2025 and the first meeting was held on 14th June 2025.

The persons appointed are drawn from different groupings as follows:

- Male Youth – Josphat Sang – Chairman
- Male Adult – Hosea Boit – Member
- Female Adult – Arnoda Taboi – secretary
- Female Youth – Ridah Chepchirchir – member
- PWD Rep – Henry Mutai – Member
- Male Adult-Daniel Rutto-Member
- Co-opted member -Joel Barno - Member
- Deputy County Commissioner (National government Rep) – member

B. NG-CDFC Tenure

The current NG-CDFC tenure is two years from the date of gazettelement.

The process begun by inviting for applications from members of the public who meet the qualifications required;

These include the vetting of the names submitted by the Constituency Office Manager and the Persons with Disability forwarded by a registered group.

Once the selection process is complete the selection panel is required to submit the names to the board for approval and gazettelement

The 8 committee members were gazetted in 21st May 2025 and the handing over process was done on 14th June 2025

C. Mandate and functions of NG-CDFC at the Constituency level

- (a) Build the capacity of project management committees and sensitize the community on the operations of the Fund:
- (b) Consider all project proposals from all wards in the Constituency and any other projects which a Constituency Committee considers beneficial to the Constituency:
- (c) Ensure that all proposed projects that are approved for funding meet the requirements of section 24 of the Act:
- (d) Rank projects proposals in order of priority while ensuring that on-going projects take precedence:
- (e) Ensure that all projects receive adequate funding and are completed within three years:
- (f) Where a project involves purchase of a parcel of land or a building, ensure that the ownership thereof is duly verified and ownership documents authenticated with relevant government agencies:

- (g) Ensure that projects proposed for funding fulfill the requirements provided in the Act and relevant circulars issued by the Board:
 - (h) Monitor the implementation of projects in accordance with the monitoring and evaluation framework prescribed by the Board:
 - (i) Ensure that project reports are prepared and submitted to the Board:
 - (j) Ensure formation of project management committees, opening of project accounts, project implementation and closure of projects:
 - (k) Ensure that the principles of public finance as provided for under Chapter Twelve of the Constitution and the Public Finance Management legislation are observed in the management of the Fund:
- (l) Submit financial statements to the Board within sixty days of the end of the financial year to enable the Board comply with section 39(4) of the Act:
- (m) Collaborate with the officer of the Board seconded to the Constituency in the management of the Fund, including the keeping of proper records and maintenance of books of account in accordance with section 38(b) of the Act:
 - (n) Recommend to the Board the removal of a committee member in accordance with section 43(13) and (14) of the Act:
 - (o) Enter into performance contracting with the Board on an annual basis:
 - (p) Receive returns from project management committees in accordance with regulation 15
 - (q) Maintain a database of project management committees and reports from the respective committees.

D. Removal of a member

As per the act 43 (13) a member may be removed on any of the following grounds;

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

Where the removal in the constituency

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

During the financial year a training was done on May 2025 at Eldoret. that included all NG-CDFCs from North Rift Region. During the training and induction, the following major areas were covered:

- (a) NG-CDF Act 2015 and Regulations 2016
- (b) PFMA 2012
- (c) PPADA of 2015
- (d) Code of conduct

E. Number of meetings:

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

In NG-CDF Nandi Hills constituency, the NG-CDF Committee conducted 12 meetings and 6 sub-committee meetings.

	Name of Committee member	Meetings held																	
		28/08/24	16/09/24	27/09/24	12/10/24	28/10/25	03/11/25	8/11/23	9/1/25	6/1/25	15/12/24	3/1/25	3/02/25	9/2/25	23/2/25	12/3/25	13/3/25	21/3/25	1/6/25
1.	Felix Tanui (chairperson)	√	√			√			√	√	√	√	√	√	√		√		√
2.	Sheilah Mwey (Secretary)	√	√	√	√	√	√	√	√	√	√	√	√	√	√		√		√
	DCC	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√
3.	Cosmas Kipleting	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√
4.	Hellen Jepkoech	√	√			√			√	√	√	√	√	√			√		√
5.	Cleophas Rop	√	√			√			√	√	√	√	√	√	√	√	√	√	√

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

6.	Ednah Cherubet	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√
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F. Remuneration rates

NG-CDFC are remunerated as per the existing regulations Kshs. 7,000 for Chairperson and Kshs. 5,000 for members during NG-CDFC Meeting.

G. Disclose the policy on conflict of interest

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

H. Succession plan

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

I. Ethics and code of conduct.

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

Operations of the committee

In line with the committee's mandate, decision making process is done in a procedurally manner which involves consultation, analysis and recommendations.

All the decisions are implemented through a minuted resolution arising from meetings held by the committee. The committee organizes its meetings once in every month and subcommittee meetings on need basis.

To ensure fairness, openness and transparency each member is given an equal opportunity to fully participate in the meetings and each member is required to disclose conflict of interest by filling in the disclosure form.

Risk Management

Risk is an integral component of the organizational process hence there was need for the constituency to rank the risks, analyze and suggest improvement actions. In view of this the constituency top risks were identified and analyzed.

The NGCDFC with the aim of mitigating risks developed mitigation strategies through identifying improvement actions and implementing them with follow up. The committee has

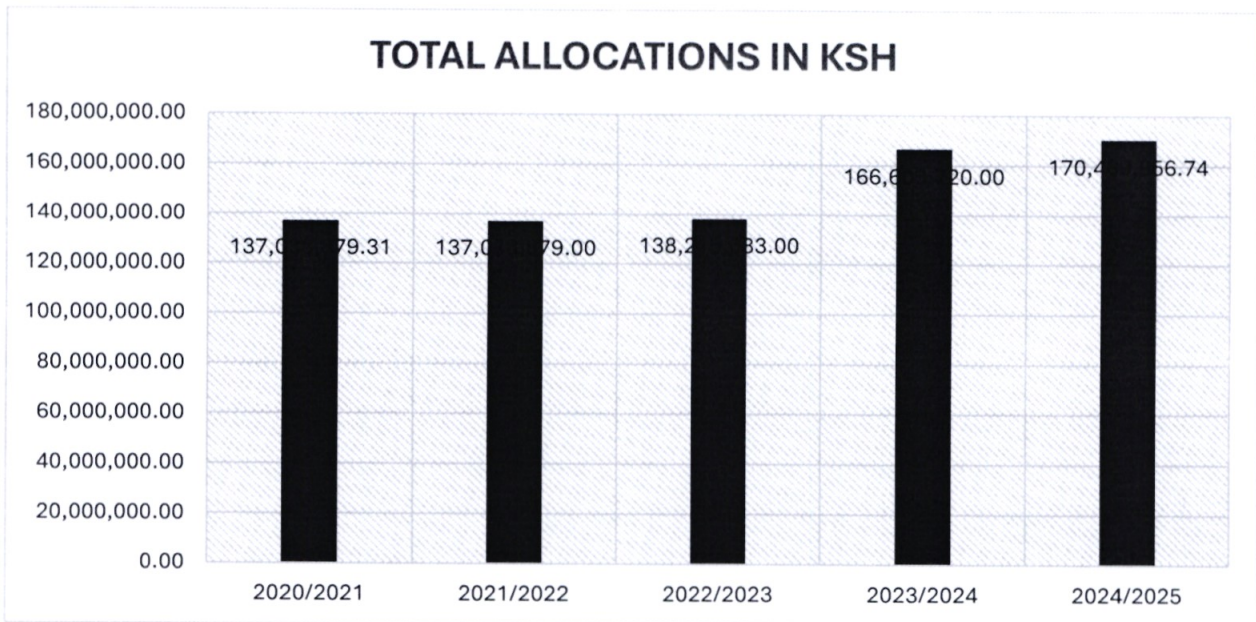
been able to curd financial risks associated with authorized payment by the PMC through introducing the Fund Account Manager as a mandatory signatory to all accounts.to ensure there's transparency and fairness in distribution of resources, the committee has encourage community participation in vetting of bursary beneficiaries

The current risks have been analyzed and the committees have come up with improvement actions which shall entail monitoring and evaluation to ensure the actions taken have reduced or eliminate the risks.

7. Management Discussion and Analysis

Over the past five years, the allocation of funds to Nandi Hills has increased yearly, the fund has positively created an impact in infrastructural improvement in schools and security sector. Allocation was based on statutory ceiling and the priorities identified through public participation.

