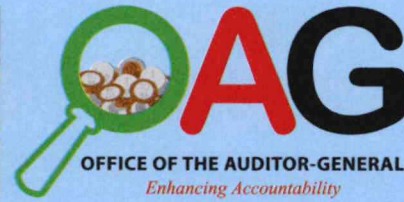


REPUBLIC OF KENYA



REPORT



OF

THE AUDITOR-GENERAL

THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 26 NOV 2025	DAY: WEDNESDAY
TABLED BY:	DEPUTY MAJORITY WHIP
MARK-AT-TABLE:	FINLST

ON

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

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





NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

KANGUNDO 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)

National Government Constituencies Development Fund (NGCDF)
Kangundo 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
DFAC	Decentralized Funds Accounts Committee
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
NSSF	National Social Security Fund
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.

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 realisation 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 Kangundo Constituency's day-to-day management is under the following key organs:

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

Fiduciary Management

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

No	Designation	Name
1.	AIE holder	Wesley Kibet Ngeno
2.	National Sub-County Accountant	Everline O. Omung'ala
3.	Chairman NGCDFC	Stephen Mutua Wambua
4.	Member NGCDFC	Moureen Kanini Kivuva
5.	Member NG CDFC	Catherine Mary Ngila

(c) Fiduciary Oversight Arrangements

The Audit Committee of the NGCDF Board provides overall fiduciary oversight on the activities of the NGCDF Kangundo 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 Kangundo Constituency Headquarters

NGCDF Kangundo Building
Kangundo Police Station Road
Kangundo, KENYA.

(e) NGCDF Kangundo Constituency Contacts

Telephone: (254) 0724-781-421
E-mail: cdfkangundo@ngcdf.go.ke
Website: www.ngcdf.go.ke

(f) NGCDF Kangundo Constituency Bankers

1. Kangundo Constituency Development Fund (Operations Account).

Account number: 0900297884246

Equity Bank, Tala Branch

P.O. Box 631-90131, Tala

2. Kangundo National Government Constituency Fund- Deposit (Deposit account).

Account number: 0900284990446

Equity Bank, Tala Branch

P.O. Box 631-90131, Tala

3. Kangundo NGCDF PMC Accounts

3.1 Kiomo Primary School-PMC Account

0900277310632

Equity Bank, Tala Branch

P.O. Box 631-90131, Tala

3.2 Kathome Primary School -PMC Account

0900277310670

Equity Bank, Tala Branch

P.O. Box 631-90131, Tala

3.3 Kawethei SA Primary School-PMC Account

0900295300875

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

Equity Bank, Tala Branch
P.O. Box 631-90131, Tala

3.4 Mukuyuni Primary School-PMC Account
0900277304009
Equity Bank, Tala Branch
P.O. Box 631-90131, Tala

3.5 Kitwii Boys Primary School-PMC Account
0900299279199
Equity Bank, Tala Branch
P.O. Box 631-90131, Tala

3.6 Syanthi S.A Primary School-PMC Account
0900272853889
Equity Bank, Tala Branch
P.O. Box 631-90131, Tala

3.7 Mususye Primary School-PMC Account
0900267232186
Equity Bank, Tala Branch
P.O. Box 631-90131, Tala

3.8 Kitwii Girls Primary School-PMC Account
0900299286970
Equity Bank, Tala Branch
P.O. Box 631-90131, Tala

3.9 Kikondeni Primary School-PMC Account
0900263717079
Equity Bank, Tala Branch
P.O. Box 631-90131, Tala

3.10 Kawauni Primary School- PMC Account
0900294342635
Equity Bank, Tala Branch
P.O. Box 631-90131, Tala

3.11 Manyatta Primary- PMC Account
School
0900269806773
Equity Bank, Tala Branch
P.O. Box 631-90131, Tala

3.12 Kwamwenze Primary School- PMC Account

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0900272806414
Equity Bank, Tala Branch
P.O. Box 631-90131, Tala

3.13 Kangundo DEB Primary School- PMC Account
0900279025860
Equity Bank, Tala Branch
P.O. Box 631-90131, Tala

3.14 Kwambalu Primary School- PMC Account
0900262296794
Equity Bank, Tala Branch
P.O. Box 631-90131, Tala

3.15 Kyai Primary School- PMC Account
0900268836538
Equity Bank, Tala Branch
P.O. Box 631-90131, Tala

3.16 Kithuiani Primary School- PMC Account
0900264186783
Equity Bank, Tala Branch
P.O. Box 631-90131, Tala

3.17 Kyaaka Primary School- PMC Account
0900294868632
Equity Bank, Tala Branch
P.O. Box 631-90131, Tala

3.18 Kitongi Primary School- PMC Account
0900263477812
Equity Bank, Tala Branch
P.O. Box 631-90131, Tala

3.19 Mukuyuni S.A Secondary school- PMC Account
0900278735862
Equity Bank, Tala Branch
P.O. Box 631-90131, Tala

3.20 ABC Kathithyamaa Secondary School- PMC Account
0900279092412
Equity Bank, Tala Branch
P.O. Box 631-90131, Tala

National Government Constituencies Development Fund (NGCDF)
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3.21 Kakuyuni Assistant County Commissioner- PMC Account
0900279678883
Equity Bank, Tala Branch
P.O. Box 631-90131, Tala

3.22 Kakuyuni Police Station- PMC Account
0900263355985
Equity Bank, Tala Branch
P.O. Box 631-90131, Tala

3.23 Kakuyuni Primary School- PMC Account
0900279979388
Equity Bank, Tala Branch
P.O. Box 631-90131, Tala

3.24 Kikalu Primary School- PMC Account
0900282494971
Equity Bank, Tala Branch
P.O. Box 631-90131, Tala

3.25 Kawethei Secondary School- PMC Account
0900264167171
Equity Bank, Tala Branch
P.O. Box 631-90131, Tala

3.26 Mulingana Mixed Day Secondary School- PMC Account
0900262730572
Equity Bank, Tala Branch
P.O. Box 631-90131, Tala

3.27 Kwakathule Secondary School- PMC Account
0900271573824
Equity Bank, Tala Branch
P.O. Box 631-90131, Tala

3.28 Kivaani ACCS Office- PMC Account
0900284176711
Equity Bank, Tala Branch
P.O. Box 631-90131, Tala

3.29 Iia Itune Primary School- PMC Account
0900285372091
Equity Bank, Tala Branch
P.O. Box 631-90131, Tala

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

3.30 Kinyungu Primary School- PMC Account
0900285381371
Equity Bank, Tala Branch
P.O. Box 631-90131, Tala

3.31 Kithunthi Primary School- PMC Account
0900285257031
Equity Bank, Tala Branch
P.O. Box 631-90131, Tala

3.32 Kyevaluki Primary School- PMC Account
0900285314369
Equity Bank, Tala Branch
P.O. Box 631-90131, Tala

3.33 Masewani Primary School- PMC Account
0900285313931
Equity Bank, Tala Branch
P.O. Box 631-90131, Tala

3.34 Matithini Primary School- PMC Account
0900285387030
Equity Bank, Tala Branch
P.O. Box 631-90131, Tala

3.35 Mbusyani Primary School- PMC Account
0900285384728
Equity Bank, Tala Branch
P.O. Box 631-90131, Tala

3.36 St Francis Misyani Primary School- PMC Account
0900285266650
Equity Bank, Tala Branch
P.O. Box 631-90131, Tala

3.37 Kyelendu Primary School- PMC Account
0900285432775
Equity Bank, Tala Branch
P.O. Box 631-90131, Tala

3.38 Kangundo Constituency Digital Hub- PMC Account
0900285661382
Equity Bank, Tala Branch
P.O. Box 631-90131, Tala

National Government Constituencies Development Fund (NGCDF)
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3.39 Kwamwilile Primary School - PMC Account
0900285382157
Equity Bank, Tala Branch
P.O. Box 631-90131, Tala

3.40 Ngomani Primary School- PMC Account
0900285616259
Equity Bank, Tala Branch
P.O. Box 631-90131, Tala

3.41 Miu ABC Primary School- PMC Account
0900285388747
Equity Bank, Tala Branch
P.O. Box 631-90131, Tala

3.42 Kangundo Sub-County Education Office- PMC Account
0900286062115
Equity Bank, Tala Branch
P.O. Box 631-90131, Tala

3.43 Kangundo Administration Police- PMC Account
0900286441055
Equity Bank, Tala Branch
P.O. Box 631-90131, Tala

3.44 SA Imilini Sec School- PMC Account
0600285460394
Equity Bank, Tala Branch
P.O. Box 631-90131, Tala

3.45 Kathithyamaa Primary School- PMC Account
0900285382631
Equity Bank, Tala Branch
P.O. Box 631-90131, Tala

3.46 Matetani AIC Primary School- PMC Account
0900285385390
Equity Bank, Tala Branch
P.O. Box 631-90131, Tala

(g) Independent Auditor

Auditor General
Office of the Auditor General
Anniversary Towers, University Way
P.O. Box 30084

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

GPO 00100
Nairobi, Kenya

(h) Principal Legal Adviser


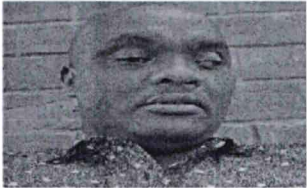
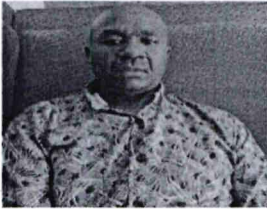


The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

3. NGCDF Committee

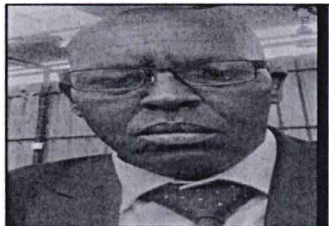

Kangundo NGCDF Committee has seven members, one co-opted member, Deputy County commissioner and Fund Account Manager. The details of NG-CDF Committee members are provided in the table below.

Name	Details
<p>Stephen Mutua Wambua (Chairperson) Male Representative</p> 	<p>Date of birth; 24/12/1964 Academic Qualification; Certificate in Secondary Education Work Experience; Self employed</p>
<p>Catherine Mary Ngila (Secretary) Female Adult</p> 	<p>Date of birth; 1966 Academic Qualification; Certificate in secretarial Work Experience; Served as Secretary/Typist at Bishop Ndingi High School</p>
<p>Maureen Kanini Kivuva Female Representative</p> 	<p>Date of birth; 08/08/1971 Academic Qualification; Certificate in Secondary Education Work Experience; Self employed</p>
<p>Belita Mutie Muthike Co-opted Member</p>	<p>Date of birth; 1977 Academic Qualification; Certificate in Secondary Education Work Experience; Self employed</p>

*National Government Constituencies Development Fund (NGCDF)
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<p>Patrick Kilungu Mweu PWD Representative</p> 	<p>Date of birth; 08/11/1983 Academic Qualification; Certificate in Adult Education Work Experience; Volunteer as a teacher at Syanamu Primary ABE Centre.</p>
<p>John Mutisya Mutune Male Adult</p> 	<p>Date of birth; 21/08/1985 Academic Qualification; Certificate in Hotel Management Work Experience; Worked in MAMI RESORT & SPUR HOTEL – WOTE</p>
<p>Julius Mwangangi Male Youth</p> 	<p>Date of birth; 29/08/1997 Academic Qualification; Certificate in Secondary Education Work Experience; Self employed</p>
<p>Theresia Mbithe Mbuvi Female Youth</p> 	<p>Date of birth; 21/05/1999 Academic Qualification; Certificate in Secondary Education Work Experience; Self employed</p>
<p>Harun Ndungu Kamau Deputy County Commissioner</p>	<p>Date of birth: 16/07/1970 Academic Qualification: Degree Work Experience; Employed civil servant</p>

National Government Constituencies Development Fund (NGCDF)
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<p>Wesley Ngeno Fund Account Manager</p> 		<p>Date of birth; 27/03/1978 Academic Qualification; Degree Work Experience; Employed civil servant</p>

Two NG-CDFC members exited during the financial year after selection of new committee as detailed below; For the financial year 2024/2025 they had only served for nine months.

