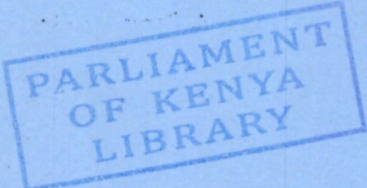


REPUBLIC OF KENYA



REPORT

OF


THE AUDITOR-GENERAL

ON

**NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT
FUND – MT. ELGON CONSTITUENCY**

FOR THE YEAR ENDED

30 JUNE, 2025

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 18 FEB 2026	DAY: WED
TABLED BY:	MB JUAN PABLO WHTP MNR. SHUMS BURE
CLERK-AT THE-TABLE:	OB/ERU



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

MT. ELGON CONSTITUENCY

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
30th JUNE 2025

Transitional International Public Sector Accounting Standards (IPSAS) Financial Statements

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

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National Government Constituencies Development Fund (NGCDF)
Mt. Elgon Constituency
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1. Acronyms and Definition of Key Terms

A. Acronyms

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

B. Definition of Key Terms

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

Comparative Year- Means the prior period.

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.

National Government Constituencies Development Fund (NGCDF)
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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

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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 Mt. Elgon 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	CPA .Carolyn wanyonyi
2.	National Sub-County Accountant	Fiedory Onyango
3.	Chairman NGCDFC	Asheri Shari Chesebe
4.	Member NGCDFC	Geoffrey Kisiero Chemeniong
5.	Member NG CDFC	Glenn Kiprop Kiptoch

(c) Oversight Arrangements

The Audit Committee of the NGCDF Board provides overall fiduciary oversight on the activities of the NGCDF Mt. Elgon 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 Mt. Elgon Constituency Headquarters

Kapsokwony Dcc Compound
P.O BOX 267-50203,
Kapsokwony, KENYA.

(e) NGCDF Mt. Elgon Constituency Contacts

P.O. Box 267-50203, Kapsokwony.
Telephone: (254) 727625192
E-mail: cdfmtelgon@ngcdf.go.ke
Website: www.cdf.go.ke

(f) NGCDF Mt. Elgon Constituency Bankers

1. Operations account
Equity Bank
Branch Bungoma
P.O. Box
Bungoma

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2. Deposit account.
Equity bank
Bungoma Branch
P.O. Box
bungoma

3. Project Management Committee Accounts
Equity bank
Bungoma Branch
P.O. Box
Bungoma

(g) Independent Auditor

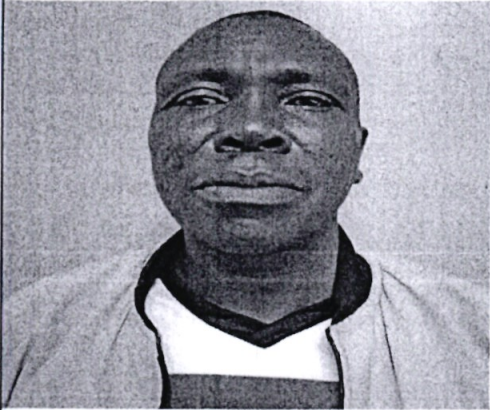

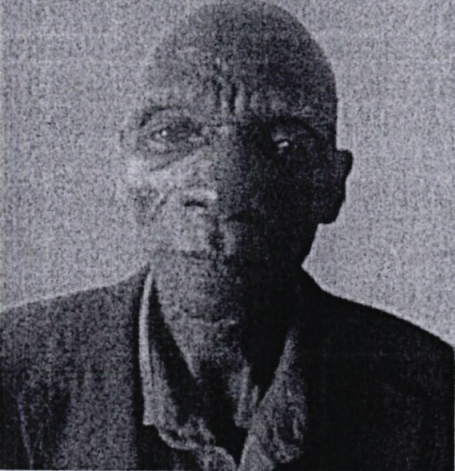
Auditor General
Office of the Auditor General
Anniversary Towers, University Way
P.O. Box 30084
GPO 00100
Nairobi, Kenya

(h) Principal Legal Adviser

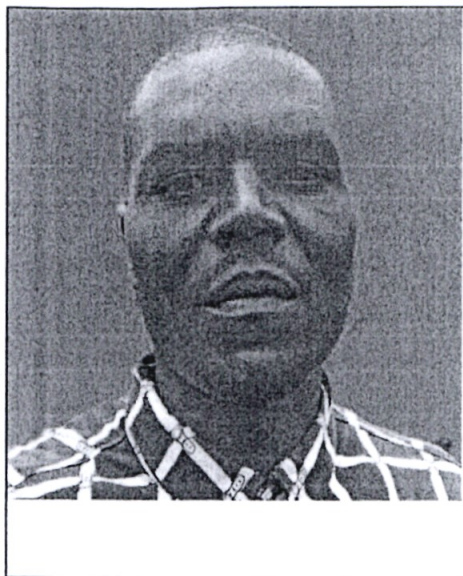

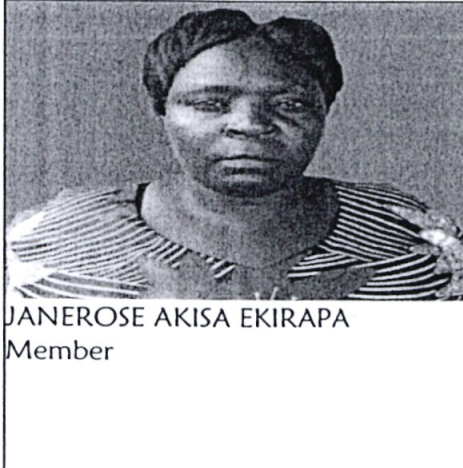
The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

National Government Constituencies Development Fund (NGCDF)
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3. NGCDF Committee

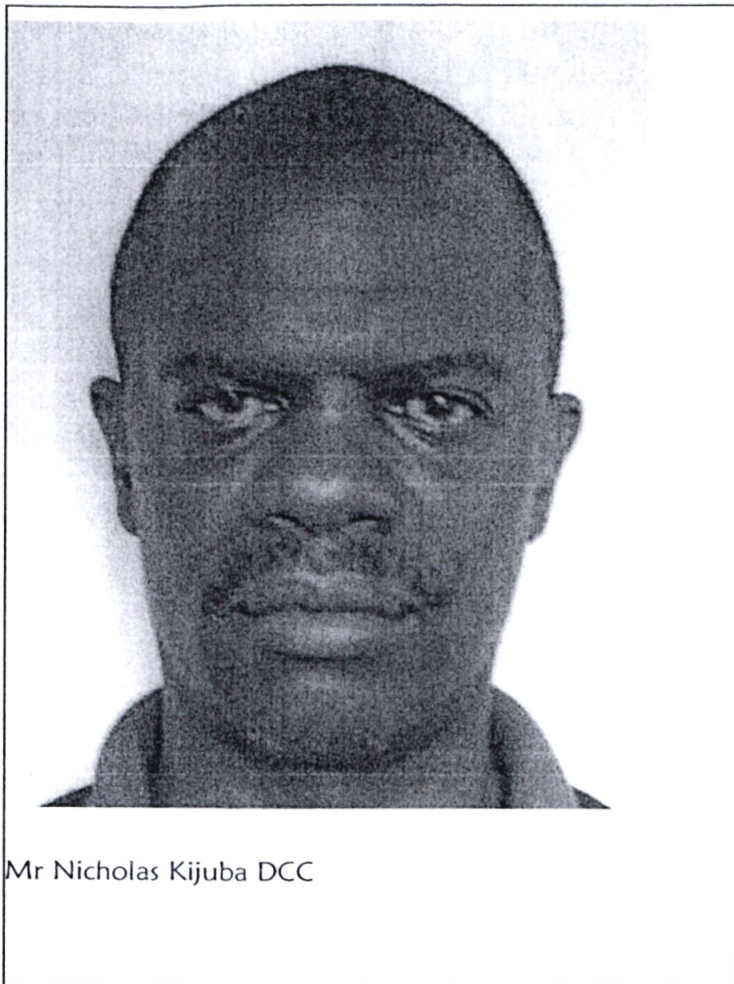
Name	Details
 <p>Chairman ASHERI SHARI CHESEBE</p>	<p>DATE OF BIRTH: 00/00/1961 PROFESSIONAL QUALIFICATION: Diploma in public administration. WORK EXPERIENCE: 33 Years of experience in public administration as a chieftain</p>
 <p>GEOFFREY CHEMENIONG KISIERO Member</p>	<p>DATE OF BIRTH: 01/01/1973 Professional Qualification: Certificate Of Early Childhood Development And Education. Work Experience: 7 years as an NGCDFC member</p>
 <p>SAMUEL TALIAN CHEMWOTEI Member</p>	<p>DATE OF BIRTH: 1946 PROFESSIONAL QUALIFICATION: Diploma In Agricultural education. WORK EXPERIENCE: 30 Years. As a senior teacher and 2 years as an NGCDFC member</p>

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	<p>SAMUEL SITATI Member</p>	<p>DATE OF BIRTH: 01/01/1993 PROFESSIONAL QUALIFICATION: Craft Certificate In Building And Construction. WORK EXPERIENCE: 3 Years as an NGCDFC member</p>
	<p>ROSE NAKHUMUCHA KAPCHANGA Member</p>	<p>DATE OF BIRTH: 18/04/1968 PROFESSIONAL QUALIFICATION: Kenya preliminary examination. WORK EXPERIENCE: 3Years as an NGCDFC member</p>
	<p>JANEROSE AKISA EKIRAPA Member</p>	<p>DATE OF BIRTH: 13/09/1974 PROFESSIONAL QUALIFICATION: KCSE certificate WORK EXPERIENCE: 3years as an NGCDFC member</p>

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 <p>MICHELLE CHEPKORIR MUSTUNI Member</p>	<p>DATE ODF BIRTH: 24/07/1995 PROFESSIONAL QUALIFICATION: KCSE Certificate. WORK EXPERIENCE: 3 as an NGCDFC member</p>
 <p>GLENN KIPROP KIPTOCH Member</p>	<p>DATE OF BIRTH: 15/03/1983 PROFESSIONAL QUALIFICATION: Diploma In Administration. WORK EXPERIENCE: 5Years as an NGCDFC staff and 2 years as an NGCDFC member</p>



Mr Nicholas Kijuba DCC

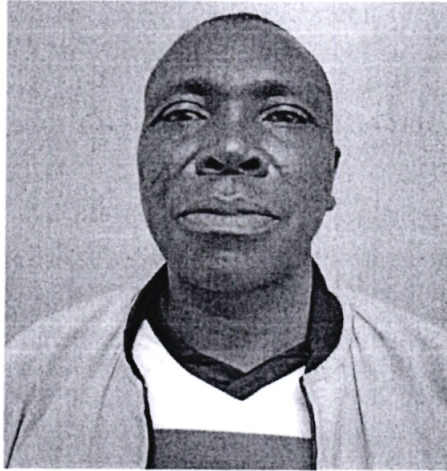
Mr nicho;as Kijuba I s the DCC mt Elgon He is 51 years old. He holds a degree in public administration. He has 18 years of experience in public administration



Fund Account Manager
 CAROLYN WANYONYI

DATE OF BIRTH: 07/07/1980
 PROFESSIONAL QUALIFICATION: CPA (K) and MBA FINANCE
 WORK EXPERIENCE: 17 years
 CPA Carolyne Wanyonyi is the Fund Account manager for Mt Elgon and Teso North constituencies. She is a CPA (K) holder and a member of ICPAK, in a good standing. She holds a Bachelor of Commerce Degree Accounting option and Masters degree in finance. She attended a Senior management course in 2022 and Strategic leadership development programme Course in the year 2023 at the Kenya school of government. She is currently pursuing her PHD in Finance at the Jomo Kenyata university. Determined, result oriented young professional, hardworking, honest, responsible and loyal lady.

