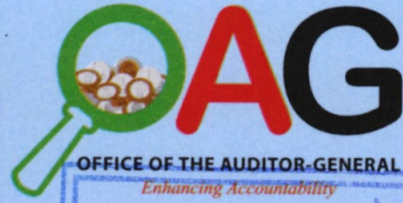



REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL
Enhancing Accountability



 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 21 APR 2026	DAY. TUESDAY
TABLED BY:	ADN. SILYANUS OSORO MP (MAJORITY PARTY WHIP)
CLERK AT THE TABLE:	INZOFU MWALE

REPORT

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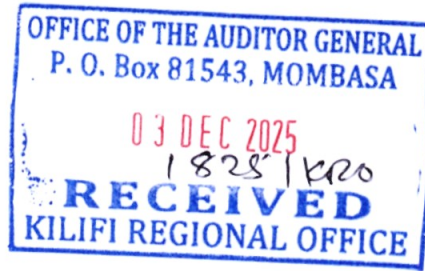
THE AUDITOR-GENERAL

ON

**NATIONAL GOVERNMENT CONSTITUENCIES
DEVELOPMENT FUND – KILIFI SOUTH
CONSTITUENCY**

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





NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

KILIFI SOUTH CONSTITUENCY

ANNUAL REPORT AND FINANCIAL STATEMENTS

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

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

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1. Acronyms and Definition of Key Terms

A. Acronyms

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

B. Definition of Key Terms

Fiduciary Management- Members of Management directly entrusted with the responsibility of financial resources of the NG-CDF Kilifi South.

Comparative Year- Means the prior period.

(This list is an indication of the common acronyms and abbreviations; the NG-CDF Kilifi South 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;

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- 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 NG-CDF Kilifi South 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)

(c) Fiduciary Management

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

	Designation	Name
1.	AIE holder	Gladys Ngala
2.	National Sub-County Accountant	CPA Nancy Nazi Mwarabu
3.	Chairman NGCDFC	Mr. Richard Munga Mwambura
4.	Member NGCDFC	Mrs. Ruth Riziki Kadanga
5.	Member NG CDFC	Mr. Daniel Yawa

(d) Fiduciary Oversight Arrangements

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

(e) NGCDF Kilifi South Constituency Headquarters

P.O Box 1368-80108,
NGCDF Building- Vipingo
Along Mombasa-Malindi Highway
VIPINGO -KENYA.

(f) NGCDF Kilifi South Constituency Contacts

P.O. Box 1368 – 80108,
Telephone: (254) 740-955-812
E-mail: cdfkilifisouth@ngcdf.go.ke
Website: www.kilifi-south.ngcdf.go.ke

(g) NGCDF Kilifi South Constituency Bankers

1. Co-operative Bank (Operations Account)

A/C No. 01141143001500

Mtwapa Branch

P.O. Box 521 -80109

Mtwapa.

2. Equity Bank (Kenya) Limited (Deposits Account)

A/C No. 1190285099476

Mtwapa Branch

P.O. Box 75104-00200

Nairobi.

3. PMC Bank Accounts

i) Co-operative Bank

Account no. Various

Mtwapa Branch

P.O. Box 521 -80109

Mtwapa.

ii) Equity Bank (Kenya) Limited (Deposits Account)

Account no. Various

Mtwapa Branch,

P.O. Box 75104-00200,

Nairobi.

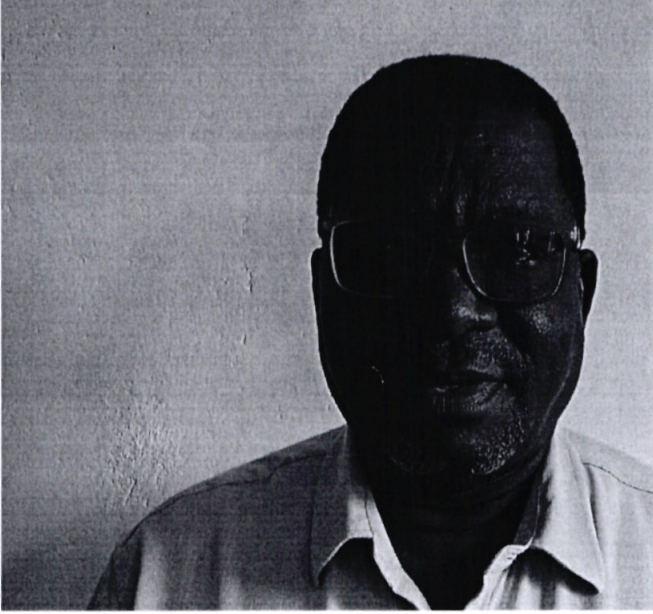

(h) Independent Auditor

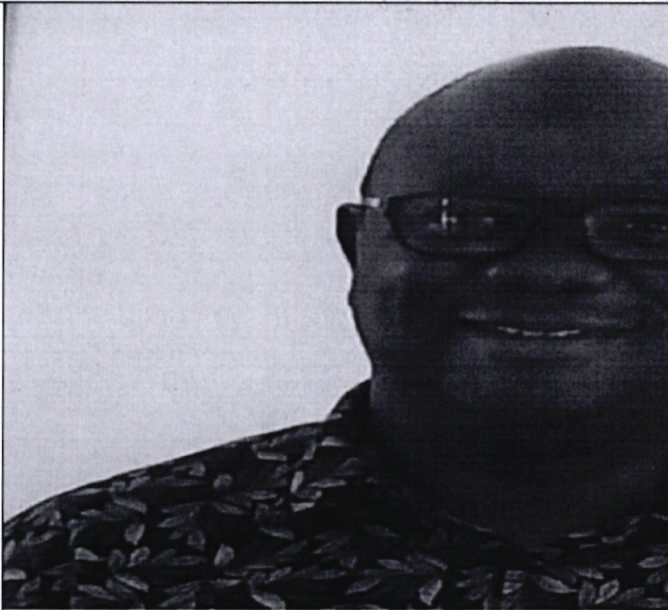

Auditor General
Office of the Auditor General
Anniversary Towers, University Way
P.O. Box 30084
GPO 00100
Nairobi, Kenya

(i) 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
1.	 <p>Richard Mwambura Chairperson</p>	<p>D.O.B :1952</p> <p>Qualification: Diploma in Civil Engineering</p> <p>Work Experience:</p> <p>Roads superintendent, ,Board chair for CBO,Local Education committee,co-operative Insurance company,Jitegemee Sacco society and NGCDF for the last 2 years</p>
2.	 <p>Gladys Ngala Fund Account Manager</p>	<p>D.O.B : 1976</p> <p>Qualification: Master's Degree in Commerce</p> <p>Work Experience: Fund Account Manager NGCDF Board</p>

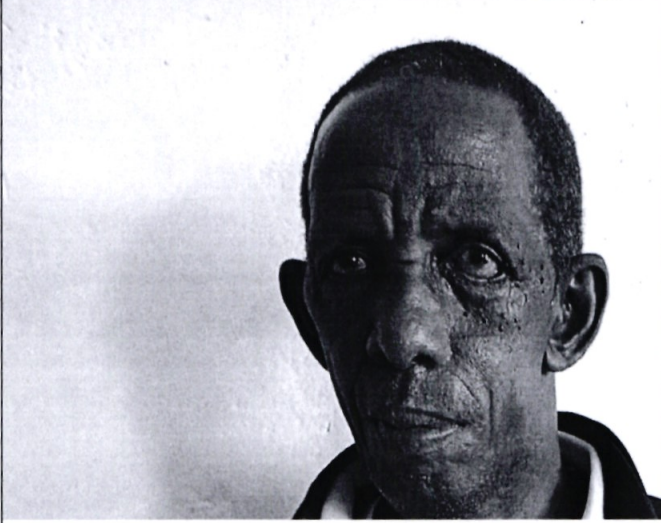
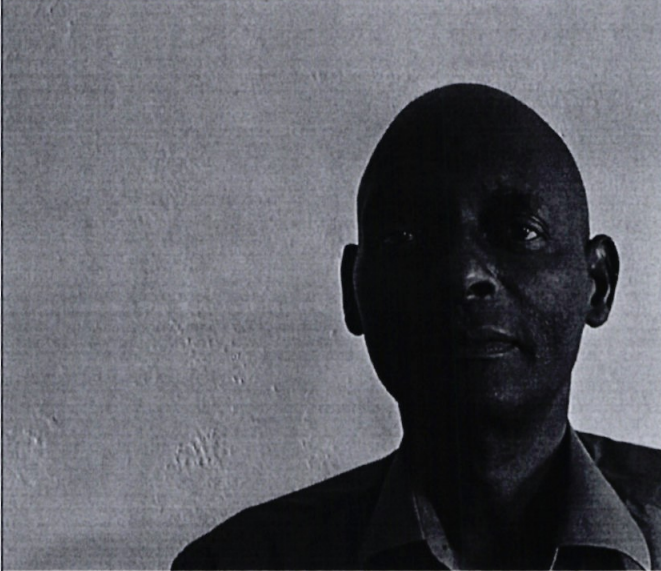
<p>3.</p>		<p>D.O.B : 1972</p> <p>Qualification: Bachelor of Arts</p> <p>Work Experience: Deputy County Commissioner</p>
<p>Victor Kamonde Deputy County Commissioner</p>		
<p>4.</p>		<p>D.O.B : 1991</p> <p>Qualification: KCSE</p> <p>Work Experience: Business woman and a member of NGCDFC for the last 7 years</p>
<p>Ruth Riziki Kadanga Secretary: Female Youth Rep</p>		

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<p>5.</p>	 <p>Salama Herbert Karisa Member: Female Adult Rep</p>	<p>D.O.B :1967</p> <p>Qualification: Diploma in Education</p> <p>Work Experience: Business lady, Teacher and an NGCDFC member for the last two years</p>
<p>6.</p>	 <p>Daniel Yawa Member: Male Youth Rep</p>	<p>D.O.B : 1990</p> <p>Qualification: Degree in Education</p> <p>Work Experience: NGO Officer, businessman and NGCDFC member for the last 2 years</p>

<p>7.</p>	 <p>Jumaa Ali Mohamed Member: Male Adult Rep</p>	<p>D.O.B :1950</p> <p>Qualification:KCE</p> <p>Work Experience: Businessman and an NGCDFC member for the last 7 years</p>
<p>8.</p>	 <p>Judith Pahe Munga Member: Female Adult</p>	<p>D.O.B :1965</p> <p>Qualification: KCE</p> <p>Work Experience: Community Health , Business lady and NGCDFC member for the last 2 years</p>

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9.	 <p data-bbox="256 898 544 969">Gaspary Sanga Member: PWDs Rep</p>	<p data-bbox="922 344 1107 376">D.O.B : 1959</p> <p data-bbox="922 421 1182 452">Qualification: CPE</p> <p data-bbox="922 497 1560 568">Work Experience: Businessman and NGCDFC member for the last 7 years</p>
10.	 <p data-bbox="256 1576 520 1644">Gabriel Mwandeje Co-opted member</p>	<p data-bbox="922 976 1107 1008">D.O.B : 1962</p> <p data-bbox="922 1052 1485 1084">Qualification: Certificate in management</p> <p data-bbox="922 1128 1533 1240">Work Experience: Instructor at polytechnic, retired chief and an NGCDFC member for the last 2 years.</p>