S/no	Name	Category representation	Ward
1.	John Kituku Nzuki	Male (Adult)	Kangundo Central
2.	Jackline Katunge Kombo	Female (Youth)	Kangundo North

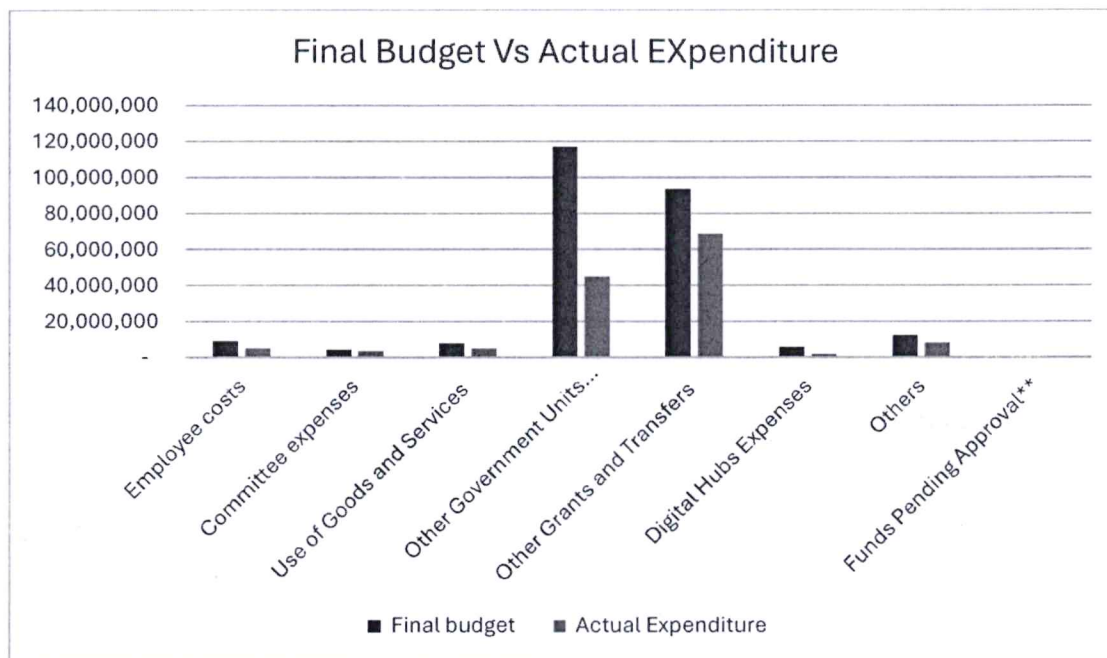
4. NG-CDFC Chairman's Report



Stephen Mutua Wambua- Chairman Kangundo NGCDFC

The National Government Constituency Development Fund Kangundo has had a successful year other than for a few challenges. The organization had an approved budget of Kshs. 170,502,856.74 out of which we received Kshs. 128,000,000 as a funding for the financial year budget and Kshs. 44,899,153 as balances for the last financial year, 2023/2024. Together with the balance brought forward of Kshs. 9,199,319 from operations account, Kshs. 24,341,652 from Project Management Committee (PMCs balances), Kshs. 809,134 from deposit account and other receipts which included AIA collected during financial year of Kshs. 56,000 the organization had a final budget totaling to Kshs. 249,808,115 out of which we successfully utilized Kshs 136,991,931 which is 55% utilization rate. The actual utilization for specific sectors was as follows: employee costs amounted to Kshs. 5,101,530; committee expenses amounted to Kshs. 3,580,500; use of goods and services amounted to Kshs. 4,908,500; while Kshs. 45,022,967 was other government units certified works, other grants and transfers amounted to Kshs. 68,725,703; Digital Hubs Expenses amounted to Kshs. 1,559,647; Other payments which included purchase of revision books and renovation of sub-county education office amounted to Kshs. 8,093,083. As compared to the final budget, however, the utilization rate was 83% which is due to the funds that have not been received from the board amounting to Kshs. 42,502,856.74.

Below is a chart detailing the actual expenditure as compared to the final budget.



As per the above graph transfers to other government units certified works which includes: primary schools and secondary schools' projects had the highest final budget, followed by other grants and transfers which included; bursary to secondary schools, bursary to tertiary institutions, bursary to special schools, security projects, climate change and mitigation projects and emergency projects. As per the graph committee expenses and digital hubs had the lowest share in the final budget. During the financial year the constituency utilized more funds received on transfers to other grants and transfers as depicted in the graph above.

The fund was successful in that we were able to disburse bursary to needy students in the constituency and also disbursed bursary for short courses training in the constituency. We were able to support infrastructural growth in primary and secondary schools as well as infrastructure for security offices.

Some of the projects implemented during the year are;

a) Ngomani Primary School-Construction of 2 classrooms

Ngomani Primary School is located in Kangundo constituency and has got a population of over 200 students that brought into consideration the need to do a construction of 2 classrooms to cater for more students' enrolment for the coming years. Also, the NG-CDF Kangundo feels that the needs of the students had been taken care of and hence creating a more conducive learning environment for the students.

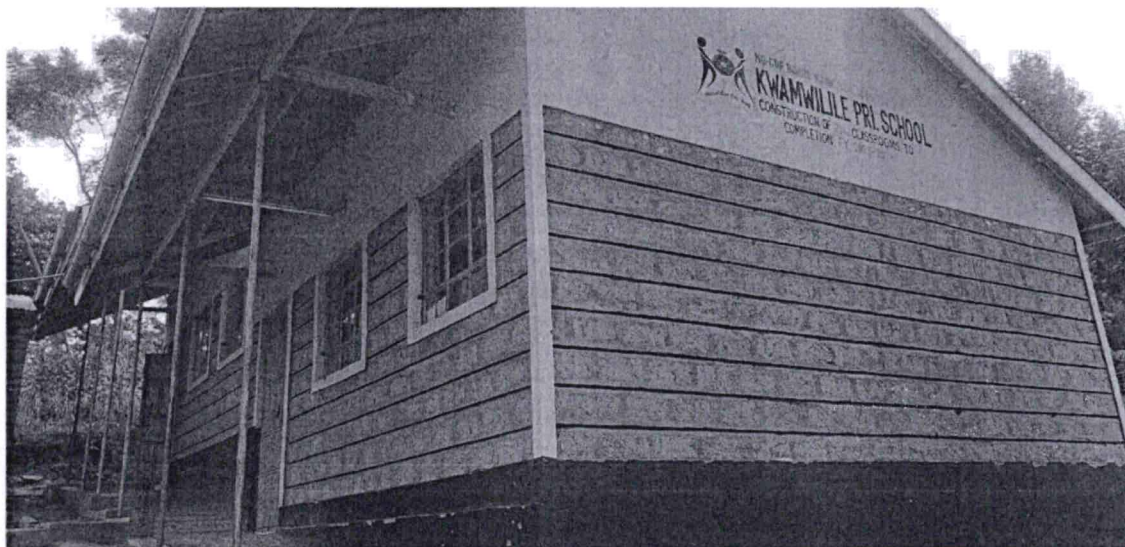
Below is a photo to support the progress of the projects in the school in respect to the PMC members that were in charge of the project from the grassroots to how it was completed.



3. Kwamwilile Primary school- Construction of 2 classrooms

Kwamwilile Primary School is located in Kangundo North ward in Kangundo constituency and has got a population of over 200 students that brought into consideration the need to do a construction of 2 classrooms to cater for more students' enrolment for the coming years. Also, the NG-CDF Kangundo feels that the needs of the students had been taken care of and hence creating a more conducive learning environment for the students.

Below is a photo to support the progress of the projects in the school in respect to the PMC members that were in charge of the project from the grassroots to how it was completed.



Emerging Issues

- New curriculum in education sector requiring construction of new classrooms for Junior Secondary Schools classes in primary schools and construction and equipping laboratories.
- The impending change in education funding policy by the national government especially in the institutions of higher learning may require review of bursary allocations to the students.
- The impact of inflation and increase of school fees by education institutions may require review of minimum bursary allocations to the students.

Challenges

In course of the project implementation the NG-CDF encountered a number of challenges:

- Delay in approval of the budget by NG-CDF Board
- Delay in receipt from the NG-CDF Board leading to underutilization of the budget
- Demand for infrastructural projects exceeds annual allocation.
- The initial budget allocation was based on engineers estimate that was later affected by increase in the cost of building materials.

Way forward/Recommendation

-The NG-CDF Kangundo will work closely with NGCDF Board to ensure budgets are approved on time and all funds are received on time to solve the challenge of underutilization.

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- There is need for NGCDF Board to review allocation of funds to the constituency to meet the demand for infrastructural projects.
- Our public works department has reviewed upwards the initial cost estimates to reflect the current economic conditions.



.....
Stephen Mutua Wambua
Chairman NGCDF Committee

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

Introduction

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

The key development objectives of the NGCDF Kangundo Constituency 2023-2027 plan are to:

- a) To enhance accessibility to quality education for all by improving the learning environment through quality school infrastructure and bursaries for better performance.
- b) To support the creation of conducive environment that enhances peace, security, efficiency and effectiveness in public administration
- c) To prioritize environment preservation and conservation efforts in the constituency through organized community groups driven environment programs
- d) To empower and develop youth and special groups to reduce dependency by nurturing talents and sports
- e) To support building of capacity and capability for timely response and management of disaster risks

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:

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Sector	Objective	Outcome	Indicator	Performance
Education	To enhance accessibility to quality education for all by improving the learning environment through quality school infrastructure and bursaries for better performance.	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	number of usable physical infrastructure build in primary, secondary, and tertiary institutions number of bursary's beneficiaries at all levels	In FY 2024/25 we constructed 10 new classrooms, renovated 24 classrooms for 2024/2025 FY in Kinyungu primary, Mbusyani Primary, Matithini primary and lia Itune primary schools. This increased the number of new classrooms by 10 in the following schools. -Kwamwilile primary school the classes increased from 8 to 10 -Kyelendu primary school the classes increased from 10 to 12. -Ngomani primary school the classes increased from 8 to 10. -Kawethei SA primary school the classes increased from 10 to 12 -Mususye primary school the classes increased from 9 to 11. Also, during the Financial year 2024/2025 we purchased the physics, chemistry and biology laboratory equipment to enhance learners practicals in sciences for 7 junior secondary schools and 3 secondary schools, that is, Kinyungu primary school, lia Itune Primary school, Kyelendu primary school, Kathithyamaa primary school, AIC Matetani primary school, Kitongi primary school, Syanthi SA primary school, Kawauni secondary school,

National Government Constituencies Development Fund (NGCDF)
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Sector	Objective	Outcome	Indicator	Performance
				<p>Mulingana sec school and St. Marys Mukunike sec school. This provided conducive learning environment for students.</p> <p>In the FY 2024-2025 through bursary fund, we supported 8,724 students in secondary schools and 1,000 students for short courses scholarship.</p>
Security	To support the creation of conducive environment that enhances peace, security, efficiency and effectiveness in public administration	Improved security which provides conducive environment for the constituents undertake their economic activities	Number of physical infrastructures supported under administration and security docket	During the year we completed construction of two Assistant County Commissioners office (Kivaani and Kakuyuni Assistant County Commissioner's offices) comprising of chief's and assistant chief's offices. The number of Assistant County Commissioner's offices has increased from 2 to 4 during the financial year.
Climate change mitigation activities	To prioritize environment preservation and conservation efforts in the constituency through organized community groups driven	Conducive environment for the constituents to undertake their economic activities	Number of climate change and mitigation projects and activities	During the financial year 2024-2025 we have undertook solarization of 5.5 kilowatts Borehole Pump, Installation of 7.5 kilo watts inverter, Construction to completion of 6m Steel Tower and Purchase of 20,000 litres water tank at Mukuyuni primary school and Kitwii Boys primary boreholes. Also, we have budgeted for solarization of Imilini sec school, Unyuani sec school, Kakuyuni primary school and Mikoikoni

National Government Constituencies Development Fund (NGCDF)
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Sector	Objective	Outcome	Indicator	Performance
	environment programs			primary school boreholes.
Emergency	To support building of capacity and capability for timely response and management of disaster risks	Better built projects with a greater impact	Number of projects and programs undertaken to support any emergency occurrence	During the FY 2024/25 we undertook three projects in response to emergency. The projects involved construction of pit latrines at Imilini sec school, Matithini primary school and Kangundo sub-county Administration police.

6. Governance Statement

Background

The National Government Constituencies Development Fund Act 2015 (Amended 2016) in section 43(1), (2), (3) and 57(1) and its regulations, provides for establishment of National Government Constituency Development Committee (NG-CDFC) for every constituency. The officer of the board facilitated the process of nomination of the NG CDFC for onward forwarding to the board for appointment through gazette notice.

Further the NG CDF regulations requires that one to serve as member of the NGCDF committee he or she must be (a) citizen of Kenya, (b) ordinarily resident voter of the constituency, (c) able to read and write and communicate in English and Kiswahili, (d) meet the chapter six of the constitution, (e) available to participate in the activities of the constituency (f) for youth nominee he or she must have attained age of 18 years but below age of 35yrs and (g) for persons with disability nominee must be nominated by a registered group representing persons with disability within the constituency.

Process

To facilitate this, the selection panel invited interested and qualified members of the public for appointment to the NGCDF committee. The panel invited through advertisement publicized in churches, public offices notice boards and other public areas in the constituency.