4. NG-CDFC Chairman's Report



Asheri Shari Chesebe- Mt. Elgon NGCDFC Chairman

Mt. Elgon constituency is one of the constituencies of Bungoma County. The constituency comprises of three sub counties Mt. Elgon, Cheptais and Kopsiro sub counties. It is sub divided into six wards. The constituency occupy an area of 956.6sq km around 70% of the constituency area is covered by a gazetted forest reserve which is in the upper section while the rest is under human settlement. The constituency is inhabited by Sabaot community who are the majority, Bukusu and Teso are the minority. NG-CDF Mt. Elgon is led by Mt. Elgon NG-CDFC which was selected and inaugurated as per the NG-CDF act and NG CDF regulations of 2016. Mt Elgon constituency has poor terrain because of its hilly nature. This actually had an effect on delivery of materials to the construction sites. Due to hilly topography, the constituency also suffered high cost of construction as the contractors had to spent a lot to get the required level. There were also delays of disbursements from the board and as at the close of the year the constituency had not received 25% of its allocation. Most of the funds were disbursed towards the close of the financial year.

NGCDF Mt Elgon had its budget as follows during the financial year 2024-2025

1. Climate change budget was 5,000,000 Kenya shillings which was un utilized at the end of the financial year due to delays in funding
2. Education in Mt. Elgon constituency is key to success. The committee allocated ksh50,027,784 for payment of fees for poor, bright and vulnerable students in secondary and ksh 100,000,000 for development in educational institutions

NG CDF Mt Elgon expected Kshs. 188,414,052.19 as total budget for the financial year 2024/2025. However, the office received a total budget of ksh 149,547,919 while kshs.44,414,052.19 had not been received as at the end of the financial year.

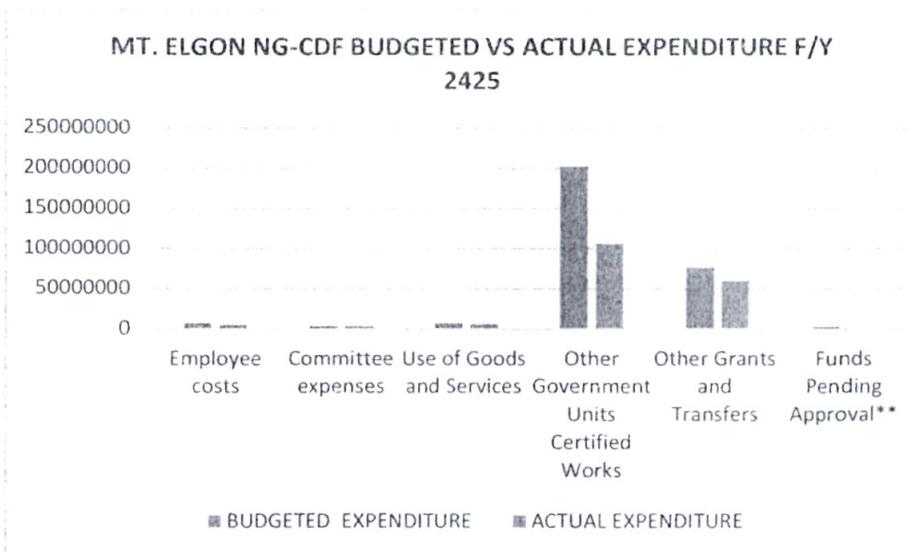
National Government Constituencies Development Fund (NGCDF)
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	Final Budget	Actual on Comparable Basis	Budget Utilization Difference
Transfers from NG-CDF Board	300,823,849	255,009,797	45,814,052

The budgeted and actual expenditures during the year with variances on every vote were as follows.

Payments	Final budget	Actual
Compensation of Employees	7,201,051	3,805,308
Committee expenses	3,676,250	3,605,085
Use of goods and services	7,381,596	6,226,642
Transfers to Other Government Units	193,048,501	79,349,788
Other grants and transfers	77,097,751	55,546,564
Acquisition of Assets	-	-
Other Payments	12,418,700	-
TOTALS	300,823,849	148,533,386

The above figures can be well illustrated by the following histogram and graph





Construction to completion of 4No classrooms at Chepyuk primary school

The fund encountered a number of emerging issues and the challenges as follows:-

1. Delayed Disbursement of Funds

Treasury delays in releasing NG-CDF allocations have hampered project implementation timelines. Schools and other public service projects suffer due to unpredictable funding cycles.

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IMPLEMENTATION CHALLENGES AND RECOMMENDED WAY FORWARD – NG-CDF MT. ELGON

CHALLENGE	IMPACT	WHAT THE ENTITY IS DOING	RECOMMENDED WAY FORWARD
Delayed Disbursement of Funds	Slows down project implementation and bursary payments	Engaging with the NG-CDF Board and Treasury for early release schedules	Lobby for legal review of disbursement timelines and establish buffer planning cycles
Rising Cost of Construction Materials	Budget overruns; reduced project scopes	Adjusting project designs and prioritizing based on urgency and available resources	Develop framework contracts with local suppliers to stabilize prices
Poor Terrain and Inaccessible Areas	Increases project delivery time, especially in remote wards like Kopsiro	Scheduling projects during dry seasons and using local labor for transport	Allocate special funds for feeder roads and prioritize accessibility in planning
Limited Technical Staff	Delays in design review, supervision, and quality control	Contracting short-term technical consultants	Advocate for permanent deployment of technical officers (engineer, quantity surveyor) by the NG-CDF Board
Incomplete/Stalled Projects	Wastage of funds; community frustration	Prioritizing completion of ongoing projects before new ones	Enforce stricter contractor vetting and phase budgeting
Overlap with County Government Projects	Duplication of efforts, inefficient use of resources	Holding joint planning forums with county departments	Formalize inter-agency coordination to align development priorities
Low Community Participation	Projects may not reflect community priorities	Mobilizing chiefs and MCAs to organize barazas and feedback forums	Institutionalize participatory budgeting through public notice boards and digital tools
Inadequate Youth Engagement	Youth excluded from empowerment and decision-	Funding sports tournaments and small grants for youth groups	Scale up vocational training support and integrate youth into project committees

National Government Constituencies Development Fund (NGCDF)
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	making programs		
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ASHERI SHARI CHESEBE

CHAIRPERSON NG CDF MT. ELGON

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

Introduction

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

The key development objectives of the NGCDF Mt. Elgon Constituency 2022-2025 plan are to:

1. Education & Bursaries

Expand and improve classroom and school infrastructure. Increase bursary allocation for needy students to enhance secondary and tertiary education access.

2. Infrastructure & Roads

Develop and maintain rural roads, footbridges, drainage systems, and markets to enhance connectivity and local trade.

3. Security Services

Build or refurbish police posts, chiefs' offices, and community-policing facilities.

4. Youth & Sports Development

Construct sports grounds, fund youth tournaments, and provide sports equipment to encourage engagement and talent development.

5. Governance, Oversight & Capacity

Strengthen ND-GCDF Committee capacity in planning, budgeting, procurement, and public participation. Promote transparency and accountability in project selection and implementation.

6. Environmental Conservation & Livelihoods

Support conservation of catchment areas, tree planting, and environmental education. Fund small-scale income-generating ventures and youth empowerment initiatives.

The key objectives of the Mt. Elgon NGCDF constituency as per the Strategic Plan are as follows.

1. Expand Educational Infrastructure & Improve Learning Outcomes
2. Improve Security & Community Safety.
3. Boost Environmental Sustainability & Livelihoods
4. Enhance Institutional Capacity & ICT Integration.

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:

National Government Constituencies Development Fund (NGCDF)
Mt. Elgon Constituency
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Sector	Objective	Outcome	Indicator	Performance
Education	To have all children of school going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	Number of usable physical infrastructure build in primary, secondary, and tertiary institutions number of bursary's beneficiaries at all levels	In FY 2024/25 -we increased number of classrooms/ dormitories/laboratories etc from ... to... in the following schools/institutions - Bursary beneficiaries at all levels were as per the attached schedules
Security	To enhance community safety and improve access to security services through the development of local security infrastructure and support systems.	Improved security and law enforcement presence leading to enhanced safety, reduced crime rates, and strengthened community trust in local governance.	Number of police posts/AP camps and chiefs' and assistant chiefs' offices constructed or rehabilitated	Tracks physical infrastructure delivery for law enforcement in priority areas therefore Measures administrative infrastructure support to enhance grassroots governance
Climate change mitigation activities	To promote sustainable environment management practices	Improved environmental resilience, reduced vulnerability to climate-related risks, and enhanced sustainability of public infrastructure and livelihoods through targeted NG-CDF-funded climate mitigation efforts.	Number of trees planted through NG-CDF projects. Number of institutions supported with green infrastructure (e.g., energy-efficient buildings, solar panels) Number of water harvesting systems installed (e.g., tanks, gutters)	High Community Engagement: School green clubs and women's groups have embraced reforestation and kitchen gardening projects.
Emergency	To provide timely and effective	Rapid Restoration of	Number of emergency projects funded	Temporary shelter after landslide (Kopsiro)

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Mt. Elgon Constituency

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	financial support for urgent and unforeseen situations that disrupt public services, endanger community well-being, or damage public infrastructure, thereby minimizing the negative impact of emergencies on development and service delivery at the constituency level.	Critical Services Improved Emergency Preparedness Reduced Impact of Disasters on Vulnerable Populations	Number of risk-reducing improvements made post-disaster (e.g., fireproofing)	Rebuilding burned classroom (kapsokwony high school)
Information communication and technology (ICT)	To increase use in communication amongst the constituents To promote computer literacy in the constituency	Poor internet access in remote schools and Inadequate ICT-trained teachers	Number of institutions equipped with ICT laboratories Number of public institutions connected to electricity or solar for ICT use	ICT labs constructed in institutions and Teachers trained in basic ICT

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.

Further, Section 5 (1) of the regulation states that the members of a Constituency Committee provided for Appointment of under section 43(2) (b), (c) and (d) of the Act shall be selected by a members of Constituency selection panel established under paragraph (4) upon an occurrence of a vacancy in the Constituency Committee.

The officer of the board coordinated the process of nomination of the NG CDFC for onward forwarding to the board for appointment through gazette notice.

Section 5 and 6 of NG CDF regulations provides for procedure for nomination of the five members of the NG CDFC as outlined in section 43 (2) paragraph (b), (c), and (d) of the principal Act through a selection panel composed of:

- i. One person nominated by national Government official in charge of Sub County or designated representative who shall chair the panel
- ii. Officer of the Board seconded to the constituency who is be the secretary of the selection panel

Further the NG CDF regulations requires that for 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.

a. NG-CDFC process of appointment

The NGCDF Act 2016 on appointment of NGCDFC members' states;

(1) The members of a Constituency Committee provided for Appointment of under section 43 of the Act shall be selected by a members of Constituency selection panel established under paragraph (4) upon an occurrence of a Committee vacancy in the Constituency Committee.

Kenya Subsidiary Legislation, 2016 1951

(2) A vacancy shall occur in Constituency Committee upon commencement of a new parliamentary term; dissolution of a Constituency Committee; removal of a member of a Constituency committee; or the occurrence of a vacancy in a Constituency Committee.

