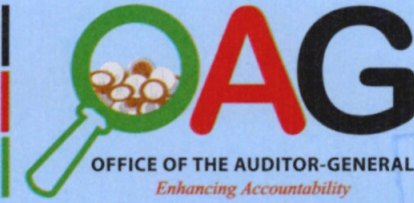


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REPORT

DATE: 12 FEB 2026 *Tuesday*

TABLED BY: *Hon George Mungara*
On behalf of Comr

CLERK OF THE TABLE: *Hander T.*

THE AUDITOR-GENERAL

ON

**NATIONAL GOVERNMENT CONSTITUENCIES
DEVELOPMENT FUND – ALDAI
CONSTITUENCY**

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



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

ALDAI 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)

OFFICE OF THE AUDITOR GENERAL
ELDORET REGIONAL OFFICE

20 NOV 2025

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

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1. Acronyms and Definition of Key Terms

A. Acronyms

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

B. Definition of Key Terms

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

Comparative Year- Means the prior period.

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

2. Key Constituency Information and Management

(a) Background information

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

Mandate

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

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

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

Vision

Equitable Socio-economic development countrywide.

Mission

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

Core Values

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

Functions of NG-CDF Committee

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

(b) Key Management

The NGCDF Aldai Constituency's day-to-day management is under the following key organs:

- i. National Government Constituencies Development Fund Board (NGCDFB)
- ii. National Government Constituency Development Fund Committee (NGCDFC)

Fiduciary Management

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

1.	AIE holder	Mathew Kipsanai
2.	National Sub-County Accountant	Winnie Chesusio
3.	Chairman NGCDFC	Shem Magut
4.	Member NG CDFC	Charles Kattam

(c) Fiduciary Oversight Arrangements

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

(d) NGCDF Aldai Constituency Headquarters

P.O. Box 173-30305
NG-CDF Building
Kaptumo-Kobujoi Road
Kobujoi,
KENYA.

(e) NGCDF Aldai Constituency Contacts

Telephone: (254) 722 161 839

E-mail: cdaldai@ngcdf.go.ke

Website: www.ngcdf.go.ke

(f) NGCDF Aldai Constituency Bankers

1. Operations Account.
Kenya Commercial Bank
Account Name - Aldai NG-CDF
Account No - 1106819578
Nandi Hills Branch
P.O. Box – 30301
Nandi Hills

2. Deposit Account.
Kenya Commercial Bank
Account Name – Aldai NG-CDF Deposit Account
Account No: 1330542894
Serem Branch
P.O. Box – 50308
Vihiga

3. Bank C. (PMC Accounts)
 - 1)kcb bank,
Serem Branch
 - 2)KCB BANK
Nandi Hills Branch
 - 3)National Bank,
Kapsabet Branch

(g) Independent Auditor

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

(h) Principal Legal Adviser





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

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3. NGCDF Committee

Shem Kiplagat Magut- Chairman		01/02/1973	o- level	Farmer
Charles Kipkemboi Katam – Male Adult		1-1-1974	o- level	Farmer
Magdaline Cheptoo Rono – Female Adult		12-7-1962	o-level	Farmer
Nelly Jepketer- Member 4 – Female Youth		6/08/1988	Ecde trained teacher	Farmer
Vincent Kiprono – Male Youth		31/12/1998	O-level	Farmer
Kenneth Angola Ayieza- PWD Rep		15/9/1968	o-level	Farmer

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Mildred Jelagat- Female Adult		22/2/1988	o-level	Farmer
Daniel Kipchirchir Cheruiyot- co-opted member		7/08/1973	o-level	Farmer
Mathew Kipsanai -Fund Account Manager		02/12/1980	Post graduate Senior management course	Fund Account Manager.
David Mbevi-DCC		08/08/1969	Post graduate Strategic Leadership Development	DCC

4. NG-CDFC Chairman's Report

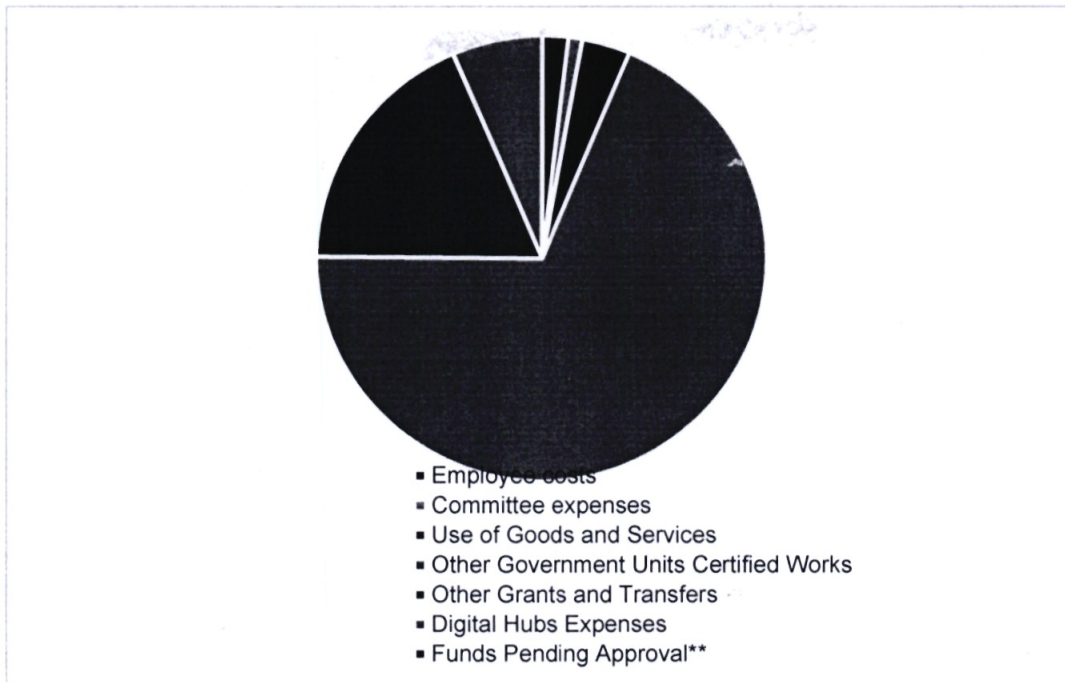


The NG-CDF Aldai has made significant strides in project implementation for the financial year ending June 30, 2025. In the last financial year 2024/2025 under review Aldai Constituency received a total disbursement of Kshs. **217,378,262** from the NGCDF Board. This was inclusive of the previous outstanding disbursements from the NG CDF board of Kshs **87,378,262** received and Kshs. **130,000,000** received being part of this year's approved allocations of Kshs. **188,414,052**. This makes the current balance of the funds pending approval and disbursement from the board to be Kshs. **58,414,052**. This translates to an absorption rate of 85% due to late disbursement of funds from the NGCDF Board. Additionally, there was a bank balance brought forward of Ksh. **88,142,855.32**. During the year, the constituency successfully allocated Ksh. **183,506,138.40** towards projects, bursaries, and office operational expenses

The following is the graphical analysis of the annual budget against the annual expenditure for the FY 2024/2025.


Shem Kiplagat Magut
Chairman NGCDF Committee

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KEY ACHIEVEMENTS

During the financial year the NG CDF committee was able disburse a total of Kshs 120,621,901 Million towards various projects within the constituency.

Provided below are some of the sample pictures of the projects implemented during the financial year 2024/2025.

ANNEXED PHOTOS DONE BY NGCDF ALDAI IN THE FINANCIAL YEAR	
SCHOOL	PHOTO
KABOI PRIMARY SCHOOL	
SAMOGET PRIMARY SCHOOL	

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<p>KAPKOI PRIMARY SCHOOL</p>		
<p>KIPCHEMWON PRIMARY SCHOOL</p>		
<p>KAPKEBEN PRIMARY SCHOOL</p>		
<p>CHEBARA PRIMARY SCHOOL</p>		
<p>KESOGON PRIMARY SCHOOL</p>		

EMERGENCY TOILETS



EMERGING ISSUES:

Emerging issues include:

1. High demand for bursary disbursement due to high number of needy students within the constituency.
2. Construction materials are very expensive prompting shoddy projects within the constituency.

CHALLENGES:

1. Inaccessible roads to most of the schools
2. Late disbursement of funds from the NG-CDF board
3. Late project approval by the NG CDF Board by the end of the financial year
4. Schools built are not enough to cater for the large number of student enrolment due to free primary and secondary education.

RECOMMENDATIONS:

1. Timely project approval and disbursement of funds by NG-CDF Board will enable the NG CDF committee to implement all the projects as per the requirement of the law.
2. Increase of Bursary allocations and disbursements towards needy students.
3. Increase funding towards NG CDF kitty for the purposes of improving and transforming lives.

.....
Name *Shem Magut*
Chairman NGCDF Committee

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

Introduction

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

The key development objectives of the *NG-CDF Aldai Constituency 2022-2027* plan are to:

1. Improve the quality of education and management of public learning institutions through project implementation
2. Improving local security, administration and quality services to the constituents
3. Initiating value addition programs for agricultural produce
4. Protection of environment and natural resources
5. Promotion of sports and sports education
6. To build capacity of the community to implement developmental projects.

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 improve the Physical Infrastructure of Primary and Secondary schools so as to be able to realise accessible and equitable education to the Constituents	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	<i>In FY 2024/25-we renovated 8 primary schools, constructed new 3 mud-wall classrooms with storey buildings. The following schools are renovated to completion.</i> <ol style="list-style-type: none"> 1. Kaboi Primary School 2. Chebara Primary School 3. Samoget Primary School 4. Kapkeben Primary School 5. Kipchemwon Primary School 6. Kapkoi Primary School

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				<p>This upgrade not only improves the learning environment but also eliminates dust, creating a healthier space for students and teachers alike.</p> <p>The Constituency achieved a 80% success rate in bursary awards across the board with 9,105 secondary students and 1,000 students in tertiary institutions receiving bursary.</p>
Security	To improve access to security infrastructure within the Constituency	-Accessible and reasonable security and administrative units.	-Renovation of DCCs office.	Renovation of Deputy County Commissioners office
Climate change mitigation activities	To improve environment by carrying out environmental improvement activities	Increased planting of trees both indigenous and fruit trees	Increased Number of tree seedlings for both indigenous and fruit trees	Purchase and supply of Bamboo seedlings to 152 primary schools
Emergency	To improve emergency response within the Constituency by mobilising resources.	-Fast and adequate restoration efforts after emergency events.	-Number of successfully mitigated emergency events	Renovation to completion; reroofing, tiling, steel doors, steel windows and painting and construction of 12, 6 door pit latrines.