Out of the total 14 applicants, the selection panel developed a shortlisting criterion which enabled picking of the nominees. Two additional nominees were proposed by Kangundo Constituency Office as per section 43 of the NG-CDF Act, 2015. The NGCDFC Kangundo comprises the following members as published through the Kenya Gazette Vol. CXXVII – No.98 dated 21st May, 2025.

S/no	Name	Category representation	Ward
1.	John Mutisya Mutune	Male (Adult)	Kangundo Central
2.	Julius Mutuku Mwangangi	Male (Youth)	Kangundo East
3.	Catherine Mary Ngila	Female (Adult)	Kangundo East
4.	Theresia Mbithe Mbuvi	Female (Youth)	Kangundo North

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S/no	Name	Category representation	Ward
5.	Stephen Wambua Mutua	Male representative	Kangundo West
6.	Moureen Kanini Kivuva	Female Representative	Kangundo North
7.	Patrick Kilungu Mweu	PLWD-representative	Kangundo West
8.	Belita Muthike Mutie	Co-opted member	Kangundo Central

The NGCDFC Kangundo members went through the process electing the chairperson and the secretary of the committee. The following member were elected.

1. Chairperson position -Mr. Stephen Mutua Wambua of ID no. 10041365
2. Secretary position –Catherine Mary Ngila of ID no. 7000285.

Roles and functions of NG-CDFC

The functions of the National Government Constituency Development Fund Committees members as stipulated in NG-CDF Regulations 2016(11) are; Convene public meetings in every ward in the constituency to deliberate to on development matters, Deliberate on project proposals and any other projects considers beneficial to constituency, List of projects to be submitted in accordance with the Act to be submitted to the Board and ensure that all proposed projects that are approved for funding meet the requirements of section 24 of the Act, Ensure formation of project management committees, opening of project accounts, project implementation and closure of projects build the capacity of project management committees and sensitize the Community on the operations of the Fund, Ensure that all projects receive adequate funding and are completed within three years, Monitor the implementation of projects in accordance with the monitoring and evaluation framework prescribed by the Board, Submit financial statements to the Board within sixty days of the end of the financial year to enable the Board comply with section 39(4) of the Act, Recommend to the Board the removal of a committee member in accordance with section 43(13) and (14) of the Act.

Removal of NGCDFC Members

Section 43(13) of the Act provides that a member of the Constituency Committee may be removed from office on any one or more of the following grounds; lack of integrity, gross misconduct, embezzlement of public funds, bringing the committee into disrepute through unbecoming personal public conduct, promoting unethical practices, causing disharmony

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within the committee, physical or mental infirmity. In Kangundo the NGCDFC has not found any member to have contravened the laid down regulations and law to warrant removal.

Training of NG-CDFC Members

In the financial year 2023/2024 the NGCDF Board organized training of NGCDFC members. During the training, critical areas such as public finance, project planning, procurement, complaint management, performance management were covered to equip them with the prerequisite knowledge and skills to ensure effective and efficient management of NG-CDF Kangundo.

Number of meetings held

The Constituency Committee shall meet at least six times in a year but the committee shall not hold more than twenty-four meetings in the same financial year, including sub-committee meetings. During the financial year 2024/2025 the NGCDFC Kangundo held twenty meetings.

	Name of committee member	Meetings Held																		
		6/8/24	21/8/24	5/9/24	25/10/24	31/10/24	13/11/24	20/11/24	6/12/24	11/12/24	13/1/25	22/1/25	17/2/25	20/3/25	27/3/25	9/4/25	29/4/25	13/5/25	21/5/25	5/6/25
1	John Kituku	√	√	√	√	√	√	√	√	√	√	√	√	√	x	x	x	x	x	x
2	Catherine M. Ngila	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√
3	Mureen Kanini	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√
4	Patrick Kilungu	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√
5	Stephen Mutua	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√
6	Jackline Kombo	√	√	√	√	√	√	√	√	√	√	√	√	√	x	x	x	x	x	x
7	Julius Mwangangi	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√
8	Belita Mutie	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√
9	Harun Ndungu	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√
10	Theresia Mbithe														√	√	√	√	√	√
11	John Mutune														√	√	√	√	√	√

Ethics & conduct

Members of NGCDFC are required to observe the following ethical issues; Confidentiality, Honesty, integrity and Leadership.

During the financial year 2024/2025 members of NGCDFC Kangundo adhered to the above ethical issues.

Members remuneration

NG-CDFC members are not entitled to payment of salary. However, the chairperson of NGCDFC is entitled to an allowance seven thousand per meeting and all other members an allowance of five thousand per sitting.

Disclose policy on conflict of interest

A member who has an interest in any contract, or other matter present at a meeting shall at the meeting and as soon as reasonably practicable after the commencement, disclose the fact thereof and shall not take part in the consideration or discussion of, or vote on. A disclosure of interest made shall be recorded in the minutes of the meeting at which it is made. In the financial year 2024/2025 no member of NGCDFC Kangundo contravened conflict of interest policy.

Risk management

Risk management has been integrated in the constituency operations through the following; training of the NGCDF staff in their respective technical areas of service, training of the NGCDFCs and the PMCs to equip them with additional knowledge to carry out their duties efficiently within their mandates and regulations, the Fund account manager avails himself with all the support and required resources to ensure that the identified risk does not hamper with the delivery of service.

Tenure of NG-CDFC members

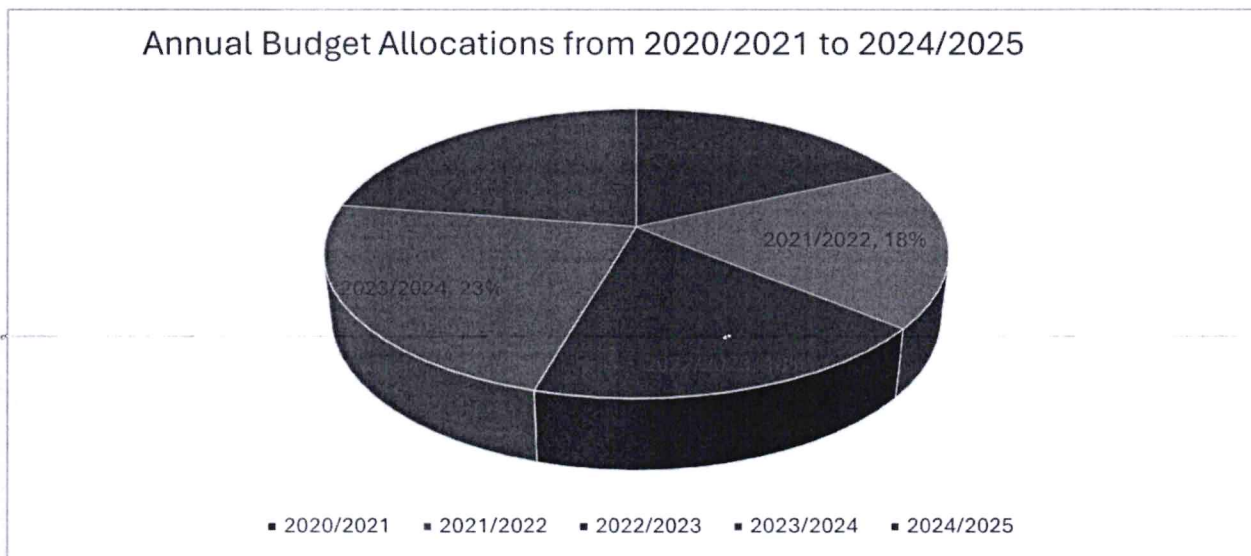
The term of office of the members of the Constituency Committee shall be two years and shall be renewable but shall expire upon the appointment of a new Constituency Committee in the manner provided for in the Act, or as may be approved by the Board.

7. Management Discussion and Analysis

The National Government Constituencies Development Fund (NGCDF) Kangundo Constituency has received a total of Kshs. 757,841,801 over the past five years. The fund has implemented a number of development projects in the constituency. The table below shows different allocations for the past five years.

S/NO	Financial Year	Allocation(Kshs)
1.	2020/2021	137,121,879
2.	2021/2022	137,088,879
3.	2022/2023	138,215,033
4.	2023/2024	174,913,153
5.	2024/2025	170,502,857
	TOTAL	757,841,801

In line with the Fund’s mandate to promote equitable development and improve service delivery at the grassroots level, the funds have been allocated and utilized across different sectors such as education, infrastructure, security, digital hubs and social welfare. Below is a pie chart illustrating the percentage distribution of budget allocations across five financial years.



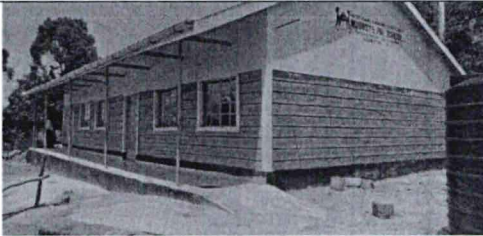

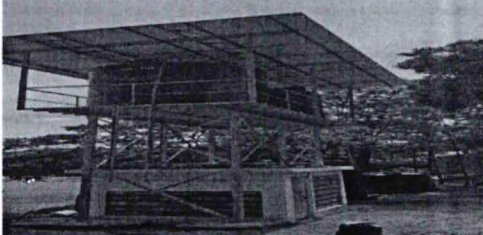

The chart reveals that the budget allocation remained consistent at 18% for the years 2020/2021, 2021/2022, and 2022/2023, indicating a stable funding pattern during those periods. A notable increase is observed in 2023/2024, which received the highest allocation at 23%. The budget increased since the Ministry of Education channeled funds for construction of Junior Secondary classrooms through the NG-CDF fund. Followed closely by 2024/2025 with 22%. This upward trend in the last two years suggests an increased allocation in more

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recent periods, possibly reflecting new initiatives such as construction of digital hubs, climate change mitigation projects such as solarization of boreholes, supply of laboratory equipment to Junior Secondary schools and infrastructural development for primary, secondary and security projects.

Fund's key projects implemented

Detailed in the table below are the funds key projects implemented for education, security, climate change mitigation and Digital hub.

S/NO	Project Name/Activity	Amount	Financial Year	Photo
1	Mususye Primary School- construction of 2 Classrooms	3,325,866	2023/24	
2	Mukuyuni Secondary School- Construction of Admin Block	4,739,000	2022/23	
3	Kitwii Boys Primary School- Borehole Solarization	3,714,828	2023/24	
4	Kakuyuni Assistant County Commissioner- Construction of office	5,434,000	2022/23	

Fund's Compliance with Statutory Requirements

The NG-CDF is established and governed under the National Government Constituencies Development Fund Act. NGCDF Kangundo has complied with statutory requirements by adherence to the set financial guidelines, timely disbursement and utilization of funds, and

submission of reports to oversight bodies such as the NG-CDF Board and the Auditor General. Continuous training for NG-CDF committees and stricter enforcement by oversight institutions are necessary to ensure full compliance across the board.

Major Risks Facing the Fund

The NG-CDF Kangundo faces critical risks that may undermine its effectiveness and sustainability. These include delays in the release of funds from the National Treasury through NGCDF Board. Furthermore, legal challenges questioning the constitutionality of the Fund have occasionally disrupted operations.

Review of the Economy and sector

The performance of the NG-CDF Kangundo is directly influenced by the national economy. Economic challenges such as inflation, budget deficits, and currency depreciation affect the amount of funding allocated to the Fund. However, when the economy grows and revenues improve, the Fund benefits from increased budgetary allocations, enabling it to support more projects at the constituency level. The NG-CDF Kangundo primarily operates within the development sector, focusing on infrastructure, education and security at the grassroots level. Over the past five years, it has contributed significantly to building classrooms, disbursement of bursaries for needy students, and constructing security projects such as police stations, posts and administrative offices.

Future Developments on the fund

Looking ahead, the NG-CDF is likely to undergo reforms aimed at enhancing transparency, efficiency, and constitutional alignment. Digitization of fund management, increased use of data for decision-making, and improved citizen engagement are expected to shape the Fund's future operations. Legislative amendments may also arise to address constitutional concerns and redefine the Fund's scope in light of devolution. Strengthening the capacity of NG-CDF committees and promoting partnerships with civil society will also be key to scaling the Fund's impact.



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Wesley Kibet Ngeno
Fund Account Manager



8. Environmental and Sustainability Reporting

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

1. Sustainability strategy and profile -

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

- a. **Education and Training:** Kangundo 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

NGCDF Kangundo is committed to better sanitation, improvement of the biodiversity and maintenance of the environment. The organization has made various strides in environment performance by improving the sanitation of various schools and security offices than previously was. This has been done by constructing pit latrines and installation of water tanks in various schools and security offices. NGCDF Kangundo has solarized the boreholes in response to climate change mitigation and adaptation by replacing diesel-powered water pumps with clean, renewable solar energy. This transition significantly reduces greenhouse gas emissions while providing a reliable and sustainable water source. By enabling consistent access to water for drinking, sanitation, and agriculture, solarized boreholes support climate-resilient livelihoods, improve food security, and reduce dependency on fossil fuels. Additionally, they enhance energy access, lower long-term operational costs, and contribute to social benefits such as improved health, education, and gender equality, making them a key component of climate-smart infrastructure.