1. NG-CDFC Chairman's Report



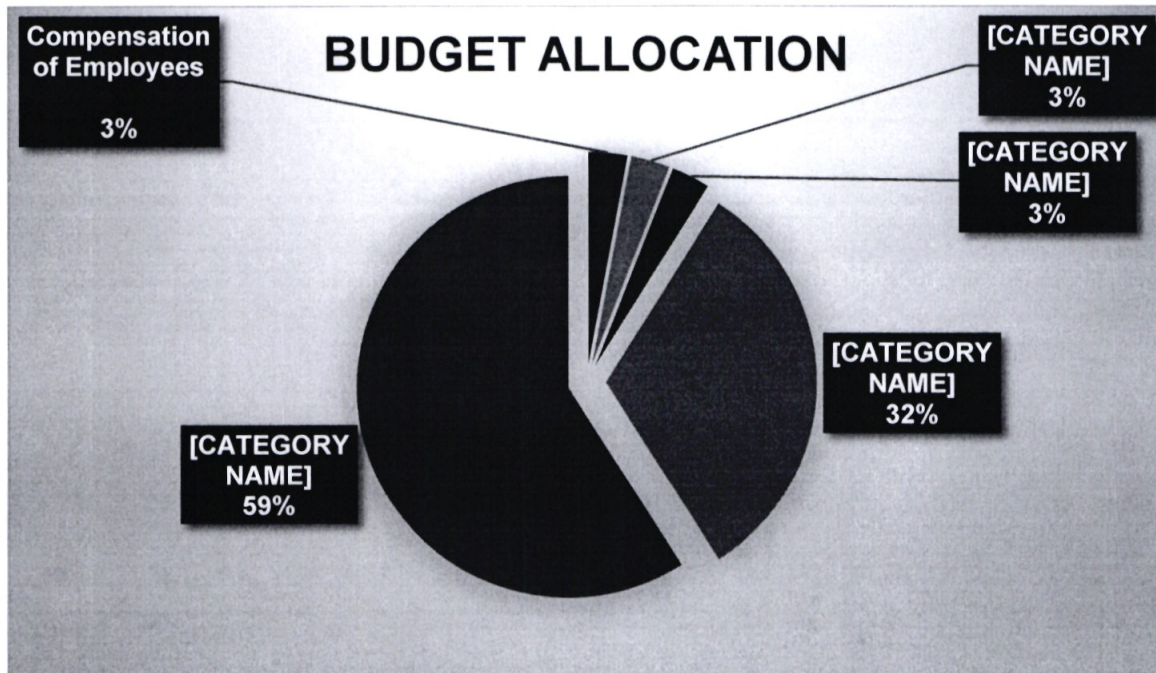
Mr. Richard MungaMwambura

NGCDF Kilifi south –Chairman

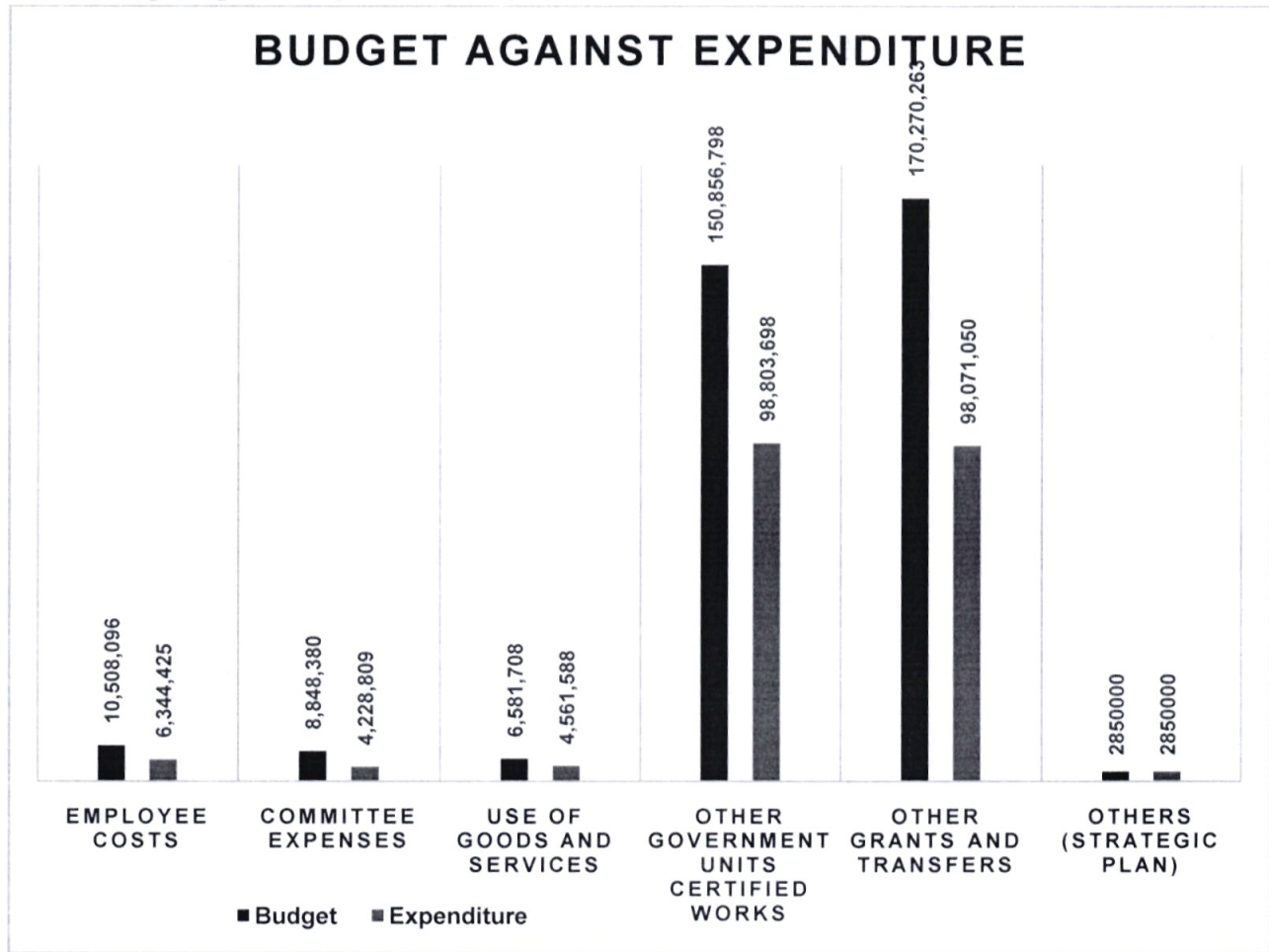
I take this opportunity to thank the people of Kilifi South Constituency for giving me this great opportunity to serve them in this transformative, people driven and Nation building position. I hereby present to you Annual reports and financial statements for the year ended 30th June 2025.

We have received funds from the NG CDF Board and have utilized the funds efficiently. The total budget for the year was Kshs. 179,467,954 out of which Kshs 64,886,362 was for previous financial years .We allocated Kshs. 56,909,114 towards Education projects. Which is equivalent to 32% of the budget to education projects. This amount was meant to fund primary schools, secondary schools and tertiary institution projects which would highly improve education in the region. The Kshs.55, 523,926 which is 31% of the original budget was channeled towards bursary for secondary schools and tertiary institution's needy students. This makes 63% for promotion of education and further eradicates poverty.

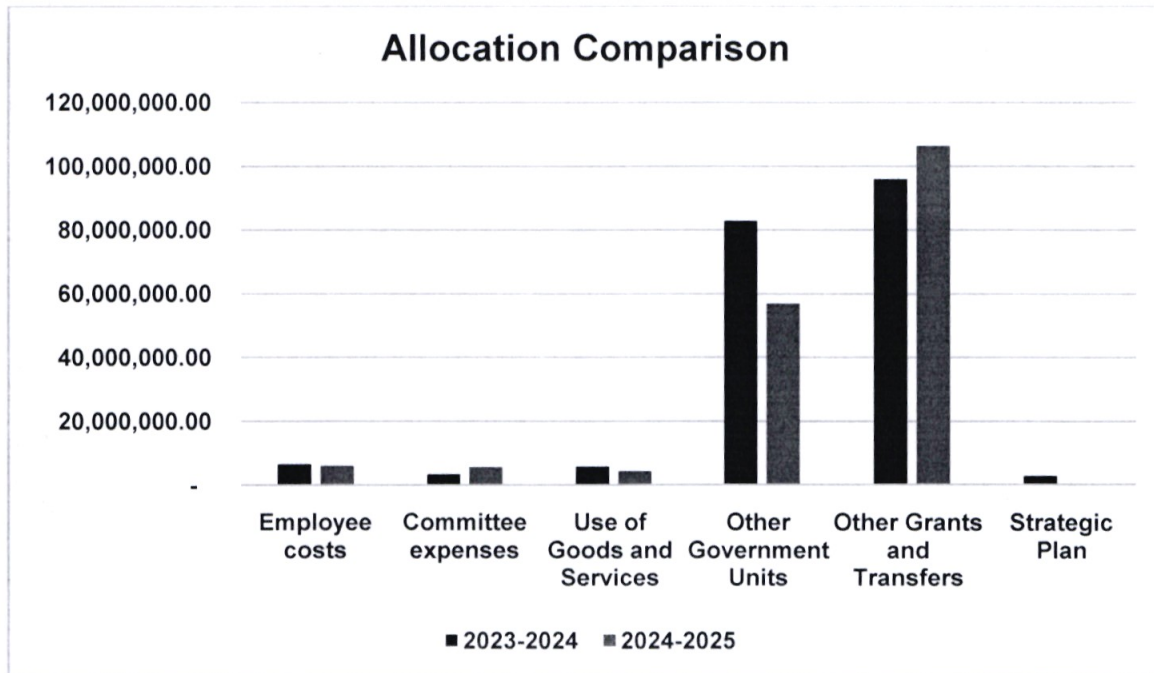
2024-2025 Budget Allocation per Sector



Total Budget against Expenditure: Fy 2024-2025



2023-2024 vs 2024-2025 Allocation per Sector



Summary of Key Achievements

Below are some of the high impact projects so far completed and in use:

1. Construction of staff quarters at Msumarini secondary school financial year 2023/2024



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2. Renovation of an Assistant Chief's office block at Bomani F/y 2024/2025



3. Construction of a two classroom block at Mtepeni primary school



Emerging Issues

EMERGING ISSUES

- i. Climatic changes causing droughts, unpredictable rainfall and unusual rough seas
- ii. High rural-urban migration by youth due to joblessness thus stripping the islands of much needed man-power for development

Despite a few challenges here and there, NGCDF continues to be one of the most preferred devolved funds at the grassroots by the society due to its broadened and inclusive management style and the visible tangible results that have brought hope to many villages that not so long ago were living in despair and ravaging poverty.


Challenges

- Delay in disbursing funds from NG-CDF Board.
- Insufficient funds for monitoring and evaluation, capacity building and training is a big challenge.
- Late disbursement of funds for Re-allocations should be fast tracked.

Way forward.

- NG-CDF Board to disburse funds to the constituencies on time for timely execution of budgets.
- The percentage on allocation of monitoring & evaluation vote and capacity building should be improved.

I wish to sincerely thank the NGCDF Committee, our able Fund Account Manager, Sub-County Accountant, NG-CDFC staff, Project Management Committees and other stakeholders for the cooperation and support that saw the achievement of the above milestones. Going forward, the Committee envisions performing even better and attaining better assessments in its performance targets for FY 2024/2025.



.....
Name: Mr. Richard M. Mwambura
Chairman NGCDF Committee

2. Statement of Performance Against Predetermined Objectives for FY2022/27

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 NG-CDF Kilifi South in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board includes a statement of the national government NG-CDF Kilifi South's performance against predetermined objectives.

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

- 1. Educational Equity:** Ensure equal access to quality education by addressing infrastructure gaps, providing resources and supporting marginalized groups such as girls and children from low income families.
- 2. Community safety:** improving safety and security through collaboration with law enforcement, community policing initiatives and investment in crime prevention programmes and infrastructure
- 3. Community sustainability:** Promoting environmental conservation, waste management and sustainable resource use to ensure a clean and healthy environment for future generations.
- 4. Community Empowerment and partnership development:** Fostering capacity building, social inclusion and collaboration to empower communities strengthen organizational capacity and building partnership.

Progress on the attainment of Strategic development objectives

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

Sector	Objective	Outcome	Indicator	Performance
Education	To have all children of school going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	number of usable physical infrastructure build in primary, secondary, and tertiary institutions number of bursary's beneficiaries at all levels	In FY 2024-2025 - we increased number of classrooms 11, 1 dormitory, 1 laboratory and 1 block of staff quarters. -More than 10,000 students benefited from bursary at all

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				levels were as per the attached schedules
Security	To improve the working and living conditions of security personnel in the Constituency	Increase and Improve the conditions of police stations within the constituency	Increased number of housing units and offices for security personnel	In FY 2024/2025 a new DCCs office is ongoing and an Assistant chief's office has been renovated to improve the security and safety of our constituents.
Climate change mitigation activities	To promote environmental conservation in the Constituency	Increase in knowledge, skills and passion for sustainable environment practices	Increased number of institutions with adequate sanitation facilities and water storage facilities and increase afforestation	In FY 2024/25 we invested in water harvesting program in 3 schools by providing 10,000 litres water tanks, water harvesting gutters for hygiene and improved sanitation & tree planting.
Emergency	To establish risk register for the constituency	Reduction in Risk Levels/Increased Risk and disaster preparedness	<ul style="list-style-type: none"> - Improved Constituency Internal Control System - Reduced level of complaints; resolved past cases and reduced reporting of present cases Securing the services of a security firm	In the FY 2024/25 We improved internal control system through checks and Strengthening corporate governance by inculcating a culture of best practices on NG-CDF mandate Maintained an open door policy of feedback and respecting criticism while taking corrective measures and drawing valuable lessons learnt from reported complaints

3. Governance Statement

National Government Constituency Development Fund Committee.