6. Governance Statement

Process of appointment of NG-CDFC

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

1. There is established a National Government Constituency Development Fund Committee for every constituency.
2. The establishment of the National Government Constituency Development Fund Committee shall comprise of;
 - a) The national Government official responsible for the coordination of national government functions.
 - b) Two men each nominated in accordance with sub section (3) of the NG CDF Act 2015, one of whom shall be a youth at the date of appointment.
 - c) Two women nominated in accordance with subsection (3), one of whom shall be a youth at the date of appointment.
 - d) One person with disability nominated by a registered group representing persons with disabilities in the constituency in accordance with sub section (3) of the Act
 - e) Two persons nominated by the constituency established under regulations made pursuant to the parliamentary service Act.
 - f) The officer of the board seconded in the constituency committee by the board who shall be an ex-officio member without a vote.
 - g) One member co-opted by the board in accordance with the regulations made by the board.
3. The seven persons referred to in sub-section (2) (b), (d) and (e) shall be selected in such manner and shall have such qualifications as the Board may, by Regulations, prescribe. The names of the persons selected under sub-section (3) shall be submitted by the Board to the National Assembly for approval before appointment and gazetting by the board. The current NGCDFC members were gazetted in 23rd May, 2025. The persons appointed are drawn from different groupings as follows:
 - Male Adult- Charles Katam –Secretary
 - Male youth- Vincent Kiprono- Member
 - Male adult- Shem Magut – Chairperson

- Female youth- Nelly Jepketer -Member
- PWD REP-Kenneth Agolla –Member
- Female Adult –Mildred Jelagat-
- Female Adult – Magdalene Rono- Member

b. NG-CDFC Tenure

The term of office of the members of the constituency committee shall be two years and shall be renewable but shall expire upon the appointment of a new constituency committee.

c. The Role of the Constituency Committee

- i. Capacity build Project Management Committees and sensitize the Community on the operations of the Fund
- ii. Consider all project proposals from all wards in the constituency and any other projects which the Committee considers beneficial to the constituency;
- iii. Ensure that all projects, proposed and approved for funding meets the requirements of Section 24 of the Act.
- iv. Ensure Project proposals submitted to the Board include detailed budget proposal, procurement and work plans
- v. Consult with relevant government departments to ensure that cost estimates for the projects are realistic
- vi. Monitor the implementation of projects as per the Monitoring and Evaluation framework prescribed by the Board;
- vii. Receive and address complaints concerning the implementation of projects and collectively respond to audit queries concerning the Fund at the Constituency level;
- viii. Ensure labelling of projects as per guidelines issued by the Board;
- ix. Recruit staff as per Section 45 of the Act.

d. Removal of a member

A member of the constituency office may be removed from office on any one or more of the following grounds;

- a. Lack of integrity

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- b. Gross misconduct
- c. Embezzlement of public funds
- d. Bringing the committee into disrepute through unbecoming personal public conduct.
- e. Promoting unethical practices
- f. Causing disharmony within the committee
- g. Physical or mental infirmity

A decision to remove a member under subsection (13) 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.

Whenever a vacancy occurs in the constituency committee by reasons 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.

e. NG-CDFC Induction and training

This is done in every financial year by the National Constituency Development Board.

f. Number of meetings;

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

In Aldai, the NG-CDF Committee conducted eighteen meetings and, six sub-committee meetings.

	Name of committee member	Meetings held								
		9/9/24	11/10/24	8/11/24	09/12/24	1/02/2025	04/03/25	4/04/25	01/5/25	25/06/2025
1	Charles Katam	√	√	√	√	√	√	√	√	√
2	Vincent Kiprono	√	√	√	√	√	√	√	√	√
3	Shem Magut	√	√	√	√	√	√	√	√	√
4	Mary Chepketer	√	√	√	√	√	√	√	√	√

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5	Kenneth Agolla	√	√	√	√	√	√	√	√	√
6	DCC	√	√	√	√	√	√	√	√	√
7	Magdalene Rono	√	√	√	√	√	√	√	√	√
8	Mildred Jelagat	√	√	√	√	√	√	√	√	√

g. Remuneration Rates

Each member is entitled to Ksh. 5,000 per meeting and Kshs 7,000 for the chairperson.

h. Disclose the policy on conflict of interest

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

i. Succession plan

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

j. Ethics and code of conduct

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

k. Risk Management

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

- Identify and mitigate risks
- Identify and report

I. Dissolution of constituency Committee

A person may present a petition to the board for the dissolution of a constituency committee setting out the alleged facts constituting any one or more of the following grounds for dissolution

- a) A serious violation of the constitution or any other law including a contravention of chapter Six
- b) Gross misconduct, weather in performance of the member's or office holder's function or otherwise;
- c) Incompetence
- d) Bankruptcy or

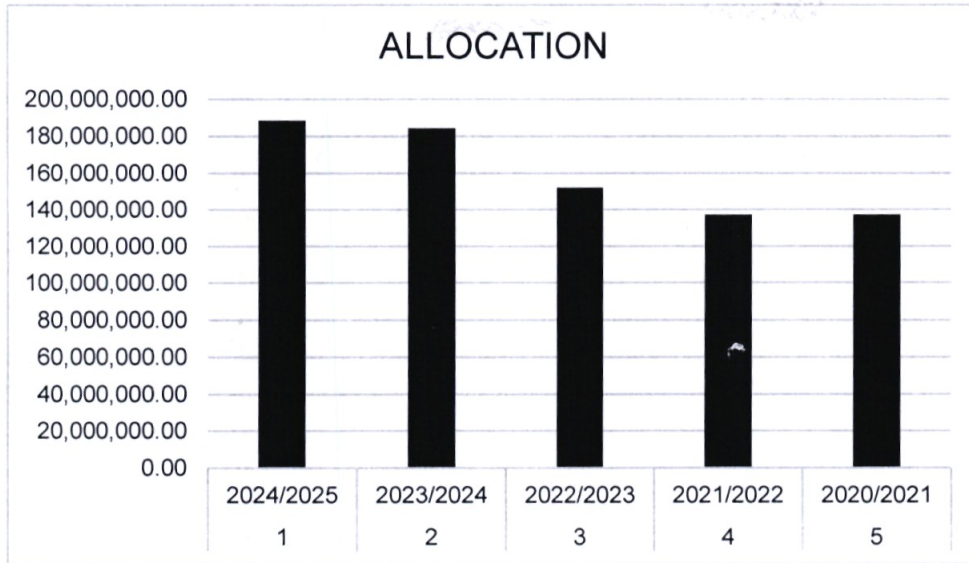
Any other cause as may be deemed justifiable

7. Management Discussion and Analysis

The Fund has evolved for the past five years to become a very crucial Fund for the development of National Government development projects. It is with this view that the National Government has been increasing the allocation every year for the last five years.

S.N	FINANCIAL YEAR	ALLOCATION
1	2024/2025	188,414,052.19
2	2023/2024	184,129,901.00
3	2022/2023	151,960,174.00
4	2021/2022	137,088,879.00
5	2020/2021	137,109,879.31

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The increased allocation has contributed to the transformation of various groups across the constituency leading to greater economic empowerment. The fund is also geared towards the establishment of Digital hubs in every Ward and during this financial year, the NGCDF Aldai constituency allocated funds for the construction of ICT hub in Kaptumo/Kaboi Ward, Kobujoi ward, Kemeloi/Maraba ward & Terik ward. This is in line with the presidential directive that the fund should establish Digital Hubs in every Ward to allow youths to access digital job opportunities that will improve their livelihoods.

.....
MATHEW KIPSANAI
Fund Account Manager.

8. Environmental and Sustainability Reporting

Environmental and sustainability is the response management of natural resources to fulfil current needs without compromising the ability of future generation. As NGCDF Aldai committee members we have identified activities that will conserve the natural resources to avoid conflict between members within the constituency and other neighbouring constituencies. For example we have implemented sustainable water conservations by planting indigenous trees to preserve water source areas, implanted sustainable agricultural practices and we intend to come up with combination efficient waste management systems in the wards within the constituency. And as a result we have identified ways of achieving environmental and sustainability ways through;

1. Sustainability strategy and profile -

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

- a. **Education and Training:** Aldai 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, reforestation, grassroots sensitization, and tree seedling production.

2. Environmental performance

In the FY 2024/2025 we were able to disburse a total of Kshs. 3,488,777 towards the purchase and supply of bamboo seedlings to all the 152 primary schools within the constituency.

3. Employee welfare

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

Aldai 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 honouring all contracts and settling payments promptly.

NGCDF has put in efforts to ensure:

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

5. Community Engagements-

Aldai 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

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

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

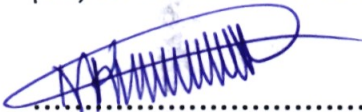
Public participation is a process that directly engages the concerned stakeholders in decision-making and fully considers public input.

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

Public Awareness

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

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



.....
Mathew Kipsanai
Fund Account Manager.

9. Statement of Management Responsibilities

Section 81 (1) of the Public Finance Management Act, 2012, requires that, at the end of each financial year, the accounting officer for a National Government Entity shall prepare financial statements in respect of that entity. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed by the Public Sector Accounting Standards Board of Kenya from time to time.

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

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

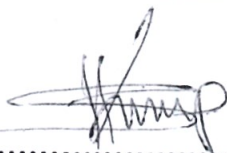
National Government Constituencies Development Fund (NGCDF)
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Annual Report and Financial Statements for The Year Ended June 30, 2025

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

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

Approval of the financial statements

The NGCDF- Aldai Constituency financial statements were approved and signed by the Accounting Officer on 25/11 2025.



.....
Name:

Chairman – NGCDF Committee



.....
Name: MATHEW KIPSANJA

Fund Account Manager

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – ALDAI 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.

An Unmodified Opinion is issued when the Auditor-General concludes that 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 aim to address the Auditor-General's statutory roles and responsibilities 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

Opinion

I have audited the accompanying transitional IPSAS financial statements of National Government Constituencies Development Fund - Aldai Constituency set out on pages 1 to 72, which comprise of the statement of financial position as at 30 June, 2025 and

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

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, the transitional IPSAS financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund - Aldai Constituency as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) including the transitional provisions permitted under IPSAS 33 and comply with the Public Finance Management Act, 2012, the National Government Constituencies Development Fund Act, 2015 and The National Treasury and Economic Planning Circular No.3 of 14 April, 2025.

Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituencies Development Fund - Aldai 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 opinion.

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis totaling to Kshs.380,281,069, and Kshs.321,867,017 respectively, resulting to an under-funding amounting to Kshs.58,414,052 or 15 % of the budget. Similarly, the Fund expended Kshs.145,117,609 against an actual receipts of Kshs.321,867,017 resulting to an under expenditure of Kshs.176,749,408 or 55% of the actual receipts.

The under-funding and under expenditure impacted negatively on the delivery of service to the public.