3. Employee welfare

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

Kangundo 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-

Kangundo 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

Kangundo Constituency deliberated on project proposals from all the wards in the constituency and considered the most beneficial to the constituents, considering the national development

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plans and policies and the constituency strategic development plan. The identified list of priority projects, both immediate and long-term, was submitted to the NG CDF Board in accordance with the Act.

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

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

Public Awareness

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

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


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

The Accounting Officer in charge of the NGCDF Kangundo 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 Kangundo Constituency financial statements were approved and signed by the Accounting Officer on 06/10/ 2025.



.....
Stephen Mutua Wambua
Chairman – NGCDF Committee



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Wesley Kibet Ngeno
Fund Account Manager



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REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - KANGUNDO 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 financial statements of National Government Constituencies Development Fund - Kangundo Constituency set out on pages 1 to 73,

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

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

In my opinion, the financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund - Kangundo 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) and comply with the National Constituencies Development Fund Act, 2015 and the Public Finance Management Act, 2012.

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 - Kangundo 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 revenue budget and actual on comparable basis of Kshs.249,809,919 and Kshs.207,251,063 respectively resulting to underfunding of Kshs.42,558,856 or approximately 17% of the budget. Similarly, the Fund expended Kshs.136,993,987 against actual receipts of Kshs.207,251,063 resulting to under-utilization of Kshs.70,257,076 or approximately 34% of the actual receipts.

The underfunding and the under-absorption affected the implementation of planned activities and programmes and may have negatively impacted on effective service delivery to the public.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Information

The Management is responsible for the Other Information set out on pages iii to xxxvii which comprise of Key Constituency Information and Management, National Government Constituencies Development Fund (NGCDF) Committee, NG-CDF Chairman's Report, Statement of Performance Against Pre-Determined Objectives, Governance Statement, Environmental and Sustainability Reporting and Statement of Management Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN 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

1.0 Late Exchequer Disbursements

The statement of financial performance and as disclosed in Note 6 to the financial statements reflect Kshs.170,502,857 being transfers from NGCDF Board for the financial year 2024/2025. However, as at 30 June, 2025 a total of Kshs.128,000,000 had been disbursed by the Board. This indicates that Kshs.42,502,857 or approximately 25% of the total allocation for the year under review had not been received as at 30 June, 2025.

The late Exchequer disbursement affected the implementation of planned activities and programs and may have negatively impacted on effective service delivery to the public.

2.0 Delayed Implementation of Projects

Review of the approved code list and Project Implementation Status (PIS) report for the year ended 30 June, 2025 revealed that the Constituency had a budget to implement a

total of twenty-four (24) projects for primary schools, junior secondary schools, secondary schools, climate change mitigation activities, security projects and other projects at a total cost of Kshs.84,183,678. However, all the twenty-four (24) projects were not implemented. **Appendix I**

In the circumstances, the constituents of Kangundo Constituency did not obtain value for money for the projects not implemented.

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

31 October, 2025

Appendix 1: Delayed Implementation of Projects

No	Institution	Activity	Amount (Kshs)
1	Kyaaka Primary School	Renovation of 5 no. classrooms	4,145,600.00
2	Kivi Primary School	Renovation of 6 no. classrooms	4,067,960.00
3	Kikambuani Primary School	Renovation of 6 no. classrooms	4,285,810.00
4	Kanzalu Hill Primary School	Renovation of 6 no. classrooms	4,418,160.00
5	Kathome Primary School	Construction of 2 no. Classrooms to completion	3,204,082.00
6	Kilalani Primary School	Construction of 2 no. Classrooms to completion	3,204,082.00
7	Kathithyamaa Primary School	Purchase and supply of Approved Chemistry, Biology and Physics Laboratory Equipment	4,654,347.00
8	Kinyungu Primary School	Purchase and supply of Approved Chemistry, Biology and Physics Laboratory Equipment	4,654,347.00
9	Kyelendu Primary School	Purchase and supply of Approved Chemistry, Biology and Physics Laboratory Equipment	4,654,347.00
10	lia Itune Primary school	Purchase and supply of Approved Chemistry, Biology and Physics Laboratory Equipment	4,654,347.00
11	Syanthi SA Primary School	Purchase and supply of Approved Chemistry, Biology and Physics Laboratory Equipment	4,654,347.00
12	Kitongi Primary School	Purchase and supply of Approved Chemistry, Biology and Physics Laboratory Equipment	4,654,347.00
13	Matetani AIC Primary School	Purchase and supply of Approved Chemistry, Biology and Physics Laboratory Equipment	4,654,347.00
14	St Mary's Mukunike Secondary School	Purchase and supply of Approved Chemistry, Biology and Physics Laboratory Equipment	4,654,347.00
15	Mulingana Secondary School	Purchase and supply of Approved Chemistry, Biology and Physics Laboratory Equipment	4,654,347.00
16	Kawauni Secondary School	Purchase and supply of Approved Chemistry, Biology and Physics Laboratory Equipment	4,654,347.00


17	Kakuyuni Primary School	Solarisation of 5.5 Kw borehole pump, Kshs.1,823,291.00.	1,823,291.00
18	Mikoikoni Primary School	Solarisation of 5.5 Kw borehole pump, Kshs.1,823,291.00.	1,823,291.00
19	Imilini Secondary School	Solarisation of 5.5 Kw borehole pump, Kshs.1,823,291.00.	1,823,291.00
20	Unyuani Primary School	Solarisation of 5.5 Kw borehole pump, Kshs.1,823,29	1,448,511.00
21	Kangundo DCCs Office	Construction to completion of 4 door pit Latrine with two reserved for persons with disabilities (Male and Female)	898,840.00
22	Kakuyuni Digital Hub	Construction of Digital Hub meeting Hall structure size 105 SQM	4,040,090.00
23	Kangundo NG-CDF Office	Rehabilitation of NG-CDF Office	2,207,200.00
24	NG-CDF Office Generator	Purchase, supply and installation of Office generator at Kshs.250,000	250,000.00
	Total		84,186,678


*National Government Constituencies Development Fund (NGCDF)
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11. Statement of Financial Performance for the Year Ended 30th June 2025

	Note	2024/2025
		Kshs
Revenue from non-exchange transactions		
Transfers from the NGCDF Board	6	170,502,857
Transfers from domestic and foreign partners	7	-
Revenue from exchange transactions		
Finance income	8	-
Miscellaneous income	9	56,000
Total revenue		170,558,857
Expenses		
Employee costs	10	5,316,791
Committee expenses	11	3,565,500
Use of Goods and Services	12	4,923,500
Other Government Units Actual expenditure	13	45,022,967
Other Grants and Transfers Actual expenditure	14	76,818,786
Depreciation and amortization expense	15	117,848
Digital Hubs Expenses Actual expenditure	16	1,559,647
Total expenses		137,325,039
Other gains/(losses)		
Gain/Loss on Sale of Assets	17	-
Impairment loss	18	-
Surplus/(Deficit) for the year		33,233,818

The Constituency financial statements were approved by the NGCDFC on 06/10/2025 and signed by:


Chairman NG-CDF
Committee
Stephen M. Wambua


National Sub-County
Accountant
Everline O. Omung'ala
ICPAK M/No: 6987


Fund Account Manager
Wesley Kibet Ngeno





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

	Note	2024-2025	Opening Statement 1st July 2024
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash Equivalents	19	70,315,131	34,351,909
Receivables from Exchange Transactions	20	-	-
Receivables from Non-Exchange Transactions	21	42,502,857	44,899,153
Prepayments	22	6,555	6,555
Total Current Assets		112,824,543	79,257,617
Non-Current Assets			
Property, Plant and Equipment	23	274,978	392,826
Intangible Assets	24	-	-
Right-of-use assets	25	-	-
Total Non- Current Assets		274,978	392,826
Total Assets (A)		113,099,521	79,650,443
Liabilities			
Current Liabilities			
Trade and Other Payables	26		
Third Party Deposits	27		
Lease Liabilities	28		
Gratuity Provision	29	1,300,660	1,085,400
Total Current Liabilities		1,300,660	1,085,400
Non-Current Liabilities			
Lease Liabilities	28	-	-
Total Liabilities (B)		1,300,660	1,085,400
Net Assets (A-B)		111,798,861	78,565,043
Represented by:			
Revaluation Reserves		-	-
Accumulated Surplus		111,798,861	78,565,043
Total Net Assets		111,798,861	78,565,043

The Constituency financial statements set out on pages 1 to 22 approved by NG CDFC on 06/10/2025 and signed by:


 Chairman NG-CDF
 Committee
 Stephen M. Wambua


 National Sub-County
 Accountant
 Everline O. Omung'ala
 ICPAK M/No: 6987


 Fund Account Manager
 Wesley Kibet Ngeno



National Government Constituencies Development Fund (NGCDF)
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13. Statement of Changes in Net Assets for the year ended 30 June 2025

Description	Revaluation Reserves	Accumulated surplus/Deficit	Total
		Kshs	Kshs
Fund Balance as at 30 th June 2024	-	9,199,319	10,008,454
Adjustments			
Recognition of Assets	-	69,641,990	69,641,990
Recognition of Liabilities	-	(276,266)	1,085,400
As at July 1, 2024	-	78,565,043	78,565,044
Surplus/(Deficit) For the Period	-	33,233,818	33,233,818
Revaluation Gain/Loss	-	-	-
As at June 30, 2025	-	111,798,861	111,798,861

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

	Notes	2024-2025
		Kshs
Cash flows from operating activities		
Receipts		
Transfers from the NGCDF Board		172,899,153
Transfers from domestic and foreign partners		-
Finance income		-
Miscellaneous income	9	56,000
Total Receipts		172,955,153
Payments		
Employee costs		5,101,530
Committee expenses	11	3,565,500
Use of Goods and Services	12	4,923,500
Other Government Units Certified Works	13	45,022,967
Other Grants and Transfers	14	76,818,786
Digital Hubs Expenses	16	1,559,647
Total Payments		136,991,931
Net Cash Flows from/ (used in) Operating Activities	30	35,963,222
Cash flows From Investing Activities		
Purchase of PPE		
Purchase of Intangible assets		-
Proceeds From Sale of PPE		-
Net Cash Flows from Investing Activities		-
Net increase/(decrease) in cash & Cash equivalents		35,963,222
Cash Flows from Financing Activities		
Lease Payment		-
Net Cash Flows from Financing Activities		35,963,222
Cash and cash equivalents at 1 July, 2024	19	34,351,909
Cash and cash equivalents at 30 June, 2025	19	70,315,131

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

	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilization
	Kshs	Kshs		Kshs	Kshs	Kshs	
	A	B		C=(a+b)	D	e=(c-d)	f=d/c*100
	2024/2025	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements	2024/2025	2024/2025		
Revenue							
Transfers From the NGCDF Board	170,502,857	34,351,910	44,899,153	249,753,919	207,251,063	42,502,857	83%
Transfers from domestic and foreign partners	-	-	-	-	-	-	-
Finance income	-	-	-	-	-	-	-
Miscellaneous income	-	56,000	-	56,000	-	56,000	0%
Totals	170,502,857	34,407,910	44,899,153	249,809,919	207,251,063	42,558,857	83%
Expenses							
Employee costs	6,669,854	2,439,739	-	9,109,593	5,101,530	4,008,063	56%
Committee expenses	3,259,000	1,052,900	-	4,311,900	3,565,500	746,400	83%
Use of Goods and Services	4,608,412	2,746,748	288,068	7,643,227	4,923,500	2,719,727	64%
Other Government Units Certified Works	69,869,164	22,030,756	25,059,431	116,959,352	45,022,967	71,936,384	38%
Other Grants and Transfers	79,599,137	4,371,431	9,761,952	93,732,520	68,726,784	25,005,735	73%
Digital Hubs Expenses	4,040,090	-	1,578,326	5,618,416	1,559,647	4,058,769	28%
Others	2,457,200	1,427,558	8,211,376	12,096,134	8,094,058	4,002,076	67%
Funds Pending Approval**	-	340,834	-	340,834	-	340,834	0%
Total Expenditure	170,502,857	34,409,965	44,899,153	249,811,975	136,993,987	112,817,989	55%
Surplus for the period							

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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. During the financial year 2024/2025 the constituency had Kshs.340,834 as funds pending approval in which Kshs.102,448 were unutilized PMCs balances deposited in the operations account and Kshs. 238,386 were Appropriation In Aid .

Explanatory Notes.