(3) Upon the occurrence of a vacancy in a Constituency Committee, the Board shall within fourteen days, constitute a selection panel.

(4) The selection panel referred to in paragraph (1) shall consist of—

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- one person nominated by the national government official in charge of the sub-county or a designated representative, who shall be the chairperson of the selection panel;
- the Officer of the Board seconded to the Constituency who shall be the secretary to the selection panel; and
- Two persons, one of either gender, nominated by the Constituency office.

(5) The officer of the Board seconded to the Constituency shall within fourteen days of the first meeting of the selection panel invite applications from persons who qualify for appointment to a Constituency Committee in accordance with guidelines issued by the Board.

(6) The selection panel shall, within fourteen days of receiving the applications under paragraph (5), consider the applications and shall select five applicants taking into account age, gender, special interest groups and regional balance in accordance with section the Act

(7) The officer of the Board seconded to the Constituency shall within seven days of the selection process referred to in paragraph (6) submit to the Board the names of the selected candidates together with the report of the selection panel.

(8) The Board shall co-opt the person referred to in the Act to ensure equitable representation in the membership of a Constituency Committee.

(9) The Board shall, in writing, request the clerk of the National Assembly to notify the Constituency Office to nominate two persons of either gender, pursuant to section 43(2)(e) of the Act and to forward the names to the Office of the Board seconded to the Constituency.

(10) The Board shall submit the names of the seven persons selected from each Constituency in accordance with the Act to the National Assembly for Approval.

(11) The Board shall, within fourteen days after receipt of the names approved by the National Assembly, appoint the members of a Constituency Committee by notice in the Gazette. 1952 Kenya Subsidiary Legislation, 2016

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.

Six best NG-CDF applicants were selected taking into account age, gender, special interest groups and regional balance in accordance with section 43(2)(b)(c) and (d) of the Act

S/N	Name	Category representation	Ward
1.	Asheri shari chesebe	Male (Adult)	kaptama
2.	Samuel talian	Male (Adult)	cheptais
3.	Rose nakhumicha	Female (Adult)	chesikaki
4.	Michell chepkorir	Female (Youth)	chepyuk
5.	Janerose akisa	Female (Adult)	Cheskaki
6.	Samuel sitati	Male (Youth)	Kapkateny

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Nominee of the person representing persons with disability

S/N	Name	Nominating Organization	Nature of physical Impairment	Ward
1.	Geoffrey kisiero	National Council Of People Living With Disability	Deformed Limb	chepyük

Upon further consultation with the panel and the constituency office, members agreed to recommend for co-option by the NG-CDF Board as per section 43 subsection 2(g) as

S/N	Name	Gender	Ward
1.	Glenn kiprop	Male	Elgon

The list of the selected and recommended members was forwarded to the NG_CDF Board and were further gazetted through a gazette notice dated 25th May, 2025.

The Mt.Elgon NG_CDFC Members were gazetted as follows

S/N	Name	Category	Statutory Provision Under NG-CDF Act
1.	Asheri shari chesebe	Male Adult Representative	Appointment, pursuant to Sec. 43 (2) (b)
2.	Samuel talian	Male Adult Representative	Appointment, pursuant to Sec. 43 (2) (b)
3.	Michelle chepkorir	Female Youth Representative	Appointment, pursuant to Sec. 43 (2) (c)
4.	Rose nakhumicha	Female Adult Representative	Appointment, pursuant to Sec. 43 (2) (c)
5.	Geoffrey kisiero	Representative of Persons Living with Disability	Appointment, pursuant to Sec. 43 (2) (d)
6.	Samuel sitati	Male Youth Representative	Appointment Pursuant to Sect. 43 (2)(e)
7.	Janerose akisa	Female Adult Representative	Appointment Pursuant to Sect. 43 (2)(e)

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The First NG-CDFC in augural meeting was held on 28th may , 2025. The members carried out an election for the position of a chairperson and the secretary of the committee. The following member were elected.

	NAME	POSITION	WARD
1	Asheri shari chesebe	Chairperson	Kaptama
2	Geoffrey kisiero	Secretary	chepyuk

NG-CDF Regulations Section 7(6) & (7) requires that the first meeting, a Constituency Committee shall establish two sub-committees necessary for the proper performance of its functions in accordance with the guidelines issued by the Board and in establishing sub-committees. Under paragraph 5, constituency Committee shall ensure that there is equitable representation

The Committees were constituted as follows;

1. Bursary Sub-committee

	NAME	POSITION
1.	Sub-County Director of Education	Chairperson
2.	Carolyn wanyonyi -FAM	Secretary
3.	Geoffrey kisiero	Member
4.	Janerose Akisa Ekirapa	Member
5.	Samuel sitati	Member

b. NG-CDFC Tenure

The term of office for the members of the Constituency Committee is two years and will be renewable but shall expire upon the appointment of a new Constituency Committee in the manner provided for in the NG-CDF Act 2015.

c. The Role of the Constituency Committee

The functions of the National Government Constituency Development Fund Committees members as stipulated in NG-CDF Regulations 2016(11) are;

- i. Convene public meetings in every ward in the constituency to deliberate to on development matters.
- ii. Deliberate on project proposals and any other projects considers beneficial to constituency.
- iii. 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.

- iv. 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.
- v. Ensure that all projects receive adequate funding and are completed within three years.
- vi. Monitor the implementation of projects in accordance with the monitoring and evaluation framework prescribed by the Board.
- vii. 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.
- viii. Recommend to the Board the removal of a committee member in accordance with section 43(13) and (14) of the Act.
- ix. Enter into performance contracting with the Board on an annual basis.

d. Removal of a member

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-

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

A decision to remove a member under subsection (13) is made through a resolution of at least five members of the Committee and the member sought to be removed shall be given a fair hearing before the resolution is made. In Teso South the NGCDFC has not found any member to have contravened the laid down regulations and law to warrant removal.

Handing Over

The handing over of the office by the outgoing NG-CDFC Committee to the Incoming committee was carried out smoothly and successfully on 28th may, 2025.

e. NG-CDFC Induction and training

In the financial year 2024/2025 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 Mt Elgon.

f. Number of meetings

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

In Mt. Elgon Constituency, the NG-CDF Committee conducted 10 meetings and 5 sub-committee meetings as follows.

Schedule of meetings held during the FY 2024/2025

	Name of committee member	Meetings held								
		13/7/24	1/9/24	28/10/24	05/01/25	12/01/25	16/01/25	15/03/25	25/04/25	28/05/25
1	Asheri Shari Chesebe	√	√	√	√	√	√	√	√	√
2	Samuel Musawa Sitati	√	√	√	√	√	√	√	√	√
3	Jane Rose Akisa Ekirapa	√	√	√	√	√	√	√	√	√
4	Michelle Chepkorir Mustuni	√	√	√	√	√	√	√	√	√
5	Geoffrey Kisiero Chemeniong	√	√	√	√	√	√	√	√	√
6	Samuel Talian Chemwotei	√	√	√	√	√	√	√	√	√
7	Rose Nakhumicha Kapchanga	√	√	√	√	√	√	√	√	√

g. Remuneration Rates

NG-CDFC members are not entitled to payment of salary. However, the chairperson of NGCDFC is entitled to an allowance Kshs. 7,000 per meeting and all other members an allowance of Kshs.5, 000 per sitting. All NGCDFC members should adhere to general ethics and code of conduct as stipulated in the NGCDF Act.

In this financial year the NGCDFC members adhered to the cabinet secretary's circular on members sitting and field allowances.

h. Disclose the 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, any questions with respect to the contract or other matter, or be counted in the quorum of the meeting during consideration of the matter. 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 Mt. Elgon contravened conflict of interest policy.

i. Succession plan

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

j. Ethics and code of conduct

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

k. Risk Management

Risk management has been integrated in the constituency operations through the following; training of the NGCDF staff in their respective technical areas of service to ensure they carry out their roles efficiently, training of the NGCDFCs and the PMCs to equip them with additional knowledge to carry out their duties efficiently within their mandates and regulations. Embracing the Enterprise Risk Management system and attesting to monthly, quarterly bi-annually and annually compliance and key risk indicators questions, implementing audit findings and recommendations, adherence and compliance with NGCDF act 2015 and other laws and regulations to ensure an effective and efficient control system, ensuring that NGCDFC members are actively engaged in the projects implementations and overall fund utilization in the constituency, ensuring that the staff responsible for statutory deductions are well aware of the due dates of remittance, allocating insurance fund in the constituency budget, preparation of procurement plan, budget and Monitoring & evaluation plan for the financial year. Conducting public participation within the prescribed time lines to ensure the constituents are involved in project identification

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7. Management Discussion and Analysis

Here is a well-structured Management Discussion and Analysis Report section for Mt. Elgon Constituency NG-CDF, covering the past five years, in line with statutory guidelines under the Public Finance Management Act, NG-CDF Act 2015, and relevant public sector financial reporting frameworks:

Management Discussion and Analysis (MD&A)

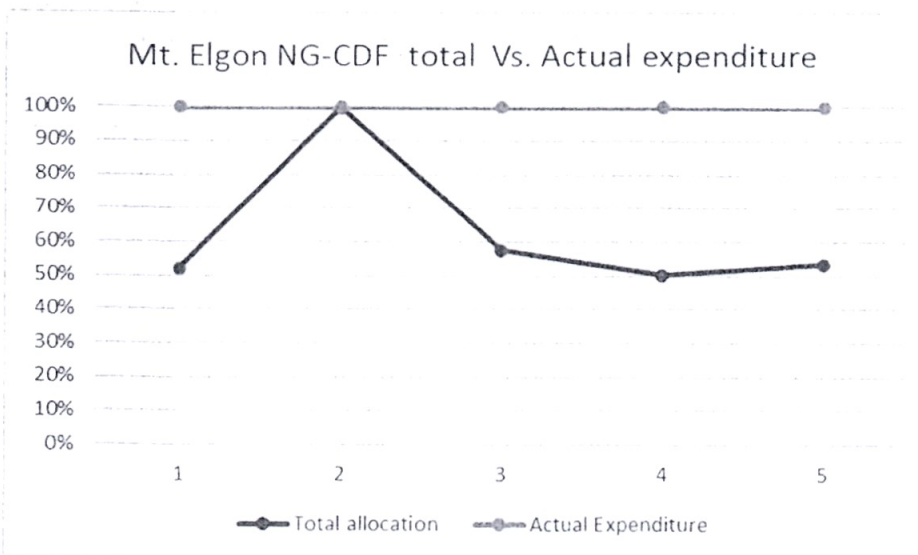
Mt. Elgon Constituency National Government Constituencies Development Fund (NG-CDF)
 Reporting Period: FY 2019/2020 – FY 2023/2024

1. Operational and Financial Performance (5-Year Summary)

Over the last five financial years, the Mt. Elgon NG-CDF has received and utilized funds as summarized below

Financial Year	Total allocation	Actual Expenditure	Absorption rate
2019/2020	137,367,724.14	126,595,090	92.0%
2020/2021	137,152,879.31	131,789.56	96%
2021/2022	137,088,879.00	101,000,000	94%
2022/2023	151,960,174.00	149,768,987	99%
2023/2024	184,129,901.00	159,774,842	97%
Totals	747,699,557.45	537,270,709	

Overall average absorption rate: 92.5%, indicating consistent utilization and project delivery within budget limits. This can be illustrated by the below graph






2. Key Projects Implemented / Ongoing
Education Sector

- Disbursed over KES 150 million in bursaries to needy students across all wards.
- Constructed and equipped 30 classrooms, 5 science laboratories, and 8 sanitation blocks.
- Supported ICT integration in 12 secondary schools through procurement of computers.