My opinion is not modified in respect to this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

Other Matter

Unresolved Prior Year Matters

In the audit report of the previous year, several paragraphs were raised under the Report of the Financial Statements, Report on lawfulness and effectiveness in use of Public Resources, Emphasis of Matter and Other Matter. Even though Management has provided explanation on progress made on the recommendations made by the auditors, the issues have remained unresolved. See **Appendix I**

Other Information

Management is responsible for the Other Information set out on page iii to xxvi which comprise Key Constituency Information and Management, NGCDF Committee, NGCDFC Chairman's report, Statement of Performance against Pre-determined Objectives, Governance Statement, Management Discussion and Analysis and Statement of Management Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Failure to Dispose of Obsolete Assets

Annex 1 on summary of asset register in the financial statements has disclosed several assets that are no longer in good working condition. However, it was noted that these assets have been retained without a structured disposal plan, contrary to the requirements of Section 53(4) of Public Procurement and Asset Disposal Act, 2015 that

requires that an accounting officer shall establish a disposal committee as and when prescribed for the purpose of disposal of unserviceable, obsolete, obsolescent, or surplus stores, equipment or assets.

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

2. Long Outstanding Taxes from NGCDF Operations

Review of NG-CDF board letter dated 16 September, 2025 on feedback to the Decentralized Funds Accounts Committee of the National Assembly and Kenya Revenue Authority letter dated 17 June, 2025 on enforcement of outstanding taxes owed by National Government Constituency Development Funds revealed that Aldai NG-CDF had tax arrears totaling Kshs.13,852 made up of outstanding PAYE of Kshs.3,046; withholding VAT Kshs.8,115 and withholding income tax of Kshs.2,691 contrary to Section 92 of the Income Tax Act (Cap 470) which stipulates that tax charged in any assessment shall be due and payable. Failure to remit these taxes can result in penalties, with unremitted taxes being recovered from the respective Constituency accounts.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of 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

1 December, 2025

Appendix I: Unresolved Prior Year Matters 2023-2024


No.	Issue
	Report on the Financial Statements
1	Failure to Provide for service Gratuity
2	Long Outstanding Cheques
3	Unsupported Project Management Committee (PMC) Bank Balances
	Emphasis of Matter
4	Budget Control and Performance
	Other Matter
5	Unresolved Prior Year Audit Matters
6	Project Verification
	Report on Lawfulness and Effectiveness in the use of public resources
7	Unutilized Funds
8	Provision of Legal Expenses
	Report on Effectiveness of Internal Controls, Risk Management and Governance
9	Personnel Turnover

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


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

Revenue from non-exchange transactions		
Transfers from the NGCDF Board	6	188,414,052
Grants/donations from other entities	7	-
Revenue from exchange transactions		
Finance income	8	-
Miscellaneous income	9	34,000
Total revenue		188,448,052
Expenses		
Employee costs	10	3,755,865
Committee expenses	11	1,157,050
Use of Goods and Services	12	5,069,952
Other Government Units Actual expenditure	13	65,584,591
Other Grants and Transfers Actual expenditure	14	69,685,894
Depreciation and amortization expense	15	-
Digital Hubs Actual expenditure	16	-
Total expenses		145,253,352
Other gains/(losses)		
Gain/Loss on Sale of Assets	17	-
Impairment loss	18	-
Surplus/(Deficit) for the year		43,194,700

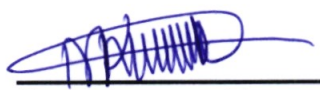
The Constituency financial statements were approved by the NGCDFC on 28/11 2025 and signed by:


Chairman NG-CDF
Committee

Name: SHEM MAGUT


National Sub-County
Accountant

Name: WINNIE CHESIO
ICPAK M/No: 20672


Fund Account Manager

Name: MATHEW KIPSAWAI

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

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

Assets			
Current Assets			
Cash And Cash Equivalents	19	176,749,408	104,454,755
Receivables from Exchange Transactions	20	-	-
Receivables from Non-Exchange Transactions	21	58,414,052	87,378,262
Prepayments	22	-	-
Total Current Assets		235,163,460	191,833,017
Non-Current Assets			
Property, Plant and Equipment	23	-	-
Intangible Assets	24	-	-
Right-of-use assets	25	-	-
Total Non- Current Assets		-	-
Total Assets (A)		235,163,460	191,833,017
Liabilities			
Current Liabilities			
Trade and Other Payables	26	1,104,425	-
Third-Party Deposits	27	-	-
Lease Liabilities	28	-	-
Gratuity provision	29	264,396	1,233,078
Total Current Liabilities		1,368,820	1,233,078
Non-Current Liabilities			
Lease Liabilities	28	-	-
Total Liabilities (B)		1,368,820	1,233,078
Net Assets (A-B)		233,794,640	190,599,940
Represented by:			

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

Revaluation Reserves		233,794,640	190,599,940
Accumulated Surplus			
Total Net Assets		233,794,640	190,599,940

The Constituency financial statements set out on pages 2 to 6 approved by NG CDFC on 25/11/2025 and signed by:



Chairman NG-CDF
 Committee
 Name: SHEM MAGUT



National Sub-County
 Accountant
 Name: WINNIE CHESIO
 ICPAK M/No: 20672



Fund Account Manager
 Name: MATHEW KIPSAMAI

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

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

As at 30 th June 2024 (cash basis)	88,142,855	-	88,142,855
Adjustments: (to recognize assets and liabilities)			
Add Assets	103,690,162		103,690,162
Less Liabilities	1,233,078		1,233,078
As at July 1, 2024	190,599,940		190,599,940
Surplus/(Deficit) For the Period	43,194,700		43,194,700
Revaluation Gain/Loss	-	-	-
As at 30th June (current year)	233,794,640	-	233,794,640



Chairman NG-CDF
Committee

Name: *SEM NDAUT*



National Sub-County
Accountant

Name: *WINNIE CHESIO*
ICPAK M/No: 20672



Fund Account Manager

Name: *MATTHEW KIPARWAI*

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

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

Cash flows from operating activities		
Receipts		
Transfers from the NGCDF Board		217,378,262
Grants/donations from other entities		-
Finance income		-
Miscellaneous income		34,000
Total Receipts		217,412,262
Payments		
Employee costs		3,620,122
Committee expenses		1,157,050
Use of Goods and Services		5,069,952
Other Government Units Certified Works		65,584,591
Other Grants and Transfers		69,685,894
Digital Hubs Expenses		-
Total Payments		145,117,609
Net Cash Flows from/ (used in) Operating Activities	30	72,294,653
Cash flows From Investing Activities		
Purchase of PPE		-
Purchase of Intangible assets		-
Proceeds From Sale of PPE		-
Net Cash Flows from Investing Activities		-
Net increase/(decrease) in cash &		72,294,653

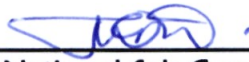
National Government Constituencies Development Fund (NGCDF)
Aldai Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025

Cash equivalents		
Cash Flows from Financing Activities		
Lease payment		-
Net Cash Flows from Financing Activities		72,294,653
Cash and cash equivalents at Period Start	19	104,454,755
Cash and cash equivalents at Period End	19	176,749,408




Chairman NG-CDF
 Committee

Name: STEM MAGUT



National Sub-County
 Accountant

Name: WINNIE CHESIO
 ICPAK M/No: 20672



Fund Account Manager

Name: MATHEN KIPSAMAI

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

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

	<i>2024/2025</i>	Opening Balance (operational, deposit and PMCs C/Bk) and AIA	Previous Years' Outstanding disbursements	<i>2024/2025</i>	<i>2024/2025</i>		
Revenue							
Transfers From the NGCDF Board	188,414,052	104,488,755	87,378,262	380,281,069	321,867,017	58,414,052	85%
Grants/donations from other entities	-	-	-	-	-	-	
Finance income	-	-	-	-		-	
Miscellaneous income	-	-	-	-	34,000	(34,000)	

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

Totals	188,414,052	104,488,755	87,378,262	380,281,069	321,901,017	58,380,052	85%
Expenses							
Employee costs	5,090,872	2,938,822	-	8,029,694	3,620,122	4,409,571	45%
Committee expenses	3,364,000	125,917	-	3,489,917	1,123,050	2,366,867	32%
Use of Goods and Services	6,448,421	3,534,839	1,282,184	11,265,443	3,114,101	8,151,342	28%
Other Government Units Certified Works	101,954,383	66,729,536	75,018,766	243,702,684	81,963,011	161,739,674	34%
Other Grants and Transfers	67,756,376	24,474,925	3,977,312	96,208,614	53,025,964	43,181,650	55%
Digital Hubs Expenses	3,800,000	6,650,718	7,100,000	17,550,718	2,270,361	15,280,357	13%
Funds Pending Approval**	-	34,000	-	34,000	-	34,000	0%
Total Expenditure	188,414,052	104,488,756	87,378,262	380,281,070	145,117,609	235,163,461	38%
Surplus for the period	1	(1)	(0)	(0)	176,749,408		

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

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

[Provide below a commentary on significant underutilization (below 90% of utilization) and any overutilization (above 100%)]

Description	Amount
Budget utilization difference totals	235,163,461
Less undisbursed funds receivable from the Board as at period 30th June 2025	58,380,052
Cash and Cash Equivalents at the end of the 30 th June 2025	176,783,409

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 25/11 2025 and signed by:



Fund Account Manager

Name: MATHEW KIPSANAI



National Sub-County Accountant

Name: WINNIE CHEGE
 ICPAK M/No: 20672



Chairman NG-CDF Committee

Name: SHEM MAGUT

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

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (operational, deposit and PMCs C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent						
1.1 Compensation of employees	5,090,872.08	2,938,821.55		8,029,694	3,620,122	4,409,571
1.2 Committee allowances	2,140,000.00	-		2,140,000	592,383	1,547,617
1.3 Use of goods and services	2,020,000.00	2,408,085.30	1,109,734.81	5,537,820	1,809,601	3,728,219
Sub-total	9,250,872	5,346,907	1,109,735	15,707,514	6,022,106	9,685,408
2.0 Monitoring and evaluation						
2.1 Capacity building	1,057,000.00	219,400.90	172,449	1,448,850	209,800	1,239,050
2.2 Committee allowances	1,224,000.00	125,917.00		1,349,917	530,667	819,250
2.3 Use of goods and services	3,371,421.00	907,352.34		4,278,773	1,094,700	3,184,073
Sub-total	5,652,421	1,252,670	172,449	7,077,540	1,835,167	5,242,373
4.0 Emergency						
unutilized	9,916,529.06		4,691,047.00	14,607,576		14,607,576
Banja Primary School		2,018.00		2,018	1,404	614
Kipchekwen primary school		450,000.00		450,000	447,461	2,539
Manman secondary school		450,000.00		450,000	449,397	603
Musasa primary school		450,000.00		450,000	434,279	15,721
Kapkolei Girls Secondary school		1,024,231.00		1,024,231	998,360	25,871
Morong'iot primary school		450,000.00		450,000	449,987	13
Kamarich primary school		450,000.00		450,000	449,303	697
Kitaor primary school		450,000.00		450,000	449,967	33