Each Constituency Committee shall comprise of:

- The national government official responsible for co-ordination of national government functions;
- Three men each nominated in accordance with subsection (3), one of whom shall be a youth at the date of appointment;
- Three women nominated in accordance with subsection (3). One of whom shall be a youth at the date of appointment
- One persons with disability nominated by a registered group representing persons with disabilities in the constituency in accordance with subsection (3);
- The officer of the Board seconded to the Constituency Committee by the Board who shall be an ex-officio member without
- One member co-opted by the Board in accordance with Regulations made by the Board

The names of the persons selected shall be submitted by the Board to the National Assembly for approval before appointment and gazettelement by the Board.

Composition of the selection panel was instituted vide letters from the Constituency Office Manager and the Deputy County Commissioner both dated 3rd December 2024 respectively. The Deputy County Commissioner nominated Mrs. Miskey Ahmed to be the chair of the selection Committee. An advertisement calling for the members was released on 6thDecember, 2024 and was attached to notice boards in the Constituency where those interested were allowed to submit their applications by 31st December 2024 at 5.00 pm.

The selection panel had their first sitting on 6th December 2024 where they came up with the advertisement and developed the criteria which they were to use to evaluate applicants.

The panel had its second sitting on 3rd January 2025 to open and vet the applicants where the process was concluded on 6th January 2025 and a report sent to the NGCDF Board for ratification and onward to submission to the National Assembly for approval.

National Government Constituencies Development Fund (NGCDF)
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The following new members as per the selection panel are yet to be publicized in the Kenya gazette to enable them takeover office thereafter.

S/No	Name	Category	Position	Contact
1.	Richard Munga Mwambura	Male Adult	Chairperson	0722850707
2.	Jumaa Ali Mohamed	Male Adult	Member	0713192955
3.	Lilian Nyadzua Hassan	Female Adult	Member	0721349237
4.	Judith Pahe Munga	Female Adult	Member	0723643790
5.	Daniel Yawa	Male Youth	Member	0701923673
6.	Ruth Riziki Kadanga	Female Youth	Member	0703498505
7.	Gasperry Sanga Mbura	PWD	Member	0723834237

In addition to the seven members a co-opted member was also appointed by the NGCDF Board as per the law as below:

1.	Gabriel Mwandeje Mwadzoya	Co-opted	Member	0722693429
----	---------------------------	----------	--------	------------

Key notes on NGCDF Committees

- The first meeting of the NGCDFC shall be convened by the National Government official or in his absence by the FAM within sixty days of a new parliamentary term or by-election or on such day as may be designated the Cabinet secretary (Section 43 (6))
- The quorum of the Committee shall be one half of the total membership (Section 43 (7))
- The term of office of the committee shall be two years renewable but shall expire upon appointment of a new committee in a manner provided for in the Act (Section 43 (8))
- Whenever a vacancy occurs in the constituency Committee by reason of resignation, incapacitation or demise of a member the vacancy shall be filled from the same category of persons where the vacancy has occurred within a period of thirty days Section 43 (10)
- The Committee shall meet at least six (6) times in a year but shall not hold more than twenty four (24) meetings in the same financial year section 43 (11) including sub-committee meetings and are only paid allowances from the Administration and recurrent vote.

In this regard Kilifi South NGCDFC has had a total of 12 meetings during the financial year dated as listed below:

National Government Constituencies Development Fund (NGCDF)
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Committee Members	NG-CDF COMMITTEE MEETINGS ATTENDANCE											
	8.7.2024	6.8.2024	3.09.2024	17.10.2024	27.11.2024	9.12.2024	10.01.2025	18.02.2025	13.03.2025	17.04.2025	28.05.2025	26.06.2025
Richard MungaMwambura	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
SalamaKarisa	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Daniel Yawa	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Ruth RizikiKadanga	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Jumaa Ali Mohamed	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Judith Pahe Munga	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
GasparySanga	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Gabriel Mwandeje	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Victor Kamonde	x	✓	x	✓	✓	✓	✓	✓	✓	✓	✓	✓

A member of the Constituency Committee may be removed from office on any one or more of the following grounds:

- ❖ Lack of integrity;
- ❖ Gross misconduct;
- ❖ Embezzlement of public funds;
- ❖ Bringing the committee into disrepute through unbecoming personal public conduct;
- ❖ Promoting unethical practices; Causing disharmony within the committee;
- ❖ Physical or mental infirmity. Section 43 (13)

Decision to remove a member shall be made through a resolution of at least five members of the Committee and the member sought to be removed shall be given a fair hearing before the resolution is made:

- ❖ A vacancy arising as a result of the removal of a member shall be filled in the manner set out in section 43 (1) and the minutes of the meeting shall indicate the fact of the removal or appointment of a member
- ❖ Dissolution of the Committee as provided for in section 44 of the Act
- ❖ During its first meeting, a Constituency Committee shall establish two sub-committees necessary for the proper performance of its functions

A person shall qualify to be appointed to NGCDF Committee if that person:

- ❖ is a citizen of Kenya; is ordinarily a resident and a voter within the Constituency; is able to read and write and to communicate in English and Kiswahili; meets the requirements of Chapter Six of the Constitution; is available to participate in the activities of a Constituency Committee
- ❖ A person who has previously served in a Constituency Committees constituted under the Fund or served in a leadership position in the Community may be appointed to NGCDFC

Functions of the NGCDF Committee

- ❖ Build the capacity of project management committees and sensitize the Community on the operations of the Fund;
- ❖ Consider all project proposals from all wards in the Constituency and any other projects which a Constituency Committee considers beneficial to the Constituency;
- ❖ Ensure that all proposed projects that are approved for funding meet the requirements of section 24 of the Act;
- ❖ Ensure that project proposals submitted to the Board include detailed budget proposals, procurement plans and work plans;
- ❖ In approving a project and before submitting the to the Board for consideration, satisfy itself and make a declaration to the effect that such project (works and services) fall within the functions of the National Government under the Constitution
- ❖ Consult with relevant government departments to ensure that cost estimates for projects are realistic;
- ❖ In considering joint projects, ensure that the participating constituencies enter into negotiations for effective implementation of such projects.

Appointment of the Chairperson and Secretary

- ❖ A Constituency Committee shall elect the chairperson and secretary of a Constituency Committee during its first meeting and shall notify the Board of the appointments
- ❖ A person shall qualify to be elected as Chairperson or Secretary to a Constituency Committee if that person is the holder of a Kenya Certificate of Secondary Education

Chairperson

- ❖ Carry out consultations with the Officer of the Board seconded to the Constituency and other relevant stakeholders;
- ❖ Ensure members and staff of a Constituency Committee are properly trained;
- ❖ Encourage a culture of transparency and teamwork among the committee members;
- ❖ Be a signatory to the Constituency Fund Account; and
- ❖ Co-ordinate the compilation of project status reports every six months

The Secretary shall

- ❖ Be responsible for
- ❖ Carrying into effect the decisions of a Constituency Committee;
 - The day to day administration and management of the affairs of a Constituency Committee;
 - Supervision of the staff of the Constituency Committee;
 - In consultation with the Chairperson and the officer of the Board seconded to the Constituency, convene Constituency Committee meetings;
- ❖ Circulate notices and the agenda of meetings;
- ❖ Accurately record the proceedings of every Constituency Committee meeting and after confirmation and execution of the minutes transmit the minutes to the officer of the Board seconded to the Constituency for safe custody.
- ❖ Provide guidance to a Constituency Committee on management of meetings;
- ❖ Ensure minutes are readily available during subsequent meetings; and
- ❖ Ensure and facilitate effective communication amongst the members of a Constituency committee.

Trainings

The new committee is normally inducted by the NGCDF Board in the first financial year and subsequently the NGCDFC does on its own to further its knowledge through trainings and tours to other constituencies. The trainings include and not limited to the following topics:

- i. Overview of NG-CDF Act 2015
- ii. Project planning, identification and implementation

- iii. Records management
- iv. Public Procurement and Asset Disposal Act 2015
- v. Disability Mainstreaming
- vi. Gender Mainstreaming
- vii. Corruption Eradication/ Governance
- viii. Anti-Corruption and Economics Act
- ix. Public Finance Management Act
- x. Disaster management
- xi. Road safety
- xii. HIV/AIDS prevention
- xiii. Alcohol & Drug abuse prevention

Conflict of interest

It is the exercise of Kilifi South NGCDF that all the members and staff declare conflict of interest in every meeting attended and also fill declaration forms at the beginning of an appointment to service to commit themselves to service.

Succession Plan

Pursuant to Section 43 (8) and (9) of the NG- CDF Act 2025 as amended in 2023, the tenure of the members of NG-CDFCs shall expire upon the appointment of a new Constituency Committee in the manner provided in the Act and Regulations, while the Officer of the Board shall remain the custodian of all the records and equipment of the Constituency. Therefore, the officer of the Board shall play an important role of ensuring the assets of the constituency are protected and preserved, and ensure smooth transition between the committees.

Upon appointment of the new committee, the officer of the Board in liaison with the Deputy County Commissioner, shall facilitate smooth handover between the outgoing and the newly gazetted NG-CDF members. To facilitate this, the Officers of the Board are required to prepare a comprehensive handover report on behalf of the outgoing committee. The handover report must be signed by the Chairpersons (or a member acting in such capacity), secretary (or a member acting in such capacity) and witnessed by the Officer of the Board.

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4. Management Discussion and Analysis

Kilifi South Constituency is in Kilifi County. The constituency borders Kaloleni Constituency to the west, Kilifi North to the north, Kisauni Constituency to the south and the Indian Ocean to the east. It borders Mombasa County and Mombasa City which is the second largest metropolis in the country and also which has the Kenya's main seaport of Kilindini; the centre of trade and commerce for east and central Africa.

This financial year, the average allocation to individual students improved which in turn means an increase in the population of students retained in school. We also recognize the continuous support we have received from the management of the NGCDF board.

I take this opportunity on behalf of the NG CDF Kilifi South to highlight on achievements, challenges and my suggestions on the way forward on better utilization of this fund and delivery of service to my constituents.