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Below are photos of the education sector where NGCDF money were disbursed

Name of institution	activity	status	photograph
Chelilde primary school	Construction to completion of 4 No classrooms	Complete and in use	
Chepyuk primary school	Construction to completion of 4 No classrooms	Complete and in use	
Kopsiro secondary school	Construction to completion of 4 No classrooms	Complete and in use	

Security Sector

- Constructed 4 police posts and renovated 2 chiefs' offices in Cheptais, Kaptama, and Kopsiro.
- Installed high-mast floodlights in 5 major trading centers for improved security.

Health Sector

- Upgraded 4 dispensaries and supported water and sanitation facilities.
- Supported maternal health campaigns and minor infrastructure at Kapsokwony Health Centre.

Environmental and Water Sector

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- Planted over 20,000 indigenous trees in schools and public spaces.
- Installed water harvesting systems in 15 schools to support clean water access.

Youth & Sports

- Held 4 constituency-wide sports tournaments and supported ward-based youth skill programs.
- Supported youth groups in tree nurseries and poultry farming through micro-grants.

3. Compliance with Statutory Requirements

- All disbursements and procurement activities adhered to the Public Procurement and Asset Disposal Act (2015).
- Quarterly reports, procurement plans, and financial statements submitted to the NG-CDF Board, Auditor-General, and National Treasury on time.
- Compliance with Kenya Revenue Authority (KRA) tax remittances and statutory deductions has been maintained.

4. Major Risks Facing the Fund

Risk	Mitigation Measures
Delayed disbursements from the National Treasury	Continuous follow-up, prioritization of essential projects.
Political interference in project prioritization	Strengthening PMC roles, public participation, and Ward Bursary Committees.
Inadequate contractor performance	Improved vetting, contract enforcement, and use of qualified personnel.
Environmental degradation	Investment in mitigation: afforestation and sustainable construction.

5. Material Arrears and Financial Obligations

As of the close of FY 2024/2025:

No material statutory arrears were recorded.

6. Review of the Economy

1. The national economy experienced a recovery trend post-COVID, with GDP growth improving.
2. However, inflation, especially fuel and food prices, impacted project input costs and implementation timelines.
3. The Constituency aligned its priorities to mitigate these effects by promoting local sourcing and community-based contracts.

7. Review of the Sector


1. The CDF sector remains a critical vehicle for grassroots development, enabling citizen participation and rapid impact.
2. National reforms in public procurement and fund oversight have enhanced accountability and transparency in implementation.
3. Continued funding to education, youth, and security reflects national priorities in social protection and stability.

8. Future Developments and Outlook

1. Completion of ongoing projects in health, ICT, and security is a top priority.

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2. Plans to develop a constituency digital bursary application portal to enhance efficiency and fairness.
 3. Increased focus on climate resilience, with proposed expansion of water storage, afforestation, and eco-friendly infrastructure.
 4. Further strengthening of monitoring and evaluation systems through digital reporting tools and ward-level data dashboards.
9. Other Relevant Information
1. Community participation in project identification remains a strength of the Fund's approach.
 2. All NG-CDF operations continue to be guided by national priorities, local needs, and available resources.
 3. The Fund's management expresses appreciation for the continued support from the public, local stakeholders, the NG-CDF Board, and the National Government.



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Carolyn Wanyonyi
Fund Account Manager

8. Environmental and Sustainability Reporting

1. Sustainability strategy and profile -

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

- a. **Education and Training:** Mt. Elgon 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

Here is a structured report covering the four requested areas related to environmental policy, student environmental activities, drug abuse sensitization, and security initiatives within the constituency:
Constituency Environmental and Social Progress Report

1. Environmental Policy and Practices

Policy Overview

The constituency's environmental policy is anchored on the national environmental management framework as provided by the Environmental Management and Coordination Act 1999, and aligns with Vision 2030 and the Sustainable Development Goals. The constituency's specific environmental objectives include:

1. Promoting afforestation and reforestation.
2. Supporting community-based natural resource management.
3. Ensuring sustainable waste disposal mechanisms.
4. Reducing the ecological footprint of public projects funded by NG-CDF.

Evidence of Policy Implementation

- ✓ Integration of environmental screening in NG-CDF funded infrastructure projects.
- ✓ Allocation of funds for tree planting initiatives in schools and public spaces.
- ✓ Partnership with the National Environment Management Authority and Kenya Forest Service for awareness and compliance.

Successes

- Many trees planted in schools and public lands in the last two years.
- Environmental clubs supported in some public schools through NG-CDF bursary and project funding.
- Construction of eco-friendly school sanitation blocks using ventilated improved pit latrines.

Shortcomings

1. Limited community ownership of tree-planting activities leading to low tree survival rates.
2. Inadequate monitoring and evaluation of project environmental impacts.
3. Lack of a comprehensive constituency-specific climate action plan.

Biodiversity Management Efforts

- Conservation awareness sessions held in collaboration with Kenya Wildlife Service (KWS).

Waste Management Policy

- Enforcement of clean-up programs in markets and trading centers, with limited uptake.
- Advocacy for reduction of single-use plastics in public schools and offices.

Environmental Impact Reduction Efforts

- Use of solar lighting in selected NG-CDF funded schools and street lighting projects.
- Promotion of rainwater harvesting systems in public institutions.
- Encouragement of green construction methods (natural ventilation, local materials).

2. Student Participation in Environmental Conservation Activities

NG-CDF bursary beneficiaries, particularly in secondary schools, are encouraged to participate in environmental conservation activities as part of their school programs.

Frequency of Activities

- On average, tree planting is done once per academic calendar (per term or annually) in most NG-CDF supported schools.
- Environmental days (e.g., World Environment Day, Tree Planting Day) are observed in collaboration with local forest officers.
- Some schools engage in termly clean-up activities and environmental club projects funded or facilitated indirectly through NG-CDF bursary support.

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3. Drug Abuse Sensitization among Youth and Community

Programs and Approaches

- Collaboration with NACADA, community-based organizations, and churches/mosques to carry out awareness campaigns.
- Sponsorship of youth seminars and school-based mentorship forums using NG-CDF social development funds.
- Outreach programs carried out during holidays targeting school leavers and at-risk youth.

Key Themes Covered

1. Effects of drug and substance abuse.
2. Peer pressure and life skills.
3. Role of community and families in prevention.
4. Counseling and referral services for affected youth.

Impact

- Many youth reached in the past 12 months through NG-CDF supported sensitization events.
- Reduction in school drop-out rates attributed to substance abuse in schools.

4. Security Activities Supported by NG-CDF

Infrastructure Projects

1. Construction of police stations and AP posts in high-risk areas between 2022–2024.
2. Renovation of a chief's camp and provision of security lighting in trading centers using NG-CDF infrastructure funds.

Community Engagement

- Funding of public participation forums to discuss projects prioritization identification, security and crime prevention strategies.

Impact

1. Notable decrease in petty crime and burglary cases in areas where security installations have been completed.
2. Improved coordination between local leadership and security agencies due to better facilities and logistics.
3. Employee welfare

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

Mt. Elgon Constituency is committed to fair and ethical market practices.

The Procurement of goods and services is done through a transparent and competitive bidding process that allows equal opportunities to all participants. We support local vendors drawn from

the constituency to lift them economically. Our ethical market practices ensure the fund gets value for money on all goods and services procured.

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

NGCDF has put in efforts to ensure:

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

5. Community Engagements-

Mt. Elgon 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

Mt. Elgon Constituency deliberated on project proposals from all the wards in the constituency and considered the most beneficial to the constituents, considering the national development plans and policies and the constituency strategic development plan. The identified list of priority projects, both immediate and long-term, was submitted to the NGCDF Board in accordance with the Act.

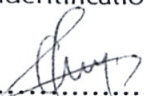
Public participation is a process that directly engages the concerned stakeholders in decision-making and fully considers public input.

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

Public Awareness

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

Mt. Elgon 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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Carolyn Wanyonyi
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-Mt. Elgon 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-Mt. Elgon 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- Mt. Elgon 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 Mt. Elgon 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.

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

Approval of the financial statements

The NGCDF- Mt.Elgon Constituency financial statements were approved and signed by the Accounting Officer on 2/12/ 2025.



ASHERI SHARI CHESEBE
Chairman – NGCDF Committee



^{CPK} Carolyn wanyonyi
Fund Account Manager

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NAIROBI

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

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying transitional financial statements of National Government Constituencies Development Fund – Mt. Elgon Constituency set out on

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

pages 1 to 68, which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the transitional IPSAS financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund – Mt. Elgon Constituency as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) including the transitional provisions permitted under IPSAS 33 and comply with the Public Finance Management Act, 2012, the National Government Constituencies Development Fund Act, 2015 (Amended 2023) and The National Treasury and Economic Planning Circular No.3 of 14 April, 2025.

Basis for Qualified Opinion

Misclassification of Net Assets Balance

The statement of financial position and the statement of changes in net assets indicates a net assets balance of Kshs.151,810,130 which was erroneously classified as revaluation reserves, contrary to the financial reporting template which requires the assets to be classified as accumulated surplus since the Fund did not revalue its property, plant and equipment during the year under review.

In the circumstances, the disclosure does not represent the actual net assets held by the Fund.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts indicates a final revenue budget and actual of Kshs.300,823,849 and Kshs.255,009,797 respectively, resulting in an under-funding of Kshs.45,814,052 or 15% of the approved budget. Similarly, the Fund

expended an amount of Kshs.148,533,386 against the budget of Kshs.300,823,849 resulting in under-absorption of Kshs.152,290,463 or 51% of the approved budget.

The intended development and service delivery objectives of the Fund were not achieved within the planned timelines, thereby denying beneficiaries the intended socio-economic benefits.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

In the previous year audit, issues were raised under Report on the Financial Statements and Report on Lawfulness and Effectiveness in Use of Public Resources as detailed below:

Reference No. of the Auditor-General's Report	Title of Audit Issue
	Report on the Financial Statements
1	Unsupported bursary disbursements
2	Unconfirmed cash and cash equivalents balance
	Report on Lawfulness and Effectiveness in the Use of Public Resources
1	Unauthorized disposal of motor vehicle

The Management has indicated under the progress on follow up on Auditor's recommendations section of the financial statements that the issues were not resolved. However, no explanation was provided for the delay in resolving the issues.

Other Information

The Management is responsible for the Other Information set out on page iii to xxxvi which comprise of Key Constituency Information and Management, NGCDF Committee, NG-CDFC Chairman's Report, Statement of Performance Against Predetermined Objectives, Governance Statement, Management Discussion and Analysis, Environmental and

Sustainability Reporting, and Statement of Management 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. Non-Compliance with Transition from Cash to Accrual Accounting Framework

Review of the implementation of cash basis to accrual basis of accounting roadmap at the National Government Constituencies Development Fund – Mt. Elgon Constituency revealed that the accounting officer of the Fund did not establish a cash to accrual transition committee at the entity level and appoint a project manager to oversee the transition. Further, a detailed roadmap outlining the key milestones at the entity level was not developed.

This was contrary to The National Treasury and Economic Planning circular Ref. Treasury circular No.3/2025 of 14 April, 2025 for Guidelines on transition from cash to accrual accounting by the National Government, County Governments and their respective entities.

In the circumstances, Management was in breach of Government Directives.