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

St.Pantheleimon kenyor primary school		450,000.00		450,000	449,915	85
Chepkurgung primary school		455,465.50		455,466	450,805	4,661
Amkiruk primary school		450,000.00		450,000	448,317	1,683
Koibarak primary school		42,206.00		42,206	449,778	(407,572)
Kapsoo girls secondary school				-	995,336	(995,336)
Kapkeruge primary school				-	448,697	(448,697)
Kamagap primary school				-	449,836	(449,836)
Kereri Primary school				-	450,000	(450,000)
Kipletito primary school				-	4,338,660	(4,338,660)
Nandi south DCC;S office				-	2,352,597	(2,352,597)
Sub-total	9,916,529	5,123,921	4,691,047	19,731,497	14,514,099	5,217,398
5.0 Bursary and Social Security						
5.1 Primary Schools				-		-
5.2 Secondary Schools	50,199,984.95	20,408,925.29	1,477,312.32	72,086,223	45,526,964	26,559,259
5.3 Tertiary Institutions	15,000,000.00	4,000,000.00		19,000,000	5,000,000	14,000,000
5.4 special needs				-		-
5.5 Education Support Programmes	2,556,391.04		2,500,000.00	5,056,391	2,500,000	2,556,391
5.6 Social Security		66,000.00		66,000		66,000
Sub-total	67,756,376	24,474,925	3,977,312	96,208,614	53,026,964	43,181,650
7.0 Environment						
BONJOGE FOREST	1,000,000		3,488,777	4,488,777	1,864,321	2,624,456
				-		
Sub-total	1,000,000	-	3,488,777	4,488,777	1,864,321	2,624,456
8.0 Primary Schools Projects						
Kaptendon primary school		800,000.00		800,000		800,000
Kaptumek Primary School		1,167.00	523,129.00	524,296	514,361	9,935
Kapkitony Primary School		4,763.00	-	4,763	126	4,637
Enego Primary School		669.00	-	669	126	543

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Toretmoi Primary School		2,635.00	-	2,635	2,378	257
Manman Primary School		212,579.00	-	212,579	-	212,579
Kosiage Primary School		12,654.00	-	12,654	126	12,528
Chepturer Primary School		14,528.00	-	14,528	14,126	402
Kirongoi Primary School		157,354.00	-	157,354	-	157,354
Kapsamoch Primary School		1,310.00	-	1,310	126	1,184
Mugundoi Primary School		1,695.00	-	1,695	378	1,317
Kiptaruswo Primary School		36,275.00	-	36,275	35,626	649
Chebugundi Primary School		2,332.00	59,105.00	61,437	630	60,807
Kapsoiyo Primary School		1,360.00	-	1,360	126	1,234
Bonjoge Primary School		917.00	-	917	378	539
Kipkuti Primary School		884.00	275,353.00	276,237	234,718	41,519
Mugen Primary School		447,951.00		447,951	447,951	-
Ack Christ The King Kiplengwai Primary School		447,951.00		447,951	444,056	3,895
Chemogong Primary School		446,886.00		446,886	441,108	5,778
Chepsis Primary School		448,976.00		448,976	445,678	3,298
Simatwet Primary School		448,976.00		448,976	446,357	2,619
Koimet Primary School		448,975.00		448,975	444,993	3,982
Kaborogin Primary School		447,950.00		447,950	317,328	130,622
AMKIRUK PRIMARY SCHOOL		1,461.50		1,462	126	1,336
CHEPKUNY PRIMARY SCHOOL		2,486.00		2,486	-	2,486
GAMBOGI PRIMARY SCHOOL		2,837.00		2,837	-	2,837
KAPINDEREM PRIMARY SCHOOL		5,456.00		5,456	-	5,456
KAPKEBEN PRIMARY SCHOOL		2,336.00		2,336	-	2,336
KAPKENDUIYWO PRIMARY SCHOOL		3,878.00		3,878	-	3,878
KAPKO PRIMARY SCHOOL		6,945.00		6,945	-	6,945
KAPKONGAI PRIMARY SCHOOL		58,091.00		58,091	252	57,839
KAPSAMUT PRIMARY SCHOOL		12,327.00		12,327	-	12,327
ST.MARYS KONGORO PRIMARY SCHOOL		1,099.00		1,099	-	1,099
KAPSOIYO PRIMARY SCHOOL		1,141.25		1,141	121	1,021
KIPCHORWA PRIMARY SCHOOL		376.00		376	-	376
KIPKEGENDA PRIMARY SCHOOL		1,242.00		1,242	-	1,242

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KIPLENGWAI PRIMARY SCHOOL		3,248.00		3,248	-	3,248
KOSIAGE PRIMARY SCHOOL		99.00		99	-	99
MUGANG PRIMARY SCHOOL		942.00		942	-	942
KIPKUTI PRIMARY SCHOOL		261.00		261	-	261
SIGINWAI PRIMARY SCHOOL		277.00		277	-	277
ST. PETERS CHEPKONGONY PRIMARY SCHOOL		1,345.00		1,345	-	1,345
ST. TERESA KORONGOI PRIMARY SCHOOL		824.00		824		824
KIMAREN PRIMARY SCHOOL		132,971.50		132,972	126	132,846
KEBURO PRIMARY SCHOOL		1,726.00		1,726	-	1,726
KITAPKOI PRIMARY SCHOOL		487.00		487	-	487
LEBELEN PRIMARY SC HOOL		885.00		885	-	885
SAMITUI PRIMARY SCHOOL		4,538.00		4,538		4,538
Tendwo primary school		4,500,000.00		4,500,000	4,127,257	372,743
St Marys Kongoro Primary School		12,146,227.00		12,146,227	8,352,174	3,794,054
St. Teresa Korongoi Primary School		9,206,406.00		9,206,406	8,734,529	471,877
Nyinyira Primary School		15,350,597.00		15,350,597	6,603,070	8,747,527
ACK Kaptebengon Primary School		7,821,324.60		7,821,325	7,682,317	139,008
Kapsamut Primary School		6,043,624.30		6,043,624	3,119,992	2,923,632
Mogomben Primary School	3,317,386.80			3,317,387		3,317,387
Chepkongony Primary School	3,317,386.80			3,317,387		3,317,387
Tendwet Primary School	3,062,203.20			3,062,203		3,062,203
Ibanja Primary School	3,317,386.80			3,317,387		3,317,387
Ndurio Primary School	3,572,570.40			3,572,570		3,572,570
Kapsaos Primary School	2,551,836.00			2,551,836		2,551,836
Koyo Primary School	2,807,019.60			2,807,020		2,807,020
Kapkolei Primary School	3,062,203.20			3,062,203		3,062,203
Kimaren Primary School	5,103,672.00			5,103,672		5,103,672
Kamimei Primary School	4,848,488.40			4,848,488		4,848,488
Kapkenduiwo primary School	3,572,570.40			3,572,570		3,572,570
Serem Primary School	2,807,019.60			2,807,020		2,807,020
Mogoiywo Primary School	2,296,652.40			2,296,652		2,296,652
Kapsengere Primary School	3,827,754.00			3,827,754		3,827,754

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Kereri Primary School	2,807,019.60			2,807,020		2,807,020
Musasa Primary School	3,827,754.00			3,827,754		3,827,754
Kapkerer Primary School	2,551,836.00			2,551,836		2,551,836
ACK Kaptebengon Primary School	3,938,255.00			3,938,255		3,938,255
Nyinyira Primary School	4,246,709.00			4,246,709		4,246,709
St. Teresa Korongoi Primary School	4,695,968.00			4,695,968		4,695,968
St. Marys Kongoro Primary School	3,604,968.00			3,604,968		3,604,968
Kamarich Primary School.	2,152,554.29			2,152,554		2,152,554
Samoget Primary School			3,297,700.00	3,297,700	3,251,576	46,124
Kesogon Primary School			2,866,300.00	2,866,300	2,865,006	1,294
Kipchemwon Primary School			2,468,400.00	2,468,400	2,465,225	3,175
Kaboi Primary School			3,585,750.00	3,585,750	3,583,573	2,177
Chebara Primary School			3,625,000.00	3,625,000	3,624,837	163
Kapkeben Primary School			3,204,620.00	3,204,620	3,130,343	74,277
Kapkoi Primary School			3,744,800.00	3,744,800	3,734,999	9,801
Koimet primary school			1,052,674.00	1,052,674	2,050	1,050,624
Bonjoge Primary school			1,052,674.00	1,052,674	2,050	1,050,624
Kamagap primary school			1,052,674.00	1,052,674	2,050	1,050,624
Chepkebuge primary school			1,052,674.00	1,052,674	2,050	1,050,624
Kipchekwen primary school			1,052,674.00	1,052,674	1,025	1,051,649
Kaborowo primary school			1,052,674.00	1,052,674	2,050	1,050,624
Kamarini primary school			1,052,674.00	1,052,674	2,050	1,050,624
Chepsis primary school			1,052,674.00	1,052,674	2,050	1,050,624
Kaborogin primary school			1,052,674.00	1,052,674	2,176	1,050,498
Chepsioch primary school			1,052,674.00	1,052,674	2,050	1,050,624
Siginwai primary school			1,052,674.00	1,052,674	2,050	1,050,624
Kapkolei primary school			1,052,674.00	1,052,674	2,050	1,050,624
Kiptaruswo primary school			1,052,674.00	1,052,674	2,050	1,050,624
Morong'iot primary school			1,052,674.00	1,052,674	2,050	1,050,624
Kipsiorori primary school			1,052,673.00	1,052,673	2,050	1,050,623
Kipletito primary school			1,052,674.00	1,052,674	1,990	1,050,684

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Koyo primary school			1,052,674.00	1,052,674	2,050	1,050,624
Iboe primary school			1,052,674.00	1,052,674	2,176	1,050,498
Kipsartuk primary school			1,052,674.00	1,052,674	2,050	1,050,624
Kapsengere primary school			1,052,674.00	1,052,674	1,025	1,051,649
Kapkerer primary school			1,052,674.00	1,052,674	2,050	1,050,624
Mogoiywo primary school			1,052,674.00	1,052,674	2,050	1,050,624
St. John The Baptist primary school			1,052,674.00	1,052,674	2,050	1,050,624
Kapko primary school			1,052,674.00	1,052,674	2,050	1,050,624
Kereri primary school			1,052,674.00	1,052,674	2,050	1,050,624
Koibarak primary school			1,052,674.00	1,052,674	1,025	1,051,649
Tungururwo Primary school			1,052,674.00	1,052,674	2,050	1,050,624
Legemet primary school			1,052,674.00	1,052,674	2,050	1,050,624
Chepkuny Primary School			1,052,674.00	1,052,674	-	1,052,674
Mogomben Primary School			1,052,674.00	1,052,674	-	1,052,674
Samitui Primary School			1,052,674.00	1,052,674	-	1,052,674
Musasa Primary School			1,052,674.00	1,052,674	-	1,052,674
St. Teresa Korongoi Primary School			9,055,227.00	9,055,227		9,055,227
St Marys Kongoro Primary School			447,991	447,991		447,991
Sub-total	75,289,213	59,704,245	66,838,942	201,832,401	65,120,736	136,711,665
9.0 Secondary Schools Projects (List all the Projects)						
Teldet Secondary school		600,000.00		600,000		600,000
Koyo Secondary School		613,495.00		613,495	463,111	150,384
KAPKERUGE SECONDARY SCHOOL		2,452.00		2,452	-	2,452
ALDAI BOYS HIGH SCHOOL		19,790.00		19,790		19,790
ALDAI GIRLS SECONDARY SCHOOL		548,516.05		548,516	630	547,886
DR. SALLY KOSGEI SECONDARY SCHOOL		933.00		933	-	933
IBANJA SECONDARY SCHOOL		689.00		689		689
KAMARICH SECONDARY SCHOOL		78,783.00		78,783	-	78,783