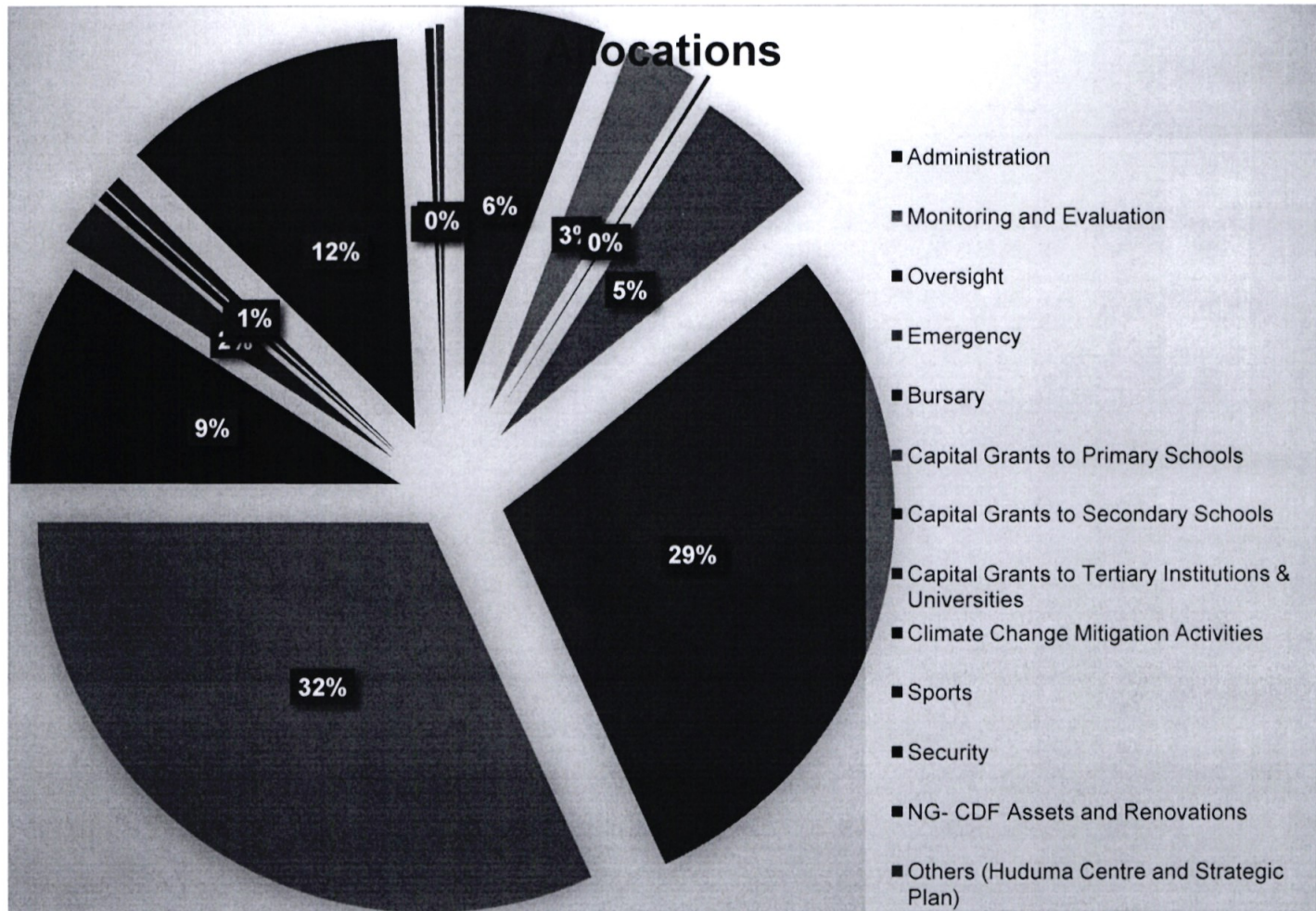
Kilifi south NGCDF was allocated a total of Kshs.794, 016,508.77 from financial year 2020/2021 to date astabulated below:

NO.	FINANCIAL YEAR	ALLOCATION (KSHS)
1.	2020/2021	137,088,879
2.	2021/2022	137,088,879
3.	2022/2023	145,087,603
4.	2023/2024	195,285,193
5.	2024/2025	179,467,954
	TOTAL	794,016,508

The funds were distributed to several sectors as:

FINANCIAL YEARS 2020/2021 TO 2024/2025 ALLOCATION PER SECTOR

NO	SECTORS	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	TOTAL	% PER SECTOR
1	Administration	8,225,333	8,225,333	8,765,256	10,521,700	10,768,077	46,505,700	6
2	Monitoring and Evaluation	4,112,666	4,112,666	5,843,504	5,260,000	5,384,038	24,712,874	3
3	Emergency	7,192,207	7,192,207	7,636,190.00	9,229,569	9,444,313	40,694,486	5
4	Bursary	38,918,673	36,448,673	47,472,480	54,515,924	55,523,926	232,879,676	29
5	Capital Grants to Primary Schools	51,040,000	59,370,000	29,915,000	56,155,628	55,528,738	252,009,366	32
6	Capital Grants to Secondary Schools	17,200,000	16,300,000	21,411,669	16,712,372	1,380,376	73,004,417	9
7	Capital Grants to Tertiary Institutions & Universities	4,700,000	940,000	-	10,000,000	-	15,640,000	2
8	Climate Change Mitigation Activities	-	-	2,921,752	840,000	-	3,761,752	1
9	Sports	2,400,000		2,921,752			5,321,752	1
10	Security	3,300,000	4,500,000	13,100,000	31,400,000	41,438,486.00	93,738,486	12
12	NG- CDF Assets and Renovations	-	-	2,900,000.00	-	-	2,900,000	0
13	Others (Strategic Plan)	-	-	2,200,000.00	650,000	-	2,850,000	0
	TOTAL	137,088,879	137,088,879	145,087,603	195,285,193	179,467,954	794,018,508	100



Bursary Sector

The committee over the last 5 years managed to allocate bursary to over 10,000 learners in every financial year. In addition, the committee achieved to train 100 learners through TVET scholarship, 52 teachers through scholarship, and Trained 253 learners on life guard among other awards. Further, the committee allocated Kshs. 25,000 to learners pursuing a degree program, Kshs. 20,000 to learners pursuing diploma and certificate courses. With respect to Secondary Schools, learners were allocated Kshs. 16,000 to boarders, Kshs. 8,000 to day scholars and Kshs. 7,000 to learners in school within the constituency.

Grants to Primary and Secondary Schools

Poor academic performance in the constituency is contributed by lack of proper school infrastructure, such as laboratories and laboratory apparatus, a shortage of dormitories in several schools, insufficient classrooms at the primary level, and unsecured school compounds that are invaded by domestic animals like cattle goats and sheep and trespassers by outsiders during weekends and holidays.

The committee is planning to establish boundaries and install some chain link fences to some schools. Moreover, the committee has completed a laboratory, and is finalizing a dormitory, renovation of a primary school consisting of 11 classrooms and an administration block for some secondary schools to allow students to take advantage of the amenities.

In addition, the committee has constructed to completion 3 blocks of 3 doors pit latrines toilets in two primary schools. These will enhance public health and hygiene at the learning institutions.

Grants to Tertiary Institution

The committee disbursed Kshs. 10,000,000 partnering with the Ministry of Education in constructing a Technical Training Institute in the Constituency.

Security

The committee has renovated to completion of an Assistant chief's office at Bomani, bought land for a Chonyi Deputy County Commissioners office headquarters where the office is being constructed at the area. In addition, the committee plans to Construct and equip chiefs' and Assistant chiefs' offices with furniture, Cabinets, and computers to enhance their service delivery.



.....
Name: Gladys Ngala
Fund Account Manager

5. Environmental and Sustainability Reporting

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

1. Sustainability strategy and profile -

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

- a. **Education and Training:** Kilifi South 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, re-afforestation, grass roots sensitization, and tree seedling production.

2. Environmental performance.

Uncontrolled environmental degradation and effects of climate change negatively impact on the socio-economic development of the constituency. Major contributors to environmental degradation are human activity. These activities include deforestation through illegal logging, charcoal burning, forest clearing for agricultural activities, overstocking and subsequent overgrazing, illegal quarrying and water pollution through waste disposal. The depletion of mangrove forest reduces reproduction of marine life, deforestation and overgrazing leads to desertification and reduce rainfall and water sources, water pollution leads to water borne diseases while climate change has increased the frequency of high tide flooding.

Kilifi south Constituency depends heavily on wood fuel for domestic use. Forest resources contribute heavily towards household budget through the burn and sell of charcoal. Widespread poverty, unemployment and climate change are the major driving forces to environmental degradation in the constituency.

We have created Environmental Sustainability guidelines to;

1. Ensure that the NGCDFC Kilifi south has establishes systems of environmental impact assessment, environmental audit, monitoring and reporting of the environmental activities undertaken both at the Wards and Constituency levels.
2. Ensure that the schools and community continue to priorities and improve environmental sustainability projects.
3. Encourage Community participation including youth during barazas in identification, protection and conservation of environment.
4. Improve on planning and utilization of allocation for environmental sustainability funds in all wards
5. We have implemented water harvesting and tree planting project in schools.
6. We have renovated chiefs offices, furnished a police station and do have an ongoing projects for construction of a Deputy County Commissioners office.
7. We a Technical Training Institute ongoing and endeavor to have a complete Huduma centre and an ICT hub in place to reduce cases of drug abuse.
8. We have ensured that in all projects at least 20 trees are planted.

Outline successes,

- The youth and women groups have managed to sell mangrove seedlings at the coastline thus boosting livelihoods.
- Continuous existence of coral rocks at the seaside have encouraged the existence of fish thus jobs creation.
- Booming human settlement and urbanization of the Constituency

Shortcomings,

- Pollution caused by the factories that are and coming up in the constituency

- Seasonal rivers are now changing their course due to building coming up in the constituency.
- Unpredictable weather patterns
- Food insecurity due to chemical use in agriculture
- Deforestation by Charcoal burning due to increased costs of fuel
- Cost of timber is very high due to lack of trees
- Existence of quarries encourages sand harvesting

3. Employee welfare

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

Kilifi South 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-

Kilifi South 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

Kilifi South 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

National Government Constituencies Development Fund (NGCDF)
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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.

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



.....
Name: Gladys Ngala
Fund Account Manager.

6. 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 NG-CDF Kilifi South shall prepare financial statements in respect of that NG-CDF Kilifi South. 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- Kilifi South Constituency is responsible for the preparation and presentation of the NG-CDF Kilifi South's financial statements, which give a true and fair view of the state of affairs of the NG-CDF Kilifi South 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 NG-CDF Kilifi South; 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 NG-CDF Kilifi South; Selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the NGCDF-Kilifi South Constituency accepts responsibility for the NG-CDF Kilifi South'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 Kilifi South financial statements give a true and fair view of the state of NG-CDF Kilifi South's transactions during the financial year ended June 30, 2025, and of the NG-CDF Kilifi South's financial position as at that date. The Accounting Officer charge of the NGCDF-Kilifi South Constituency further confirms the completeness of the accounting records maintained for the constituency, which have been relied upon in the preparation of the NG-

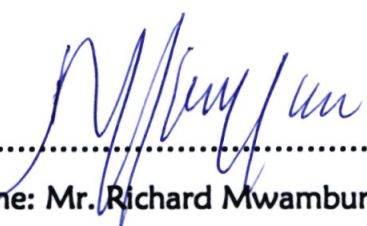
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CDF Kilifi South's financial statements as well as the adequacy of the systems of internal financial control.

The Accounting Officer in charge of the NGCDF Kilifi South Constituency confirms that the constituency has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the NG-CDF Kilifi South'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- Kilifi South Constituency financial statements were approved and signed by the Accounting Officer on 3RD DECEMBER 2025.



.....
Name: Mr. Richard Mwambura
Chairman – NGCDF Committee



.....
Name: Gladys Ngala
Fund Account Manager

REPUBLIC OF KENYA

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HEADQUARTERS
Anniversary Towers
Monrovia Street
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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) - KILIFI SOUTH CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2025

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying transitional IPSAS financial statements of National Government Constituencies Development Fund (NGCDF) - Kilifi South Constituency

Report of the Auditor-General On National Government Constituencies Development Fund (NGCDF) - Kilifi South Constituency for the year ended 30 June, 2025

set out on pages 1 to 65, which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts, for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the transitional IPSAS financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund - Kilifi South 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, as discussed in Note 2 to the financial statements and comply with the National Government Constituencies Development Fund Act, 2015 (Amended 2022) and the Public Finance Management Act, 2012 and The National Treasury and Economic Planning Circular No. 3 of 14 April, 2025.

Basis for Qualified Opinion

Inaccuracies in the Statement of Cashflows

The statement of cash flows reflects payments in respect of other Government unit certified works and other grants and transfers totalling to Kshs.96,634,997 and Kshs.89,594,474 respectively. However, the statement of comparison of budget and actual amounts reflects corresponding payments totalling to Kshs.98,572,727 and Kshs.91,460,519 respectively resulting to unreconciled variances of Kshs.1,937,730 and 1,866,045 respectively. No reconciliation was provided to explain the variances.

In the circumstances, the accuracy and completeness of the statement of cash flows 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 - Kilifi South 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.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

In the prior year audit report, one (1) issue was raised under the Report on Financial Statements and two (2) issues under the Report on Lawfulness and Effectiveness in Use of Public Resources. These include inaccurate total payments, irregular payments on emergency project and irregular payments on transfer to Secondary Schools. Review of the status during audit of the Fund in 2024/2025 revealed that the matters remained unresolved.

Other Information

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

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effects of the matter 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

Unbalanced Budget

The statement of comparison of budget and actual amounts reflects total revenue final budget amount of Kshs.352,578,493 against total expenditure final budget amount of Kshs.356,382,268 resulting to a budget deficit of Kshs.3,803,775. This is in breach of

Regulation 33(c) of the Public Finance Management (National Government) Regulations, 2015 that states that the budget shall be balanced.