2. High Costs for Construction of Classrooms

The statement of financial performance, and as disclosed in Note 13 to the financial statements reflects other government units' expenditure of Kshs.79,349,788 which

includes primary schools' expenditure of Kshs.69,625,489. Physical verification of selected schools and review of project files revealed that the construction of two classrooms was costing an average of Kshs.4,000,000. However, the construction materials were left unused after completion of works, raising concerns about pricing efficiency.

In addition, the classes were not tiled yet contract prices were relatively adequate to replace the red oxide flooring. This was contrary to Regulation 43(d) of the Public Finance Management (National Government) Regulations, 2015 which states that an accounting officer shall manage control and ensure that policies are carried out efficiently and wastage of public funds is eliminated.

In the circumstances, the value for money for primary schools' projects amounting to Kshs.69,625,489 could not be confirmed.

3. Doubtful Expenditure on Fuel

Note 12 to the financial statements reflects use of goods and services amount of Kshs.6,460,436, which includes fuel, oil, and lubricants expenditure of Kshs.1,365,899. However, the Fund did not maintain a fuel register, and detail orders indicating the vehicle drawing fuel, date, authorization and litres drawn. Further, the contractual framework agreement with the supplier was not provided for audit to confirm the terms and duration of the engagement. This was contrary to Section 68(6) of the Public Procurement and Asset Disposal Act, 2015 which requires accounting officers to maintain a proper filing system with clear links between procurement and expenditure files to facilitate an audit trail.

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

4. Non-Compliance with Procurement Reservation for Youth, Women and Persons with Disabilities

Review of the Fund's procurement information provided for audit indicate that Management did not allocate at least 30% of its annual procurement budget for goods, works or services to enterprises owned by youth, women, and persons living with disability. This was contrary to Regulation 149 of the Public Procurement and Asset Disposal Regulations, 2020 which mandates that procuring entities allocate at least thirty percent (30%) of their annual procurement budget to enterprises owned by youth, women, and persons with disabilities (PWDs).

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

5. Project Implementation Status Report

During the year under review, the Fund had planned to implement thirty-six (36) projects at a total cost of Kshs.102,142,475. However, review of implementation records revealed that sixteen (16) projects, representing 44% of the total, were completed at a total cost of Kshs.60,999,999 while eighteen (18) projects, representing 50%, were ongoing at the

close of the financial year at a cumulative cost of Kshs.35,999,999, and two (2) projects costing a total of Kshs.5,142,476 were not started.

In the circumstances, value for money was not realized from the twenty (20) projects that were either ongoing or not started, as the intended outputs and outcomes were not achieved within the planned timeframe.

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 of 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 Transitional 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 sustain services, disclosing, as applicable, matters related to sustainability of services and using applicable basis of accounting unless Management is aware of the intention to cease operations.

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

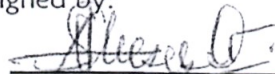
08 December, 2025

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

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

	Note	2024/2025
		Kshs
Revenue from non-exchange transactions		
Transfers from the NGCDF Board	6	188,414,052
Transfers from domestic and foreign partners	7	
Revenue from exchange transactions		-
Finance income	8	
Miscellaneous income	9	-
Total revenue		188,414,052
Expenses		
Employee costs	10	4,789,940
Committee expenses	11	3,605,085
Use of Goods and Services	12	6,460,436
Other Government Units Actual expenditure	13	79,349,788
Other Grants and Transfers Actual expenditure	14	55,546,564
Depreciation and amortization expense	15	166,342
Digital Hubs Expenses Actual expenditure	16	-
Total expenses		149,918,155
Gain/Loss on Sale of Assets	17	
Impairment loss	18	-
Surplus/(Deficit) for the year		38,495,897

The Constituency financial statements were approved by the NGCDFC on 2/12/2025 2025 and signed by:



Chairman NG-CDF
Committee

Name: Aswani Zachi



National Sub-County
Accountant

Name: Fonyango
ICPAK M/No:



Fund Account Manager

Name: CPA Camquel Wampanji


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

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	106,476,410	43,002,045
Receivables from Exchange Transactions	20	-	-
Receivables from Non-Exchange Transactions	21	45,814,052	69,312,934
Prepayments	22	-	233,795
Total Current Assets		152,290,462	112,548,773
Non-Current Assets			
Property, Plant and Equipment	23	893,646	1,059,988
Intangible Assets	24	-	-
Right-of-use assets	25	-	-
Total Non- Current Assets		893,646	1,059,988
Total Assets (A)		153,184,108	113,608,761
Liabilities			
Current Liabilities			
Trade and Other Payables	26	-	-
Third Party Deposits	27	44,430	44,430
Lease Liabilities	28	-	-
Gratuity Provision	29	1,329,548	344,916
Total Current Liabilities		1,373,978	389,346
Non-Current Liabilities			
Lease Liabilities	28	-	-
Total Liabilities (B)		1,373,978	389,346
Net Assets (A-B)		151,810,130	113,219,415
Represented by:			
Revaluation Reserves		151,810,130	113,219,415
Accumulated Surplus			
Total Net Assets		151,810,130	113,219,415

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

The Constituency financial statements set out on pages 1 to 70 approved by NG CDFC on 2/12/
2025 and signed by:



Chairman NG-CDF
Committee

Name: Askeri Zlosi



National Sub-County
Accountant

Name: FONTANGO
ICPAK M/No:



Fund Account Manager

Name: CPA Carolyn Wanjari

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

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

Description	Revaluation Reserves	Accumulated surplus/Deficit	Total
		Kshs	Kshs
Fund Balance as at 30 th June 2024	5,225,157	-	5,225,157
Adjustments			
Recognition of Assets	108,137,112		108,137,112
Recognition of Liabilities	48,036		48,036
As at July 1, 2025	113,314,233		113,314,233
Surplus/(Deficit) For the Period	38,495,897		38,495,897
Revaluation Gain/Loss	-	-	-
As at June 30, 2025	151,810,130	-	151,810,130

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

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

	Notes	2024/2025
		Kshs
Cash flows from operating activities		
Receipts		
Transfers from the NGCDF Board		211,912,934
Transfers from domestic and foreign partners		-
Finance income		-
Miscellaneous income		-
Total Receipts		211,912,934
Payments		3,805,308
Employee costs		3,605,085
Committee expenses		6,226,642
Use of Goods and Services		79,349,788
Other Government Units Certified Works		55,546,564
Other Grants and Transfers		-
Digital Hubs Expenses		
Total Payments		148,533,386
Net Cash Flows from/ (used in) Operating Activities	30	63,379,548
Cash flows From Investing Activities		-
Purchase of PPE		-
Purchase of Intangible assets		-
Proceeds From Sale of PPE		-
Net Cash Flows from Investing Activities		63,379,548
Net increase/(decrease) in cash & Cash equivalents		
Cash Flows from Financing Activities		
Lease Payment		-
Net Cash Flows from Financing Activities		63,379,548
Cash and cash equivalents at 1 July	19	43,096,863
Cash and cash equivalents at 30 June	19	106,476,410

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

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

	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	188,414,052	43,096,863	69,312,934	300,823,849	255,009,797	45,814,052	85
Transfers from domestic and foreign partners	-	-	-	-	-	-	
Finance income	-	-	-	-	-	-	
Miscellaneous income	-	-	-	-	-	-	
Totals	188,414,052	43,096,863	69,312,934	300,823,849	255,009,797	45,814,052	85
Expenses							
Employee costs	5,010,852	2,190,199	-	7,201,051	3,805,308	3,395,743	53
Committee expenses	3,648,000	28,250	-	3,676,250	3,605,085	71,165	98
Use of Goods and Services	8,268,412	(886,816)	-	7,381,596	6,226,642	1,154,955	84
Other Government Units Certified Works	97,142,475	37,360,154	58,545,872	193,048,501	79,349,788	113,698,713	41
Other Grants and Transfers	64,944,313	2,786,376	9,367,062	77,097,751	55,546,564	21,551,187	72
Digital Hubs Expenses							53
Funds Pending Approval**	9,400,000	1,618,700	1,400,000	12,418,700	-	12,418,700	

National Government Constituencies Development Fund (NGCDF)

Mt. Elgon Constituency

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

	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilization
	Kshs a	Kshs b	Kshs C=(a+b)	Kshs d	Kshs e=(c-d)	f=d/c*100
	2024/2025	Opening Balance (C/Bk) and AIA	2024/2025	2024/2025		
Total Expenditure	188,414,052	43,096,863	300,823,849	148,533,386	152,290,462	49
Surplus for the period				106,476,410	(106,476,410)	
		Previous Years' Outstanding disbursements				
		69,312,934				

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

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

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

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	152,290,462
Less undisbursed funds receivable from the Board as at 30 th June 2025	45,814,052
Cash and Cash Equivalents at the end of the 30 th June 2025	106,476,410

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 2/12/ 2025 and signed by:



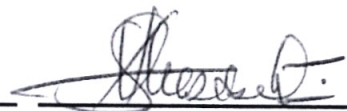
Fund Account Manager

Name: Carolyn wanyonyi



National Sub-County Accountant

Name: F. ONYANGO
 ICPAK M/No:



Chairman NG-CDF Committee

NAME: ASHERI SHARI CHESEBE

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

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent						
1.1 Compensation of employees	5,010,852	2,190,199	-	7,201,051	3,805,308	3,395,743
1.2 Committee allowances	2,148,000	12,035	-	2,160,035	1,563,085	596,950
1.3 Use of goods and services	4,115,991	(970,109)	-	3,145,882	3,455,042	(309,160)
Sub-total	11,274,843	1,232,125	-	12,506,968	8,823,435	3,683,533
2.0 Monitoring and evaluation						
2.1 Capacity building	1,280,000	52,060	-	1,332,060	882,400	449,660
2.2 Committee allowances	1,500,000	16,215	-	1,516,215	2,042,000	(525,785)
2.3 Use of goods and services	2,872,421	31,233	-	2,903,654	1,889,200	1,014,454
Sub-total	5,652,421	99,508	-	5,751,929	4,813,600	938,329
3.0 Emergency				-		-
3.1 Primary schools						
Unutilized	1,916,529	108,984	287,062	2,312,575		2,312,575
Cheptaburbur primary	900,000	-	-	900,000	900,000	-
Kiptiroko primary school	400,000	-	-	400,000	-	400,000
Kapsoromet primary school	950,000	-	-	950,000	950,000	-

National Government Constituencies Development Fund (NGCDF)
Mt. Elgon 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
Peresten primary school	950,000	-	-	950,000	950,000	-
Kapkuseng primary school	950,000	-	-	950,000	950,000	-
Kipsis primary school	-	700,000	-	700,000	700,000	-
Sacho primary school	-	-	3,000,000	3,000,000	97,000	2,903,000
Chepkurkur primary school	-	-	980,000	980,000	980,000	-
Sub -totals	6,066,529	808,984	4,267,062	11,142,575	5527000	5,615,575
3.2 Secondary schools						
Kaboriot Secondary	-	1,800,000	-	1,800,000	1,800,000	-
Kaboriot primary	350,000	-	-	350,000	50,000	300,000
Chepkurkur secondary school	950,000	-	-	950,000	950,000	-
Sub -totals	1,300,000	1,800,000		3,100,000	2,800,000	300,000
3.3 Security Projects						
Kapsokwony police station	350,000	-	-	350,000	-	350,000
DCC mt. Elgon	400,000	-	-	400,000	400,000	-
OCPD cheptais	800,000	-	-	800,000	-	800,000
OCPD kopsiro	400,000	-	-	400,000	400,000	-
Mt. Elgon treasury	250,000	-	-	250,000	-	250,000
Sub-total	2,200,000		5	2,200,000	800,000	1,400,000