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KIMOLWO SECONDARY SCHOOL	2,427.00	2,427	114	2,313
MOGOIYWO SECONDARY SCHOOL	1,738.00	1,738	-	1,738
NDURIO SECONDARY SCHOOL	7,440.00	7,440	-	7,440
KIPTULUS SECONDARY SCHOOL-4	11,151.00	11,151	-	11,151
KOYO SECONDARY SCHOOL	5,208.00	5,208	-	5,208
KAPTUMEK SECONDARY SCHOOL	5,997.00	5,997	-	5,997
AIC CHEPKEBUGE SECONDARY SCHOOL	883.00	883	-	883
Dr. Sally Kosgei Secondary School	1,400,000	1,400,000		1,400,000
St. Michaels Kapkenduiywo Secondary School	1,600,000	1,600,000		1,600,000
Kapkerer Secondary School	1,900,000	1,900,000		1,900,000
Keburo Secondary School	1,848,640.00	1,848,640		1,848,640
Kamimei Secondary School	2,500,000.00	2,500,000		2,500,000
Bonjoge Secondary School	2,300,000.00	2,300,000		2,300,000
		-		-
Sub-total	11,548,640	13,448,142	463,855	12,984,287
10.0 Tertiary Institutions Projects (List all the Projects)				
Sub-total		-	-	-
11.0 Security Projects				
NANDI SOUTH DIVISION HEADQUARTERS	1,483.00	1,483.00		1,483
Nandi South Division Headquarters	-	385.00		385
Kapsioyo Assistant Chief's Office	1,200,000.00	1,200,000.00		1,200,000

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Kapkerer Chief's Office	1,200,000.00			1,200,000.00		1,200,000
Nandi Sub-County Deputy County Commissioner Office	1,800,000.00			1,800,000.00	-	1,800,000
Sub-total	4,200,000	1,868		4,201,868	-	4,201,868
12.0 Acquisition of assets						
12.1 Motor Vehicles (including motorbikes)					-	-
12.2 Purchase of furniture and fittings					-	-
12.2 Construction of CDF office					-	-
Sub-total	-				-	-
13.0 Others						
Digital Hub						
Kobujoi Innovation hub		966,583.00		966,583		966,583
Kaptumo kaboi innovation hub		966,583.00		966,583	-	966,583
Kemeloi maraba innovation hub		3,800,000.00		3,800,000		3,800,000
Bonjoge Chief's Office Digital Hub	3,800,000.00			3,800,000		3,800,000
Aldai Constituency Sports Project		717,565.00		717,565	277,800	439,765
Aldai Constituency office				4,500,000	2,710	4,497,290
Aldai Strategic Plan		199986.87		2,000,000	1989851	210,136
Constituency oversight committee				600,000		600,000
Sub-total	3,800,000	6,650,718		17,550,718	2,270,361	15,280,357
Funds pending approval**						
unapproved projects						
AiA		34,000		34,000		34,000
Sub-total		34,000		34,000		34,000
Total	188,414,052	104,488,756		380,281,070	145,117,609	235,163,461

(NB: This statement is a disclosure statement indicating the utilization in the same format as the entity's budgets which are program-based. This statement totals should tie to the totals of the Statement of Comparison of Budget and Actual Amounts)

17. Notes to the Financial Statements

1. General information

The National Government Constituencies Development Fund (NG-CDF) formerly Constituencies Development Fund (CDF), is established by and derives its authority and accountability from the NG-CDF Act 2015 (amended 2023). The NG-CDF is wholly owned by the Government of Kenya and is domiciled in Kenya. The NG-CDF Aldai Constituency principal activity is xxxx.

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 [Aldai] 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 [Aldai] 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 (*include any other applicable legislation*), and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

3. Adoption of New and Revised Standards

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.

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

<p>IPSAS 43: Leases</p>	<p><i>Applicable 1st January 2025</i></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 cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>
<p>IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations</p>	<p><i>Applicable 1st January 2025</i></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>
<p>IPSAS 45: Property Plant</p>	<p><i>Applicable 1st January 2025</i></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure</p>

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

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<p>IPSAS 48: Transfer Expenses</p>	<p><i>Applicable 1st January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p>
<p>IPSAS 49: Retirement Benefit Plans</p>	<p><i>Applicable 1st January 2026</i></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p>
<p>IPSAS 50: Exploration For & Evaluation of Mineral Resources</p>	<p><i>Applicable 1st January 2027</i></p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ul style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.

ii. Early adoption of standards

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

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Sale of goods

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

Interest income

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

Rental income

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

b) Budget information

The original budget was approved by Parliament on 10 June 2025 for the period 1st July 2024 to 30th June 2025 as required by law. Included in the adjustments are Cash book opening balance, AIA generated during the year and constituency allocations not yet disbursed at the beginning of the financial year.

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

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

c) Property, plant and equipment

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

d) Leases

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

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

e) Intangible assets

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

f) Financial instruments

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

a) Financial assets

Classification of financial assets

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

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

Trade and other receivables

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

Fair value through surplus or deficit

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

Impairment

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

b) Financial liabilities

Classification

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

g) Inventories

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

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

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

operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the *Entity*.

h) Provisions

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

i) Social Benefits

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

j) Contingent liabilities

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

k) Contingent assets

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

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

l) Employee benefits

Retirement benefit plans

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

m) Foreign currency transactions

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

n) Related parties

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

o) Cash and Cash Equivalents

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

p) Comparative figures

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

q) Subsequent events

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

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

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

Useful lives and residual value

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

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

Provisions

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

6. Transfers from the NGCDF Board

NGCDFB Transfers (Allocation for the FY)	188,414,052
TOTAL	188,414,052

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7. Transfers from domestic and foreign partners

Grants	-
Total	-

8. Finance income

Interest Income on Bank Deposits	-
Total	-

(Provide a brief explanation for this revenue)

9. Miscellaneous income

Rental Income	34,000
Income from sale of tenders	-
Hire of plant/equipment/facilities	-
Other Income Not Classified Elsewhere <i>(specify)</i>	-
Total	34,000

10. Employees cost

NG-CDFC Basic staff salaries	2,525,138
Personal allowances paid as part of salary	-
House Allowance	75,139

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Transport Allowance	-
Leave allowance	-
Gratuity to contractual employees	649,983
Employer Contributions Compulsory national social security schemes	176,237
Employer Contributions Compulsory Housing levy	40,418
Employer contributions to National Industrial Training Authority	3,950
Other Specify-Intern wages	285,000
Total	3,755,865

11. Committee Expenses

Sitting allowance	626,383
Other Committee expenses	530,667
Total	1,157,050

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12. Use of Goods and services

Utilities, supplies and services	21,601
Communication, supplies and services	212,720
Domestic travel and subsistence	233,200
Printing, advertising and information supplies & services	282,000
Office Rent	-
Training expenses	209,800
Hospitality supplies and services	222,150
Insurance costs	-
Specialized materials and services	-
Office and general supplies and services	679,581
Fuel, oil & lubricants	680,000
Bank Charges	30,000
Routine maintenance – vehicles and other transport equipment	439,770
Routine maintenance – other assets	69,279
Strategic plan expenses	1,989,851
Other operating expenses	-
Total	5,069,952

13. Other Government Units Actual expenditure

Primary Schools Actual expenditure	65,120,736
Secondary Schools Actual Expenditure	463,855
Tertiary Institutions Actual Expenditure	-
Total	65,584,591

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14. Other Grants and transfers Actual expenditure

Bursary – secondary schools	45,526,964
Bursary – tertiary institutions	5,000,000
Bursary – special schools	-
Bursary - Education Support programmes	2,500,000
Social Security programmes (SHIF)	-
Security projects Actual Expenditure	-
Climate change mitigation projects	1,864,321
Emergency projects Actual Expenditure	14,514,099
Roads projects	-
Others specify-Aldai NG-CDF office	2,710
Sports	277,800
Total	69,685,894

15. Depreciation and Amortization Expenses

Property Plant and Equipment	-
Intangible Assets	-
Total	-

16. Digital Hubs Expenses

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

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17. Gain/loss on Sale of Assets

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

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

18. Impairment Loss

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

(Provide brief explanation on assets impairment loss)

19. Cash and Cash Equivalents

Name Of Bank and Account No.	Period ended June 2025	Opening Statement
	Kshs	at July 2024 Kshs
Bank Accounts (Cash Book Bank Balance)		
<i>Name Of Bank, Account No. (Operations account)</i>	122,048,979	88,142,855.32
<i>Operations account pending closure (Indicate name & account no.)</i>	-	-
<i>Name of Bank, account No. (Deposit account)</i>	-	-
<i>Name of Bank, account No. (PMC's account)</i>	54,700,429	16,311,899.95
Total	176,749,408	104,454,755
Cash Balances		
Location 1	-	-
Location 2	-	-
Other Locations <i>(Specify)</i>	-	-
Total	-	-
<i>[Provide Cash Count Certificates for Each]</i>		

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

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20. Receivables from Exchange Transactions

Description	12024/2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Total receivables		
Other exchange debtors (<i>Specify</i>)	-	-
Less: impairment allowance	-	-
Total receivables	-	-
a. Current receivables	-	-
b. Non-current receivables	-	-
Total Receivables (a+b)	-	-

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

i. Ageing Analysis for Receivables

Description	2024/2025		Opening Statement 1 st July 2024	
	Current FY	% of the total	Opening Balance	% of the total
Less than 1 year	58,414,052	100%	-	%
Between 1- 2 years	-	%	-	%
Between 2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total (a+b)	58,414,052	100%	-	%

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21. Receivables from Non-Exchange Transactions

Description	Period ended June 2025	Opening Statement
	Kshs	1 st July 2024
Transfers from NGCDFB	58,414,052	87,378,262
Outstanding imprest	-	-
Total	58,414,052	87,378,262

22. Prepayments

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

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23. Property, Plant and Equipment

	Land	Buildings	Motor vehicles	Infrastructure assets	Furniture and fittings	Computers & ICT Equipment	Work in progress	Service concession assets	Total
Depreciation Rate		10%	0.25	20%	12.50%	30.00%			
Cost	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Opening Bal as 1st July 2024	-	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-	-	-	-	-
As At 30th Sep/Dec/Mar/Jun 2025	-	-	-	-	-	-	-	-	-
Depreciation And Impairment									
Opening bal accumulated depreciation 1st July 2024	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-	-	-	-
As At 30th Sep/Dec/Mar/Jun 2025	-	-	-	-	-	-	-	-	-
Net Book Values									
Opening Bal as at 1st July 2024	-	-	-	-	-	-	-	-	-
As At 30th June 2025	-	-	-	-	-	-	-	-	-

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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). These amounts were adopted on xxx.