Management was in breach of the Law

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

REPORT ON 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

Delayed Completion of Projects

Records provided for audit revealed that three (3) projects which commenced in prior years were had not been completed as detailed below:

Project	Project Description	Budget (Kshs)	Accumulated Payments (Kshs)	Status
Jembe Mwakalu Technical Training College	Proposed Construction of Jembe Kalu Technical College Chonyi	10,000,000	10,000,000	Ongoing
Chonyi Deputy County Commissioner Office Block	Proposed Construction of Deputy County Commissioner Office Chonyi Sub County	83,000,000	34,895,943	Ongoing
Chonyi Deputy Coounty Commissioner Office Block -Land	Purchase of land for Construction of Deputy County Commissioner Office Chonyi Sub County	3,000,000	2,600,000	Title processing ongoing

In the circumstances, the projects implementation supervision procedures and controls may not have been effective during the year under review.

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 those Charged with Governance

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

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

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

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

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


Auditor-General's Responsibilities for the Audit

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi


08 December, 2025

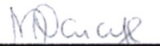
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11. Statement of Financial Performance for the Year Ended 30th June 2025

	Note	Period ended June Kshs
Revenue from non-exchange transactions		
Transfers from the NGCDF Board	6	179,441,954
Grants/donations from other entities	7	-
Revenue from exchange transactions		
Finance income	8	-
Miscellaneous income	9	12,000
Total revenue		179,453,954
Expenses		
Employee costs	10	7,907,191
Committee expenses	11	4,228,809
Use of Goods and Services	12	7,359,618
Other Government Units Actual expenditure	13	100,179,991
Other Grants and Transfers Actual expenditure	14	92,624,846
Depreciation and amortization expense	15	-
Digital Hubs Actual expenditure	16	-
Total expenses		212,300,455
Other gains/(losses)		
Gain/Loss on Sale of Assets	17	-
Impairment loss	18	-
Surplus/(Deficit) for the year		(32,846,501)

The Constituency financial statements were approved by the NG-CDFC on 30th DECEMBER 2025 and signed by:


 Chairman NG-CDF
 Committee
 Name: Mr. Richard
 Mwambura


 National Sub-County
 Accountant
 Name: Nancy Nazi Mwarabu


 Fund Account Manager
 Name: Gladys Ngala

ICPAK M/No: 15006

National Government Constituencies Development Fund (NGCDF)
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12. Statement of Financial Position as At 30th June, 2025

	Note	Period as at 30 th June 2025 Ksh	Opening Statement 1 st July 2024 Ksh
Assets			
Current Assets			
Cash And Cash Equivalents	19	112,308,246	108,238,177
Receivables from Exchange Transactions	20	-	-
Receivables from Non-Exchange Transactions	21	35,441,954	64,886,362
Prepayments	22	51,970	-
Total Current Assets		147,802,170	173,124,539
Non-Current Assets			
Property, Plant and Equipment	23	50,379,837	49,765,837
Intangible Assets	24	-	-
Right-of-use assets	25	-	-
Total Non- Current Assets		50,379,837	49,765,837
Total Assets (A)		198,182,007	222,890,376
Liabilities			
Current Liabilities			
Trade and Other Payables	26	-	-
Third-Party Deposits	27	6,639,979	64,613
Lease Liabilities	28	-	-
Gratuity provision	29	2,817,184	1,254,418
Total Current Liabilities		9,457,163	1,319,031
Non-Current Liabilities			
Lease Liabilities	28	-	-
Total Liabilities (B)		9,457,163	1,319,031
Net Assets (A-B)		188,724,844	221,571,345
Represented by:			
Revaluation Reserves		188,724,844	221,571,345


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Accumulated Surplus			
Total Net Assets		188,724,844	221,571,345


The Constituency financial statements set out on 01 to 019 were approved by the NGCDFC on 3RD DECEMBER 2025 and signed by:



**Chairman NG-CDF
 Committee**
**Name: Mr. Richard
 Mwambura**



**National Sub-County
 Accountant**
Name: Nancy Nazi Mwarabu
 ICPAK M/No: 15006



Fund Account Manager
Name: Gladys Ngala

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

Description	Reserve	Accumulated surplus/Deficit	Total
	Kshs	Kshs	Kshs
As at 30th June 2024 (cash basis)	103,046,735		103,046,735
Adjustments: (to recognize assets and liabilities)			
Add Assets	119,843,641		119,843,641
Less Liabilities	1,319,031		1,319,031
As at July 1, 2024	221,571,345		221,571,345
Surplus/(Deficit) For the Period	(32,846,501)		(32,846,501)
Revaluation Gain/Loss	-	-	-
As at 30th June 2025	188,724,844	-	188,724,844

Note:

- i. For items that are not common in the financial statements, the NG-CDF Kilifi South 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.


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14. Statement of Cash Flows for the Year Ended 30th June 2025


	Notes	Period ended June KSh
Cash flows from operating activities		
Receipts		
Transfers from the NGCDF Board		208,886,362
Grants/donations from other entities		-
Finance income		-
Miscellaneous income		12,000
Total Receipts		208,898,362
Payments		
Employee costs		6,344,425
Committee expenses		4,228,809
Use of Goods and Services		7,411,588
Other Government Units Certified Works		96,634,997
Other Grants and Transfers		89,594,474
Digital Hubs Expenses		-
Total Payments		204,214,293
Net Cash Flows from/ (used in) Operating Activities	30	4,684,069
Cash flows From Investing Activities		
Purchase of PPE		614,000
Purchase of Intangible assets		-
Proceeds From Sale of PPE		-
Net Cash Flows from Investing Activities		614,000
Net increase/(decrease) in cash & Cash equivalents		4,070,069
Cash Flows from Financing Activities		
Lease payment		
Net Cash Flows from Financing Activities		4,070,069
Cash and cash equivalents at Period Start	19	108,238,177
Cash and cash equivalents at Period End	19	112,308,245

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The Constituency financial statements were approved by the NGCDFC on 3RD DECEMBER 2025 and signed by:



**Chairman NG-CDF
Committee**
**Name: Mr. Richard
Mwambura**



**National Sub-County
Accountant**
Name: Nancy Nazi Mwarabu
ICPAK M/No: 15006



Fund Account Manager
Name: Gladys Ngala

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

*National Government Constituencies Development Fund (NGCDF)
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15. Statement of Comparison of Budget and Actual Amounts for the Year ended 30 June 2025

	Original Budget		Final Budget		Actual on	Budget utilization	% of Utilization
	Kshs	Adjustments		Kshs	comparable	difference	
		a	b		c=(a+b)		
	2024-2025	Opening Balance (operational, deposit and PMCs C/Bk) and AIA	Previous Years' Outstanding disbursements	2024-2025	2024-2025		
Revenue							
Transfers From the NGCDF Board	179,441,954	108,238,177	64,886,362	352,566,493	317,124,539	35,441,954	90
Grants/donations from other entities	-	-	-	-	-	-	
Finance income	-						
Miscellaneous income		12,000	-	12,000	12,000	-	100
Totals	179,441,954	108,250,177	64,886,362	352,578,493	317,136,539	35,441,954	90
Expenses							
Employee costs	6,031,764	4,582,691	-	10,614,455	6,344,425	4,270,030	60
Committee expenses	6,486,038	2,950,131	-	9,436,169	4,228,809	5,207,360	45

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Use of Goods and Services	3,608,313	5,103,247	-	8,711,560	7,411,588	1,299,972	85
Other Government Units Certified Works	56,909,114	60,775,351	32,941,362	150,625,827	98,572,727	52,053,100	65
Other Grants and Transfers	105,791,725	31,918,538	31,945,000	169,655,263	91,460,519	78,194,744	54
Acquisition of assets	615,000	50,025	-	665,025	614,000	51,025	92
Funds Pending Approval**	-	3,606,367	-	3,606,367	-	3,606,367	0
Retention withheld in the Deposit Acc	-	3,067,601	-	3,067,601	-	3,067,601	-
Total Expenditure	179,441,954	112,053,951	64,886,362	356,382,268	208,632,068	147,750,200	59
Surplus for the period							

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

Explanatory Notes.

- I. The adjustments figure on receipts column represent the roll receipts from previous year fy 2024/24 Kshs. 64,886,362 which wasn't received from board by closure of FY 2023-2024, cash book B/F Ksh. 52,026,480, PMCs B/F Kshs. 54,957,279 and A.I.A of ksh 12,000.
- II. Underutilization for all other items was occasioned by delays in disbursement of funds from NG-CDF Board,
- III. Underutilizations of compensation of employees resulted from accrued gratuity for the NGCDFC continuing staff.
- IV. Underutilization of transfers to other grants and other grants and transfers was due late disbursement/release of funds from the board.
- V. Underutilization of other payments transfers was due to ongoing process for development of a five-year strategic plan.

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Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	147,750,200
Less undisbursed funds receivable from the Board as at 30 th June 2025	(35,441,954)
Cash and Cash Equivalents at the end of the 30 th June 2025	112,308,246

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 3RD DECEMBER 2025 and signed by:



Fund Account Manager

Name: Gladys Ngala



National Sub-County Accountant

Name: Nancy Nazi Mwarabu
ICPAK M/No: 15006



Chairman NG-CDF Committee

Name: Richard Mwambura

National Government Constituencies Development Fund (NGCDF)
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16. Budget Execution by Sectors and Projects for the Year Ended 30th June 2025

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on	Budget utilization difference
		Opening Balance (operational, deposit and PMCs C/Bk) and AIA	Previous Years' Outstanding Disbursements		comparable basis	
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent						
1.1 Contractual employees	3,674,097	1,502,511.00		5,176,608	4,862,809	313,799
1.2 Casual labour and internship	168,750.00	41,630.00		210,380	50,484	159,896
1.3 House allowance	661,500.00	633,000.00		1,294,500	882,000	412,500
1.4 NSSF	194,400.00	116,920.00		311,320	303,166	8,154
1.5 Social Health Insurance Fund (SHIF)	122,616.00	169,125.00		291,741	156,463	135,278
1.6 NITA Levy	4,500.00	0.00		4,500	-	4,500
1.7 Housing Levy	66,888.00	80,000.00		146,888	89,503	57,385
1.8 Employee's Gratuity	1,139,013.00	2,039,505.00		3,178,518	-	3,178,518
Sub-total	6,031,764.00	4,582,691.00	0.00	10,614,455.00	6,344,425.00	4,270,030.00
1.9 Electricity	96,000.00	37,670.00				

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				133,670	50,676	82,994
1.10 Water and sewerage	90,000.00	20,000.00		110,000	60,920	49,080
1.11 Telephone, Telex, Facsimile and Mobile Phone Service	150,000.00	47,000.00		197,000	105,024	91,976
1.12 Courier and Postal Services	10,000.00	0.00		10,000	3,600	6,400
1.3 Travel Costs	266,313.27	302,252.00		568,565	545,600	22,965
1.4 Daily Subsistence allowance	196,000.00	176,050.00		372,050	300,000	72,050
1.5 General Office Supplies and expenses	450,000.00	435,438.00		885,438	772,377	113,061
1.6 Advertising, Awareness and Publicity Campaigns	100,000.00	148,000.00		248,000	130,000	118,000
1.7 Publishing and Printing services	50,000.00	40,000.00		90,000	-	90,000
1.8 Purchase of Uniforms		150,000.00		150,000	149,500	500
1.9 Supplies and Accessories for Computers and Printers	150,000.00	110,000.00		260,000	200,000	60,000
1.20 Sanitary and Cleaning Materials, Supplies and Services	50,000.00	238,168.00		288,168	240,000	48,168
1.21 Refined Fuels and Lubricants for Transport	500,000.00	303.00		500,303	449,670	50,633
1.22 Bank service commission and charges	90,000.00	0.00		90,000	64,116	25,884
1.23 Maintenance Expenses – Motor Vehicle	1,000,000.00	437,241.00		1,437,241	1,020,155	417,086
1.24 Maintenance of office Furniture and Equipment	50,000.00	71,125.00		121,125	80,000	41,125
1.25 Contracted guards	360,000.00	0.00		360,000	360,000	-