National Government Constituencies Development Fund (NGCDF)
Mt. Elgon 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			
4.0 Bursary and Social Security						
4.1 Primary Schools						
4.2 Secondary Schools	28,000,000	94,818		28,000,000	27,701,000	299,000
4.3 Tertiary Institutions/universities	19,027,784	-	-	19,027,784	13,268,564	5,759,220
4.4 special schools	3,000,000	-	-	3,000,000	-	3,000,000
4.5 Social Security						
Sub-total	50,027,784	94,818	-	50,027,784	40,969,564	9,058,220
5.0 Climate Change Mitigation						
Cheptais S.A Primary School	500,000	-	-	500,000	-	500,000
Kiptii S.A Primary School	500,000	-	-	500,000	-	500,000
Chesiywo SA Primary School	500,000	-	-	500,000	-	500,000
Kaboriot Sec School	500,000	-	-	500,000	-	500,000
Sango PCU Primary School	500,000	-	-	500,000	-	500,000
Kubra S.A Primary School	500,000	-	-	500,000	-	500,000
Kapkateny ACK Primary School	500,000	-	-	500,000	-	500,000
Sendera S.A Primary School	500,000	-	-	500,000	-	500,000
Koborom FYM Primary School	500,000	-	-	500,000	-	500,000
Chepkoya Primary School	500,000	-	-	500,000	-	500,000

*National Government Constituencies Development Fund (NGCDF)
Mt. Elgon 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
Environment 2023/24	-	-	3,100,000	3,100,000	3,100,000	-
Sub-total	5,000,000	-	3,100,000	8,100,000	3,100,000	5,000,000
Sub-total						
6.0 Primary Schools Projects (List all the Projects)						
Bukonoi primary school	-	3,550	-	3,550	-	3,550
Busanja primary school	-	3,236	-	3,236	-	3,236
Chebin primary school	-	1,884	-	1,884	-	1,884
Chebombai deb primary school	-	2,002	-	2,002	-	2,002
Chelebei fym primary school	-	2,640	-	2,640	-	2,640
Chemeger primary school	-	448,395	-	448,395	443,750	4,645
Chemoge primary school	-	2,062	-	2,062	-	2,062
Chemoikut primary school	-	13,260	-	13,260	-	13,260
Chemondi primary school	-	500	-	500	-	500
Chemses primary school	-	2,964	-	2,964	-	2,964
Chemses primary school	-	4,433	-	4,433	-	4,433
Chemta primary school	-	1,820	-	1,820	-	1,820
Chepkui primary school	-	4,371	-	4,371	-	4,371
Chepkurkur s,a secondary school	-	1,471,912	-	1,471,912	-	1,471,912

*National Government Constituencies Development Fund (NGCDF)
Mt. Elgon 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			
Chepkurkur sec	-	804,235	-	804,235	-	804,235
Chepsoikei ketc primary school	-	1,500	-	1,500	-	1,500
Cheptaburbur primary school	-	2,053	-	2,053	-	2,053
Chepyuk rc primary school	-	7,748,624	-	7,748,624	7,744,620	4,004
Cherendio primary school	-	1,013,410	-	1,013,410	1,011,620	1,790
Chesikaki fym primary school	-	2,852	-	2,852	-	2,852
Chesikaki special school	-	65,778	-	65,778	-	65,778
Chesito primary school	-	3,333	-	3,333	-	3,333
Chongeywo s,a primary school	-	7,748,624	-	7,748,624	7,722,409	26,215
Engwen primary school	-	6,018	-	6,018	-	6,018
Kabero primary school	-	8,123	-	8,123	-	8,123
Kaberwa primary school	-	1,615	-	1,615	-	1,615
Kaboriot primary school	-	5,035,822	-	5,035,822	4,960,562	75,260
Kamaata primary	-	2,063	-	2,063	-	2,063
Kamabus primary school	-	28,434	-	28,434	-	28,434
Kananachi primary school	-	1,419,805	-	1,419,805	-	1,419,805
Kapchoiywo primary school	-	8,185	-	8,185	-	8,185
Kapkateny ack primary school	-	8,000,000	-	8,000,000	7,983,450	16,550
Kapkong primary school	-	480	-	480	-	480

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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			
Kapkong primary school	-	480	-	480	-	480
Kapsambu primary school	-	1,490	-	1,490	-	1,490
Kimorong primary school	-	15,256	-	15,256	-	15,256
Kipsigon ap camp pmc a/c primary	-	132,580	-	132,580	-	132,580
Kiptii primary school	-	192,523	-	192,523	-	192,523
Kiptoitik primary school	-	483	-	483	-	483
Kiptungururwo primary school	-	2,442	-	2,442	-	2,442
Koshok primary school	-	3,000	-	3,000	-	3,000
Masaek primary school	-	5,874	-	5,874	-	5,874
Masaek secondary school	-	1,281	-	1,281	-	1,281
Murmoi agc kipsigon primary school	-	25,572	-	25,572	-	25,572
Rama sda primary school	-	60,247	-	60,247	-	60,247
Rwanda primary school	-	1,070	-	1,070	-	1,070
Sango pcu primary school	-	2,000,000	-	2,000,000	1,997,575	2,425
Saria primary school	-	320	-	320	-	320
Serek primary school	-	1,495	-	1,495	-	1,495
Toroso primary school	-	889	-	889	-	889
Toroso secondary school	-	2,074	-	2,074	-	2,074

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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
Toywondet primary school	-	1,932		1,932	-	1,932
Yembekho primary school	-	2,693		2,693	-	2,693
Kipsis primary school	-	-	7,748,624	7,748,624	7,739,459	9,165
Kaboywo primary school	-	-	2,000,000	2,000,000	1,994,998	5,002
Chepkurkur primary school	-	-	7,748,624	7,748,624	7,658,622	90,002
Chelilde rc primary school	-	-	7,748,624	7,748,624	7,704,429	44,195
Cherongos primary school	-	-	700,000	700,000	700,000	-
Chesiro primary school	2,000,000	-	4,000,000	6,000,000	3,973,498	2,026,502
Chemondi primary school	-	-	8,000,000	8,000,000	7,990,497	9,503
Emgwen primary school.	-	-	1,400,000	1,400,000	-	1,400,000
Rwanda primary school.	-	-	1,200,000	1,200,000	-	1,200,000
Walanga primary school	4,000,000	-	-	4,000,000	-	4,000,000
Bikhutu primary school	4,000,000	-	-	4,000,000	-	4,000,000
Kapsesoi primary school	4,000,000	-	-	4,000,000	-	4,000,000
Kabero primary	4,000,000	-	-	4,000,000	-	4,000,000
Toywondet primary	1,000,000	-	-	1,000,000	-	1,000,000
Kimerin primary school	4,000,000	21,010	-	4,021,010	-	4,021,010
Mulukhu primary school	4,000,000	-	-	4,000,000	-	4,000,000
Chebinyiny primary school	4,000,000	-	-	4,000,000	-	4,000,000

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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			
Chemoikut primary school	4,000,000	-	-	4,000,000	-	4,000,000
Kimabole primary school	4,000,000	-	-	4,000,000	-	4,000,000
Kamachei primary school	4,000,000	-	-	4,000,000	-	4,000,000
Kaptum primary school	4,000,000	-	-	4,000,000	-	4,000,000
Kapkisei primary school	4,000,000	-	-	4,000,000	-	4,000,000
Kimurio primary school	4,000,000	-	-	4,000,000	-	4,000,000
Soet primary school	4,000,000	-	-	4,000,000	-	4,000,000
Sambocho primary school	4,000,000	-	-	4,000,000	-	4,000,000
Cheptagat primary school	4,000,000	-	-	4,000,000	-	4,000,000
Chepkui primary school	4,000,000	-	-	4,000,000	-	4,000,000
Kiptega primary school	4,000,000	-	-	4,000,000	-	4,000,000
Kipsabula primary school	4,000,000	-	-	4,000,000	-	4,000,000
Sesik primary school	4,000,000	-	-	4,000,000	-	4,000,000
Kaptalelio primary school	4,000,000	-	-	4,000,000	-	4,000,000
Kaborom primary school	3,000,000	-	-	3,000,000	-	3,000,000
Kewabrang primary school	2,000,000	-	-	2,000,000	-	2,000,000
Sub-total	92,000,000	36,336,694	40,545,872	168,882,566	69,625,489	99,257,077
7.0 Secondary Schools Projects (List all the Projects)						
Cheptonon sec school	-	2,040	-	2,040	-	2,040

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		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Kaptama boys	-	3,688	-	3,688	-	3,688
Kimabole sec	-	157	-	157	-	157
Kubura sec	-	5,203	-	5,203	-	5,203
St. Teresa cheptoror sec school	-	5,735	-	5,735	-	5,735
Terem sec school	-	999,487	-	999,487	454,299	545,188
Kopsiro sec	-	-	8,000,000	8,000,000	8,000,000	-
Cheptais High school	-	7,150	-	7,150	-	7,150
Sub-total	-	1,023,460	8,000,000	9,023,460	8,454,299	569,161
8.0 Tertiary institutions Projects						
Cheptais VTC Digital Hub	2,542,475	-	-	2,542,475	-	2,542,475
Mt. Elgon TTI Digital Hub	2,600,000	-	-	2,600,000	-	2,600,000
Mt. Elgon TTI	-	-	10,000,000	10,000,000	1,270,000	8,730,000
Sub-total	5,142,475	-	10,000,000	15,142,475	1,270,000	13,872,475
Cheptais VTC Digital Hub	2,542,475	-	-	2,542,475	-	2,542,475
Mt. Elgon TTI Digital Hub	2,600,000	-	-	2,600,000	-	2,600,000
Mt. Elgon TTI	-	-	10,000,000	10,000,000	1,270,000	8,730,000
Sub-total	5,142,475	-	10,000,000	15,142,475	1,270,000	13,872,475
9.0 Security Projects						
Cheptais police station	-	5,174	-	5,174	-	5,174

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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			
Cheptais cipu pmc account		20		20		20
Cheptais community college		22,427		22,427		22,427
Cheptais police station		5,174		5,174		5,174
Cheptonon police station		41,907		41,907		41,907
Kanganga police		3,439		3,439		3,439
Kopsiro do office		4,433		4,433		4,433
Kaboywo police	-		2,000,000	2,000,000	2,000,000	-
Sub-total	-	82,574	2,000,000	2,004,433	2,000,000	4,433
10.0 Acquisition of assets						
10.1 Motor Vehicles (including motorbikes)	-	-	-	-	-	-
10.2 Construction of CDF office	-	-	-	-	-	-
10.3 Purchase of furniture and equipment	-	-	-	-	-	-
10.4 Purchase of computers	-	-	-	-	-	-
10.5 Purchase of land	-	-	-	-	-	-
Sub-total						
11.0 Digital Hubs						
<i>(Itemize as per the code list)</i>						
Sub total						

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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
12.0 Others						
12.1 Strategic Plan	-	-	-	-	-	-
12.2						
Sub total						
13.0 Funds pending approval**	9,400,000		1,400,000	10,800,000	-	10,800,000
13.1 Unapproved projects						
13.2 AIA		1,472,600		1,472,600	-	1,472,600
13.3						
Sub-total	9,400,000	1,618,700	1,400,000	12,418,700	-	12,418,700
Total	188,414,052	43,096,863	69,312,934	300,650,890	148,533,386	152,117,503

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

17. Notes to the Financial Statements

1. General information

The National Government Constituencies Development Fund (NG-CDF) formerly Constituencies Development Fund (CDF), is established by and derives its authority and accountability from the NG-CDF Act 2015 (amended 2023). The NG-CDF is wholly owned by the Government of Kenya and is domiciled in Kenya. The NG-CDF Mt. Elgon Constituency principal activity is Funding of education 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 Public Finance Management (PFM) Act and the International Public Sector Accounting Standards (IPSAS). The NG-CDF Mt. Elgon has taken advantage of the transitional provisions under IPSAS 33 and adopted a phased approach. Accordingly, this is the first transitional financial statement.