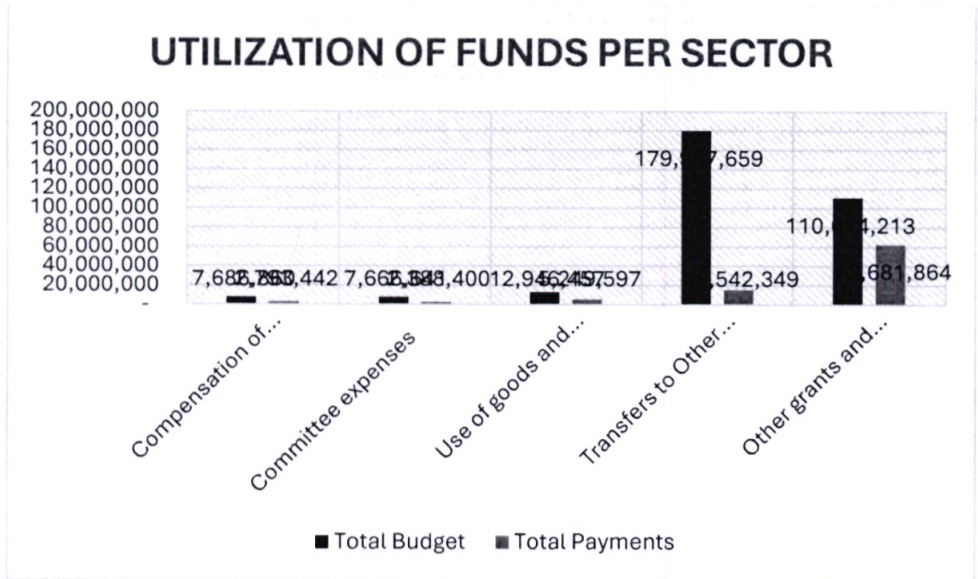
a) Analysis of allocation of funds for a period of 5 years.



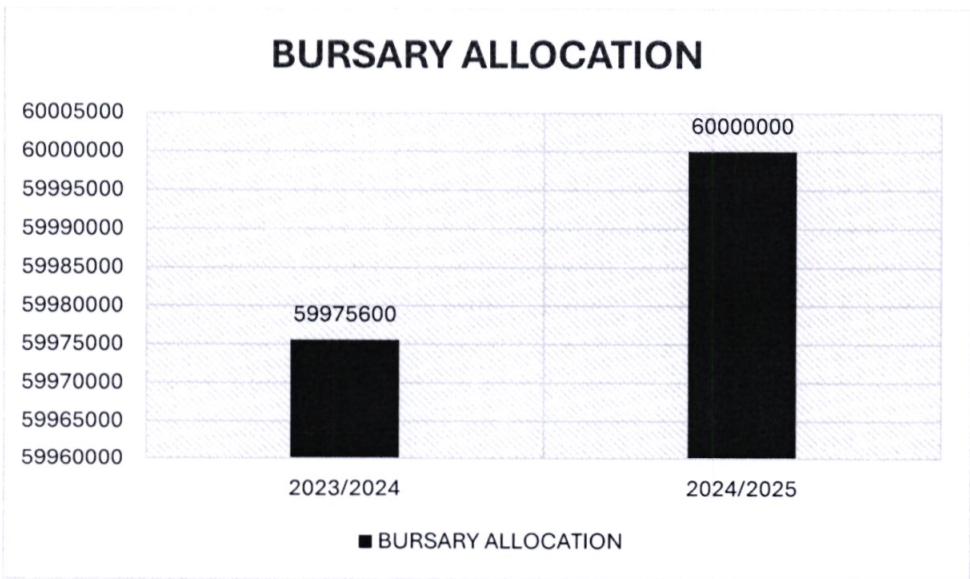
7.1 Key Achievements

- Construction of key infrastructure in schools which include; laboratories, classrooms, libraries, dormitories and dining halls
- Improved education and infrastructure in primary and secondary schools through renovation
- Increased allocation to bursaries enabling transition of needy students to tertiary institutions

b) Sectoral Analysis on performance



c) Bursary allocation for the 2 years.



7.2 Emerging Issues

- **Technological advancement-** Nandi Hills NG-CDF needs to adapt to emerging technologies to enhance efficiency and effectiveness while addressing potential risks and challenges associated with digital transformation.
- **Climate change and environmental sustainability-** the constituency faced the impacts of climate change. There is need to incorporate measures for climate resilience, renewable energy adoption, sustainable infrastructure development,

and mitigation of environmental risks to ensure the long-term well-being of the community

- **Roll out of the E-GP System:** The roll out of the E-GP system requires more resources and time to build capacity of the procurement officers, suppliers and contractors.

7.3 Lessons Learnt

Lessons learnt encompasses some positive or negative externalities in the implementation process. The key lessons learnt include:

Risk management is essential - Proactive risk management can prevent issues from becoming major problems. Climate change mitigation should be prioritized to avoid unrepresented effects. Identify potential risks early, monitor them continuously, and have mitigation plans in place

Resource management is important - Efficient use of resources, including time, budget, and personnel, is vital. Monitor resource usage closely and make adjustments as needed to avoid overrun and burnout.



.....
**Name: Milcah Sugut
Fund Account Manager**

8. Environmental and Sustainability Reporting

To attain equitable socio-economic development NG-CDFC Nandi Hills has ensured that its resources are budgeted on projects that will transform livelihoods, by not only creating change but impact on the society. This has been done through budgetary processes that are community driven not only to achieve the desired output and outcomes but to bring long term societal changes.

1. Sustainability strategy and profile -

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

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

2. Environmental performance

During the financial year NG-CDFC Nandi Hills allocated funds to schools for the installation of solar panels.

In improving security sector NG-CDFC allocated funds to the construction of four chiefs' offices. During public participation for the disbursement of funds NG-CDFC briefed the participants on its mandate the need to conserve the environment and on the impact of alcohol and drug abuse.

3. Employee welfare

We invest in providing the best working environment for our employees, Nandi Hills 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. Nandi Hills 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-

Nandi Hills Constituency is committed to fair and ethical market practices.

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

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

NGCDF has put in efforts to ensure:

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

5. Community Engagements-

Nandi Hills 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

Nandi Hills Constituency deliberated on project proposals from all the wards in the constituency and considered the most beneficial to the constituents, considering the national development plans and policies and the constituency strategic development plan. The

identified list of priority projects, both immediate and long-term, was submitted to the NGCDF Board in accordance with the Act.

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

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

Public Awareness

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

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

.....

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

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

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

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

Approval of the financial statements

The NGCDF- Nandi Hills Constituency financial statements were approved and signed by the Accounting Officer on 16/11 2025.



.....
Name: JOSEPH MUGO
Chairman – NGCDF Committee



.....
Name: Mike Sugut
Fund Account Manager

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - NANDI HILLS CONSTITUENCY FOR 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 Constituencies Development Fund - Nandi Hills Constituency set out on pages 1 to 65, which comprise of the statement of financial position as at 30 June, 2025

Report of the Auditor-General on National Government Constituencies Development Fund - Nandi Hills Constituency for the year ended 30 June, 2025

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the transitional IPSAS financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund - Nandi Hills 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 and The National Treasury and Economic Planning Circular No.3 of 14 April, 2025.

Basis for Qualified Opinion

1. Unconfirmed Project Management Committee Bank Accounts

Annex 2 to the financial statements reflects Project Management Committee (PMC) accounts balance of Kshs.52,387,901 in the bank accounts that had not been utilized for the financial year under review. However, certificates of bank balance and Board of Survey Reports supporting the bank balances were not provided for audit review. In addition, the closing balance for audited accounts for financial year 2023/2024 was reported as Kshs.18,203,130 and differs with the current opening balance of Kshs.19,306,431 in the financial statements resulting to an unexplained variance of Kshs.1,103,301.

In the circumstances, the presentation, accuracy and completeness of the Project Management Committee (PMC) accounts balance of Kshs.52,387,901 could not be confirmed.

2. Inaccuracies in the Statement Cashflows

The statement of cashflows reflects transfers from the National Government Constituency Development Fund (NGCDF) Board amount of Kshs.185,154,972 while the funds received as per records provided for audit totalled Kshs.186,896,960 resulting to unreconciled variance of Kshs.1,742,988.

In the circumstances, the presentation, accuracy and completeness of the statement of cashflows could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituencies Development Fund - Nandi Hills Constituency Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the

ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects a final revenue budget of Kshs.378,385,479 and actual revenue on a comparable basis of Kshs.311,397,520, resulting in an under-realization of Kshs.66,987,959, representing 18% of the budget. Similarly, the Fund incurred total recurrent expenditure of Kshs.88,655,652 against actual receipts of Kshs.311,397,520, resulting in an under-expenditure of Kshs.222,741,868 or 72% of the actual receipts..

The underfunding and under absorption may have negatively affected implementation of the planned programmes and thus adversely affecting service delivery to the public.

My opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the effect of the matters described in the Basis for Qualified Opinion section, 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 audit report of the previous year, several issues were raised under the Report on Financial Statements and the Report on Lawfulness and Effectiveness in Use of Public Resources. However, the issues have remained. Refer **Appendix I**.