22 b) Property, Plant and Equipment at Cost

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

	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land		-	-
Buildings	7,995,659	-	7,995,659
Plant And Machinery	6,594,257	-	6,594,257
Motor Vehicles, Including Motorcycles		-	
Computers And Related Equipment		-	
Office Equipment, Furniture, And Fittings	534,250	-	534,250
ICT Equipment, Software and Other ICT Assets	387,700		387,700
Total	15,511,866	-	15,511,866

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

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

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24. Intangible Assets

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

25. Right-of use assets

Description	<i>Buildings</i>	Motor vehicles	<i>Plant and equipment</i>	<i>Total</i>
	Kshs	Kshs	Kshs	Kshs
Cost				
As at 1 July 2024	-	-	-	-
Additions	-	-	-	-
As at 30 Sept/Dec/ March/June 2025	-	-	-	-
Accumulated Depreciation				
As at 1 July 2024	-	-	-	-
Charge for the year	-	-	-	-
As at 30 Sept/Dec/ March/June 2025	-	-	-	-
Carrying Amount				
As at 30 Sept/Dec/ March/June 2025	-	-	-	-

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26. Trade and Other Payables

Description	<i>Period ended June 2025</i>	<i>Opening Statement 1st July 2024</i>
	Kshs	Kshs
Trade payables		-
Employee payables	1,104,424.50	-
Other payables		-
Total trade and other payables	1,104,424.50	-

Aging analysis: (Trade and other payables)	2024/2025	% of the Total	1 st July 2024	% of the Total
Under one year	58,414,052	100%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total (tie to above total)	58,414,052	100%	-	

27. Third-Party deposits

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

Retentions aging analysis.

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

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

28. Lease Liabilities

Description	<i>2024/2025</i>	<i>Opening Statement</i>
	Kshs	1 st July 2024 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	Opening
	2025	Statement
	Kshs	1 st July 2024
	Kshs	Kshs
Gratuity at the beginning of the period (A)	1,233,078	-
Gratuity held during the period (B)	649,983	1,233,077
Gratuity paid during the period (C)	1,618,665	-
Total Gratuity provision as at period 30th June 2025 D=(A+B-C)	264,395	1,233,077

30. Cash Generated from Operations

	<i>Period ended June 2025</i>
	Kshs
Surplus for the period before tax	43,194,700
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	(28,964,210)
Changes in deferred income	-
Changes in Third party deposits	968,682
Changes in gratuity provision	(1,104,425)
Changes in payments received in advance	-
Net cash flow from operating activities	72,294,653

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

31. Financial Risk Management

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

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i) Credit risk

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

Financial Risk Management

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

Description	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
As at 30th June 2025				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	58,414,052	58,414,052	-	-
Bank balances	176,749,408	176,749,408	-	-
Total	231,163,460	231,163,460	-	-
As at 30 June 2025				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	58,414,052	58,414,052	-	-
Bank balances	176,749,408	176,749,408	-	-
Total	231,163,460	231,163,460	-	-

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

Financial Risk Management

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

ii) Liquidity risk management

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
As at 30th June 2025				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Gratuity Provision	264,396	264,396	-	264,396
Total	264,396	264,396	-	264,396
As at 30th June 2025				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-

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Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
Employee benefit obligation	264,396	-	264,396	264,396
Total	264,396	-	264,396	264,396

iii) Market risk

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

a) Foreign currency risk

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

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2024/2025

Current FY Description	In Kshs	Other currencies	Total
	Kshs	Kshs	Kshs
As at 30th June 2025			
Financial Assets	-	-	-
Investments	-	-	-
Cash	-	-	-
Debtors	-	-	-
Total Financial Assets	-	-	-
Financial Liabilities	-	-	-
Trade And Other Payables	-	-	-
Borrowings	-	-	-
Total Financial Liabilities	-	-	-
Net Foreign Currency Asset/(Liability)	-	-	-

Foreign currency sensitivity analysis

2024/2025

Description	In Kshs	Other currencies	Total
	Kshs	Kshs	Kshs
As at 30th June 2025			
Financial Assets	-	-	-
Investments	-	-	-
Cash	-	-	-
Debtors	-	-	-
Total Financial Assets	-	-	-
Financial Liabilities	-	-	-
Trade And Other Payables	-	-	-
Borrowings	-	-	-
Total Financial Liabilities	-	-	-
Net Foreign Currency Asset/(Liability)	-	-	-

Financial Risk Management

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

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

b) Interest rate risk

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

Management of interest rate risk

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

Sensitivity analysis

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

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percentage point as a decrease/increase of Kshs xxx (Current FY: Kshs xxx). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs xxx (Current FY – Kshs xxx)

Fair value of financial assets and liabilities

a) Financial instruments measured at fair value.

Determination of fair value and fair values hierarchy

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

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

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

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

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

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

iv) Capital Risk Management

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

Description	2024/2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Revaluation Reserve	-	-
Retained Earnings	-	-
Capital Reserve	-	-
Total Funds	-	-
Total Borrowings	-	-
Less: Cash and Bank Balances	-	-
Net Debt/(Excess Cash And Cash Equivalents)	-	-
Gearing	-	-

32. Related Party Disclosures

	<i>2024/2025</i>	<i>Opening Statement 1st July 2024</i>
	<i>Kshs</i>	<i>Kshs</i>
Committee Members Remuneration		
Sitting allowance of committee Members during the year	1,157,050	1,650,284
Transaction with the NGCDF Board		
Transfers from the NGCDF Board during the year	217,378,262	208,554,596
Total	218,535,312	210,204,880

33. Segment Information

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

34. Contingent Assets and Contingent Liabilities

Contingent Assets

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

(Give details)

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Contingent Liabilities

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

35. Capital Commitments

Capital Commitments	Insert Current FY	Opening Statement 1 st July 20xx
	Kshs	Kshs
Authorised for	-	-
Authorised and Contracted for	-	-
Total	-	-

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

36. Events after the Reporting Period

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

37. Ultimate And Holding Entity

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

38. Currency

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

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18. Annexes

Annex 1: Summary of Asset Register

REGION	COUNTY	CONSTITUENCY NAME	ASSET NAME	CATEGORY NAME	BARCODE NUMBER	PURCHASE DATE	COST	GENERAL DESCRIPTION	PURCHASE YEAR
NORTH RIFT	NANDI	ALDAI	OFFICE DESK WITH EXTENSION	FURNITURE AND FITTINGS	CDF/125/01	14.01.2009	25,000.00	IN USE	2009
NORTH RIFT	NANDI	ALDAI	FOUR DRAWER FILE CABINET	FURNITURE AND FITTINGS	CDF/125/02	14.01.2009	24,000.00	IN USE	2009
NORTH RIFT	NANDI	ALDAI	FOUR DRAWER FILE CABINET	FURNITURE AND FITTINGS	CDF/125/03	14.01.2009	24,000.00	IN USE	2009
NORTH RIFT	NANDI	ALDAI	4MID BLACK VISITORS CHAIR	FURNITURE AND FITTINGS	CDF/125/04-07	21.07.2010	20,000.00	IN USE	2010
NORTH RIFT	NANDI	ALDAI	DESKTOP COMPUTER	COMPUTERS	CDF/125/08	21.07.2010	65,000.00	IN USE	2010
NORTH RIFT	NANDI	ALDAI	UPS	COMPUTERS	CDF/125/11	03.08.2010	13,500.00	IN USE	2010
NORTH RIFT	NANDI	ALDAI	HP LASER JET PRINTER	COMPUTERS	CDF/125/12	03.08.2010	45,000.00	IN USE	2010
NORTH RIFT	NANDI	ALDAI	HP SCANNER	COMPUTERS	CDF/125/13	03.08.2010	15,000.00	IN USE	2010
NORTH RIFT	NANDI	ALDAI	PHOTOCOPIER MACHINE	COMPUTERS	CDF/125/14	03.08.2010	139,200.00	IN USE	2010
NORTH RIFT	NANDI	ALDAI	WOODEN FILLING CABINET-2	FURNITURE AND FITTINGS	CDF/125/15-16	03.08.2010	28,000.00	IN USE	2010
NORTH RIFT	NANDI	ALDAI	COMPUTER TABLES-2	FURNITURE AND FITTINGS	CDF/125/17-18	03.08.2010	18,000.00	IN USE	2010
NORTH RIFT	NANDI	ALDAI	TELCOM WIRELESS	COMPUTERS	CDF/125/21	19.10.2010	6,000.00	NOT IN USE BUT SERVICEABLE	2010
NORTH RIFT	NANDI	ALDAI	TELCOM WIRELESS	COMPUTERS	CDF/125/22	19.10.2010	6,000.00	NOT IN USE BUT SERVICEABLE	2010
NORTH RIFT	NANDI	ALDAI	WATER DISPENSER	FURNITURE AND FITTINGS	CDF/125/23	19.10.2010	19,000.00	IN USE	2010
NORTH RIFT	NANDI	ALDAI	SAFE(FIRE PROOF)	FURNITURE AND FITTINGS	CDF/125/24	11.11.2010	48,000.00	NOT IN USE BUT SERVICEABLE	2010
NORTH RIFT	NANDI	ALDAI	CONFERENCE TABLE	FURNITURE AND FITTINGS	CDF/125/25	14.03.2012	32,000.00	IN USE	2012
NORTH RIFT	NANDI	ALDAI	CATELINA CHAIRS-15	FURNITURE AND FITTINGS	CDF/125/26-40	14.03.2012	66,750.00	IN USE	2012