- a) The utilization rate for compensation of employees was 56%. This was due to the funds which were received late from the board.
- b) The committee expenses was 83% and use of goods and services was at the utilization rate of 64%. This was due to the funds which were received late from the board and undisbursed funds from the board at the end of financial year.
- c) Transfer to other government units was at the rate of 38% due to funds not yet received from the board as at 30th June, 2025 and funds which were received late and almost at closure of financial year.
- d) Other grants and transfers utilization rate were 73%. This was due to the funds not yet received from the board as at the end of financial year.
- e) Digital Hubs Expenses utilization rate was 28% and other payments which included renovation of NG-CDF office, purchase of generator and renovation of sub-county office were at the utilization rate of 67% due to the fund not received from board.
- j) The utilization rate of funds compared to the final budget stands at 55% because of funds received late from the board and also due to undisbursed funds from the board as at 30th June, 2025. Specifically, Kshs. 42,502,857 which forms 27% of the budget is yet to be received from the board as at the close of financial year 2024/2025. However, we look at the utilization of actual funds available for use within the financial year that stands at 87%.

The changes between the original budget and final budget were due of opening cash and cash equivalents at 1st July, 2024 of Kshs. 34,407,910 and previous years outstanding balances of Ksh. 44,899,153 which were received during the financial year.


*National Government Constituencies Development Fund (NGCDF)
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Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	112,817,989
Less undisbursed funds receivable from the Board as at 30 th June 2025	42,502,857
Cash and Cash Equivalents at the end of the 30 th June 2025	70,315,132

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 06/10/ 2025 and signed by:



Chairman NG-CDF Committee
Stephen M. Wambua



National Sub-County Accountant
Everline O. Omung'ala
ICPAK M/No: 6987



Fund Account Manager
Wesley Kibet Ngeno



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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent						
1.1 Compensation of employees						
1.1.1 Contractual Employees	4,047,206	1,050,177	-	5,097,383	2,944,106	2,153,277
1.1.2 Gratuity-Contractual Employees	1,212,274	809,134	-	2,021,408	690,335	1,331,073
1.1.3 Employees on Internship Programme(2)	96,000	120,000	-	216,000	180,000	36,000
1.1.4 House Allowance	600,000	212,700	-	812,700	592,600	220,100
1.1.5 Transport Allowance	458,400	155,700	-	614,100	448,700	165,400
1.1.6 Leave Allowance	-	11,660	-	11,660	-	11,660
1.1.7 Medical Insurance (NHIF)	-	43,286	-	43,286	43,286	-
1.1.8 NSSF	181,440	3,029	-	184,469	138,401	46,068
1.1.9 Housing Levy	74,534	34,054	-	108,588	64,102	44,486
Sub-total	6,669,854	2,439,739	-	9,109,593	5,101,530	4,008,063
1.2 Committee allowances						
1.2.1 Other Committee Expenses	420,000	18,126		438,126	438,126	-
1.2.2 NGCDFC Allowance.	1,128,000	530,950		1,658,950	1,146,000	512,950
Sub-total	1,548,000	549,076	-	2,097,076	1,584,126	512,950
1.3 Use of goods and services						

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
1.3.1 Electricity charges	60,000	19,800	-	79,800	48,270	31,530
1.3.2 Water & Sewerage Charges	60,000	35,380	-	95,380	56,500	38,880
1.3.3 Telephone, Telex, Facsimile and Mobile Phone Service	36,000	8,500	-	44,500	24,590	19,910
1.3.4 Internet Connections	48,000	65,917	-	113,917	71,060	42,857
1.3.5 Courier and Postal Services	15,000	5,550	-	20,550	9,450	11,100
1.3.6 Travel Costs (Airlines, Bus, Railway and Mileage Allowances)	42,500	48,000	-	90,500	62,000	28,500
1.3.7 Accommodation - Domestic Travel	127,500	100,905	-	228,405	228,405	-
1.3.8 Daily Subsistence Allowance	260,000	70,000	-	330,000	330,000	-
1.3.9 Publishing and Printing Services	50,000	101,000	-	151,000	38,536	112,464
1.3.10 Catering Services (Receptions), Accommodation, Gifts, Food and Drinks	150,000	38,216	-	188,216	188,216	-
1.3.11 Motor Vehicle Insurance	-	287,500	80,000	367,500	7,500	360,000
1.3.12 General Office Supplies (Papers, Pencils, Forms, Small Office Equipment etc.)	100,000	60,200	-	160,200	142,605	17,595
1.3.13 Supplies and Accessories for Computers and Printers	150,000	125,080	-	275,080	238,725	36,355
1.3.14 Sanitary and Cleaning Materials, Supplies and Services	100,000	51,686	-	151,686	131,675	20,011
1.3.15 Refined Fuels and Lubricants for Transport	100,000	-	-	100,000	100,000	-

National Government Constituencies Development Fund (NGCDF)
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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
1.3.16 Other Fuels(wood, charcoal, cooking gas etc...)	10,000	19,550	-	29,550	9,950	19,600
1.3.17 Bank Service Commission and Charges	-	66,934	13,000	79,934	-	79,934
1.3.18 Maintenance Expenses - Motor Vehicles	100,000	101,944	-	201,944	109,680	92,264
1.3.19 Maintenance of Office Furniture and Equipment	31,990	30,000	-	61,990	48,815	13,175
Sub-total	1,440,990	1,236,161	93,000	2,770,151	1,845,977	924,175
2.0 Monitoring and evaluation						-
2.1 Capacity building						-
2.1.1 Travel Allowance on Training	160,000	15,900	-	175,900	175,000	900
2.1.2 Remuneration of Instructors and Contract Based Training Services	100,000	-	-	100,000	40,000	60,000
2.1.3 Hire of Training Facilities and Equipment	300,000	1,366	-	301,366	218,400	82,966
2.1.4 Accomodation Allowance	280,000	-	-	280,000	80,000	200,000
Sub-total	840,000	17,266	-	857,266	513,400	343,866
2.2 Committee allowances						-
2.2.1 Other Committee Expenses	771,000	189,000	-	960,000	841,551	118,449
2.2.2 NGCDFC Allowance	940,000	314,824	-	1,254,824	1,154,823	100,001
Sub-total	1,711,000	503,824	-	2,214,824	1,996,374	218,450
2.3 Use of goods and services						-

National Government Constituencies Development Fund (NGCDF)
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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
2.3.1 Telephone, Telex, Facsimile and Mobile Phone Service	33,000	74,410	-	107,410	74,410	33,000
2.3.2 Bank Service commission and charges	33,000	-	-	33,000	-	33,000
2.3.3 Daily Subsistence Allowance	575,000	20,000	-	595,000	386,095	208,905
2.3.4 Catering Services (Receptions), Accommodation, Gifts, Food and Drinks	200,000	100,978	-	300,978	129,358	171,620
2.3.5 General Office Supplies (Papers, Pencils, Forms, Small Office Equipment etc.)	200,000	350,000	-	550,000	473,660	76,340
2.3.6 Supplies and Accessories for Computers and Printers	250,000	330,000	-	580,000	487,600	92,400
2.3.7 Refined Fuels and Lubricants for Transport	626,422	400,000	-	1,026,422	600,000	426,422
2.3.8 Maintenance Expenses-Motor Vehicles	200,000	57,932	195,068	453,000	253,000	200,000
2.3.9 Accomodation-domestic travel	-	90,000	-	90,000	90,000	-
2.3.10 Advertising, awareness and publicity compaigns		40,000	-	40,000	40,000	-
2.3.11 Publishing and printing services	210,000	30,000	-	240,000	30,000	210,000
Sub-total	2,327,422	1,493,320	195,068	4,015,810	2,564,123	1,451,687
3.0 Emergency						
3.1 Primary Schools	1,000,000	-	-	1,000,000	-	1,000,000
3.1.1 Matithini Primary School	1,000,000	-	-	1,000,000	-	1,000,000

National Government Constituencies Development Fund (NGCDF)
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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
3.2 Secondary schools						
3.2.1 SA Imilini Sec school	1,000,000	-	-	1,000,000	-	1,000,000
3.3 Tertiary institutions	-	-	-	-	-	-
3.4 Security projects						
3.4.1 Kangundo Administration Police	1,000,000	-	-	1,000,000	-	1,000,000
3.5 Unutilized	5,972,098		-	5,972,098	-	5,972,098
Sub-total	8,972,098	-	-	8,972,098	-	8,972,098
4.0 Bursary and Social Security	1,000,000	-	235,000	1,235,000	-	1,235,000
4.1 Primary Schools	-	-	-	-	-	-
4.2 Secondary Schools	33,209,815	557,316	400,000	34,167,131	28,384,500	5,782,631
4.3 Tertiary Institutions	28,600,000	192,111	1,302,050	30,094,161	29,720,000	374,161
4.4 special needs	1,000,000	-	235,000	1,235,000	-	1,235,000
4.5 Education Support Programmes	-	-	-	-	-	-
4.6 Social Security	-	-	-	-	-	-
Sub-total	62,809,815	749,427	1,937,050	65,496,292	58,104,500	7,391,792
5.0 Climate Change Mitigation						
5.1 Kitwii boys primary school	-	1,596	3,912,451	3,914,047	3,914,047	-
5.2 Mukuyuni SA primary	-	92,784	3,912,451	4,005,235	4,004,837	398
5.3 Kakuyuni Primary School	1,823,291	-	-	1,823,291	-	1,823,291

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
5.4 Mikoikoni Primary School	1,823,291	-	-	1,823,291	-	1,823,291
5.5 Imilini Secondary School	1,823,291	-	-	1,823,291	-	1,823,291
5.6 Unyuani Primary School	1,448,511	-	-	1,448,511	-	1,448,511
Sub-total	6,918,384	94,380	7,824,902	14,837,666	7,918,884	6,918,782
6.0 Primary Schools Projects (List all the Projects)						
6.1 Kyaaka Primary School	4,145,600	221	-	4,145,821	-	4,145,821
6.2 Kivi Primary School	4,067,960	-	-	4,067,960	-	4,067,960
6.3 Kikambuani Primary School	4,285,810	-	-	4,285,810	-	4,285,810
6.4 Kanzalu Hill Primary School	4,418,160	-	-	4,418,160	-	4,418,160
6.5 Kathome Primary School	3,204,082	-	-	3,204,082	-	3,204,082
6.6 Kilalani Primary School	3,204,082	-	-	3,204,082	-	3,204,082
6.7 Kathithyamaa Primary School	4,654,347	-	-	4,654,347	-	4,654,347
6.8 Kinyungu Primary School	4,654,347	-	-	4,654,347	-	4,654,347
6.9 Kyelendu Primary School	4,654,347	-	-	4,654,347	-	4,654,347
6.10 lia Itune Primary school	4,654,347	-	-	4,654,347	-	4,654,347
6.11 Syanathi SA Primary School	4,654,347	-	-	4,654,347	-	4,654,347
6.12 Kitongi Primary School	4,654,347	-	-	4,654,347	-	4,654,347
6.13 Matetani AIC Primary School	4,654,347	-	-	4,654,347	-	4,654,347
6.14 Mbusyani primary school	-	431,430	-	431,430	-	431,430
6.15 Ituusya primary school	-	537,931	-	537,931	-	537,931

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
6.16 Kitwii boys primary school	-	-	4,654,347	4,654,347	4,654,243	104
6.17 Kitongi Primary School	-	2,091	1,000,000	1,002,091	926,032	76,059
6.18 Miu ABC Primary school	-	-	1,000,000	1,000,000	925,731	74,269
6.19 Ngomani Primary school	-	-	3,221,110	3,221,110	3,056,807	164,303
6.20 Mususye Primary school	-	1,578	3,325,866	3,327,444	3,148,483	178,961
6.21 Kawethei SA Primary school	-	-	3,651,780	3,651,780	3,459,873	191,907
6.22 Kwamwilile primary school	-	-	3,211,000	3,211,000	3,022,414	188,586
6.23 Kyelendu Primary School	-	-	3,201,110	3,201,110	3,008,253	192,857
6.24 Manyatta Primary School	-	341,322	-	341,322	340,565	757
6.25 Kwamwenze Primary School	-	2,224	-	2,224	-	2,224
6.26 Kiomo Primary School	-	315	-	315	-	315
6.27 Kikondeni Primary School	-	314	-	314	-	314
6.28 Kithuiani Primary School	-	701	-	701	-	701
6.29 Kakuyuni Primary School	-	1,407	-	1,407	-	1,407
6.30 Kikalu Primary School	-	42,786	-	42,786	38,200	4,586
6.31 Ila Itune Primary School	-	4,237,600	-	4,237,600	4,230,151	7,449
6.32 Kinyungu Primary School	-	4,970,240	-	4,970,240	4,969,931	309
6.33 Kithunthi Primary School	-	22,635	-	22,635	22,120	515
6.34 Kyevaluki Primary School	-	75,762	-	75,762	75,100	662
6.35 Masewani Primary School	-	80,086	-	80,086	79,665	421