Other Information

The Management is responsible for the Other Information set out on page iii to xxviii which comprise of Key Constituency Information and Management, NGCDF Committee, NGCDF Chairman's Report, Statement of Performance Against Predetermined Objectives Statement, Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Statement of Management Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Project Implementation Status

Review of project implementation revealed that the Fund Committee had planned to implement sixty-nine (69) projects with a total budget of Kshs.73,898,156 for the financial year 2023/2024. However, as at the time of audit in November, 2025, only twenty (20) projects valued at Kshs.20,050,000 had been completed, one (1) project valued at Kshs.1,100,000 was ongoing at various stages of completion, while forty-eight (48) projects valued at Kshs.52,748,156 had not been started. In addition, it was noted that the Fund had also planned to implement forty-six (46) projects during the financial year 2024/2025 at a budget of Kshs.56,098,156. By the end of that financial year, thirty-six (36) projects amounting to Kshs.44,948,156 had not been started, while only three (3) projects amounting to Kshs.3,500,000 were ongoing at various stages of completion.

The delayed and unimplemented projects indicate that programs and activities were not executed as planned, thereby failing to achieve the intended objectives of improving service delivery to the residents of Nandi Hills Constituency.

In the circumstances, there was no value for money for projects not implemented.

2. Delayed Funding

The statement of financial performance reflects transfers from the NGCDF Board amount of Kshs.170,469,857 as disclosed in Note 6 to the financial statements. Review of records revealed that the total AIE (Authority to Incur Expenditure) expected during the year amounted to Kshs.252,144,932, while funds received as at 30 June, 2025 totalled Kshs.186,897,960, representing a shortfall of Kshs.65,246,972 or 26% of the expected amount.

The delay in the disbursement of funds adversely affected the timely implementation of planned projects and activities, jeopardizing the Fund's ability to achieve its objectives within the financial year.

In the circumstances, this may cause delay in the implementation of the projects.

3. Failure to Adhere to Ethnicity and Regional Balance in Staffing

Review of the Fund's personnel records revealed that the Fund had a total of seven (7) employees all of whom were from the local dominant community. This was contrary to Section 7(1) and (2) of the National Cohesion and Integration Act, 2008 which states that all public establishments shall seek to represent the diversity of the people of Kenya in the employment of staff and that no public establishment shall have more than one third of staff from the same ethnic community.

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

4. Lack of Diversified Strategy and Plans

Review of the Fund's internal control environment revealed that the Fund Management had a strategic plan in place. However, Management had not developed diversity strategy and plans that are aligned with the Fund's strategic plan, contrary to the Diversity policy for the public service of May 2016.

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

5. Long Outstanding Taxes from NGCDF Operations

Review of NG-CDF Board letter dated 16 September, 2025 on feedback to the Decentralized Funds Accounts Committee of the National Assembly and Kenya Revenue Authority letter dated 17 June, 2025 on enforcement of outstanding taxes owed by National Government Constituency Development Funds revealed that NG-CDF Nandi Hills had tax arrears totalling Kshs.15,516 made up of outstanding PAYE of Kshs.1,980; withholding VAT Kshs.5,237 and withholding income tax of Kshs.8,299 contrary to Section 92 of the Income Tax Act (Cap 470) which stipulates that tax charged in any assessment shall be due and payable. Failure to remit these taxes can result in penalties, with unremitted taxes being recovered from the respective Constituency accounts.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the effects of the matter described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

Weaknesses in Governance

Review of the recently reconstituted Nandi Hills Constituency Development Fund Committee revealed governance weaknesses arising from limited qualifications and professional exposure among committee members. Although the current committee underwent an induction programme facilitated by the NGCDF Board upon assumption of office, most members possess only KCSE-level education and lack prior experience in critical areas such as public financial management, procurement, project oversight, or governance. This raises concerns about the committee's capacity to effectively execute its mandate, scrutinize project proposals, and ensure adherence to legal and regulatory frameworks.

Further, the performance appraisal forms provided for audit review had sections for approvals by authorized office (Fund Account Manager), comments and proposed mitigation actions by appraisee, Recommendation for rewards or sanctions by the Fund Committee including other interventions as necessary signed by Constituency Development Fund Committee as per the approved Staff Appraisal Performance Report Template/Guidelines for National Government Constituencies Development Fund revised in 2016 . However, these sections were left blank by respective parties implying the failure to adequately document appraisal outcome.

In the circumstances, the Fund would not benefit from oversight role of the committee. The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal controls, risk management and overall governance were operating effectively in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of the Management and Board of Directors

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

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

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

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the

activities, financial transactions and information reflected in the financial statements comply with the authorities which govern them and that public resources are applied in an effective way.

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


Auditor-General's Responsibilities for the Audit

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

02 December, 2025

Appendix I: Unresolved Prior Year Audit Matters

No	Issue
	Report on the Financial Statements
1	Unsupported Project Management Committee (PMC) Bank Balances
2	Unutilized Funds Deposit
	Report on Lawfulness and Effectiveness in the Use of Public Resources
3	Delayed Implementation of Projects
4	Breach of Procurement Laws and Regulations
5	Project Implementation Status

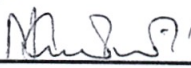
*National Government Constituencies Development Fund (NGCDF)
Nandi Hills Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025*


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	170,469,857
Grants/donations from other entities	7	-
Revenue from exchange transactions		
Finance income	8	-
Miscellaneous income	9	-
Total revenue		170,469,857
Expenses		
Employee costs	10	3,377,494
Committee expenses	11	2,388,400
Use of Goods and Services	12	5,249,597
Other Government Units Actual expenditure	13	15,542,349
Other Grants and Transfers Actual expenditure	14	62,681,864
Depreciation and amortization expense	15	-
Digital Hubs Actual expenditure	16	-
Total expenses		89,239,704
Other gains/(losses)		
Gain/Loss on Sale of Assets	17	-
Impairment loss	18	-
Surplus/(Deficit) for the year		81,230,153

The amount in the column of the statement of budget amounting to Ksh 88,655,652 is less by 584,052 which is the gratuity amount of staff held within the period in the deposit's accounts.

The Constituency financial statements were approved by the NGCDFC on 18/11/2025 and signed by:


Chairman NG-CDF
Committee
Name: Josphat K Sang


National Sub-County
Accountant
Name: Joseph Rotich
ICPAK M/No: 16799


Fund Account Manager
Name: Milcah J Sugut

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

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

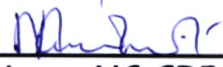
12. Statement Of Financial Position As At 30th June, 2025

	Note	Period as at June 2025	Opening Statement 1st July 2024
		Kshs	Kshs
Assets			
Current Assets			
Cash And Cash Equivalents	19	222,741,867.62	126,242,547.62
Receivables from Exchange Transactions	20	-	-
Receivables from Non-Exchange Transactions	21	66,987,959.70	81,673,075.00
Prepayments	22	-	-
Total Current Assets		289,729,827.32	207,915,622.62
Non-Current Assets			
Property, Plant and Equipment	23	-	-
Intangible Assets	24	-	-
Right-of-use assets	25	-	-
Total Non- Current Assets		-	-
Total Assets (A)		289,729,827.32	207,915,622.62
Liabilities			
Current Liabilities			
Trade and Other Payables	26	-	-
Third-Party Deposits	27	-	-
Lease Liabilities	28	-	-
Gratuity provision	29	632,723.00	48,671.00

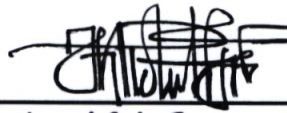
*National Government Constituencies Development Fund (NGCDF)
Nandi Hills Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025*

Total Current Liabilities		632,723.00	48,671.00
Non-Current Liabilities			
Lease Liabilities	28	-	-
Total Liabilities (B)		632,723.00	48,671.00
Net Assets (A-B)		289,097,104.32	207,866,951.62
Represented by:			
		289,097,104.50	207,866,951.80
Total Net Assets		289,097,104.50	207,866,951.80

The Constituency financial statements set out on pages 2 to 5 approved by NG-CDFC
15/11/2025 and signed by:



Chairman NG-CDF
Committee
Name: Josphat K Sang



National Sub-County
Accountant
Name: Joseph Rotich
ICPAK M/No: 16799



Fund Account Manager
Name: Milcah J Sugut

National Government Constituencies Development Fund (NGCDF)
Nandi Hills 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	Reserves	Accumulated surplus/Deficit	Total
	Kshs	Kshs	Kshs
As at 30th June 2024 (cash basis)	106,936,117		106,936,117
Adjustments: (to recognize assets and liabilities)		-	
Add Assets	100,979,506	-	100,979,506
Less Liabilities	48,671	-	48,671
As at July 1, 2024	207,866,952	-	207,866,952
		-	
Surplus/(Deficit) For the Period	81,230,153	-	81,230,153
Revaluation Gain/Loss	-	-	-
As at 30th June 2025	289,097,105	-	289,097,105

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)
Nandi Hills 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		185,154,972
Grants/donations from other entities		-
Finance income		-
Miscellaneous income		-
Total Receipts		185,154,972
Payments		
Employee costs		2,793,442
Committee expenses		2,388,400
Use of Goods and Services		5,249,597
Other Government Units Certified Works		15,542,349
Other Grants and Transfers		62,681,864
Digital Hubs Expenses		-
Total Payments		88,655,652
Net Cash Flows from/ (used in) Operating Activities	30	96,499,320
Cash flows From Investing Activities		
Purchase of PPE		-
Purchase of Intangible assets		-
Proceeds From Sale of PPE		-
Net Cash Flows from Investing Activities		-
Net increase/(decrease) in cash & Cash equivalents		96,499,320
Cash Flows from Financing Activities		
Lease payment		-
Net Cash Flows from Financing Activities		96,499,320
Cash and cash equivalents at Period Start	17	126,269,268
Cash and cash equivalents at Period End	17	222,768,588

NOTE The opening balance is summation of:

106,936,117(statement of changes in Net Assets as 30.6.2024) and ADD PMCS Opening Balance of ksh 19,306,431(Annex 2 PMC's balances as at 30.6.25024= 126,242,548.