The NG-CDF Mt Elgon 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 NG-CDF. The financial statements have been prepared in accordance with the PFM Act, the NGCDF Act (*include any other applicable legislation*), and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

3. Adoption of New and Revised Standards

(When an IPSAS becomes effective on 1st January 2025, it is applicable in Kenya from 1st July 2025)

- 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><i>Applicable 1st January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p> <p>The new standard requires entities to recognize, measure and present information on right of use assets and lease liabilities.</p> <p><i>Not applicable</i></p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1st January 2025</i></p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p>

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	<i>Not applicable</i>
IPSAS 45: Property Plant and Equipment	<p><i>Applicable 1st January 2025</i></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under-maintenance of assets and distinguishing significant parts of infrastructure assets.</p> <p><i>Not applicable</i></p>
IPSAS 46: Measurement	<p><i>Applicable 1st January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS. iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p><i>Not applicable</i></p>
IPSAS 47: Revenue	<p><i>Applicable 1st January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange</p>

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	<p>transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> <p><i>Not applicable</i></p>
<p>IPSAS 48: Transfer Expenses</p>	<p><i>Applicable 1st January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p> <p><i>Not applicable</i></p>
<p>IPSAS 49: Retirement Benefit Plans</p>	<p><i>Applicable 1st January 2026</i></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p> <p><i>Not applicable</i></p>
<p>IPSAS 50: Exploration For & Evaluation of Mineral Resources</p>	<p><i>Applicable 1st January 2027</i></p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ul style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.

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	<i>Not applicable</i>
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iii. Early adoption of standards

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

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Sale of goods

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

Interest income

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

Rental income

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

b) Budget information

The original budget was approved by Parliament on 18th June 2025 for the period 1st July 2025 to 30th June 2025 as required by law. Included in the adjustments are Cash book opening balance, AIA generated during the year and constituency allocations not yet disbursed at the beginning of the financial year.

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

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

c) Property, plant and equipment

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

d) Leases

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

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

e) Intangible assets

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

f) Financial instruments

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

a) Financial assets

Classification of financial assets

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

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

Trade and other receivables

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

Fair value through surplus or deficit

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

Impairment

The entity assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The entity recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL) are set out in *Note (Not applicable)*

b) Financial liabilities

Classification

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

g) Inventories

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

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

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

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

h) Provisions

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

i) Social Benefits

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

j) Contingent liabilities

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

k) Contingent assets

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

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

l) Employee benefits

Retirement benefit plans

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

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.

m) Related parties

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

n) 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.

o) Comparative figures

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

p) Subsequent events

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

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

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

Useful lives and residual value

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

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

Provisions

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

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

*National Government Constituencies Development Fund (NGCDF)
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6. Transfers from the NGCDF Board

Description	2024/2025
	Kshs
NGCDFB Transfers (Allocation for the FY)	188,414,052
Total	188,414,052

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	-

(Provide a brief explanation for this revenue)

9. Miscellaneous income

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

National Government Constituencies Development Fund (NGCDF)
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10. Employees cost

	<i>2024/2025</i>
	Kshs
NG-CDFC Basic staff salaries	2,815,005
Personal allowances paid as part of salary	-
House Allowance	337,200
Transport Allowance	-
Leave allowance	-
Gratuity to contractual employees	984,632
Employer Contributions Compulsory national social security schemes	427,668
Employer Contributions Compulsory Housing levy	113,292
Employer contributions to National Industrial Training Authority	5,400
Other Specify	106,743
Total	4,789,940

11. Committee Expenses

	<i>2024/2025</i>
	Kshs
Sitting allowance	1,563,085
Other Committee expenses	2,042,000
Total	3,605,085

National Government Constituencies Development Fund (NGCDF)
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12. Use of Goods and services

	<i>2024/2025</i>
	Kshs
Utilities, supplies and services	50,000
Communication, supplies and services	1,144,900
Domestic travel and subsistence	-
Printing, advertising and information supplies & services	-
Office Rent	-
Training expenses	882,400
Hospitality supplies and services	-
Insurance costs	233,795
Specialized materials and services	-
Office and general supplies and services	292,500
Fuel, oil & lubricants	1,365,899
Bank charges	72,801
Routine maintenance – vehicles and other transport equipment	528,942
Routine maintenance – other assets	-
Strategic plan expenses	-
Other operating expenses	1,889,200
Total	6,460,436

13. Other Government Units Actual expenditure

Description	<i>2024/2025</i>
	Kshs
Primary Schools Actual expenditure	69,625,489
Secondary Schools Actual expenditure	8,454,299
Tertiary Institutions Actual expenditure	1,270,000
Total	79,349,788

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14. Other Grants and transfers Actual expenditure

	<i>2024/2025</i>
	Kshs
Bursary – secondary schools	27,701,000
Bursary – tertiary institutions	13,268,564
Bursary – special schools	-
Bursary - Education Support programmes	-
Social Security programmes (SHIF)	-
Security projects Actual expenditure	2,000,000
Climate change mitigation projects	3,100,000
Emergency projects Actual expenditure	9,477,000
Roads projects Actual expenditure	-
Others specify	-
Total	55,546,564

15. Depreciation and Amortization Expenses

Description	<i>2024/2025</i>
	Kshs
Property Plant and Equipment	166,342
Intangible Assets	-
Total	166,342

16. Digital Hubs Expenses

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

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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	-
<i>(Include financial instruments that are impaired)</i>	-
Total Impairment Loss	-

19. Cash and Cash Equivalents

Name Of Bank and Account No.	2024/2025	Opening Statement 1 st July 2025
	Kshs	Kshs
Bank Accounts (Cash Book Bank Balance)		
<i>Mt Elgon NG-CDF 0480278995270 (Operations account)</i>	37,554,654	5,225,157
<i>Operations account pending closure (Indicate name & account no.)</i>	-	
<i>Mt Elgon NGCDF Deposit account 048027898976 (Deposit account)</i>	1,287,092	341,310
<i>Name of Bank, account No. (PMC accounts)</i>	67,634,664	37,435,578
Total	106,476,410	43,002,045
Cash Balances		
Location 1	-	-
Location 2	-	-
Other Locations <i>(Specify)</i>	-	-
Total	-	-

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20. Receivables from Exchange Transactions

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

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

i. Ageing Analysis for Receivables

Description	2024/2025		Opening Statement 1 st July 2025	
	Kshs		Kshs	
	Current FY	% of the total	Opening Balance	% of the total
Less than 1 year	45,814,052	100%	69,312,934	100%
Between 1- 2 years		0%		0%
Between 2-3 years		0%		0%
Over 3 years		0%		0%
Total (a+b)	45,814,052	100%	69,312,934	100%

Included in Ksh 45,814,052 is Ksh.1,400,000 amount owing from the board for the financial year 2023/2024.

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21. Receivables from Non-Exchange Transactions

Description	2024/2025		Opening Statement 1 st July 2025	
	Kshs		Kshs	
Transfers from NGCDFB	45,814,052		69,312,934.	
Outstanding imprest	-		-	
Total	45,814,052		69,312,934	
Ageing Analysis- Receivables from non-exchange transactions	Insert	% of the	Opening	% of the
	Current FY	total	Balance	total
Less than 1 year	45,814,052	100%	69,312,934	100%
Between 1-2 years		0%	-	0%
	-	0%	-	0%
Over 3 years	-	0%	-	0%
Total	45,814,052	100%	69,312,934	100%

22. Prepayments

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

National Government Constituencies Development Fund (NGCDF)
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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%	x%			
Cost	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Opening Bal as 1 st July 2024	-	-	361,000	-	901,986	-	-	-
Additions	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-	-	-	-
As At 30 th June 2025	-	-	361,000	-	901,986	-	-	-
Depreciation And Impairment								
Opening Depreciation	-	-	90,250	-	112,748	-	-	-
Depreciation	-	-	67,688	-	98,655	-	-	-
Disposals	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-	-	-
As At 30 th June 2025	-	-	157,938	-	211,403	-	-	-
Net Book Values								
Opening Bal as at 1 st July 2025	-	-	270,750	-	789,238	-	-	-
As At 30 th June 2025	-	-	203,063	-	690,583	-	-	893,646

Ksh 361,000 under motor vehicle relates to a motor cycle purchased

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Valuation

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

22 b) Property, Plant and Equipment at Cost

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

	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land	-	-	-
Buildings	-	-	-
Plant And Machinery	-	-	-
Motor Vehicles, Including Motorcycles	361,000	90,250	270,750
Computers And Related Equipment	-	-	-
Office Equipment, Furniture, And Fittings	901,986	112,748	789,238
Total	1,262,986	202,998	1,059,988

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

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

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24. Intangible Assets

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

25. Right-of use assets

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

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

26. Trade and Other Payables

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

*National Government Constituencies Development Fund (NGCDF)
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27. Third-Party deposits

	2024/2025	
	KShs	
Retention as at 1 st July (A)	44,430	
Retention held during the year (B)	7,873,039	44,430
Retention paid during the Year (C)	7,873,039	
Closing Retention as at 30 th June D= A+B-C	44,430	44,430

Retentions aging analysis.

	2024/2025	% of the total	Insert Comparative FY	% of the total
Less than 1 year	44,430	100%	44,430	100%
1-2 years	0	%	0	%
2-3 years	0	%	0	%
Over 3 years	0	%	0	%
Total	44,430	100%	44,430	100%

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

28. Lease Liabilities

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

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Maturity Analysis

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

Analysed as:

Description	Amount
Current	-
Non- Current	-
Total	-

29. Gratuity Provision

Description	2024/2025	
	Kshs	
Gratuity at the beginning of the year 1 st of July	344,916	
Gratuity held during the year	984,632	344,916
Gratuity paid during the year	-	
Total Gratuity Provision 30th June (A+B-C)	1,329,548	344,916.

30. Cash Generated from Operations

	2024/2025
	Kshs
Surplus/Deficit for the year	38,495,897
Adjusted for:	
Depreciation	166,342
Impairment	-
Gains and losses on disposal of assets	-
	-
Working capital adjustments	
	(23,732,676)
Increase/decrease in receivables	
	-
Increase/decrease in payables	(984,632)
	-
Net cash flow from operating activities	63,213,205

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

31. Financial Risk Management

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

*National Government Constituencies Development Fund (NGCDF)
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i) Credit risk

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

Financial Risk Management

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

Description	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
As at 30 th June 2025				
Receivables from exchange transactions			-	-
Receivables from non-exchange transactions	45,814,052	45,814,052	-	-
Bank balances	106,476,410	106,476,410	-	-
Total	152,290,462	152,290,462	-	-
As at 30 June 2024	-	-	-	-
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	69,312,934	69,312,934	-	-
Bank balances	3,096,863	43,096,863	-	-
Total	72,409,797	72,409,797	-	-

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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 the PMCs. The board of directors sets the Entity's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

ii) Liquidity risk management

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
As at 30 th June (2024/2025)				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions (retention)	-	-	-	-
Deferred income	-	-	-	-
Gratuity Provision	-	-	1,373,978	-
Total	-	-	-	-
As at 30 th June (2023/2024)	-	-	-	-
Trade payables	-	-	-	-

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Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Employee benefit obligation	-	-	389,346	-
Total	-	-	389,346	-

iii) Market risk

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

a) Foreign currency risk

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

*National Government Constituencies Development Fund (NGCDF)
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Current FY

Description	In Kshs	Other currencies	Total
	Kshs	Kshs	Kshs
As at 30 th June (Current FY)			
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

Current FY

Description	In Kshs	Other currencies	Total
	Kshs	Kshs	Kshs
As at 30 th June (Current FY)			
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
Current FY			
Euro	10%	-	-
USD	10%	-	-
Previous FY		-	-
Euro	10%	-	-
USD	10%	-	-

b) Interest rate risk

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

Management of interest rate risk

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

Sensitivity analysis

The Entity analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year.