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
6.36 Matithini Primary School	-	4,678,810	-	4,678,810	4,678,729	81
6.37 Mbusyani Primary School	-	4,892,680	-	4,892,680	4,892,431	249
6.38 St.Francis Misyani Primary School	-	50,459	-	50,459	50,100	359
6.39 Syanthe SA Primary School	-	371,210	-	371,210	370,311	899
6.40 Kathome Primary School	-	15,761	-	15,761	15,200	561
6.41 Kawethei S.A Primary School	-	283,279	-	283,279	282,435	844
6.42 Kitwii Girls Primary School	-	41,905	-	41,905	41,495	410
6.43 Kawauni Primary School	-	201	-	201	-	201
6.44 Kangundo DEB Primary School	-	75,956	-	75,956	75,535	421
6.45 Kwambalu Primary School	-	460,558	-	460,558	459,839	719
6.46 Kyai Primary School	-	1,624	-	1,624	-	1,624
Sub-total	55,906,123	21,621,085	23,265,213	100,792,421	42,823,643	57,968,778
7.0 Secondary Schools Projects (List all the Projects)						
7.1 St Mary's Mukunike Secondary School	4,654,347	-	-	4,654,347	-	4,654,347
7.2 Mulingana Secondary School	4,654,347	-	-	4,654,347	-	4,654,347
7.3 Kawauni Secondary School	4,654,347	-	-	4,654,347	-	4,654,347
7.4 Mukuyuni sec school	-	380,460	1,794,218	2,174,678	2,174,534	144
7.5 ABC Kathithyamaa Secondary School	-	2,556	-	2,556	-	2,556

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
7.6 Kawethei S.A Secondary School	-	25,014	-	25,014	24,790	224
7.7 Kwakathule Secondary School	-	1,401	-	1,401	-	1,401
7.8 Mulingana Mixed Day Secondary School	-	241	-	241	-	241
Sub-total	13,963,041	409,671	1,794,218	16,166,931	2,199,324	13,967,606
8.0 Tertiary institutions Projects (List all the Projects)						
	-	-	-	-	-	-
Sub-total	-	-	-	-	-	-
9.0 Security Projects						
9.1 Kangundo DCCs Office	898,840			898,840	-	898,840
9.2 Miu Assistant Chief Office	-	342,722	-	342,722	-	342,722
9.3 Kakuyuni Assistant County Commissioners Office	-	1,532,364	-	1,532,364	1,053,867	478,497
9.4 Kakuyuni Police Station	-	2,809	-	2,809	-	2,809
9.5 Ngumuti Assistant Chiefs Office	-	501	-	501	501	-
9.6 Kivaani Assistant County Commissioner's Office	-	1,514,649	-	1,514,649	1,514,452	196
9.7 Kwakathule Assistant Chiefs Office	-	134,580	-	134,580	134,580	-
Sub-total	898,840	3,527,624	-	4,426,464	2,703,400	1,723,064
10.0 Acquisition of assets						

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
10.1 Purchase of office generator	250,000	-	-	250,000	-	250,000
10.2 Construction of CDF office	2,207,200	1,345	-	2,208,545	-	2,208,545
Sub-total	2,457,200	1,345	-	2,458,545	-	2,458,545
11.0 Digital Hubs						
11.1 Kakuyuni Digital Hub	4,040,090	-	-	4,040,090	-	4,040,090
11.2 Kangundo Digital Hub	-	-	1,578,326	1,578,326	1,559,647	18,679
Sub-total	4,040,090	-	1,578,326	5,618,416	1,559,647	4,058,769
12.0 Others						
Balance from previous years	-	1,398,425		1,398,425	-	1,398,425
Health Balances	-	25,864		25,864	-	25,864
Mock	-	950		950	-	950
Kangundo SCEO	-	-	2,113,744	2,113,744	1,995,451	118,293
Kangundo CDF Sports	-	975		975	975	-
Kathithyamaa Primary School	-	-	19,184	19,184	19,184	-
Kilalani Primary School	-	-	19,184	19,184	19,184	-
Kanzokea HGM Primary School	-	-	19,184	19,184	19,184	-
Matetani AIC Primary School	-	-	19,184	19,184	19,184	-
Kyai Primary School	-	-	19,184	19,184	19,184	-
Kyaaka Primary School	-	-	19,184	19,184	19,184	-
Kangundo AIC Primary School	-	-	19,184	19,184	19,184	-

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Ngulini AIC Primary School	-	-	19,184	19,184	19,184	-
Kambai Primary School	-	-	19,184	19,184	19,184	-
Mbondoni Primary School	-	-	19,184	19,184	19,184	-
Kwamwilile Primary School	-	-	19,184	19,184	19,184	-
St Francis Misyani Primary School	-	-	19,184	19,184	19,184	-
Ituusya Primary School	-	-	19,184	19,184	19,184	-
Mbilini Primary School	-	-	19,184	19,184	19,184	-
Masewani Primary School	-	-	19,184	19,184	19,184	-
Kitwii Girls Primary School	-	-	19,184	19,184	19,184	-
Kwambalu Primary School	-	-	19,184	19,184	19,184	-
Kawauni Primary School	-	-	19,184	19,184	19,184	-
Kangundo DEB Primary School	-	-	19,184	19,184	19,184	-
Mikoikoni Primary School	-	-	19,184	19,184	19,184	-
Kivuluni Primary School	-	-	19,184	19,184	19,184	-
Kwandi Primary School	-	-	19,184	19,184	19,184	-
Kamutonga DEB Primary School	-	-	19,184	19,184	19,184	-
Kanzalu Hill Primary School	-	-	19,184	19,184	19,184	-
Kikambuani Primary School	-	-	19,184	19,184	19,184	-
Matungulu AIC Primary School	-	-	19,184	19,184	19,184	-
Kyelendu Primary School	-	-	19,184	19,184	19,184	-

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Kitwii Boys Primary School	-	-	19,184	19,184	19,184	-
Unyuani Primary School	-	-	19,184	19,184	19,184	-
Mulingana Primary School	-	-	19,184	19,184	19,184	-
Kikondeni Primary School	-	-	19,184	19,184	19,184	-
Syanamu Primary School	-	-	19,184	19,184	19,184	-
Mbusyani Primary School	-	-	19,184	19,184	19,184	-
Kikalu Primary School	-	-	19,184	19,184	19,184	-
Kawethei HGM Primary School	-	-	19,184	19,184	19,184	-
Kitongi Primary School	-	-	19,184	19,184	19,184	-
Kathaana DEB Primary School	-	-	19,184	19,184	19,184	-
Syanthi SA Primary School	-	-	19,184	19,184	19,184	-
Kwandeto Primary School	-	-	19,184	19,184	19,184	-
Kawethei SA Primary School	-	-	19,184	19,184	19,184	-
Mukunike AIC Primary School	-	-	19,184	19,184	19,184	-
Kathome Primary School	-	-	19,184	19,184	19,184	-
Kyevaluki Primary School	-	-	19,184	19,184	19,184	-
Kilindiloni Primary School	-	-	19,184	19,184	19,184	-
Kiomo Primary School	-	-	19,184	19,184	19,184	-
Kwakathule Primary School	-	-	19,184	19,184	19,184	-
Kathiini SA Primary School	-	-	19,184	19,184	19,184	-

National Government Constituencies Development Fund (NGCDF)
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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
		Kshs	Kshs			
Kwamwenze Primary School	-	-	19,184	19,184	19,184	-
Kamwanyani Primary School	-	-	19,184	19,184	19,184	-
Kakutha Primary School	-	-	19,184	19,184	19,184	-
Kakuyuni Primary School	-	-	19,184	19,184	19,184	-
Kithunthi Primary School	-	-	19,184	19,184	19,184	-
Kavilinguni Primary School	-	-	19,184	19,184	19,184	-
Kathini DEB Primary School	-	-	19,184	19,184	19,184	-
Kivi DEB Primary School	-	-	19,184	19,184	19,184	-
Kamanzi SA Primary School	-	-	19,184	19,184	19,184	-
Manyatta Primary School	-	-	19,184	19,184	19,184	-
Matithini Primary School	-	-	19,184	19,184	19,184	-
Mususye Primary School	-	-	19,184	19,184	19,184	-
Ngomani Primary School	-	-	19,184	19,184	19,184	-
Kinyungu Primary School	-	-	19,184	19,184	19,184	-
Miu ABC Primary School	-	-	19,184	19,184	19,184	-
Kithuiani Primary School	-	-	19,184	19,184	19,184	-
Malatani Primary School	-	-	19,184	19,184	19,184	-
Iia Itune Primary School	-	-	19,184	19,184	19,184	-
Mukuyuni Primary School	-	-	19,184	19,184	19,184	-
Kivaani Township Primary School	-	-	19,184	19,184	19,184	-

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National Government Constituencies Development Fund (NGCDF)
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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
ABC Katatha Maweu Primary School	-	-	19,184	19,184	19,184	-
Kathithyamaa Secondary School	-	-	165,280	165,280	165,280	-
Kangundo High School	-	-	165,280	165,280	165,280	-
Matetani AIC Secondary School	-	-	165,280	165,280	165,280	-
Matungulu Boys Secondary School	-	-	165,280	165,280	165,280	-
Misyani Girls Secondary School	-	-	165,280	165,280	165,280	-
Kikambuani Secondary School	-	-	165,280	165,280	165,280	-
St. Michael Unyuani Secondary School	-	-	165,280	165,280	165,280	-
Muisuni Secondary School	-	-	165,280	165,280	165,280	-
DEB Kangundo Secondary School	-	-	165,280	165,280	165,280	-
Mulingana Secondary School	-	-	165,280	165,280	165,280	-
Kawauni Secondary School	-	-	165,280	165,280	165,280	-
Kitwii Secondary School	-	-	165,280	165,280	165,280	-
Imilini Secondary School	-	-	165,280	165,280	165,280	-
Kamanzi Secondary School	-	-	165,280	165,280	165,280	-
ABC Miu Secondary School	-	-	165,280	165,280	165,280	-
Manyatta Secondary School	-	-	165,280	165,280	165,280	-
Kavilinguni Secondary School	-	-	165,280	165,280	165,280	-
Kakuyuni Secondary School	-	-	165,280	165,280	165,280	-

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Kwakathule Girls Secondary School	-	-	165,280	165,280	165,280	-
Kyevaluki Secondary School	-	-	165,280	165,280	165,280	-
Kawethei Secondary School	-	-	165,280	165,280	165,280	-
Mbusyani secondary School	-	-	165,280	165,280	165,280	-
St. Mary's Mukunike Secondary School	-	-	165,280	165,280	165,280	-
DEB Kathaana Secondary School	-	-	165,280	165,280	165,280	-
Katheini SA Secondary School	-	-	165,280	165,280	165,280	-
Matithini Secondary School	-	-	165,280	165,280	165,280	-
Mukuyuni SA Secondary School	-	-	165,280	165,280	165,280	-
Holy Spirit Secondary School	-	-	165,280	165,280	165,280	-
Syanthi Secondary School	-	-	165,280	165,280	165,280	-
Sub-total	-	1,426,213	8,211,376	9,637,589	8,094,058	1,543,531
Funds pending approval**						
Unapproved projects	-	-	-	-	-	-
AIA	-	238,386	-	238,386	-	238,386
Unutilized PMC	-	102,448	-	102,448	-	102,448
Sub-total	-	340,834	-	340,834	-	340,834
Total	170,502,857	34,409,965	44,899,153	249,811,975	136,993,987	112,817,989

(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)

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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 Kangundo Constituency principal activity is finance socio-economic and infrastructure development projects.

2. Statement of Compliance and Basis of Preparation

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

The financial statements have been prepared in accordance with the PFM Act, and International Public Sector Accounting Standards (IPSAS) or the entity has taken advantage of the transitional provisions under IPSAS 33 and therefore these are first set of transitional financial statements. The NG-CDF Kangundo Constituency 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.

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The recognition of all other non-financial assets acquired prior to the 2023/2024 financial year will be undertaken in the third year of the transition period, after the necessary identification and valuation processes have been completed. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the NGCDF. The financial statements have been prepared in accordance with the PFM Act, the NGCDF Act and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

3. Adoption of New and Revised Standards

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

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

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

Standard	Effective date and impact:
IPSAS 43: Leases	<p>Applicable 1st January 2025</p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and 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 43, effective 1 January 2025, does not have impact on the NGCDF Kangundo financial statements, as there are currently no lease agreements in place.</p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p>Applicable 1st January 2025</p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p>

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	<p>IPSAS 44, effective 1 January 2025, does not have an impact on NGCDF Kangundo, as the Constituency currently has no non-current assets classified as held for sale or discontinued operations.</p>
<p>IPSAS 45: Property Plant and Equipment</p>	<p>Applicable 1st January 2025</p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be 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 45, effective 1 January 2025, is does not have an impact on NGCDF Kangundo, as the Constituency's property, plant, and equipment mainly consists of standard assets such as office equipment, with no identified heritage or complex infrastructure assets.</p>
<p>IPSAS 46: Measurement</p>	<p>Applicable 1st January 2025</p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS. iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.