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

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

	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization Difference	% of Utilization
	Kshs	Kshs		Kshs	Kshs	Kshs	
	a	b		C=(a+b)	d	e=(c-d)	f=d/c*100
	2024-2025	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements	2024-2025	2024-2025		
Revenue							
Transfers From the NGCDF Board	170,469,857	126,242,548	81,673,075	378,385,479	311,397,520	66,987,960	82%
Grants/donations from other entities	-	-	-	-	-	-	-
Finance income	-	-	-	-	-	-	-
Miscellaneous income	-	-	-	-	-	-	-
Totals	170,469,857	126,242,548	81,673,075	378,385,479	311,397,520	66,987,960	82%
Expenses							
Employee costs	3,366,479	2,760,319	1,560,062	7,686,860	2,793,442	4,893,418	36%

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

Committee expenses	4,262,620	2,746,858	657,163	7,666,641	2,388,400	5,278,241	31%
Use of Goods and Services	7,057,580	5,487,997	400,880	12,946,457	5,249,597	7,696,860	41%
Other Government Units Certified Works	78,111,080	65,599,684	36,246,895	179,957,659	15,542,349	164,415,310	9%
Other Grants and Transfers	77,672,098	16,902,115	16,100,000	110,674,213	62,681,864	47,992,349	57%
Acquisition of assets	-	358,275	-	358,275	-	358,275	0%
Other Payment	-	2,382,300	-	2,382,300	-	2,382,300	0%
Funds Pending Approval**	-	30,005,000	26,708,075	56,713,075	-	56,713,075	0%
Total Expenditure	170,469,857	126,242,548	81,673,075	378,385,480	88,655,652	289,729,828	23%
Surplus for the period							

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

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

Explanatory Notes

The underutilization of funds in the various sectors was attributed to the delays in submission of the proposals and subsequently delay in disbursements of funds from the board.

Employee costs included gratuity held yet to be paid.

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilization difference totals	289,729,828
Less undisbursed funds receivable from the Board as at period 30 June 2025	66,987,960
	222,741,868

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.
The Constituency financial statements were approved by NG CDFC on 15/11/2025 and signed by:



Fund Account Manager

Name: Milcah J Sugut



National Sub-County Accountant

Name: Joseph Rotich
ICPAK M/No:16799



Chairman NG-CDF Committee

Name: Josphat K Sang

National Government Constituencies Development Fund (NGCDF)
Nandi Hills 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	3,366,479	2,760,319	1,560,062	7,686,860	2,793,442	4,893,418
1.2 Committee allowances	2,262,620	432,658	447,163	3,142,441	1,336,500	1,805,941
1.3 Use of goods and services	4,060,767	1,427,306	100,880	5,588,953	3,077,612	2,511,341
Sub-total	9,689,866	4,620,283	2,108,105	16,418,254	7,207,554	9,210,700
2.0 Monitoring and evaluation	-					
2.1 Capacity building	1,454,544	2,008,987	-	3,463,531	-	3,463,531
2.2 Committee allowances	2,000,000	2,314,200	210,000	4,524,200	1,051,900	3,472,300
2.3 Use of goods and services	1,542,269	2,051,704	300,000	3,893,973	2,171,985	1,721,988
Sub-total	4,996,813	6,374,891	510,000	11,881,704	3,223,885	8,657,819
3.0 Emergency						
Unutilized	2,072,098	10,388,433	-	12,460,531		12,460,531

National Government Constituencies Development Fund (NGCDF)

Nandi Hills Constituency

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

AINAPNGETUNY SEC SCHOOL	2,050,000			2,050,000	1,995,000	
CHEPKUNYUK PRIMARY SCHOOL	2,000,000			2,000,000	2,022,569	
CHEPNGETUNY PRI SCHOOL	800,000			800,000	336,173	
KABIKWEN PRIMARY SCHOOL	800,000			800,000	799,288	
KAPKOROS PRIMARY SCHOOL	50,000			50,000	73,508	
KAPLEMET PRIMARY SCHOOL	800,000			800,000	795,828	
ST MARKS LOKIRENY PRI SCHOOL	400,000			400,000	115,173	
Sub-total	8,972,098	10,388,433	-	19,360,531	6,137,537	13,222,995
4.0 Bursary and Social Security						
4.1 Primary Schools				-		-
4.2 Secondary Schools	44,000,000			44,000,000	41,643,815	2,356,185
4.3 Tertiary Institutions	16,000,000			16,000,000	14,900,000	1,100,000
4.4 special needs				-		-
4.5 Education Support Programmes-Sports		351,931	-	351,931		351,931
4.6 Social Security		2,400,000		2,400,000		2,400,000
Sub-total	60,000,000	2,751,931	-	62,751,931	56,543,815	6,208,116
5.0 Environment						
Ainapngetuny secondary school	1,650,000		1,000,000	2,650,000		2,650,000

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

Lelwak boys secondary	1,650,000		1,000,000	2,650,000		2,650,000
Samoei boys secondary	1,650,000		1,000,000	2,650,000		2,650,000
Sochoi girls secondary school	1,650,000		1,000,000	2,650,000		2,650,000
Serengonik primary school		65,000		65,000		65,000
Siwo primary school		65,000		65,000		65,000
Lelwak primary school		65,000		65,000		65,000
Kimwogi primary school		80,000		80,000		80,000
Cherobon primary school		80,000		80,000		80,000
Cheptingting primary school		80,000		80,000		80,000
Chepnetuny primary school		80,000		80,000		80,000
Sinendet primary school		80,000		80,000		80,000
Sub-total	6,600,000	595,000	4,000,000	11,195,000	-	11,195,000
6.0 Primary Schools Projects						
St.Ludovico Oldoldol Primary School	350,000	970		350,970		350,970
Cheptabach Primary School	350,000	55		350,055		350,055
St.Pauls Kaptien Primary School	350,000	1,022,981		1,372,981		1,372,981
Kapsokio Primary School	1,300,000			1,300,000		1,300,000
Chemalal view point primary	1,300,000	53,053		1,353,053		1,353,053

National Government Constituencies Development Fund (NGCDF)

Nandi Hills Constituency

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

Cheplelachbei Pri School		70,787		70,787		70,787
Cheptililik pri school		2,688		2,688		2,688
Chepngetuny primary school		1,127		1,127		1,127
Cherobon primary school		38,009		38,009	20,546	17,463
Kisoga Primary School	800,000			800,000		800,000
Kapchanga Primary School	800,000	799,307		1,599,307		1,599,307
Emitiot Primary School	800,000	158,496		958,496		958,496
Kimwogi Primary School	2,800,000	141		2,800,141		2,800,141
Sirwa Primary School	900,000	1,697,145		2,597,145		2,597,145
Mogobich Primary School	2,000,000	1,579,214		3,579,214		3,579,214
Serengonik Primary School	2,000,000			2,000,000		2,000,000
Chebinyiny primary school	-	712		712		712
Kapchumba Primary School	1,300,000	90,209		1,390,209	173	1,390,037
Lelwak primary school		390		390		390
Ndururo Primary School	2,000,000	258,607		2,258,607		2,258,607
Ol'lessos Stima School	1,300,000	1,263,513		2,563,513		2,563,513
Ndubusat Primary School	800,000	1,044,787		1,844,787		1,844,787
Kapkembur Primary School	400,000			400,000		400,000