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NORTH RIFT	NAND	ALDAI	ROSA PLASTIC CHAIRS:150	FURNITURE AND FITTINGS	CDF/125/41-190	14.03.2012	178,500.00	IN USE	2012
NORTH RIFT	NAND	ALDAI	HIGH BACK WOODEN CHAIR	FURNITURE AND FITTINGS	CDF/125/191	14.03.2012	11,000.00	IN USE	2012
NORTH RIFT	NAND	ALDAI	CDF OFFICE	OFFICE BUILDINGS	CDF/125/194	00.12.2008 TO 00.08.2010	4,265,161.00	IN USE	2008
NORTH RIFT	NAND	ALDAI	CDF CONFERENCE HALL	OFFICE BUILDINGS	CDF/125/195	00.06.2010 TO 00.02.2012	3,730,498.00	IN USE	2012
NORTH RIFT	NAND	ALDAI	CDF VEHICLE GKV 952V	TOYOTA HILUX GUN	GKV 952V	4/26/2019	6,304,000.00	IN USE	2019
NORTH RIFT	NAND	ALDAI	MOTORCYCLE	YAMAHA YBR 125G CHINA-MOTORCYCLE	GKV 032X	02.05.2019	290,257.00	IN USE	2019
NORTH RIFT	NAND	ALDAI	PROFILE BOARD	FURNITURE AND FITTINGS	NG-CDF/152/201	04.07.2019	20,000.00	IN USE	2019
NORTH RIFT	NAND	ALDAI	SERVICE CHARTER	STATIONARIES	NG-CDF/152/203	10.12.2019	20,000.00	IN USE	2019
NORTH RIFT	NAND	ALDAI	LAPTOP	COMPUTERS	NG-CDF/152/208	27.01.2023	98,000.00	IN USE	2023
							15,511,866.00		

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

PMC	Bank	Account number	Bank Balance Current period	Opening Statement 1 st July 20xx
PMC	Bank	Account number		2023-2024
Kaptumek Primary School	KCB SEREM	1321054246	9,935.25	1,167.25
Kapkitony Primary School	KCB SEREM	1321108834	4,637.00	4,763.00
Enego Primary School	KCB SEREM	1321109342	543.00	669.00
Toretmoi Primary School	KCB SEREM	1321112629	257.00	2,635.00
Manman Primary School	KCB SEREM	1321140479	212,579.00	212,579.00
Kosiage Primary School	KCB SEREM	1321141408	12,528.00	12,654.00
Chepturer Primary School	KCB SEREM	1321155956	402.00	14,528.00
Kirongoi Primary School	KCB SEREM	1321203853	157,354.00	157,354.00
Kapsamoch Primary School	KCB SEREM	1321265913	1,184.00	1,310.00
Mugundoi Primary School	KCB SEREM	1321284403	1,317.00	1,695.00
Kiptaruswo Primary School	KCB SEREM	1321340001	649.00	36,275.00
Chebugundi Primary School	KCB SEREM	1321340109	60,807.00	2,332.00
Kapsoiyo Primary School	KCB SEREM	1321397631	1,234.00	1,360.00
Bonjoge Primary School	KCB SEREM	1321422954	539.00	917.00
Kipkuti Primary School	KCB SEREM	1321923953	41,519.00	884.00
Mugen Primary School	KCB SEREM	1321155611	-	447,951.00
Ack Christ The King Kiplengwai Primary School	KCB SEREM	1321072309	3,895.00	447,951.00
Chemogong Primary School	KCB SEREM	1321423012	5,778.00	446,886.00
Chepsis Primary School	KCB SEREM	1321423209	3,298.00	448,976.00
Simatwet Primary School	KCB SEREM	1321231660	2,619.00	448,976.00
Koimet Primary School	KCB SEREM	1321285280	3,982.00	448,975.00
Kaborogin Primary School	KCB SEREM	1321284721	130,622.00	447,950.00
Kapsamut Primary School	KCB SEREM	1320983421	2,923,632.45	143,624.30

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Ack Kaptebengon Primary School	KCB SEREM	1321204043	139,007.50	284,632.60
Nyinyira Primary School	KCB SEREM	1321071833	8,747,527.00	3,997,951.00
St Teresa Korongoi Primary School	KCB SEREM	1321140746	471,876.60	2,998,976.00
St Mary's Kongoro Primary School	KCB SEREM	1321340133	3,794,053.50	3,000,000.00
AMKIRUK PRIMARY SCHOOL	KCB SEREM	1255689633	1,335.50	1,461.50
CHEPKUNY PRIMARY SCHOOL	KCB SEREM	1162373482	2,486.00	2,486.00
GAMBOGI PRIMARY SCHOOL	KCB SEREM	1202443079	2,837.00	2,837.00
KAPINDEREM PRIMARY SCHOOL	KCB SEREM	1157943225	5,456.00	5,456.00
KAPKEBEN PRIMARY SCHOOL	KCB SEREM	1294246038	2,336.00	2,336.00
KAPKENDUIYWO PRIMARY SCHOOL	KCB SEREM	1292373962	3,878.00	3,878.00
KAPKO PRIMARY SCHOOL	KCB SEREM	1212953517	6,945.00	6,945.00
KAPKONGAI PRIMARY SCHOOL	KCB SEREM	1267681411	57,839.00	58,091.00
KAPSAMUT PRIMARY SCHOOL	KCB NANDIHILLS	1198222859	12,327.00	12,327.00
ST.MARYS KONGORO PRIMARY SCHOOL	KCB SEREM	1167351835	1,099.00	1,099.00
KAPSOIYO PRIMARY SCHOOL	KCB KAPSABET	1209852829	1,020.50	1,141.25
KIPCHORWA PRIMARY SCHOOL	KCB MBALE	1128270838	376.00	376.00
KIPKEGENDA PRIMARY SCHOOL	KCB SEREM	1183879407	1,242.00	1,242.00
KIPLENGWAI PRIMARY SCHOOL	KCB SEREM	1256879959	3,248.00	3,248.00
KOSIAGE PRIMARY SCHOOL	KCB SEREM	1154367436	99.00	99.00
MUGANG PRIMARY SCHOOL	KCB SEREM	1260176037	942.00	942.00
KIPKUTI PRIMARY SCHOOL	KCB NANDIHILLS	1202339549	261.00	261.00
SIGINWAI PRIMARY SCHOOL	KCB SEREM	1154158780	277.00	277.00
ST. PETERS CHEPKONGONY PRIMARY SCHOOL	KCB SEREM	1238996639	1,345.00	1,345.00
ST. TERESA KORONGOI PRIMARY SCHOOL	KCB SEREM	1197781110	824.00	824.00
KIMAREN PRIMARY SCHOOL	KCB SEREM	1183522665	132,845.50	132,971.50
KEBURO PRIMARY SCHOOL	KCB NANDIHILLS	1295141639	1,726.00	1,726.00
KITAPKOI PRIMARY SCHOOL	KCB KAPSABET	1153813130	487.00	487.00
LEBELEN PRIMARY SC HOOL	KCB SEREM	1179546423	885.00	885.00
SAMITUI PRIMARY SCHOOL	NATIONAL KAPSABET	1.02406E+12	4,538.00	4,538.00
Tendwo primary chool	KCB SEREM	1331408059	372,743.00	-
Chebara primary school	KCB SEREM	1335431144	163.00	-

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Kipchemwon Primary school	KCB SEREM	1335474994	3,175.00	-
Kapkoi Primary school	KCB SEREM	1335438106	9,801.00	-
Kaboi Primary school	KCB SEREM	1335431128	2,177.00	-
Kapkeben Primary school	KCB SEREM	1335526587	74,277.00	-
Samoget Primary School	KCB SEREM	1335438017	46,124.00	-
Kesogon primary school	KCB SEREM	1335467289	1,294.00	-
Koyo Secondary School	KCB SEREM	1324651741	150,384.00	613,495.00
KAPKERUGE SECONDARY SCHOOL	KCB SEREM	1173338756	2,452.00	2,452.00
ALDAI BOYS HIGH SCHOOL	KCB SEREM	1172966850	19,790.00	19,790.00
ALDAI GIRLS SECONDARY SCHOOL	KCB SEREM	1233792709	547,886.05	548,516.05
DR. SALLY KOSGEI SECONDARY SCHOOL	NATIONAL KAPSABET	1025060000000	933.00	933.00
IBANJA SECONDARY SCHOOL	KCB SEREM	1166543250	689.00	689.00
KAMARICH SECONDARY SCHOOL	NATIONAL KAPSABET	01024055719102	78,668.75	78,783.00
KIMOLWO SECONDARY SCHOOL	KCB SEREM	1283019884	2,427.00	2,427.00
MOGOIYWO SECONDARY SCHOOL	KCB SEREM	1167956532	1,738.00	1,738.00
NDURIO SECONDARY SCHOOL	NATIONAL KAPSABET	1025060000000	7,440.00	7,440.00
KIPTULUS SECONDARY SCHOOL-4 SIKSIK	KCB KAPSABET	1178333280	11,151.00	11,151.00
KOYO SECONDARY SCHOOL	KCB SEREM	1179112784	5,208.00	5,208.00
KAPTUMEK SECONDARY SCHOOL	KCB SEREM	1106802632	5,997.00	5,997.00
AIC CHEPKEBUGE SECONDARY SCHOOL	KCB SEREM	1290837406	883.00	883.00
NANDI SOUTH DIVISION HEADQUARTERS	KCB SEREM	1275518931	1,483.00	1,483.00
Nandi South Division Headquarters	KCB SEREM	1324730994	385.00	385.00
Banja Primary School	KCB SEREM	1313838152	614.00	2,018.00
Kipchekwen primary school	KCB SEREM	1331871522	2,539.00	-
Manman secondary school	KCB SEREM	1334593248	603.00	-
Musasa primary school	KCB SEREM	1330511824	15,721.10	-
Kapkolei Girls Secondary school	KCB SEREM	1124372261	25,871.00	24,231.00
Morong'iot primary school	KCB SEREM	1331871425	13.00	-
Kamarich primary school	KCB SEREM	1332284108	697.00	-
Kitaor primary school	KCB SEREM	1281540765	33.00	-
St.Pantheleimon kenyor primary school	KCB SEREM	1333019696	85.00	-