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	<p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p>IPSAS 46 does not have an impact on NGCDF Kangundo financial statements.</p>
IPSAS 47: Revenue	<p>Applicable 1st January 2026</p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange 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> <p>IPSAS 47, effective 1 January 2026, is expected to enhance revenue recognition practices for NGCDF Kangundo by providing a single, comprehensive framework for accounting for both exchange and non-exchange revenue.</p>
IPSAS 48: Transfer Expenses	<p>Applicable 1st January 2026</p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p> <p>IPSAS 48, effective 1 January 2026, is not expected to have a significant impact on NGCDF Kangundo, as the Constituency typically operates as a recipient rather than a provider of transfer expenses.</p>
IPSAS 49: Retirement Benefit Plans	<p>Applicable 1st January 2026</p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p>

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	IPSAS 49, effective 1 January 2026, is not expected to have an impact on NGCDF Kangundo, as the Entity does not operate a retirement benefit plan but only pays gratuity when due.
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<p>Applicable 1st January 2027</p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ul style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized. <p>IPSAS 50, effective 1 January 2027, is not expected to have any impact on NGCDF Kangundo, as the Entity is not involved in the exploration for or evaluation of mineral resources.</p>

iii. Early adoption of standards

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

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Sale of goods

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

Interest income

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

Rental income

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

b) Budget information

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

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

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

c) Property, plant and equipment

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

d) Leases

Finance leases are leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item to the Entity. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The Entity also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition. Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit. An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Entity will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term. Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the Entity. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

e) Intangible assets

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

f) Financial instruments

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

a) Financial assets

Classification of financial assets

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

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

Trade and other receivables

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

Fair value through surplus or deficit

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

Impairment

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

b) Financial liabilities

Classification

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

g) Inventories

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

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

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

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

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

k) Contingent assets

The NG-CDF Kangundo 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

NGCDF Kangundo does not operate its own retirement benefit plan. Retirement benefits for employees are provided through government-established schemes, and the Entity does not manage any defined benefit or defined contribution plans. The Entity makes statutory contributions to the National Social Security Fund (NSSF) on behalf of its employees as required by law. In addition, gratuity payments are made to eligible employees upon completion of their contracts, in accordance with employment terms and government regulations. Both NSSF contributions and gratuity payments are recognised as expenses in the period in which the related employee service is rendered. 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 NGCDF Kangundo 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 NGCDF Kangundo, 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, 2024.

5. Significant Judgments and Sources of Estimation Uncertainty

The preparation of the NGCDF Kangundo 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. Provisions are recognised when NGCDF Kangundo has a present legal or constructive obligation 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. Applicable provisions for NGCDF Kangundo may include: Provision for pending project obligations, where funds have been committed to community projects but not yet disbursed; Provision for legal claims or disputes, where there is a probable outflow due to ongoing legal matters.

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6. Transfers from the NGCDF Board

Description	2024-2025
	Kshs
NGCDFB Transfers (Allocation for the FY)	170,502,857
Total	170,502,857

7. Transfers from domestic and foreign partners

Description	2024-2025
	Kshs
Grants	-
Total	-

8. Finance income

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

9. Miscellaneous income

Description	2024-2025
	Kshs
Rental Income	-
Income from sale of tenders	56,000
Hire of plant/equipment/facilities	-
Other Income Not Classified Elsewhere	-
Total	56,000

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10. Employees cost

Description	2024-2025
	Kshs
NG-CDFC Basic staff salaries	3,101,276
Personal allowances paid as part of salary	-
House Allowance	592,600
Transport Allowance	448,700
Leave allowance	-
Gratuity to contractual employees	905,596
Employer Contributions Compulsory national social security schemes	209,177
Employer Contributions Compulsory Housing levy	59,442
Employer contributions to National Industrial Training Authority	-
Other Specify	-
Total	5,316,791

11. Committee Expenses

Description	2024-2025
	Kshs
Sitting allowance	1,092,000
Other Committee expenses	2,473,500
Total	3,565,500

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12. Use of Goods and services

Description	2024/2025
	Kshs
Utilities, supplies and services	104,770
Communication, supplies and services	853,095
Domestic travel and subsistence	280,000
Printing, advertising and information supplies & services	108,536
Office Rent	-
Training expenses	1,299,900
Hospitality supplies and services	489,199
Insurance costs	7,500
Specialized materials and services	-
Office and general supplies and services	669,005
Fuel, oil & lubricants	700,000
Bank charges	-
Routine maintenance – vehicles and other transport equipment	362,680
Routine maintenance – other assets	48,815
Strategic plan expenses	-
Other operating expenses	-
Total	4,923,500

13. Other Government Units Actual expenditure

Description	2024/2025
	Kshs
Primary Schools Actual expenditure	42,823,643
Secondary Schools Actual expenditure	2,199,324
Tertiary Institutions Actual expenditure	-
Total	45,022,967

14. Other Grants and transfers Actual expenditure

Description	2024/2025
	Kshs
Bursary – secondary schools	28,384,500
Bursary – tertiary institutions	29,720,000
Bursary – special schools	-
Bursary - Education Support program	-
Social Security program (SHIF)	-
Security projects Actual expenditure	2,702,319
Climate change mitigation projects	7,918,884
Emergency projects Actual expenditure	-
Roads projects Actual expenditure	-
Sub-County Education office	1,995,451
Others (Purchase of Revision books)	6,097,632
Total	76,818,786

15. Depreciation and Amortization Expenses

Description	2024/2025
	Kshs
Property Plant and Equipment	117,848
Intangible Assets	-
Total	117,848

16. Digital Hubs Expenses

Description	2024/2025
	Kshs
Construction/ renovation/ Actual expenditure	1,559,647
Digital Hub utility costs Water, Electricity,	-
Maintenance of ICT equipment	-
Maintenance of building	-
Others	-
Total	1,559,647

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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	-

18. Impairment Loss

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

19. Cash and Cash Equivalentents

Name Of Bank and Account No.	2024/2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Bank Accounts (Cash Book Bank Balance)		
Equity Bank Limited, Tala Branch, Account no.0900297884246 (Operations account)	32,899,172	9,201,123
Operations account pending closure (Indicate name & account no.)	-	-
Equity Bank Limited, Tala Branch, Account no.0900284990446 (Deposit account)	118,799	809,134
Equity Bank, Tala Branch, account No. (PMC's account)	37,297,160	24,341,652
Total	70,315,131	34,351,909
Cash Balances		
Location 1	-	-
Total	-	-

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20. Receivables from Exchange Transactions

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

i. Ageing Analysis for Receivables

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

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21. Receivables from Non-Exchange Transactions

Description	2024/2025		Opening Statement 1 st July 2024	
	Kshs		Kshs	
Transfers from NGCDFB	42,502,857		44,899,153	
Outstanding imprest	-		-	
Total	42,502,857		44,899,153	
Ageing Analysis- Receivables from non-exchange transactions	2024/2025	% of the total	Opening Balance	% of the total
Less than 1 year	42,502,857	100%	44,899,153	100%
Between 1-2 years	-	%	-	%
Over 3 years	-	%	-	%
Total	42,502,857	100%	44,899,153	100%

22. Prepayments

Description	2024/2025		Opening Statement 1 st July 2024	
	Kshs		Kshs	
Prepaid Rent	-		-	
Prepaid Insurance	6,555		6,555	
Prepaid Electricity Costs	-		-	
Other Prepayments	-		-	
Total	6,555		6,555	

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23. Property, Plant and Equipment

	Land	Buildings	Motor vehicles	Furniture and fittings	Computers & ICT Equipment	Other Assets (specify)	Capital Work in progress	Total
Depreciation Rate(specify)		2%	25%	12.5%	30%	%		
Cost	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Opening Bal as 1 st July 2024	-	-	-	-	561,180	-	-	561,180
Additions	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-	-	-	-
As At 30 th June 2024	-	-	-	-	561,180	-	-	561,180
Depreciation and Impairment								
Opening Depreciation	-	-	-	-	168,354	-	-	168,354
Depreciation	-	-	-	-	117,848	-	-	117,848
Disposals	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-	-	-
As At 30 th June 2024	-	-	-	-	286,202	-	-	286,202
Net Book Values								
Opening Bal as at 1 st July 2024	-	-	-	-	392,826	-	-	392,826
As At 30 th June 2025	-	-	-	-	274,978	-	-	274,978

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Valuation

Computers and ICT Equipment were valued by in line with the National Assets and Liabilities Management Policy and Guidelines (Issued 30th June 2020). These amounts were adopted on 1st July, 2024.

23 b) Property, Plant and Equipment at Cost

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

	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land	-	-	-
Buildings	-	-	-
Plant And Machinery	-	-	-
Motor Vehicles, Including Motorcycles	-	-	-
Computers And Related Equipment	561,180	286,202	274,978
Office Equipment, Furniture, And Fittings	-	-	-
Total	561,180	286,202	274,978

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

25. Right-of use assets

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

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26. Trade and Other Payables

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

27. Third-Party deposits

	2024/2025
	KShs
Retention as at 1 st July (A)	-
Retention held during the year (B)	5,902,491
Retention paid during the Year (C)	5,902,491
Closing Retention as at 30th June,2025 D= A+B-C	-

Retentions aging analysis.

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

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28. Lease Liabilities

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

Maturity Analysis

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

Analysed as:

Description	Amount
Current	-
Non- Current	-
Total	-

29. Gratuity Provision

Description	2024/2025
	Kshs
Gratuity at the beginning of the year 1 st of July, 2024(A)	1,085,400
Gratuity held during the year(B)	905,596
Gratuity paid during the year(C)	690,335
Total Gratuity Provision 30th June (A+B-C)	1,300,660

30. Cash Generated from Operations

	2024/2025
	Kshs
Surplus/Deficit for the year	33,233,818
Adjusted for:	
Depreciation	117,848
Impairment	-
Gains and losses on disposal of assets	-
	-
Working capital adjustments	-
Increase/decrease in receivables	-
Decrease in receivables	2,396,296
Increase/decrease in payables	
Increase in gratuity provision	215,260
Net cash flow from operating activities	35,963,222

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

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.

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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	42,502,857	42,502,857	-	-
Bank balances	70,315,131	70,315,131	-	-
Total	112,817,988	112,817,988	-	-
As at 30 June 2024				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	44,899,153	44,899,153	-	-
Bank balances	34,351,910	34,351,910	-	-
Total	79,251,063	79,251,063	-	-

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

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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 2023/24 financial year. 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.

i) 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 proportion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Gratuity Provision	-	-	1,300,660	1,300,660
Total	-	-	1,300,660	1,300,660
As at 30th June 2024			-	-
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Gratuity Provision	-	-	1,085,400	1,085,400
Total	-	-	1,085,400	1,085,400

ii) Market risk

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

a) Foreign currency risk

The entity has no 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 carrying amount of the entity foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

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2024/25 FY

Description	In Kshs	Other currencies	Total
	Kshs	Kshs	Kshs
As at 30 th 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 FY

Description	In Kshs	Other currencies	Total
	Kshs	Kshs	Kshs
As at 30 th 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 endeavored 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. A rate increase/decrease of 5% would result in a decrease/increase in profit before tax .

Fair value of financial assets and liabilities

a) Financial instruments measured at fair value.

Determination of fair value and fair values hierarchy

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

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

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

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

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As at 30 th 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	70,315,131	34,351,909
Retained Earnings	33,233,818	-
Capital Reserve	-	-
Total Funds	103,548,949	34,351,909
Total Borrowings	-	-
Less: Cash and Bank Balances	70,315,131	34,351,909
Net Debt/(Excess Cash and Cash Equivalentents)	33,233,818	-
Gearing	0%	0%

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32. Related Party Disclosures

	2024/2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Committee Members Remuneration		
Sitting allowance of committee Members during the year	1,092,000	-
Transaction with the NGCDF Board		
Transfers from the NGCDF Board during the year	172,899,153	-
Total	173,991,153	-

33. Segment Information

NG-CDF Kangundo does not operate in different geographical areas, the office only operates at Kangundo constituency in Machakos county, Kenya. Therefore, no segmental information to report or present.