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

Cheptingting primary	300,000	1,501,573		1,801,573	1,500,360	301,213
St Stephen Chebilat Primary School	2,000,000	3,323		2,003,323		2,003,323
Sile pri School		84		84		84
Lolduga primary	2,500,000	611,025		3,111,025	1,350,990	1,760,035
Ngame Primary School	800,000	495,918		1,295,918		1,295,918
Kaptuma Primary School	1,300,000	1,022,240		2,322,240		2,322,240
Kbikwen pri school		1,220		1,220		1,220
Tigityo Primary School	1,000,000	1,565,000		2,565,000	1,463,147	1,101,853
Cheptabach Primary School	1,500,000			1,500,000		1,500,000
Kaplelemet Primary School	1,500,000	80,925		1,580,925		1,580,925
Keteng Primary School	800,000	2,207,404		3,007,404		3,007,404
Township Primary School	15,000,000	2,625,000		17,625,000		17,625,000
Kipsebwo Primary School	1,500,000	2,807,508		4,307,508	799,358	3,508,151
A.I.C Chesirigan Primary	1,300,000	73,951		1,373,951		1,373,951
Kimugul pri school		6,572		6,572		6,572
Kapsean Primary School	1,000,000	90,030		1,090,030		1,090,030
St mathias kapkwang Primary School	1,300,000	1,039,669		2,339,669		2,339,669
Mosine Primary School	800,000	35,493		835,493		835,493

National Government Constituencies Development Fund (NGCDF)

Nandi Hills Constituency

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

Ainapngetuny primary school		1,031,583		1,031,583		1,031,583
Chepkunyuk primary school		49,149	1,112,230	1,161,379		1,161,379
Chepkunyuk primary school			1,021,555	1,021,555		1,021,555
Cheptuingeny primary school		3,380,585		3,380,585		3,380,585
Great highlands primary school		44	1,021,555	1,021,599		1,021,599
Kapchuriai primary school		1,122,466		1,122,466	378,929	743,538
Kapkoros primary school		1,200,187		1,200,187		1,200,187
Kapnyemis primary school	1,300,000	1,505,611	-	2,805,611		2,805,611
Kapsokio Primary School		125,123		125,123		125,123
Kaptien primary school		1,000,000	-	1,000,000		1,000,000
Kaputi primary school		616,501	-	616,501		616,501
Kipkimba pri school		84,284	200,000	284,284	79,230	205,054
Keben primary school		736,640		736,640		736,640
Kimolonik primary school	1,100,000	405,496		1,505,496	397,103	1,108,393
Kipkorom primary school		1,027,881		1,027,881		1,027,881
Kipkoror primary school		1,583,603		1,583,603		1,583,603
Kipsamoo primary school		1,611,991		1,611,991		1,611,991
Kitechgaa primary school		311,390	2,000,000	2,311,390		2,311,390

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

Kisoga Primary School		1,121,754		1,121,754		1,121,754
Kogamei primary school		1,096,221		1,096,221		1,096,221
Koilot Primary School				-		-
Koimur primary school		287,923		287,923		287,923
Kosoiywo primary school		1,035,177		1,035,177		1,035,177
Lengon primary school		1,000,000		1,000,000		1,000,000
Lengubei primary school		1,500,000		1,500,000		1,500,000
Lessos hills primary school		1,112,230		1,112,230		1,112,230
Ludovigo primary school		800,000		800,000		800,000
Nduroto primary school		2,652,949		2,652,949		2,652,949
Ngame primary school				-		-
Nukiat primary school		1,057,869		1,057,869		1,057,869
Ogirgir primary school				-		-
Ollessos primary school		1,719,205		1,719,205	474,678	1,244,528
Serengonik primary school		2,931,626		2,931,626	521,008	2,410,618
Sinendet primary school				-		-
Simbi primary school		2,085,703		2,085,703		2,085,703
Sochoi primary school		2,135,633		2,135,633		2,135,633

National Government Constituencies Development Fund (NGCDF)

Nandi Hills Constituency

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

Soiyet primary school		420		420		420
st marks lolkireny pri		1,021,555		1,021,555		1,021,555
Tereno primary school		5,147	1,021,555	1,026,702		1,026,702
Tururo primary school		2,013,085		2,013,085		2,013,085
Timobo primary school		1,000,000		1,000,000		1,000,000
				-		-
				-		-
Sub-total	54,550,000	62,618,153	6,376,895	123,545,048	6,985,519	116,559,529
7.0 Secondary Schools Projects (List all the Projects)						
Kapkoros Barngetyuny Sec School	2,914,600			2,914,600		2,914,600
Ainapngetyuny secondary school		3,873		3,873		3,873
Lelwak boys secondary		19,720	3,000,000	3,019,720	2,857,435	162,285
Sochoi girls secondary school		706,793		706,793		706,793
St.Elizabeth Girls Chepkunyuk	14,912,346		9,000,000	23,912,346		23,912,346
Mogobich Secondary School	1,134,134		6,500,000	7,634,134		7,634,134
Cherobon Secondary School	800,000		1,100,000	1,900,000	517,754	1,382,246
Tereno Secondary School	300,000			300,000		300,000

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

Kabote Secondary School	3,000,000	71,556		3,071,556		3,071,556
Kosoiywo Secondary School	500,000			500,000		500,000
Sirwa sec school		3,511	1,100,000	1,103,511		1,103,511
St John sec Chepkunyuk		2,326	-	2,326		2,326
Siwo secondary school		12,949		12,949		12,949
Koilot day sec school		551,124		551,124		551,124
Cheptabach sec school		50,000		50,000		50,000
St Marys Soiyet Sec		4,957		4,957		4,957
Taboiyat mixed sec school		1,875		1,875		1,875
Taito sec school		23,043		23,043		23,043
Jean marie sec school		1,872,920	4,420,000	6,292,920	4,420,690	1,872,230
Our lady of peace sec school		156,743	1,200,000	1,356,743	760,951	595,792
Kaplelmet Sec School		258,656		258,656		258,656
Kipsebwo Sec school	-	-	6,550,000	6,550,000		6,550,000
Nandi Hills sports		9,720		9,720		9,720
Kaptien Sec School		1,863		1,863		1,863
Ollessos sec school		1,529		1,529		1,529
				-		-

National Government Constituencies Development Fund (NGCDF)

Nandi Hills Constituency

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

Sub-total	23,561,080	3,753,156	32,870,000	60,184,236	8,556,830	51,627,406
8.0 Tertiary institutions Projects (List all the Projects)						
				-		-
				-		-
Sub-total	-	-	-	-	-	-
9.0 Security Projects						
Sirwa Chief's office	500,000			500,000		500,000
Ainapnetuny Acc's office	1,600,000	48,655		1,648,655		1,648,655
Kaplelmet Chiefs office				-		-
Chebarus chiefs office			2,200,000	2,200,000		2,200,000
Sochoi chiefs office		8,605	500,000	508,605		508,605
Siwo chiefs office		2,100	500,000	502,100		502,100
Mogobich chiefs office		34,750	500,000	534,750	-	534,750
Kipsebwo chiefs office		1,750	500,000	501,750		501,750
Kosoiywo chiefs office		200	500,000	500,200		500,200
Kapkoros chiefs office		90,970	500,000	590,970		590,970
Kibabet chiefs office		800,000	800,000	1,600,000	513	1,599,488
Taito chiefs office		800,200	800,000	1,600,200		1,600,200

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

Lessos Police Station		303,640	300,000	603,640		603,640
Kenya Police Nandi East		4,256		4,256		4,256
Nandi Hills ACC office		300,000	2,000,000	2,300,000		2,300,000
	-		-	-		-
				-		
Sub-total	2,100,000	2,395,126	9,100,000	13,595,126	513	13,594,613
10.0 Acquisition of assets						
10.1 Motor Vehicles (including motorbikes)		1,690	-	1,690		1,690
10.2 Purchase of furniture and fittings		206,585	-	206,585		206,585
10.2 Purchase of Computers		150,000	-	150,000		150,000
10.2 Construction of CDF office				-		-
Sub-total	-	358,275	-	358,275	-	358,275
11.0 Others						
Oversight Committee Expenses(itemize)		300,000.00		300,000		300,000
Daily subsistence			-	-		-
Accommodation allowance		82,300.00	-	82,300		82,300
Refined fuels			-	-		-
others			-	-		-

National Government Constituencies Development Fund (NGCDF)

Nandi Hills Constituency

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

Nandi Hills NG-CDF Strategic Plan		2,000,000.00	-	2,000,000		2,000,000
Sub-total	-	2,382,300	-	2,382,300	-	2,382,300
Funds pending approval**		30,000,000	-	30,000,000		30,000,000
unapproved projects		-	26,708,075	26,708,075		26,708,075
AiA	-	5,000		5,000		5,000
Sub-total	-	30,005,000	26,708,075	56,713,075	-	56,713,075
Total	170,469,857	126,242,548	81,673,075	378,385,480	88,655,652	289,729,828

The amount in the statement of receipts and payments balances amounting to Ksh 3,377,494 is more by 584,052 which is the gratuity amount of staff held within the period in the deposit's accounts.

The amount in the statement of comparison of budget and actual amounts in the year ended 30th June 2025 of ksh 33,397,525 being transfers from the NGCDF board includes and amount of 185,549,972 which is total amount received from the NGCDF board during the financial year and ksh 126,242,548 which is cash and cash equivalents from cashflow statement and statement of financial position respectively.