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Chepkurgung primary school	KCB SEREM	1321682379	4,660.50	5,465.50
Amkiruk primary school	KCB SEREM	1334241589	1,683.00	-
Koibarak primary school	KCB SEREM	1332769985	222.00	-
Kapsoo girls secondary school	KCB SEREM	1333927665	104,664.00	-
Kapkeruge primary school	KCB SEREM	1334077738	1,303.00	-
Kamagap primary school	KCB SEREM	1333078498	164.00	-
Kipletito primary school	KCB SEREM	1335404643	76,440.00	-
Nandi south DCC:S office	KCB SEREM	1339170566	147,403.00	-
Aldai Constituency Sports Project	KCB SEREM	1321761740	-	-
Koimet primary school	KCB SEREM	1337600938	1,050,624.00	717,565.00
Bonjoge Primary school	KCB SEREM	1337392553	1,050,624.00	-
Kamagap primary school	KCB SEREM	1337745413	1,050,624.00	-
Chepkebuge primary school	KCB SEREM	1337698083	1,050,624.00	-
Kipchekwen primary school	KCB SEREM	1337686132	1,051,649.00	-
Kaborowo primary school	KCB SEREM	1337882542	1,050,624.00	-
Kamarini primary school	KCB SEREM	1337883417	1,050,624.00	-
Chepsis primary school	KCB SEREM	1337875953	1,050,624.00	-
Kaborogin primary school	KCB SEREM	1337883344	1,050,498.00	-
Chepsioch primary school	KCB SEREM	1337745251	1,050,624.00	-
Siginwai primary school	KCB SEREM	1337874760	1,050,624.00	-
Kapkolei primary school	KCB SEREM		1,050,624.00	-
Kiptaruswo primary school	KCB SEREM	1337432881	1,050,624.00	-
Morong'iot primary school	KCB SEREM	1331871425	1,050,624.00	-
Kipsiorori primary school	KCB SEREM	1337432911	1,050,624.00	-
Kipletito primary school	KCB SEREM	1338347209	1,050,684.00	-
Koyo primary school	KCB SEREM	1337237256	1,050,624.00	-
Iboe primary school	KCB SEREM	1337883522	1,050,498.00	-
Kipsartuk primary school	KCB SEREM	1337698091	1,050,624.00	-
Kapsengere primary school	KCB SEREM	1331009316	1,051,649.00	-

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Kapkerer primary school	KCB SEREM	1337422282	1,050,624.00	
Mogoiywo primary school	KCB SEREM	1337932159	1,050,624.00	
St. John The Baptist primary school	KCB SEREM	1339310864	1,050,624.00	
Kapko primary school	KCB SEREM	1337488690	1,050,624.00	
Kereri primary school	KCB SEREM	1338951629	1,050,624.00	
Koibarak primary school	KCB SEREM	1332769985	1,051,649.00	
Tungururwo Primary school	KCB SEREM	1337601012	1,050,624.00	
Legemet primary school	KCB SEREM	1338961683	1,050,624.00	
Bonjoge Forest Aldai Enviroment Project	KCB SEREM		1,624,456.00	
Aldai NG-CDF Office	KCB SEREM		4,497,290.00	
Aldai Constituency Sports Project	KCB SEREM		439,765.00	
Aldai Strategic Plan	KCB SEREM		10,149.00	
TOTALS			54,700,429.20	16,311,899.95

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Annex 3: Progress On Follow Up of Auditor Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
Aldai NG CDF FY/2022/23/1	Inaccuracy in the financial statements- the statements of receipts and payments note 5 of financial statements reflect comparative committee expenses amounting Ksh 6,070,850 while the statement of cash flow reflect nil amount	The financial statements were corrected	Not Resolved	30 th December 2025
Aldai NG CDF FY/2022/23/2	Unsupported PMC Bank Balances-annex 5 to the financial statement reflect pmcs bank balance of Ksh 5,139,371 held in 43 bank accounts maintained in various commercial banks, however the cashbooks, bank reconciliation statements and the certificate of bank balance of the 43 bank accounts were not provided for audit	The PMC bank balance were provided later on	Not Resolved	30 th December 2025
Aldai NG CDF FY/2022/23/3	Budgetary control and performance- salary statement of appropriation reflect final receipts, budget and action on comparative basis of Ksh 159,399,616 and Ksh 64,439,442 reflecting to underfunding of Ksh 94,960174 of the budget, similarly the funds spent Ksh 62,053,806 against actual receipts of Ksh 64,439,442	Fund disbursement from the board were late during the closure of the financial year. Funds	Not Resolved	30 th December 2025

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	resulting under expenditure of Ksh 2,385,636 of the actual receipts	were released from the board and the balancing was done.		
Aldai NG CDF FY/2022/23/4	Unresolved prior years audit matters-In the audit of previous years several issues were raised under the report on financial statements and report on lawfulness and effectiveness in use of public resources, however management has not resolved the issues	All the previous audit matters have been resolved	Not Resolved	30 th December 2025
			Not Resolved	30 th December 2025
	<p>Failure to Provide for Service Gratuit</p> <p>The statement of receipts and payments reflects compensation of employees amount of Kshs.3,721,541 as disclosed in Note 4 to the financial statements. However, the balance of Kshs.3,721,541 does not include service gratuity. This was contrary to Public Sector Accounting Standards Board reporting template and the National Government Constituency Development Fund Board circular of 26 August; 2021 which requires National Government Constituencies Development Fund Committees to ensure that the</p>	The management has hence corrected the oversight and service gratuity provision has been set aside and even paid the employees whose contracts expired as per	Not Resolved	30 th December 2025

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>funds set aside for the financial year are adequate to fully settle service gratuity entitlements for the existing and new employees up to the end of their respective contracts. In the circumstances, the accuracy and completeness of compensation of employees amount of Kshs.3,721,541 could not be confirmed.</p>	<p>attached documents.</p>		
	<p><u>Long Outstanding Cheques</u> The statement of assets and liabilities reflects cash and cash equivalents balance of Kshs.88,142,855 as disclosed in Note 11A to the financial statements. The respective bank reconciliation statement for June, 2024 reflected payments in the cash book not yet recorded in bank statement amounting to Kshs.6,435,262. However, there were unrepresented cheques relating to the financial years 2021 and 2022 amounting to Kshs.2,000,000 which had not been presented and were therefore stale as at 30 June,2024. The same had not been reversed in the cash book. Further, no information was provided for audit review showing</p>	<p>The management has taken action on the unrepresented cheques relating to 2021 and 2022 as for Kipsiorori primary of Kshs 600,000 and Kaptendon primary of kshs</p>	<p>Not Resolved</p>	<p>30th December 2025</p>

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>the dates when the remaining cheques amounting to khs.4,335,262 were subsequently cleared in the bank. In the circumstaces, the accuracy of cash and cash equivalent balance Of Kshs.88,142,855 could not be confirmed.</p>	<p>800,000 was meant for purchase of land and for ACK Ibanja of kshs 700,000 was for construction of a classroom but due to community wrangles it remained uncleared. For the remaining cheques of kshs 4,335,262, the office had no control over them as they were already dispatched to the beneficiaries who present them to the</p>		

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		bank at their convenience. Attached however is bank statement and subsequent reconciliation to show when they cleared.		
	<p><u>Unsupported Project Management Committee (PMC) Bank Balances</u> Note 19.4 and Annex 5 to the financial statements reflects PMC accounts balance of Kshs.13,264,929 in respect of seventy (70) bank accounts in local commercial banks which had not been utilized as at the end of the financial year under review. However, cashbooks, certificates of bank balance, bank reconciliation statements, bank statements and board of survey reports for the seventy (70) bank accounts were not provided for audit review. In the circumstances, the accuracy and completeness</p>	Attached herein are bank statements for the 70 bank accounts. An error of repetition however occurred and correction has been identified	Not Resolved	30 th December 2025

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	of PMC accOunts balance of Kshs.13,264,929 could not be confirmed.	and corrected effectively.		
	<p>Emphasis of Matter Budget Control and Performance. The summary statement of appropriation reflects final receipts budget and actual on comparable basis amounts of Kshs.298,870,496.and Kshs.210,940,233 respectively resulting to an under-funding of Kshs.87,930,263 or 29% of the budget. Similarly, the Fund spent an amount of Kshs. 122,797,378 against actual receipts of Kshs.210,940,233 resulting to an under-absorption of Kshs.88,142,855 or 42% of the actual receipts. The underfunding and under-absorption affected the planned activities and may have impacted negatively on service delivery to the public. My opinion is not modified in respect of this matter.</p>	<p>The approval by the board was received towards closure of financial year and others after closure of financial year hence underfunding of the stated amount. (Attached are</p>	Not Resolved	30 th December 2025

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>Other Matter Unresolved Prior Year Audit Matters In the audit report of the previous year, several paragraphs were raised under the Report on Financial Statements and Report on the Effectiveness in Internal Controls, Risk Management and Governance. However, no report or recommendations from the Report of the Auditor-General on National Government Constituencies Development Fund - Aldai Constituency for the year ended 30 June, <u>2024 Project Verification</u> Review of records and audit verification of the transfers to other government entities revealed that the projects that were implemented during the financial year under review were for <u>2022/2023</u> financial year, but due to late disbursements of funds from the NGCDF Board, the money was received in the financial year <u>2023/2024</u>. Therefore, no projects approved for the financial year <u>2023/2024</u> were implemented. Further, eighteen (18) projects with total disbursements of Kshs. <u>50,255,472</u> were physically verified in December, <u>2024</u>. It was observed that fourteen (14) projects with disbursements of Kshs. <u>34,255,472</u> were complete and four (4) projects with disbursements of</p>	<p><i>codelists for confirmation)</i> However after approval was received the projects were implemented promptly. Under-absorption of the stated amount was due to funds received just before closure of financial year as per AIEs Attached</p>		

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	Kshs.16,000,000 were ongoing. In the circumstances, the public did not receive value for money from the incomplete projects.			
3.1	<p>Basis for Conclusion</p> <p>Unutilized Funds Note 19.3 and Annex 3 to the financial statements reflects unutilized fund balance of Kshs.97,345,810 and Kshs.176,073,117 for the financial years 2022/2023 and 2023/20234 respectively. However, there was no explanation under Annex 3 - on why the funds were not utilized and the reasons for delays in utilization by the Fund. This was contrary to Regulation 11(1)() of the National Government Constituencies Development Fund Regulations, 2016 which states that the functions of a Constituency Committee shall be to ensure that all projects receive adequate funding and are completed within three years. In the circumstances, Management was in breach of the law.</p>	Management will going forward ensure prompt utilization of funds once funds are disbursed by the board.	Not Resolved	30 th December 2025

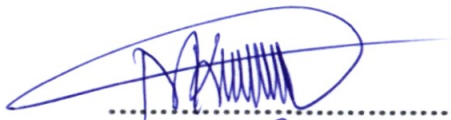
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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>Provision of Legal Expenses</p> <p>The statement of receipts and payments reflects use of goods and services amount of Kshs.3,564,780 which includes specialized materials and services amount of Kshs.500,000 as disclosed in Note 6 to the financial statements. Review of the records provided revealed that the Fund engaged the services of a local law firm to represent it in legal proceedings against a local construction company vide a contract dated 15 December, 2022 at a contractual sum of Kshs.1,200,000. However, the subject matter of the dispute per demand letter dated 12th January, 2022 addressed to a local high school and copied to the NG-CDF was Kshs.3,650,000 being outstanding payment for construction of sixteen (16) classrooms, administration block and a ramp at the school.</p> <p>Further, the instruction letter to the advocates details of the alleged case and the procurement file were not provided. In addition, review of the minutes dated 20 November, 2023 indicate the Fund had remitted funds to the school in good time but the school's Management had not paid the contractor.</p> <p>In the circumstances, the Fund did not conduct its due</p>			

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>diligence on this matter leading it to incur unnecessary expenses.</p> <p>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 conclusion.</p>			



Name Nathan Kutsarai
Fund Account Manager.