34. Contingent Assets and Contingent Liabilities

Contingent Assets

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

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Contingent Liabilities

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

35. Capital Commitments

Capital Commitments	2024/2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Authorised for	-	-
Authorised and contracted for	-	-
Total	-	-

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

36. Events after the Reporting Period

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

37. Ultimate And Holding Entity

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

38. Currency

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

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18. Annexes
 Annex 1: Summary of Asset Register

Asset class	Historical Cost/valuation cost balance brought forward (Kshs)	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) At Year End
Land	-	-	-	-
Buildings and structures	16,071,454	-	-	16,071,454
Transport equipment	3,213,500	-	-	3,213,500
Office equipment, furniture, and fittings	1,713,852	-	-	1,713,852
ICT Equipment and Other ICT Assets	1,925,237	-	-	1,925,237
Other Machinery and Equipment	-	-	-	-
Intangible assets	-	-	-	-
Total	22,924,043	-	-	22,924,043

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Annex 2 –PMC Bank Balances as at 30th June 2025

PMC	Bank	Account number	Bank Balance 2024/2025	Bank Balance 2023/2024
Kiomo Primary School	Equity Bank Limited	0900277310632	315	315
Kathome Primary School	Equity Bank Limited	0900277310670	561	15,761
Kawethei S.A Primary School	Equity Bank Limited	0900295300875	192,751	283,279
Mukuyuni Primary School	Equity Bank Limited	0900277304009	398	92,784
Kitwii Boys Primary School	Equity Bank Limited	0900299279199	104	1,596
Syanthi S.A Primary School	Equity Bank Limited	0900272853889	4,655,246	371,210
Mususye Primary School	Equity Bank Limited	0900267232186	178,961	1,578
Kitwii Girls Primary School	Equity Bank Limited	0900299286970	410	41,905
Kikondeni Primary School	Equity Bank Limited	0900263717079	314	314
Kawauni Primary School	Equity Bank Limited	0900294342635	201	201
Manyatta Primary School	Equity Bank Limited	0900269806773	757	341,322
Kwamwenze Primary School	Equity Bank Limited	0900272806414	2,224	2,224
Kangundo DEB Primary School	Equity Bank Limited	0900279025860	421	75,956
Kwambalu Primary School	Equity Bank Limited	0900262296794	719	460,558
kyai Primary School	Equity Bank Limited	0900268836538	1,624	1,624
Kithuiani Primary School	Equity Bank Limited	0900264186783	701	701
Kyaaka Primary School	Equity Bank Limited	0900294868632	221	221
Kitongi Primary School	Equity Bank Limited	0900263477812	4,730,406	2,091

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PMC	Bank	Account number	Bank Balance 2024/2025	Bank Balance 2023/2024
Mukuyuni S.A Secondary School	Equity Bank Limited	0900278735862	144	380,460
ABC Kathithyamaa Secondary School	Equity Bank Limited	0900279092412	2,556	2,556
Kakuyuni Assistant County Commissioners Office	Equity Bank Limited	0900279678883	478,497	1,532,364
Kangundo CDF Sports	Equity Bank Limited	0900276382771	Closed	975
Kakuyuni Police Station	Equity Bank Limited	0900263355985	2,809	2,809
Ngumuti Assistant Chiefs Office	Equity Bank Limited	0900282494807	Closed	501
Kakuyuni Primary School	Equity Bank Limited	0900279979388	1,407	1,407
Kikalu Primary School	Equity Bank Limited	0900282494971	4,586	42,786
Kawethei S.A Secondary School	Equity Bank Limited	0900264167171	224	25,014
Kwakathule Secondary School	Equity Bank Limited	0900271573824	1,401	1,401
Mulingana Mixed Day Secondary School	Equity Bank Limited	0900262730572	241	241
Kivaani Assistant County Commissioner's Office	Equity Bank Limited	0900284176711	196	1,514,649
Ila Itune Primary School	Equity Bank Limited	0900285372091	4,661,796	4,237,600
Kinyungu Primary School	Equity Bank Limited	0900285381371	4,654,656	4,970,240
Kithunthi Primary School	Equity Bank Limited	0900285257031	515	22,635
Kyevaluki Primary School	Equity Bank Limited	0900285314369	662	75,762
Masewani Primary School	Equity Bank Limited	0900285313931	421	80,086
Matithini Primary School	Equity Bank Limited	0900285387030	1,000,081	4,678,810

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PMC	Bank	Account number	Bank Balance 2024/2025	Bank Balance 2023/2024
Mbusyani Primary School	Equity Bank Limited	0900285384728	249	4,892,680
St.Francis Misyani Primary School	Equity Bank Limited	0900285266650	359	50,459
Kwakathule Assistant Chiefs Office	Equity Bank Limited	0900280268338	Closed	134,580
Miu Assistant Chiefs Office	Equity-Tala Branch	0900278729624	Closed	-
Kyelendu Primary School	Equity- Tala Branch	0900285432775	4,847,204	-
Kangundo Constituency Digital Hub	Equity- Tala Branch	0900285661382	18,679	-
Kwamwilile Primary School	Equity- Tala Branch	0900285382157	188,586	-
Ngomani Primary School	Equity- Tala Branch	0900285616259	164,303	-
Miu ABC Primary School	Equity- Tala Branch	0900285388747	74,269	-
Kangundo Sub-County Education Office	Equity- Tala Branch	0900286062115	118,293	-
Kangundo Administration Police	Equity- Tala Branch	0900286441055	1,000,000	-
SA Imilini Sec School	Equity- Tala Branch	0600285460394	1,000,000	-
Matetani AIC Primary	Equity- Tala Branch	0900285385390	4,654,347	
Kathithyamaa primary school	Equity- Tala Branch	0900285382631	4,654,347	
TOTAL			37,297,160	24,341,652

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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)
OAG/MRO/NGCDF-KDO/2023/2024(14)-1	The statement of assets and liabilities and as disclosed in Note 11A to the financial statements reflect cash and cash equivalents balance of Kshs.10,008,454. Review of the bank reconciliation statements revealed un-presented cheques totaling Kshs.6,143,782.32 which included stale cheques amounting to Kshs.3,500,903 which had not been written back to the cash book. In the circumstances, the accuracy and completeness of cash and cash	The NG-CDFC resolved to write back in the cashbook all the stale cheques and replace to the new beneficiaries through NG-CDFC meeting held on 20 th November, 2024; MIN NO. 007/20 th Nov, 2024 (d) attached. Therefore, as at 30 th June, 2025 we had no stale cheque as per the attached bank reconciliation statement.	Not Resolved	In consultation with Auditor General pending appearance before DFAC

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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)
	equivalents balance of Kshs.10,008,454 could not be confirmed.			
OAG/MRO/NGCDF-KDO/2023/2024(14)-2	The summary statement of appropriation reflects a final receipts budget and actual on comparable basis of Kshs.268,698,547 and Kshs.223,785,394 respectively resulting to underfunding of Kshs.44,913,153 or approximately 17% of the budget. The under-funding may affect the implementation of the planned activities and programs and may impact negatively on service delivery to the public.	The underfunding was due to delay in disbursement of funds from NG-CDF board, the remaining funds were received during the financial year 2024/2025 and the project were implemented immediately as per the attached AIEs.	Not Resolved	In consultation with Auditor General pending appearance before DFAC
OAG/MRO/NGCDF-KDO/2023/2024(14)-3	Note 19.3 to the financial statements and Annex 3 reflects Project	Please note that development projects are implemented at different phases.	Not Resolved	In consultation

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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>Management Committee unutilized funds totaling Kshs.54, 112,472. The balance includes though it had been requisitioned for prioritized projects. The Project Management Committees did not return the balance to the Constituency Development Fund Account as required by Section 12(8) of the National Government Constituencies Development Fund Act, 2015, which provides that all unutilized funds of the Project Management Committee shall be returned to the Constituency Account.</p>	<p>The balances in the PMC accounts was due to incomplete projects which were ongoing as at 30th June. 2024. Therefore, the funds could not be transferred to the main account. Also, during the financial year all unutilized PMC balances were returned to the constituency main account as per the attached. During the financial year we received funds late and almost at closure of financial year for implementation of projects, for instance Matithini primary school, lia Itune Primary school. Kinyungu primary school, Kakuyuni Assistant County Commissioner, Kivaani Assistant County</p>		<p>with Auditor General pending appearance before DFAC</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)
	In the circumstances, Management was in breach of the law.	Commissioner, Mbusyani Primary and Masewani Primary school funds for implementation of development projects were received almost at closure of financial year. Therefore, as at 30th June, 2024 the funds for the projects had not been utilized since the procurement process was not complete. Find attached copy of PMC transfer vouchers, AIE allocation and NG-CDFC minutes resolutions.		
OAG/MRO/NGCDF-KDO/2023/2024(14)-4	The Fund Committee awarded a contract for the construction of four classrooms at Kitwii Boys Primary School on 15 August 2023 at a contract sum of Kshs.5,635,000. However, physical	During public participation, school management proposed that they need 4 new classrooms to address the congestion.	Not Resolved	In consultation with Auditor General pending

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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)
	inspection conducted on 4 November 2024, revealed that the classrooms were completed but not in use. The ministry of health had ordered the classrooms to be closed due to lack of toilets. Although the project was branded with the National Government Constituency Fund logo, the name of the Constituency Member of Parliament was irregularly included.	The classrooms were usable before it was closed by ministry of health due to lack of toilet facility. However, The School Management has submitted proposal to NG CDF for construct 8 door pit latrine block in this coming financial year in order to facilitate full usage of the facility. Currently, we have adhered to NG-CDF branding policy as per the attached sampled branded projects.		appearance before DFAC
OAG/MRO/NGCDF-KDO/2023/2024(14)-5	The Fund Committee awarded a contract for construction of an administration block at Mukuyuni Secondary School on 15 September 2023 at a contract sum of Kshs.4,500,000. However, physical	The management has taken note of the defects and has written to the contractor (Letter Attached) to go make good the defects. We also wish to state that Defects liability period for the second phase will expire May	Not Resolved	In consultation with Auditor General pending

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
	inspection conducted on 4 November 2024, revealed that there were cracks on the walls, the ceiling board had water marks an indication that the roof was leaking and the paint on the ceiling board was peeling off. The contractor was paid the retention money before remedying the defects.	2025 (As per last payment Certificate) which covered all finishes works. Thus the contractor has been instructed to go back and fix all issues addressed in this audit as attached here under.		appearance before DFAC
OAG/MRO/NGCDF-KDO/2023/2024(14)-6	The Fund Committee awarded a contract for renovation of six (6) classrooms at Manyatta primary school, on 15 September 2023 at a contract sum of Kshs.5, 188, 000.However, physical inspection conducted on 4 November 2024 revealed that the classrooms did not	The management out of practice have noted that when it comes to Renovations, the engineer's measurements and estimates are not entirely accurate. This is caused by the fact that renovations, many experiences unforeseen repairs and or damages could occur, that which had	Not Resolved	In consultation with Auditor General pending appearance before DFAC

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
	have a 4mm thick soft board ceiling and painting of the ceiling board which had been provided for in the bill of quantities at a cost of Kshs.344, 000 and Kshs.129, 000 respectively. The contractor was paid the retention money before remedying the defects.	not been quantified, thus causing variations. In this case during execution of this project, a great variant arose due to increased quantities and activities in comparison to what was detailed in the Bill of Quantities as detailed in the final payment certificate attached below.		
OAG/MRO/NGCDF-KDO/2023/2024(14)-7	A contract of an administration block at Kivaani Assistant County Commissioner's office was awarded on 15 September 2023, at a contract sum of Kshs.4, 140,500. However, physical inspection conducted on 4 November 2024 revealed the following anomalies:	The management has taken note of the defects and has written to the contractor (Letter Attached) to go make good the defects. We also wish to state that defects liability period for the second phase was to expire May 2025(As per last payment Certificate) which covered all finishes Works. Thus	Not Resolved	In consultation with Auditor General pending appearance before DFAC

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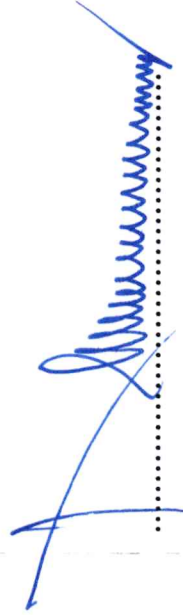
Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
	<p>i. The Plastic cistern for the toilet was not working.</p> <p>ii. Poor finishing on the doors with broken handles.</p> <p>iii. Ceilings board had water marks an indication of leakage on the roof.</p> <p>iv. The ceiling painting was peeling off due to leaking roof.</p> <p>v. The plastered corners of the office wall were cracked.</p> <p>The contractor had not rectified the defects despite the project being under the defect liability period.</p>	<p>the contractor has been instructed to go back and fix all issues addressed in this audit as attached.</p>		
OAG/MRO/NGCDF-KDO/2023/2024(14)-8	Review of the Exchequer records revealed that, out of total receipts of Kshs.181, 215,033 received during the	The management is working closely with the NG-CDF board to ensure timely approval of project budget and	Not Resolved	In consultation with Auditor

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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>year, receipts totaling Kshs.40,000,000 were received on 8 May, 2024 which was a month before the cut off.</p> <p>The delay may have affected implementation of activities and programs and may have impacted negatively on service delivery to the residents.</p>	<p>timely disbursement of funds for implementation of development projects.</p>		<p>General pending appearance before DFAC</p>



Wesley Kibet Ngeno
Fund Account Manager.