(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 Nandi Hills Constituency principal activity is to undertake development of National government functions 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 Nandi Hills 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 Nandi Hills has recognized all financial assets, including cash and cash equivalents held in the operational account, deposit account, and PMC bank accounts; receivables (amounts due from the Board and other parties); prepayments; property, plant, and equipment (PPE); and intangible assets acquired during the financial year 2023/2024 up to the reporting date.

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

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

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.
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<i>Applicable 1st January 2025</i> The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.
IPSAS 45: Property Plant and Equipment	<i>Applicable 1st January 2025</i> The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of

	<p>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>IPSAS 46: Measurement</p>	<p><i>Applicable 1st January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS. iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
<p>IPSAS 47: Revenue</p>	<p><i>Applicable 1st January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p>

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

<p>IPSAS 48: Transfer Expenses</p>	<p>Applicable 1st January 2026</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>IPSAS 49: Retirement Benefit Plans</p>	<p>Applicable 1st January 2026</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>IPSAS 50: Exploration For & Evaluation of Mineral Resources</p>	<p>Applicable 1st January 2027</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.

iii. Early adoption of standards

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

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Sale of goods

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

Interest income

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

Rental income

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

b) Budget information

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

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

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

c) Property, plant and equipment

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

d) Leases

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

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

e) Intangible assets

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

f) Financial instruments

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

a) Financial assets

Classification of financial assets

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

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

Trade and other receivables

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

Fair value through surplus or deficit

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

Impairment

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

b) Financial liabilities

Classification

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

g) Inventories

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

- i) Raw materials: purchase cost using the weighted average cost method.
- ii) Finished goods and work in progress: cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs.

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost. Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make

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

h) Provisions

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

i) Social Benefits

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

j) Contingent liabilities

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

k) Contingent assets

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

reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

l) Employee benefits

Retirement benefit plans

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

m) Foreign currency transactions

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

n) Related parties

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

o) Cash and Cash Equivalents

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

p) Comparative figures

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

q) Subsequent events

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

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

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

Useful lives and residual value

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

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

Provisions

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

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

6. Transfers from the NGCDF Board

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

7. Transfers from domestic and foreign partners

Description	2024/2025
	Kshs
Grants	-
Total	-

8. Finance income

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

9. Miscellaneous income

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

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

10. Employees cost

	2024/2025 Kshs
NG-CDFC Basic staff salaries	2,075,642
Personal allowances paid as part of salary	-
House Allowance	349,800
Transport Allowance	312,000
Leave allowance	56,000
Gratuity to contractual employees	584,052
Employer Contributions Compulsory national social security schemes	-
Employer Contributions Compulsory Housing levy	-
Employer contributions to National Industrial Training Authority	-
Other Specify	-
Total	3,377,494

11. Committee Expenses

	<i>Period ended June 2025</i> Kshs
Sitting allowance	782,000
Other Committee expenses	1,606,400
Total	2,388,400

12. Use of Goods and services

	<i>Period ended June 2025</i>
	Kshs
Utilities, supplies and services	21,900
Communication, supplies and services	268,972
Domestic travel and subsistence	2,063,003
Printing, advertising and information supplies & services	331,600
Office Rent	-
Training expenses	-
Hospitality supplies and services	476,905
Insurance costs	-
Specialized materials and services	-
Office and general supplies and services	417,040
Fuel, oil & lubricants	600,000
Bank charges	8,059
Routine maintenance – vehicles and other transport equipment	398,798
Routine maintenance – other assets	63,920
Strategic plan expenses	599,400
Other operating expenses	-
Total	5,249,597

13. Other Government Units Actual expenditure

Description	<i>Period ended June 2025</i>
	Kshs
Primary Schools Actual expenditure	6,985,519
Secondary Schools Actual expenditure	8,556,830
Tertiary Institutions Actual expenditure	-
Total	15,542,349

National Government Constituencies Development Fund (NGCDF)
Nandi Hills 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	41,643,815
Bursary – tertiary institutions	14,900,000
Bursary – special schools	-
Bursary - Education Support programmes	-
Social Security programmes (SHIF)	-
Security projects Actual expenditure	513
Climate change mitigation projects	-
Emergency projects Actual expenditure	6,137,537
Roads projects Actual expenditure	-
Others specify	-
Total	62,681,864

15. Depreciation and Amortization Expenses

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

16. Digital Hubs Expenses

<i>Description</i>	<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)
Nandi Hills 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	-

(Provide brief explanation on gains on sale of fixed 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	-

(Provide brief explanation on assets impairment loss)

19. Cash and Cash Equivalents

Name Of Bank and Account No.	Period ended June 2025	Opening Statement 1 July 2024
	Kshs	Kshs
Bank Accounts (Cash Book Bank Balance)		
<i>Equity Bank Account No. (Operations account)</i>	169,721,244	106,936,117
<i>Operations account pending closure (Indicate name & account no.)</i>	-	-
<i>Equity Bank account No. (Deposit account)</i>	632,723	
<i>Equity Bank (PMC accounts)</i>	52,387,901	19,306,431
Total	222,741,868	126,242,548
Cash Balances		
Location 1	-	-
Location 2	-	-
Other Locations <i>(Specify)</i>	-	-
Total	-	-
<i>[Provide Cash Count Certificates for Each]</i>		

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

20. Receivables from Exchange Transactions

Description	2024/2025	Opening Statement 1- July 2025
	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- 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)	-	%	-	%

21. Receivables from Non-Exchange Transactions

Description	Period ended June 2025		Opening Statement 1 July 2024	
	Kshs		Kshs	
Transfers from NGCDFB	66,987,960		81,673,075	
Outstanding imprest	-			
Total	66,987,960		81,673,075	
Ageing Analysis- Receivables from non-exchange transactions	2024/2025	% of the total	Opening Balance	% of the total
Less than 1 year	66,987,960	100%	81,673,075	100%
Between 1-2 years	-	%	-	%
Over 3 years	-	%	-	%
Total	66,987,960	100%	81,673,075	100%

22. Prepayments

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

National Government Constituencies Development Fund (NGCDF)
Nandi Hills 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 1st July 2025	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-	-	-	-
As At 30th June 2025	-	-	-	-	-	-	-	-
Depreciation And Impairment	-	-	-	-	-	-	-	-
Opening Depreciation	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-	-	-
As At 30th June 2025	-	-	-	-	-	-	-	-
Net Book Values	-	-	-	-	-	-	-	-
Opening Bal as at 1st July 2025	-	-	-	-	-	-	-	-
As At 30th June 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)
Nandi Hills 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 2024	-
Additions	-
Disposal	-
At end of the 2025	-
Amortization and impairment	-
At beginning of the year	-
Amortization	-
At end of the year	-
Impairment loss	-
At end of the year	-
NBV at July 1 st 2025	-
NBV at June 30 th 2025	

25. Right-of use assets

Description	Buildings	Plant	Equipment	Total
	Kshs	Kshs	Kshs	Kshs
Cost				
As At 1 July 2023 (Comparative period)	-	-	-	-
Additions	-	-	-	-
As At 30 June 2024 (Comparative Period)	-	-	-	-
Additions	-	-	-	-
As At 30 June 2025 (Current FY)	-	-	-	-
	-	-	-	-
Accumulated Depreciation	-	-	-	-
As At 1 July 2024 (Comparative period)	-	-	-	-
Charge for the period	-	-	-	-
As At 30 June 2025 (Comparative period))	-	-	-	-
Charge for the period	-	-	-	-
As At 30 June 2025 (Current FY)	-	-	-	-
	-	-	-	-
Carrying Amount	-	-	-	-
As At 30 June 2025 (Current FY)	-	-	-	-

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

As At 30 June 2024. (Comparative Period)	-	-	-	-
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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)	Current FY	% 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)
Nandi Hills Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025*

27. Third-Party deposits

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

Retentions aging analysis.