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<i>Sub-total</i>	3,608,313.27	2,213,247.00	0.00	5,821,560.27	4,531,638.00	1,289,922.27
				-		-
1.26 NGCDFC allowance	1,128,000.00	17,514.00		1,145,514	845,100	300,414
<i>Sub-total</i>	1,128,000.00	17,514.00	0.00	1,145,514.00	845,100.00	300,414.00
						-
2.0 Monitoring and evaluation						-
2.1 Travel allowances for NGCDFC training	296,000.00	230,000.00		526,000	410,851	115,149
2.2 Accommodation allowances for NGCDFC training	533,000.00	647,628.00		1,180,628	537,694	642,934
2.3 Other committee expenses	2,369,038.00	1,168,764.00		3,537,802	1,482,159	2,055,643
2.4 NGCDFC allowances	2,160,000.00	886,225.00		3,046,225	953,005	2,093,220
<i>Sub-total</i>	5,358,038.00	2,932,617.00	0.00	8,290,655.00	3,383,709.00	4,906,946.00
2.5 Publishing and printing		40,000.00		40,000	29,950	10,050
<i>Sub-total</i>	-	40,000	-	40,000	29,950	10,050
3.0 Emergency						
3.1 unutilized	8,829,313	432,769		9,262,082	-	9,262,082
3.2 Mtomondoni primary school		1,201,000		1,201,000	1,201,000	-
3.3 St. Martins Primaty school		1,200,000		1,200,000	1,200,000	-
3.4 Ken Chonga Education Centre						

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		400,000		400,000	400,000	-
3.5 Ondoni primary school		375,000		375,000	368,575	6,425
3.6 Lubondo primary school		640,141		640,141	580,495	59,646
3.7 Kaole primary school		702,890		702,890	676,708	26,182
3.8 Baharini primary school		3,029,669		3,029,669	3,029,669	-
3.9 Gongoni Secondary school		1,200,600		1,200,600	1,200,600	-
3.10 Mbomboni secondary school		1,200,000		1,200,000	1,200,000	-
3.11 Assistant chief's office Bomani		1,000,000		1,000,000	-	1,000,000
				-		
Sub-total	8,829,313	11,382,069	-	20,211,382	9,857,047	10,354,335
4.0 Bursary and Social Security						
4.1 Primary Schools				-		-
4.2 Secondary Schools	37,523,926.00	439,924.00		37,963,850	37,345,000	618,850
4.3 Tertiary Institutions	16,000,000.00	376,161.00		16,376,161	16,005,000	371,161
4.4 special needs	2,000,000.00	2,001,000.00		4,001,000	3,920,000	81,000
4.5 Education Support Programmes				-		-
4.6 Social Security		2,946,000.00		2,946,000		2,946,000
Sub-total						

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	55,523,926	5,763,085	-	61,287,011	57,270,000	4,017,011
5.0 Environment						
5.1 Ng'ombeni Girl's secondary school		265,000	15,000	280,000	280,000	-
5.2 Ng'ombeni Primary school		265,000	15,000	280,000	280,000	-
5.3 Lutsangani Boys High school		265,000	15,000	280,000	280,000	-
5.4 Kilifi South Environment PMC		1,773		1,773	1,773	-
Sub-total	-	796,773	45,000	841,773	841,773	-
6.0 Sports						
7.1 Constituency sports activities		796,847		796,847	796,847	-
				-		
Sub-total	-	796,847	-	796,847	796,847	-
7.0 Primary Schools Projects						
7.1 Junju primary school		3,921		3,921	3,921	-
7.2 Kapecha primary school		1,730		1,730	1,730	-
7.3 Katikirieni primary school		151,610		151,610	151,610	-
7.4 Kikambala primary school		91,924		91,924	960	90,964
7.5 M'bomboni primary school		3,475		3,475	3,475	-
7.6 Mtomondoni primary school						

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		7,272		7,272	7,272	-
7.7 Mtomondoni scheme primary school	35,141,362	9,777,976		44,919,338	16,041,638	28,877,700
7.8 Mwazang'ombe primary school		7,733		7,733	7,733	-
7.9 Muhomukulu pri school		637		637	637	-
7.10 shariani primary school		109,398		109,398	109,398	-
7.11 Primary school desks		10,078		10,078	10,078	-
7.12 Utange primary school		11,927		11,927	11,927	-
7.13 Kolongoni primary school		3,500,000	122,434.00	3,622,434	3,612,434	10,000
7.14 Mafisini primary school		1,700,000	111,217.00	1,811,217	1,811,217	-
7.15 Kidutani primary school		3,154,114	468,320.00	3,622,434	3,622,434	-
7.16 Ngoloko primary school		3,622,434		3,622,434	3,622,434	-
7.17 Sirini primary school		3,500,000	122,432.00	3,622,432	3,622,432	-
7.18 Tunzanani primary school		-	1400000	1,400,000	-	1,400,000
7.19 Wvewvesi primary school		3,500,700	122,434.00	3,623,134	3,623,134	-
7.20 Kitsoeni primary school		1,711,693	100000	1,811,693	1,811,693	-
7.21 Mtepeni primary school		3,505,700	122,434.00	3,628,134	3,628,134	-
7.22 Mtomondoni primary school		3,500,000	122,434.00	3,622,434	3,619,420	3,014

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7.23 Baharini primary school	11,168,201	3,500,000	122,432.00	14,790,633	6,654,264	8,136,369
7.24 Muhomukulu pri school		3,622,434		3,622,434	3,622,434	-
7.25 Mapawa primary school		562,500		562,500	562,500	-
7.26 Tsalu primary school		278,209		278,209	278,209	-
7.27 St. Martins primary school		3,500,000	122,434.00	3,622,434	3,622,434	-
7.28 Katikirieni primary school	9,219,175.00	-		9,219,175	2,705,819	6,513,356
7.29 Kaole primary school		617,314		617,314	552,902	64,412
7.30 Kireme primary school		43,428		43,428	43,428	-
7.31 M'bomboni primary school		1,200,000		1,200,000	-	1,200,000
Sub-total	55,528,738	51,196,207	2,936,571	109,661,516	63,365,701	46,295,815
8.0 Secondary Schools Projects (List all the Projects)						
8.1 Kolongoni Secondary school	1,380,376	7,319,132		8,699,508	8,699,508	-
8.2 Lutsangani primary school		6,803	10,004,791	10,011,594	5,439,811	4,571,783
8.3 Shariani secondary school		245,903		245,903	245,903	-
8.4 Pingilikani secondary school		68,698		68,698	68,698	-
8.5 Paul Harris High school		474,672		474,672	474,672	-

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8.6 Msumarini secondary school		42,501		42,501	42,501	-
8.7 Katikirieni secondary school		-	5,000,000	5,000,000	4,998,175	1,825
8.8 Msumarini secondary school		-	5,000,000	5,000,000	4,616,323	383,677
8.9 Ng'ombeni girls secondary school		3,997		3,997	3,997	-
8.10 Paul Harris High school		800,000		800,000	-	800,000
8.11 Mtomondoni secondary school		418		418	418	-
				-	-	-
Sub-total	1,380,376	8,962,124	20,004,791	30,347,291	24,590,006	5,757,285
9.0 Tertiary institutions Projects (List all the Projects)						
9.1 Kilifi South Sub-county Education office		117,020		117,020	117,020	-
9.2 Kilifi South Sub-county Education office - PMC Equity		500,000		500,000	500,000	-
9.3 Kenya Coast National Polytechnic		-	10,000,000	10,000,000	10,000,000	-
				-	-	-
Sub-total	-	617,020	10,000,000	10,617,020	10,617,020	-
10.0 Security Projects						
10.1 DCC Chonyi Sub-County	41,438,486	13,166,657	28,400,000.00	83,005,143	19,282,645	63,722,498
10.2 DCC Chonyi Sub-County		-	3,000,000.00	3,000,000	2,899,100	100,900

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10.3 Mtwapa Police Station		9,836		9,836	9,836	-
10.4 Pingilikani Chief's office		2,521		2,521	2,521	-
10.5 Ndongya Police station		750	500,000	500,750	500,750	-
				-	-	
Sub-total	41,438,486	13,179,764	31,900,000	86,518,250	22,694,852	63,823,398
11.0 Acquisition of assets						
12.1 Motor Vehicles (including motorbikes)			-	-		-
12.2 Purchase of furniture and fittings	615,000			615,000	614,000	1,000
12.2 Construction of CDF office		50,025.00		50,025		50,025
Sub-total	615,000	50,025	-	665,025	614,000	51,025
12.0 Others						
12.1 NG-CDF Strategic Plan		2,850,000.00	-	2,850,000	2,850,000	-
Sub-total	-	2,850,000	-	2,850,000	2,850,000	-
13.0 Funds pending approval**						
13.1 Unspent Balance		145,201		145,201	-	145,201
13.2 PMC Savings 2022-2023		390,160.00		390,160		390,160
13.3 PMC Savings 2023-2024		1,881,533.00		1,881,533		1,881,533
13.4 PMC Savings 2024-2025		736,173		736,173		736,173

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13.5 AiA 2022-2023		415,000		415,000		415,000
13.6 AiA 2023-2024		26,000		26,000		26,000
13.7 AiA 2024-2025	-	12,000		12,000		12,000
13.8\ Excess Salary Reversed 2023-2024		300		300		300
Sub-total	-	3,606,367	-	3,606,367	-	3,606,367
14.0 RETENTION IN DEPOSIT ACCOUNT		3,067,601		3,067,601		3,067,601
Sub-total	-	3,067,601	-	3,067,601	-	3,067,601
Total	179,441,954	112,053,951	64,886,362	356,382,268	208,632,068	147,750,200

(NB: This statement is a disclosure statement indicating the utilization in the same format as the NG-CDF Kilifi South'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 Kilifi South Constituency principal activity is to target grassroots development by funding projects in Education, Security Institutions, Bursary to needy students, social security project to the vulnerable and Community initiatives.

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 Kilifi South 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 Kilifi South has recognized all financial assets, including cash and cash equivalents held in the operational account, deposit account, and PMC bank accounts; receivables (amounts due from the Board and other parties); prepayments; property, plant, and equipment (PPE); and intangible assets acquired during the financial year 2023/2024 up to the reporting date.

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

The recognition of all other non-financial assets acquired prior to the 2023/2024 financial year will be undertaken in the third year of the transition period, after the necessary identification and valuation processes have been completed.

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

3. Adoption of New and Revised Standards

(When an IPSAS becomes effective on 1st January 20xx, it is applicable in Kenya from 1st July 20xx)

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	<p>Applicable 1st January 2025</p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an NG-CDF Kilifi South.</p> <p>The new standard requires entities to recognize, measure and present information on right of use assets and lease liabilities.</p> <p>This IPSAS is not relevant to NG-CDF Kilifi South</p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p>Applicable 1st January 2025</p> <p>The Standard requires,</p> <p>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:</p> <p>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.</p>

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	This IPSAS has no impact to the NG-CDF Kilifi South
IPSAS 45: Property Plant and Equipment	<p>Applicable 1st January 2025</p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognized as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under-maintenance of assets and distinguishing significant parts of infrastructure assets.</p> <p>This IPSAS is applicable effective 1st July 2025</p>
IPSAS 46: Measurement	<p>Applicable 1st January 2025</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>This IPSAS is applicable effective 1st July 2025</p>
IPSAS 47: Revenue	<p>Applicable 1st January 2026</p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange</p>

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	<p>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 NG-CDF Kilifi South shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> <p>This IPSAS is applicable effective 1st July 2026</p>
<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>This IPSAS has no impact to the NG-CDF Kilifi South</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>This IPSAS has no impact to the NG-CDF Kilifi South</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> <ol style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the NG-CDF Kilifi South's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.

	This IPSAS has no impact to the NG-CDF Kilifi South
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iii. Early adoption of standards

The NG-CDF Kilifi South 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 NG-CDF Kilifi South.