	Period ended June 2025	% of the total	Period ended June 2024	% of the total
Less than 1 year	-	%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total	-		-	

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

28. Lease Liabilities

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

Maturity Analysis

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

Analysed as:

Description	Amount
Current	-
Non- Current	-
Total	-

29. Gratuity Provision

Description	Period ended June 2025	Opening Statement 1st July 2024
	Kshs	Kshs
Gratuity at the beginning of the period (A)	48,671	
Gratuity held during the period (B)	584,052	48,671
Gratuity paid during the period (C)	-	-
Total Gratuity provision D=(A+B-C)	632,723	48,671

30. Cash Generated from Operations

	Period ended June 2025 Kshs
Surplus/Deficit for the year	81,230,153
Adjusted for:	
Depreciation	-
Impairment	-
Gains and losses on disposal of assets	-
	-
Working capital adjustments	-
Increase/decrease in receivables	(14,685,115)
	-
Increase/decrease in payables	(584,052)
	-
Net cash flow from operating activities	96,499,320

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

31. Financial Risk Management

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

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

i) Credit risk

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

Financial Risk Management

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

Description	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
As at 30th June 2025				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	66,987,960	-	-	-
Bank balances	222,741,868	-	-	-
Total	289,729,828	-	-	-
As at 30 June 2024				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	81,673,075	-	-	-
Bank balances	126,242,548	-	-	-
Total	207,915,623	-	-	-

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

Financial Risk Management

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the Entity has recognized in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The Entity has significant concentration of credit risk on amounts due from 2024. The board of directors sets the Entity's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

ii) Liquidity risk management

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

Description	Less than 1 month Kshs	Between 1-3 months Kshs	Over 5 months Kshs	Total Kshs
As at 30th June 2025				
Trade payables	-	-	-	-
Current proportion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income				
Gratuity Provision	584,052			
Total	584,052			
As at 30th June 2024				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-

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

Description	Less than 1 month Kshs	Between 1-3 months Kshs	Over 5 months Kshs	Total Kshs
Employee benefit obligation	48,671	-	-	-
Total	48,671	-	-	-

iii) Market risk

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

a) Foreign currency risk

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

Financial Risk Management

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

b) Interest rate risk

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

Management of interest rate risk

To manage the interest rate risk, management has 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. A rate increase/decrease of 5% would result in a decrease/increase in profit before tax.

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

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

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 Kshs	Level 2 Kshs	Level 3 Kshs	Total Kshs
As at 30 June 2025				
Financial Assets				
Quoted Equity Investments	-	-	-	-
Non- Financial Assets	-	-	-	-
Investment Property	-	-	-	-
Land And Buildings	-	-	-	-
Total	-	-	-	-
As at 30th June (Previous FY)	-	-	-	-
Financial Assets				
Quoted Equity Investments	-	-	-	-
Non- Financial Assets	-	-	-	-
Investment Property	-	-	-	-
Land And Buildings	-	-	-	-
Total	-	-	-	-

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

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	289,097,105	207,866,952
Retained Earnings	-	-
Capital Reserve	-	-
Total Funds	-	-
Total Borrowings	-	-
Less: Cash and Bank Balances	-	-
Net Debt/(Excess Cash And Cash Equivalents)	-	-
Gearing	-	-

32. Related Party Disclosures

	Period ended June 2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Committee Members Remuneration		
Sitting allowance of committee Members during the year	2,388,400	1,787,205
Transaction with the NGCDF Board		
Transfers from the NGCDF Board during the year	170,469,857	175,588,561
Total	172,858,257	177,375,766

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 2024
	Kshs	Kshs
Contingent Assets		
Insurance Reimbursements	-	-
Assets Arising from Determination Of Court Cases	-	-
Reimbursable Indemnities and Guarantees	-	-
Receivables From Other Government Entities	-	-
Others (Specify)	-	-
Total	-	-

(Give details)

*National Government Constituencies Development Fund (NGCDF)
Nandi Hills 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 2024
	Kshs	Kshs
Contingent Liabilities	-	-
Court Case xx against the Entity	-	-
Bank Guarantees in Favour of Subsidiary	-	-
Contingent Liabilities arising from Contracts Including PPPs	-	-
Others (Specify)	-	-
Total	-	-

35. Capital Commitments

Capital Commitments	Period ended June 2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Authorised for	-	-
Authorised and Contracted for	-	-
Total	-	-

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

36. Events after the Reporting Period

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

37. Ultimate And Holding Entity

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

38. Currency

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

18. Annexes
 Annex 1: Summary of Asset Register

Asset class	Historical Cost/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	1,698,415	-	-	1,698,415
Transport equipment	4,515,846	-	-	4,515,846
Office equipment, furniture, and fittings	1,503,088	-	-	1,503,088
ICT Equipment and Other ICT Assets	1,623,300	-	-	1,623,300
Other Machinery and Equipment	-	-	-	-
Intangible assets	-	-	-	-
Total	9,340,649	-	-	9,340,649

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

Annex 2: PMC Balances as at 30th June 2025

PMC	Bank	Account number	Bank balance 2024/2025	Opening statement 1 st July 2024
A.I.C CHESIRIGAN PRIMARY	EQUITY	0920262554614	73,951	73,951
ACK CHEPTINGTING PRIMARY	EQUITY	0920261809151	1,213	1,573
AINAPNGETUNY CHIEF'S OFFICE	EQUITY	0920279896508	48,655	48,655
AINAPNGETUNY PRIMARY SCHOOL	EQUITY	920262195099.00	10,028	10,028
AINAPNGETUNY SEC SCHOOL	EQUITY	0920264495589	58,873	3,873
CHEBINYINY PRI SCHOOL	EQUITY	0920262239686	80,712	712
CHELAGAT MUTAI OLLESSOS TOWNSHIP PRIMARY SCHOLL	EQUITY	0920262783777	-	-
CHEMALAL VIEWPOINT PRIMARY SCHOOL	EQUITY	0920262563786	53,053	53,053
CHEPKUNYUK PRIMARY SCHOOL	EQUITY	0920264342184	26,580	49,149
CHEPLELACHBEI PRIMARY SCHOOL	EQUITY	0920264421695	70,787	70,787
CHEPNGETUNY PRI SCHOOL	EQUITY		464,955	1,127
CHEPTABACH MIXED DAY SECONDARY SCHOOL	EQUITY	0920262486330	55	55
CHEPTILILIK PRIMARY SCHOOL-DEVELOPMENT A/C	EQUITY	0920271172410	2,688	2,688
CHEPTUINGENY PRIMARY SCHOOL	EQUITY	0920270480427	1,880,585	1,880,585
CHEROBON MIXED SEC SCHOOL	EQUITY	0920262206701	582,246	-
CHEROBON PRI SCHOOL	EQUITY	0920271245310	417,463	38,009
EMITIOT PRIMARY SCHOOL	EQUITY	0920271172410	158,496	158,496
GREAT HIGHLANDS INTERGRATED PRIMARY SCHOOL	EQUITY	0920262711352	44	44
JEAN MARIE SEC SCHOOL	EQUITY	0920263509617	1,701,505	1,702,195
KABIKWEN PRIMARY SCHOOL	EQUITY	0920262335859	1,933	1,220
KABOTE ADVENTIST SEC	EQUITY	0920262544408]	3,571,556	71,556
KAPCHANGA PRIMARY SCHOOL	EQUITY	0920262193085	799,307	799,307
KAPCHUMBA PRIMARY SCHOOL	EQUITY	0920271101522	90,037	90,209
KAPCHURIAI PRIMARY SCHOOL	EQUITY	0920262447405	1,143,863	101,236
KAPKOROS CHIEFS' OFFICE	EQUITY	0920279311002	590,970	90,970

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

KAPKOROS PRIMARY SCHOOL	EQUITY	0920262193039	64,449	87,957
KAPLEMET PRIMARY SCHOOL	EQUITY	0920261650447	5,097	925
KAPLEMET SECONDARY SCHOOL	EQUITY	0920268451579	258,656	258,656
KAPNYEMIS PRIMARY SCHOOL	EQUITY	0920268299333	13,221	13,221
KAPSEAN PRIMARY SCHOOL	EQUITY	0920262510724	90,030	90,030
KAPSOKIO A.I.C PRIMARY SCHOOL	EQUITY	0920262578782	125,123	125,123
KAPTIEN SECONDARY SCHOOL	EQUITY	0920262581103	1,863	1,863
KAPTUMA PRIMARY SCHOOL	EQUITY	0920266841655	1,022,240	685
KAPUTI PRIMARY SCHOOL	EQUITY	0920262489385	616,501	16,501
KEBEN PRIMARY SCHOOL	EQUITY	0920262758083	736,640	-13,360
KENYA POLICE NANDI EAST	EQUITY	0920280839473	4,256	4,256
KETENG PRIMARY SCHOOL	EQUITY	0920264349490	1,081	1,081
KIBABET CHIEFS OFFICE	EQUITY		1,799,488	800,000
KIMOLONIK PRI SCHOOL	EQUITY	0920262195918	8,393	5,496
KIMUGUL SECONDARY SCHOOL	EQUITY	0920262580416	6,572	6,572
KIMWOGI PRIMARY SCHOOL	EQUITY	0920262238124	141	141
KIPKIMBA PRI SCHOOL	EQUITY	0920270255542	205,054	84,284
KIPKOROM PRIMARY SCHOOL	EQUITY	0920262606162	6,326	6,326
KIPKOROR MIXED DAY SECONDARY SCHOOL	EQUITY	0920262430184	3,603	3,603
KIPKOROR PRI SCHOOL	EQUITY		80,000	-
KIPSAMO PRIMARY SCHOOL	EQUITY	0920262198292	46,991	46,991
KIPSEBWO CHIEF'S OFFICE-PMC ACCOUNT	EQUITY	0920279884703	1,750	1,750
KIPSEBWO PRI SCHOOL	EQUITY	0920262246974	2,008,151	1,607,508
KISOGA PRIMARY SCHOOL	EQUITY	0920261663877	1,121,754	1,121,754
KITECHGAA PRIMARY SCHOOL	EQUITY	0920261816470	2,311,390	311,390
KOGAMEI PRIMARY SCHOOL	EQUITY	0920262195724	1,096,221	2,128
KOILLOT SEC SCHOOL	EQUITY	0920295277620		501,124
KOIMUR PRIMARY SCHOOL	EQUITY	0920262403702	12,923	12,923
KOSOYWO CHIEF'S OFFICE	EQUITY	0920179457230	200	200
KOSOYWO MIXED SECONDARY SCHOOL	EQUITY	0920262243611	26,358	26,358
KOSOYWO PRI SCHOOL	EQUITY	0920261666976	408,819	28,819
LELWAK BOYS HIGH SCHOOL	EQUITY	0920264466602	162,285	19,720
LELWAK PRIMARY SCHOOL	EQUITY	0920266785712	390	390
LENGON PRIMARY SCHOOL	EQUITY	0920261699227	-	-

National Government Constituencies Development Fund (NGCDF)

Nandi Hills Constituency

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

LESSOS POLICE STATION	EQUITY	0920278741026	303,640	3,640
LOLDUGA PRI SCHOOL	EQUITY	0920284697530	60,035	611,025
MOGOBICH CHIEF'S OFFICE	EQUITY	0920284697530	34,750	34,750
MOGOBICH DAY SECONDARY SCHOOL	EQUITY	0920270486700	1,482,240	1,482,240
MOGOBICH PRIMARY SCHOOL	EQUITY		96,974	96,974
MOSINE PRIMARY SCHOOL	EQUITY	0920271062449	35,493	35,493
NANDI HILLS SPORTS	EQUITY	0920284626658	9,720	9,720
NANDI HILLS TOWNSHIP PRIMARY SCHOOL	EQUITY	0920299914220	2,628,763	3,763
NDUBUSAT PRIMARY SCHOOL	EQUITY	0920299835462	23,232	23,232
NDUROTO PRIMARY SCHOOL	EQUITY	0920265208755	2,572,949	1,072,949
NDURURO PRIMARY SCHOOL	EQUITY	0920262247905	258,607	83,607
NGA'MEI PRIMARY SCHOOL	EQUITY	0920264788144	498,918	498,918
NUKIAT PRIMARY SCHOOL	EQUITY	0920262551391	1,057,869	36,314
OGIRGIR PRIMARY SCHOOL	EQUITY	0920262193677	17,820	17,820
OLLESOS MIXED DAY SEC SCHOOL	EQUITY	0920263641708	1,529	1,529
OLLESSO STIMA SCHOOL	EQUITY	0920266755443	1,263,513	241,958
OLLESSOS PRIMARY SCHOOL	EQUITY	0920262246711	1,244,528	519,205
OUR LADY OF PEACE SEC SCHOOL	EQUITY	0920270480118	595,792	156,743
SERENGONIK PRIMARY SCHOOL	EQUITY	0920270078993	2,410,618	531,626
SILE PRIMARY SCHOOL	EQUITY	0920262563208	84	84
SIMBI PRIMARY SCHOOL	EQUITY	0920262198366	2,020,703	20,703
SINENDET PRIMARY SCHOOL	EQUITY	0920262196731	1,200,000	-
SIRWA PRIMARY SCHOOL	EQUITY	0920262518123	1,697,145	675,590
SIRWA SECONDARY SCHOOL	EQUITY	0920262546040	1,103,511	3,511
SIWO CHIEFS OFFICE	EQUITY	0920284696815	2,100	2,100
SIWO SECONDARY SCHOOL	EQUITY	0920262484083	12,949	12,949
SOCHOI CHIEFS OFFICE	EQUITY	0920279336705	8,605	8,605
SOCHOI PRIMARY SCHOOL	EQUITY	0920262238895	2,055,633	505,633
SOCHOI SECONDARY SCHOOL	EQUITY	0920262167766	706,793	706,793
SOIYET PRIMARY SCHOOL	EQUITY	0920279336705	420	420
ST LUDOVICO OLDOLDOL	EQUITY	0920271083150	800,970	970
ST MARKS LOKIRENY PRI SCHOOL	EQUITY	0920262510977	368,286	83,459
ST MATHIAS ACADEMY-KAPKWANG	EQUITY	0920294173389	39,669	39,669
ST. PAUL'S ACK KAPTIEN NG-CDF	EQUITY	0920278605717	1,426	1,426

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

ST. JOHNS CHEPKUNYUK SECONDARY SCHOOL	EQUITY	0920262388848	2,326	2,326
ST. MARYS HIGH SCHOOL, SOIYET	EQUITY	0920263517148	4,597	4,597
ST. STEPHENS CHEBILAT PRIMARY SCHOOL	EQUITY	0920271261951	3,323	3,323
TABOIYAT MIXED DAY SECONDARY SCHOOL	EQUITY	0920262415703	1,875	1,875
TAITO CHIEFS OFFICE	EQUITY		1,600,200	800,200
TAITO KTGA SECONDARY SCHOOL CDF	EQUITY	0920296992361	23,043	23,043
TERENO PRIMARY SCHOOL	EQUITY	0920261685049	1,906	1,906
TERENO SECONDARY SCHOOL	EQUITY	0920269217735	5,147	5,147
TIGITYO PRIMARY SCHOOL	EQUITY	0920272192713	39,298	2,445
TIMOBO PRIMARY SCHOOL	EQUITY	0920262446845	1,001,180	1,180
TURURO PRIMARY SCHOOL	EQUITY	0920267450809	513,085	513,085
Total			52,387,901	19,306,431

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.

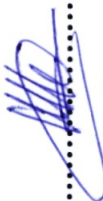
Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	Note 19.4 to the financial statements and as disclosed in Annex 5 reflects Project Management Committee (PMC) bank balances of Kshs.18,203,130 in respect to ninety-four (94) bank accounts held in one commercial bank. However, cash books, bank reconciliation statements, certificate of bank balance and bank statements for all bank accounts were not provided for audit.	The PMC's prepared the bank reconciliations and submitted bank statements	Not resolved	
	Un-utilized Funds Deposit Note 11.A to the financial statements reflects a balance of Kshs.106, 936,117 in respect to bank balances. Included in the above balance is Kshs.30, 000,000 that was transferred from the Ministry of Devolution on 27 October, 2021 for construction of Nandi Hills Modern Social Hall under financial year 2021/2022 budget. Audit review revealed that the above amount has not been utilized three (3) years later and as previously reported.	The Kshs. 30,000 has remained unutilized since the amount does not have adequate supporting documents to enable the NG-CDFC utilize the funds.	Not resolved	

National Government Constituencies Development Fund (NGCDF)
Nandi Hills 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 style="text-align: center;">Budgetary Control and Performance</p> <p>The summary statement of appropriation reflects final receipts budget and actual on a comparable basis amount of Kshs.302,116,152 and Kshs.220,443,077 respectively, resulting to an under-funding of Kshs.81,673,075 or 27% of the budget. However, the Fund spent Kshs.113,506,960 against actual receipts of Kshs.220,443,077 resulting to underutilization of Kshs.106,939,117 or 48.5% of actual receipts.</p> <p>The under-funding and underutilization affected the planned activities and may have impacted negatively on service delivery to the public.</p>	<p>The under expenditure was as a result in the delay in submission of the project proposal to the NG-CDF Board which led to delayed approvals and disbursement of funds.</p> <p>This was also due to the delay in remitting funds to the PMC accounts due to request for reallocation of funds.</p>		
	<p style="text-align: center;">Unsupported Emergency Projects</p> <p>The statement of receipts and payments reflects other grants and transfers balance of Kshs.76,407,626 which includes emergency projects payments of Kshs.3,800,000 as disclosed in Note 8 to the financial statements. However, there was no evidence provided to show that the nature of the projects met the emergency criteria. Further, there was no evidence to indicate that the Constituency Committee reported to the Board within thirty</p>	<p>The emergencies were reported to NG-CDF Board as per mails dated 17/10 2023 for quarter one reports and 16/04/2024 for quarter three reports. The reporting however exceeded the 30 days (Mail evidence attached).</p>		

**National Government Constituencies Development Fund (NGCDF)
Nandi Hills 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>days of occurrence of the emergency during the year in accordance to Regulation 20(2) of National Government Constituencies Development Fund Regulations, 2016 which states that the utilization of the emergency reserve shall be reported to the Board within thirty days of the occurrence of the emergency, in the format prescribed by the Board.</p>			
	<p>Breach of Procurement Laws and Regulations The statement of receipts and payments and as disclosed in Note 8 to the financial statements reflects a balance of Kshs.76,407,626 in relation to other grants and transfers which further includes Kshs.4,000,000 for construction of various facilities in four (4) primary schools as summarized in the table below;</p>	<p>The procurement documents had not been availed by the PMC during the audit. Copies of procurement documents availed.</p>		

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