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 NG-CDF Kilifi South 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 NG-CDF Kilifi South. 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 NG-CDF Kilifi South 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 NG-CDF Kilifi South 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 NG-CDF Kilifi South. 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 NG-CDF Kilifi South 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 NG-CDF Kilifi South and a financial liability or equity instrument of another NG-CDF Kilifi South. At initial recognition, the NG-CDF Kilifi South 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 NG-CDF Kilifi South classifies its financial assets as subsequently measured at amortized cost, fair value through net assets/ equity or fair value through surplus and deficit on the basis of both the NG-CDF Kilifi South's management model for financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost when the financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. A financial asset is measured at fair value through net assets/ equity if it is held within the management model whose objective is achieved by

both collecting contractual cash-flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless an NG-CDF Kilifi South 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 NG-CDF Kilifi South 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 NG-CDF Kilifi South 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 NG-CDF Kilifi South 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 NG-CDF Kilifi South recognizes a loss allowance for such losses at each reporting date.

b) Financial liabilities

Classification

The NG-CDF Kilifi South 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 NG-CDF Kilifi South.

h) Provisions

Provisions are recognized when the NG-CDF Kilifi South 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 NG-CDF Kilifi South 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 NG-CDF Kilifi South recognizes 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 NG-CDF Kilifi South will incur in fulfilling the present obligations represented by the liability.

j) Contingent liabilities

The NG-CDF Kilifi South 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 NG-CDF Kilifi South 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 NG-CDF Kilifi South 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 NG-CDF Kilifi South provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an NG-CDF Kilifi South pays fixed contributions into a separate NG-CDF Kilifi South (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 NG-CDF Kilifi South regards a related party as a person or an NG-CDF Kilifi South with the ability to exert control individually or jointly or to exercise significant influence over the NG-CDF Kilifi South, 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, 20xx

5. Significant Judgments and Sources of Estimation Uncertainty

The preparation of the NG-CDF Kilifi South'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 NG-CDF Kilifi South 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 NG-CDF Kilifi South. 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 NG-CDF Kilifi South.
- b) The nature of the asset, its susceptibility and adaptability to changes in technology and processes.
- c) The nature of the processes in which the asset is deployed.
- d) Availability of funding to replace the asset.
- e) Changes in the market in relation to the asset

Provisions

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

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6. Transfers from the NGCDF Board

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

7. Transfers from domestic and foreign partners

Description	2024-2025 KSh
Grants	-
Total	-

8. Finance income

Description	2024-2025 KSh
Interest Income on Bank Deposits	-
Total	-

(Provide a brief explanation for this revenue)

9. Miscellaneous income

Description	2024-2025 KSh
Rental Income	-
Income from sale of tenders	12,000
Hire of plant/equipment/facilities	-
Other Income Not Classified Elsewhere (specify)	-
Total	12,000

10. Employees cost

	2024-2025 Kshs
NG-CDFC Basic staff salaries	5,951,756
Personal allowances paid as part of salary	-
House Allowance	-
Transport Allowance	-
Leave allowance	-
Gratuity to contractual employees	1,562,766
Employer Contributions Compulsory national social security schemes	303,166
Employer Contributions Compulsory Housing levy	89,503
Employer contributions to National Industrial Training Authority	-
Other Specify	-
Total	7,907,191

11. Committee Expenses

	2024-2025 Kshs
Sitting allowance	845,100
Other Committee expenses	3,383,709
Total	4,228,809

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12. Use of Goods and services

	2024-2025 KSh
Utilities, supplies and services	153,431
Communication, supplies and services	-
Domestic travel and subsistence	785,200
Printing, advertising and information supplies & services	416,053
Office Rent	-
Training expenses	440,600
Hospitality supplies and services	146,500
Insurance costs	264,181
Specialized materials and services	-
Office and general supplies and services	202,991
Fuel, oil & lubricants	1,052,200
Bank charges	64,116
Routine maintenance – vehicles and other transport equipment	408,591
Routine maintenance – other assets	215,755
Strategic plan expenses	2,850,000
Other operating expenses	360,000
Total	7,359,618

13. Other Government Units Actual expenditure

	2024-2025 KSh
Primary Schools Actual expenditure	64,627,033
Secondary Schools Actual expenditure	25,058,323
Tertiary Institutions Actual expenditure	10,494,635
Total	100,179,991

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14. Other Grants and transfers Actual expenditure

Description	Period ended: June 2025
	Kshs
Bursary – secondary schools	37,345,000
Bursary – tertiary institutions	16,005,000
Bursary – special schools	3,920,000
Bursary - Education Support programmes	-
Social Security programmes (SHIF)	-
Security projects Actual Expenditure	23,780,406
Climate change mitigation projects	839,138
Emergency projects Actual Expenditure	9,938,455
Roads projects	-
Others specify(sports)	796,847
Total	92,624,846

15. Depreciation and Amortization Expenses

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

16. Digital Hubs Expenses

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

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17. Gain/loss on Sale of Assets

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

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

18. Impairment Loss

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

(Provide brief explanation on assets impairment loss)

19. Cash and Cash Equivalents

Name Of Bank and Account No.	Period ended June 2025	Opening Statement 1st July 2024
	KSh	KSh
Bank Accounts (Cash Book Bank Balance)		
Co-operative Bank, 01141143001500. (Operations account)	26,107,251	52,026,480
Operations account pending closure (Indicate name & account no.)	-	-
Equity Bank, 1190285099476. (Deposit account)	5,884,785	1,254,418
PMC Bank Accounts (PMC's account)	80,316,209	54,957,279
Total	112,308,246	108,238,177
Cash Balances		
Location 1	-	-
Location 2	-	-
Other Locations (Specify)	-	-
Total	-	-
[Provide Cash Count Certificates for Each]		

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

20. Receivables from Exchange Transactions

Description	2024-2025	
	Kshs	Kshs
Total receivables		
Other exchange debtors (Specify)	-	-
Less: impairment allowance	-	-
Totalreceivables	-	-
a. Current receivables	-	-
b. Non-current receivables	-	-
Total Receivables (a+b)	-	-

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

i. Ageing Analysis for Receivables

Description	2024-2025		Opening Statement 1 July 2024	
	2024-2025	% of the total	Opening Balance	% of the total
Less than 1 year	-	0%	-	0%
Between 1- 2 years	-	0%	-	0%
Between 2-3 years	-	0%	-	0%
Over 3 years	-	0%	-	0%
Total (a+b)	-	0%	-	0%

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21. Receivables from Non-Exchange Transactions

Description	2024-2025	2024-2025
	Kshs	Kshs
Transfers from NGCDFB	35,441,954	64,886,362
Outstanding imprest	-	-
Total	35,441,954	64,886,362

Ageing Analysis for Receivables

Description	Period ended June 2025		Opening Statement 1st July 2024	
	Kshs		Kshs	
	2024-2025	% of the total	Opening Balance	% of the total
Less than 1 year	35,441,954	100%	64,886,362	100%
Between 1- 2 years	-	-	-	-
Between 2-3 years	-	-	-	0%
Over 3 years	-	-	-	0%
Total (a+b)	35,441,954	100%	64,886,362	100%

22. Prepayments

Description	2024-2025	Opening Statement 1st July 2024
	Kshs	Kshs
Prepaid Rent	-	-
Prepaid Insurance	51,970	-
Prepaid Electricity Costs	-	-
Other Prepayments (Specify)	-	-
Total	51,970	-

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23. Property, Plant and Equipment

	Land	Buildings	Motor vehicles	Infrastructure assets	Furniture and fittings	Computers & ICT Equipment	Work in progress	Other machinery and equipment	Total
Depreciation Rate		0	25.00%	20%	12.50%	30.00%			
Cost	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Opening Bal as 1st July 2024	-	33,904,431	11,367,892	-	2,232,180	721,839	-	1,539,495	49,765,837
Additions	-	-	-	-	354,000	260,000	-	-	614,000
Disposals	-	-	-	-	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-	-	-	-	-
As At 30th Jun 2025	-	33,904,431	11,367,892	-	2,586,180	981,839	-	1,539,495	50,379,837
Depreciation And Impairment									
Opening bal accumulated depreciation 1st July 2024	-			-			-	-	-
Depreciation	-			-			-		-
Disposals	-	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-	-	-	-
As At 30th Jun 2025	-	-	-	-	-	-	-	-	-
Net Book Values					2,586,180	981,839	-	1,539,495	50,379,837
Opening Bal as at 1st July 2024	-	33,904,431	11,367,892	-	2,232,180	721,839	-	1,539,495	49,765,837
As At 30th June, 2025	-	33,904,431	11,367,892	-					

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Valuation

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

23 b) Property, Plant and Equipment at Cost

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

	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land	-	-	-
Buildings	33,904,431	-	33,904,431
Plant And Machinery	721,839	-	721,839
Motor Vehicles, Including Motorcycles	11,367,892	-	11,367,892
Computers And Related Equipment	1,799,495	-	1,721,495
Office Equipment, Furniture, And Fittings	2,586,180	-	2,541,930
Total	50,379,837	-	50,379,837

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

	Full Depreciation	Net Book Value
Plant and Machinery	-	-
Motor Vehicles including Motorcycles	-	-
Computers and Related Equipment	-	-
Office Equipment, Furniture and Fittings	-	-
Total	-	-

24. Intangible Assets

Description	2024-2025
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 1st 2024	-
NBV at June 30th 2025	

25. Right-of use assets

Description	Buildings Ksh	Plant Ksh	Equipment Ksh	Lease Ksh
Cost				
As At 1 July (Comparative period)	-	-	-	-
Additions	-	-	-	-
As At 30 June 2025 (Comparative Period)	-	-	-	-
Additions	-	-	-	-
As At 30 June 2025 (2024-2025)	-	-	-	-
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 (2024-2025)	-	-	-	-
Carrying Amount				

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As At 30 June 2025 (2024-2025)	-	-	-	-
As At 30 June 2025. (Comparative Period)	-	-	-	-

26. Trade and Other Payables

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

27. Third-Party deposits

	Period ended June 2025	Opening Statement 1st July 2024
	Kshs	Kshs
Retention as at start of the period (A)	64,613	-
Retention held during the period (B)	9,011,997	64,613
Retention paid during the period (C)	2,436,631	-
Closing Retention as at period xx, D= A+B-C	6,639,979	64,613

Retentions aging analysis.

	Insert 2024-2025	% of the total		Insert 2023/2024	% of the total
Less than 1 year	6,639,979	100%		-	0%
1-2 years	-	0%		64,613	100%
2-3 years	-	0%		-	0%
Over 3 years	-	0%		-	0%
Total	6,639,979	100%		64,613	100%

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

28. Lease Liabilities

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

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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 Ksh	Opening Statement 1st July 2024 Ksh
Gratuity at the beginning of the period (A)	1,254,418	1,254,418
Gratuity held during the period (B)	1,562,766	-
Gratuity paid during the period (C)	-	-
Total Gratuity provision as at period June 2025 D=(A+B-C)	2,817,184	1,254,418

30. Cash Generated from Operations

	<i>Period ended June 2025</i>
	Kshs
Surplus for the period before tax	(32,846,501)
Adjusted for:	
Depreciation	-
Non-cash grants received	-
Contributed assets	-
Impairment	-
Gains and losses on disposal of assets	-
Contribution to provisions	-
Contribution to impairment allowance	-
Working capital adjustments	
Changes in inventory	-
Changes in receivables	(29,392,438)
Changes in deferred income	-
Changes in Third party deposits	(6,575,366)
Changes in gratuity provision	(1,562,766)
Changes in payments received in advance	-
Net cash flow from operating activities	4,684,069

31. Financial Risk Management

The NG-CDF Kilifi South's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The NG-CDF Kilifi South'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 NG-CDF Kilifi South 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 NG-CDF Kilifi South's financial risk management objectives and policies are detailed below:

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i) Credit risk

The NG-CDF Kilifi South has no 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 NG-CDF Kilifi South'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 NG-CDF Kilifi South'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
	KSh	KSh	KSh	KSh
As at 30th June 2025				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	35,441,362	35,441,362	-	-
Bank balances	112,308,246	112,308,246	-	-
Total	147,749,608	147,749,608	-	-
As at 30 June 2024				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	64,886,362	64,886,362	-	-
Bank balances	108,238,177	108,238,177	-	-
Total	173,124,539	173,124,539	-	-

(NB: The totals column should tie to the individual elements of credit risk disclosed in the NG-CDF Kilifi South'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 NG-CDF Kilifi South has recognized in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The board of directors sets the NG-CDF Kilifi South'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 NG-CDF Kilifi South's directors, who have built an appropriate liquidity risk management framework for the management of the NG-CDF Kilifi South's short, medium and long-term funding and liquidity management requirements. The NG-CDF Kilifi South manages liquidity risk through continuous monitoring of forecasts and actual cash flows. The table below represents cash flows payable by the NG-CDF Kilifi South 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 KSh	Between 1-3 months KSh	Over 3 months KSh	Total KSh
As at 30th June 2024-2025				
Third party deposits	500,000	2,478,178	3,661,851	6,639,979
Current proportion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Gratuity Provision		392,319	2,424,865	2,817,184
Total	500,000	2,870,497	6,086,716	9,457,163
As at 30th June 2023-2024				
Third party deposits	-	-	64,613	64,613
Current portion of borrowings	-	-	-	-
Provisions	-	-	1,254,418	1,254,418
Deferred income	-	-	-	-

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Description	Less than 1 month Ksh	Between 1-3 months Ksh	Over 5 months Ksh	Total Ksh
Employee benefit obligation	-	-	-	-
Total	-	-	1,319,031	1,319,031

iii) Market risk

The NG-CDF Kilifi South has put in place an internal audit function to assist it in assessing the risk faced by the NG-CDF Kilifi South 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 NG-CDF Kilifi South'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 NG-CDF Kilifi South'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 NG-CDF Kilifi South's exposure to market risks or the way it manages and measures the risk.

Financial Risk Management

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

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

a) Interest rate risk

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

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

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obtained from independent sources; unobservable inputs reflect the NG-CDF Kilifi South'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 NG-CDF Kilifi South considers relevant and observable market prices in its valuations where possible.

iv) Capital Risk Management

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

Description	2024-2025	Opening Statement 1 st July 2024
	Ksh	Ksh
Revaluation Reserve	171,805,508	171,805,508
Retained Earnings	(32,942,751)	
Capital Reserve		
Total Funds	138,862,757	171,805,508
Total Borrowings		
Less: Cash and Bank Balances	(112,308,246)	(53,280,898)
Net Debt/(Excess Cash And Cash Equivalents)	26,554,511	118,524,610
Gearing	0%	0%

32. Related Party Disclosures

	2024-2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Committee Members Remuneration		
Sitting allowance of committee Members during the year	845,100	1,916,213
Transaction with the NGCDF Board		
Transfers from the NGCDF Board during the year	208,886,362	205,775,313
Total	209,731,462	207,691,526

33. Segment Information

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

34. Contingent Assets and Contingent Liabilities

Contingent Assets

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

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Contingent Liabilities

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

35. Capital Commitments

Capital Commitments	2024-2025 Kshs	Opening Statement 1 st July 2024 Kshs
Authorized for	-	-
Authorized and Contracted for	-	-
Total	-	-

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

36. Events after the Reporting Period

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

37. Ultimate And Holding NG-CDF Kilifi South

The Kilifi South 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) 2024-2025
Land				
Buildings and structures	33,904,431			33,904,431
Transport equipment	11,367,892			11,367,892
Office equipment, furniture, and fittings	2,232,180	354,000		2,586,180
ICT Equipment and Other ICT Assets	721,839	260,000		981,839
Other Machinery and Equipment	1,539,495			1,539,495
Intangible assets				
Total	49,765,837	614,000		50,379,837

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

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

PMC	Bank	Account number	Bank Balance	Bank Balance
			30 th June, 2025	30 th June, 2024
Junju primary school	Co-operative	1139143995000	0	3,921
Kapecha Primary school	Co-operative	1141925321200	-	1730
Katikirieni primary school	Co-operative	1141140882700	-	151,610
Katikirieni primary school	Co-operative	1101724556001	6,513,356	0
Kikambala primary school	Co-operative	1139142957000	90,964	91924
M'bomboni primary school	Co-operative	1139144038300	-	3,475
Mtomondoni Primary School	Co-operative	1139142935300	-	7,272
Mtomondoni Scheme Primary Sch	Co-operative	1141144901700	23,348,963	31614
Mwazang'ombe primary school	Co-operative	1141143014400	-	7,733
Muhomukuluprisch	Co-operative	1141144529400	-	637
Shariani primary school	Equity	1190285160602	-	109398
Primary school desks	Co-operative	1141143766900	-	10078
Utange primary school	Co-operative	1141144553101	-	11,927
Kolongoni Primary school	Co-operative	1100958921001	-	3,500,000
Mafisini primary school	Co-operative	1100953776001	-	1,700,000
KIDUTANI PRIMARY SCHOOL	Co-operative	1100959023001	-	3,154,114
SiriniPrisch	Co-operative	1100941513001	-	3,500,000
Wvewvesipri school	Co-operative	1100941361001	-	3,731,671
Kitsoeni Primary school	Co-operative	1101014937001	-	1,184,923
Mtepeni primary school	Co-operative	1100955758003	-	3,505,700
Mtomondonipri school	Co-operative	1100941523001	3,014	3,500,000

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Baharini primary school	Co-operative	1100984056001	8,136,369	3,500,000
Mapawapri school	Equity	1190285508568		562,500
Tsalu primary	Co-operative	1141141143000		0
St. Martins Prisch	Co-operative	1100955570001		3,500,000
Kaole primary school	Co-operative	1100227888001	90,594	617314
Chengoni Primary School	Co-operative	1141140747000	-	-
Chije Primary School	Co-operative	1141140547200	-	-
Barani Primary School	Co-operative	1141141537900	-	-
Bundacho primary School	Co-operative	1141140885700	-	-
Bundacho Secondary School	Co-operative	1141142757700	-	-
Mtundani Primary School	Co-operative	1141142759900	-	-
Chasimba Chiefs Office	Co-operative	1141140839100	-	-
Mapawa Primary school	Co-operative	1141140545300	-	-
Bureni Primary School	Co-operative	1141142754900	-	-
Matandale Primary School	Co-operative	1141142757300	-	-
Mwangaza Primary School	Co-operative	1141142755700	-	-
Gandini Primary School	Co-operative	1141779627300	-	-
Chonyi Sub-County Educa Office	Co-operative	1141141005700	-	-
Bodoi Primary School	Co-operative	1141142756400	-	-
Shariani Primary School	Co-operative	1141140936700	-	-
Chodari Primary School	Co-operative	1141144169600	-	-
KLF South NG-CDF Madzimeruhe primary	Co-operative	1141141142500	-	-
Kiremepri school	Co-operative	1141144930000	-	43,428
Kizingo primary school	Co-operative	1141140906500	-	0
Tunzanani primary school	Co-operative	1101205900003	1,400,000	-
SECONDARY SCHOOL PROJECTS				

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Kolongoni secondary school	Equity	1190285099787		7319132
Lutsangani Secondary School	Co-operative	1141142755600	4,571,783	6803
Shariani secondary school	Co-operative	1100368150001	-	245903
Pingilikani secondary school	Co-operative	1100356777001	-	68698
Paul Harris High school	Co-operative	1141143308600	-	474672
Msumarini secondary school	Co-operative	1141143615000	-	42,501
Ng'ombeni girls sec school	Co-operative	1141144339400	-	3,997
Mtomondoni secondary sch	Co-operative	1141142935400	-	418
Mtepeni Secondary School	Co-operative	1141143549301	-	-
Vipingo secondary school	Co-operative	1141144635900	-	-
Katikirieni secondary school	Co-operative	1101170812001	1,825	0
Msumarini secondary school	Co-operative	1100975559001	383,677	0
Paul Harris High school	Equity	1190285562401	800,000	-
TERTIARY INSTITUTION PROJECTS				
Kilifi Sub-County Education office	Co-operative	1141144603600	0	117020
Kilifi Sub-County Education office-PMC Equity	Equity	1190285289287	0	500000
SECURITY PROJECTS				
DCC Chonyi Sub-County	Co-operative	1141144647801	22,283,425	13166657
DCC Chonyi Sub-County	Co-operative	1101522724001	100,900	0
Mtwapa police station Rehab	Co-operative	1141143410800	-	9836
Pingilikani Chief's office	Co-operative	1141143352700	-	2521
Ndonya Police Station	Equity	1190285657292	-	750
Shariani Chief's Office	Co-operative	1141140937900	-	0
Chonyi Police Station	Co-operative	1141143937900	-	-
CLIMATE CHANGE				
Kilifi South ENVT PMC	Co-operative	1141142985900	0	1773

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Ng'ombeni Girls Secondary school	Equity	1190285530109	0	265,000
Ng'ombeni primary school	Equity	1190285510131	0	265,000
Lutsangani Boys Secondary school	Equity	1190285753768	0	265,000
EMERGENCY				
Gongoni Secondary school	Co-operative	1190285524341	-	600
Mtomondoni primary school	Equity	1190285492625	-	1,000
Lubondo primary school	Equity	1190286154598	59,646	0
Ondoni primary school	Equity	1190285548036	6,425	0
Assistant Chiefs office Bomani	Co-operative	1101958417001	1,000,000	0
SPORTS				
Kilifi south Constituency sports	Co-operative	1141143370200	0	-
GRANT TOTAL			68,790,941	55,188,250.00

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.

S/NO	Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.	OAG/KRO/AU D/7/4/2023/2024/(20)	<p>Inaccurate Total Payments. The statement of receipts and payments reflects payments totaling Kshs. 193,278,385. However, the payments exclude Kshs. 5,000,000 which was returned to National Government Constituencies Development Fund (NG-CDF) Board and which management attributes to an over disbursement in the financial year ending 30th June, 2023 and which was transferred back to NG-CDF Board on 27th June, 2024. However, the amount has been disclosed in the statement of assets and liabilities as prior year adjustments. In the circumstances, the accuracy and completeness of payments of Kshs. 193, 278,385 could not be</p>	<p>The Kshs. 5,000,000 had not been spent at the close of the financial year 2023 but when discovered it was returned in 2024 to the NGCDF Board thus its return could not be among payments of the year.</p>	Not resolved	3 months

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S/NO	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)
		confirmed.			
2.	OAG/KRO/AU D/7/4/2023/2 024/(20)	<p>Budgetary Control and Performance. The summary statement of appropriation reflects final receipts budget and actual on comparable basis of Kshs. 310,191,227 and Kshs. 250,304,865 respectively resulting in under-performance of Kshs. 59,886,362 or 19.3% of the budget. Similarly, the fund spent a total of Kshs. 193,278,385 against actual receipts of Kshs. 250,304,865 resulting to underutilization of Kshs. 57,026,480 or 22.7% of actual receipts. The underperformance and underutilization may have negatively impacted on the planned activities of the fund which affected service delivery to the public.</p>	The constituency could not fully achieve its target as funding from the Board delayed. Funds for the financial year were received in the third quarter and out of that, Kshs. 22,000,000 was received in June. At the close of the financial year Kshs. 64,886,362 had not been received	Not resolved	3 months
3.	OAG/KRO/AU D/7/4/2023/2 024/(20)	<p>Unresolved prior year audit matters Several issues were raised in the</p>	The management will ensure that	Not resolved	3 months

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S/NO	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)
		Auditor –General’s report for 2022/2023 financial year. However, the issues were not resolved and management did not take any action to address the recommendations on the prior year audit issues	all the issues of the previous years are addressed		
4.	OAG/KRO/AUD/7/4/2023/2024/(20)	<p>Irregular payments on Emergency project</p> <p>The statement of receipts and payments and Note 8 to the Financial statement reflects other grants and other transfers totaling to Kshs. 94,156,588. Included in this amount are payments totaling to Kshs. 5,483,690 in respect of emergency projects. However, evidence that management reported to the NG-CDF Board utilization of the emergency funds within thirty (30) days was not provided contrary to the regulation, 2016 which states that the utilization of the emergency reserves shall be reported to the Board within thirty (30) Days of the occurrence of the emergency,</p>	The public health reports and letter reporting the emergencies to the NGCDF Board have been provided.	Not resolved	3 months

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S/NO	Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframes (Put a date when you expect the issue to be resolved)
		in the format prescribed by the Board. In the circumstances, management was in breach of the law.			
5.	OAG/KRO/AU D/7/4/2023/2024/(20)	Irregular payments on transfers to secondary schools The statement of receipts and payments and as disclosed in Note 7 to the Financial Statement reflects transfers to other Government units totaling to Kshs. 79,614,099. Included in this amount is Kshs. 14,007,581 relating to transfers to secondary school out of which payments totaling to Kshs 12,300,000 in respect to three (3) construction projects were not supported with evidence that the winning bidder was in possession of the required assets for work such as concrete mixtures as required in the evaluation criteria. This is contrary to section 68 of the Public Finance Management Act, 2012 which states that the responsibility of the accounting officer is to ensure that the	The criteria for evaluation called for evidence of availability of assets for work whether owned or leased and in this case the winning bidder provided a lease agreement for hire of the assets required for the work. The criteria and lease agreement have been provided	Not resolved	3 months

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S/NO	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)
		resources of the NG-CDF Kilifi South for which the officer is designated are used in a way that is lawful and authorized and effective, efficient, economical and transparent. In the circumstances, management was in breach of the law.			

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GLADYS JUMWA NGALA
Fund Account Manager.