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Fair value of financial assets and liabilities

a) Financial instruments measured at fair value.

Determination of fair value and fair values hierarchy

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

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

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

Description	Level 1	Level 2	Level 3	Total
	Kshs	Kshs	Kshs	Kshs
As at 30 June (Current FY)				
Financial Assets				
Quoted Equity Investments	n/a	-	-	-
Non- Financial Assets				
Investment Property	-	-	-	-
Land And Buildings	-	-	-	-
Total	-	-	-	-
As at 30 th June (Previous FY)				
Financial Assets				
Quoted Equity Investments	-	-	-	-
Non- Financial Assets				

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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 2025
	Kshs	Kshs
Revaluation Reserve	-	-
Retained Earnings	151,810,130	113,314,233
Capital Reserve	-	-
Total Funds	-	-
Total Borrowings	-	-
Less: Cash and Bank Balances	-	-
Net Debt/(Excess Cash And Cash Equivalentents)	-	-
Gearing	-	-

32. Related Party Disclosures

	2024/2025	Opening Statement 1 st July 2025
	Kshs	Kshs
Committee Members Remuneration		
Sitting allowance of committee Members during the year	1,563,085	2,195,755
Transaction with the NGCDF Board		
Transfers from the NGCDF Board during the year	211,912,934	204,960,174
Total	213,476,019	207,155,929

33. Segment Information

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

34. Contingent Assets and Contingent Liabilities

Contingent Assets

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

(Give details)

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Contingent Liabilities

Description	2024/2025	Opening Statement 1 st July 2025
	Kshs	Kshs
Contingent Liabilities	-	-
Court Case 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 2025
	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 Mt. Elgon Constituency is a Fund under The National Treasury and Planning & managed by NG-CDFB at the National level, and the NG-CDFC at the constituency level. Its ultimate parent is the Government of Kenya.

38. Currency

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

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18. Annexes
 Annex 1: Summary of Asset Register

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	1,000,000	-	-	1,000,000
Buildings and structures	10,500,000	-	-	10,500,000
Transport equipment	5,861,000	-	-	5,861,000
Office equipment, furniture, and fittings	1,602,986	-	-	1,602,986
ICT Equipment and Other ICT Assets	916,945	-	-	916,945
Other Machinery and Equipment		-	-	
Intangible assets			-	
Total	18,617,945	-	0	19,880,931

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

PMC	Bank	Account number	Bank Balance 2024/2025	Bank Balance Comparative FY
Bukonoi primary school	EQUITY	0480280430591	3550	3550
Busanja primary school	EQUITY	480278913623	3236	3236
Chebin primary school	COOPERATIVE BANK	1139290435800	1884	1884
Chebombai deb primary school	EQUITY	480284403161	2002	2002
Chelebei fym primary school	EQUITY	480284409732	2640	2640
Chemeger primary school	EQUITY	0480279802524	4645	448395
Chemoge primary school	EQUITY	0480280858859	2062	2062
Chemoikut primary school	EQUITY	0480281008991	4013260	13260
Chemondi primary school	EQUITY	0480280906129	10005	500
Chemses primary school	EQUITY	0480280839896	2964	2964
Chemses primary school	EQUITY	0480280884778	4433	4433
Chemta primary school	EQUITY	480278965512	1820	1820
Chepkui primary school	EQUITY	480280030791	4371	4371
Chepkurkur s,a secondary school	EQUITY	480279914877	1471912	1471912
Chepkurkur sec	EQUITY	0480284007804	804235	804235
Chepsoikei primary school	EQUITY	480282205227	1500	1500
Cheptaburbur primary school	EQUITY	480281295289	2053	2053
Chepyuk rc primary school	EQUITY	480285397226	4004	7748624
Cherendio primary school	EQUITY	0480277141685	1790	1013410
Chesikaki fym primary school	EQUITY	480281312633	2852	2852
Chesikaki special school	COOPERATIVE BANK	1141688715500	65778	65778
Chesito primary school	EQUITY	0480280884948	3333	3333

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PMC	Bank	Account number	Bank Balance 2024/2025	Bank Balance Comparative FY
Chongeywo s,a primary school	EQUITY	480285401370	26215	7748624
Engwen primary school	EQUITY	480277386500	1406018	6018
Kabero primary school	CO-OPERATIVE BANK	1141687955000	8123	8123
Kaberwa primary school	EQUITY	480296581524	1615	1615
Kaboriot Sec school	COOPERATIVE BANK	1141688715500	75260	5035822
Kamaata primary	EQUITY	0480278820904	2063	2063
Kamabus primary school	EQUITY	0480281016511	28434	28434
Kananachi primary school	EQUITY	480277386540	1419805	1419805
Kapchoiywo primary school	COOPERATIVE BANK	1141469948600	8185	8185
Kapkateny ack primary school	EQUITY	480285399960	16550	8000000
Kapkong primary school	EQUITY	480281008121	480	480
Kapkong primary school	EQUITY	480280088128	480	480
Kapsambu primary school	EQUITY	480284409212	1490	1490
Kimerin primary school	COOPERATIVE BANK	1139290610600	4021010	21010
Kimorong primary school	EQUITY	480277386450	15256	15256
Kipsigon ap camp pmc a/c primary	EQUITY	0480277386578	132580	132580
Kiptii primary school	EQUITY	48027897128	192523	192523
Kiptoitik primary school	EQUITY	480278995850	483	483
Kiptungururwo primary school	EQUITY	0480281005721	2442	2442
Koshok primary school	EQUITY	0480281043368	3000	3000
Masaek primary school	COOPERATIVE BANK	1141050030400	5874	5874
Masaek secondary school	EQUITY	480278913147	1281	1281
Murmoi agc kipsigon primary school	EQUITY	480284008130	25572	25572

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PMC	Bank	Account number	Bank Balance 2024/2025	Bank Balance Comparative FY
Rama sda primary school	EQUITY	480284044907	60247	60247
Rwanda primary school	EQUITY	0480280574972	1201070	1070
Sango pcu primary school	EQUITY	480285393687	2425	2000000
Saria primary school	EQUITY	48027896934	320	320
Serek primary school	EQUITY	0480280574972	1495	1495
Toroso primary school	EQUITY	480294445378	889	889
Toroso secondary school	COOPERATIVE BANK	1139469414000	2074	2074
Toywondet primary school	EQUITY	480278976662	1932	1932
Yembekho primary school	EQUITY	0480280839822	2693	2693
Kipsis primary school	EQUITY	0480280574967	9165	
Kaboywo primary school	EQUITY	48028774972	5002	
Chepkurkur primary school	EQUITY	480280030791	90002	
Chelilde rc primary school	EQUITY	0480286521567	44195	
Cherongos primary school	EQUITY	0480286521693	0	
Chesiro primary school	EQUITY	0480285581979	2026502	
Walanga primary school	EQUITY	0480286525636	4000000	
Mulukhu primary school	EQUITY	0480286517539	4000000	
Kamachei primary school	EQUITY	0480286521513	4000000	
Chebinyiny primary school	EQUITY	0480279931001	4000000	
Kaptum primary school	EQUITY	0480286526703	4000000	
Kapkisei primary school	EQUITY	0480286517999	4000000	
Kimurio primary school	EQUITY	0480286521713	4000000	
Kipsabula primary school	EQUITY	0480286521981	4000000	
Kaptalelio primary school	EQUITY	0480286523091	4000000	
Cheptonon sec school	EQUITY	4802844097321	2040	2040
Kaptama boys	EQUITY	480279802529	3688	3688
Kimabole sec	EQUITY	4802808588759	157	157

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PMC	Bank	Account number	Bank Balance 2024/2025	Bank Balance Comparative FY
Kubura sec	EQUITY	480281008996	5203	5203
St. Teresa cheptoror sec school	EQUITY	0480280906129	5735	5735
Terem sec school	EQUITY	0480280839896	545188	999487
Kopsiro sec school	EQUITY	0480280884778		
Environment PMC	EQUITY	0480278965512		
Cheptaburur primary	EQUITY	0480284008130	0	
Kaboriot Secondary	EQUITY	0480284044907	0	
Kapsokwony police station	EQUITY	0480280574972	350000	
Kiptiroko primary school	EQUITY	0480285393887	400000	
Mt. Elgon treasury	EQUITY	048027896934	250000	
Kapsoromet primary school	EQUITY	0480280574972	0	
Peresten primary school	EQUITY	480294445378	0	
Kapkuseng primary school	COOPERATIVE BANK	1139469414000	0	
Kaboriot secondary	EQUITY	480278976662	300000	
DCC mt. Elgon	EQUITY	0480280839822	0	
OCPD cheptais	EQUITY	0480280574967	800000	
OCPD kopsiro	EQUITY	0480287747672	0	
DCC residence kopsiro	EQUITY	0480280030791	0	
Kipsis primary school	EQUITY	0480286521567	0	
Sacho primary school	EQUITY	0480286521693	2903000	
Chepkurkur primary school	EQUITY	0480284008130	0	
Chepkurkur secondary school	EQUITY	480284044907	0	
Cheptais sub- county cipu pnc account	EQUITY	0480280574972	5194	5194
Cheptais community college	EQUITY	480285393687	22427	22427
Cheptais police station	EQUITY	48027896934	5174	5174
Cheptonon police station	EQUITY	0480280574976	41907	41907

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PMC	Bank	Account number	Bank Balance 2024/2025	Bank Balance Comparative FY
Kanganga police	EQUITY	0480294445378	3439	3439
Kopsiro do office	COOPERATIVE BANK	01139469414000	4433	4433
MT .lgon TTI	EQUITY	0480278976662	873,0000	
TOTALS			67,634,664	37,435,578

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)
1	Unsupported bursary payments The statement of receipts and payments reflects other grants and transfers amount of Kshs.56,204,117 and as disclosed in Note 8 to the financial statements which relates to bursary payments of Kshs.30,200,000, Kshs.18,600,000 and Kshs.3,000,000 disbursed to secondary schools, tertiary institutions and special schools respectively. However, acknowledgement letters from the beneficiary institutions of bursary issued to University	As at the time of the audit, the acknowledgements had not been received. However, the acknowledgements are now attached for your confirmation.	Unresolved	6 Months

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	of Eldoret of Kshs.760,000 and Moi University of Kshs.620,000 were not provided. In the circumstances, the accuracy and completeness of bursary disbursements could not be confirmed.			
2	<p>Unconfirmed Cash and Cash Equivalents</p> <p>The statement of assets and liabilities and as disclosed in Note 11a to the financial statements reflects cash and cash equivalents balance of Kshs.5,566,467. However, review of bank reconciliation statements for the period indicates unpresented cheques balance of Kshs.2,675,164 as at 30 June, 2024. The status of cheques totalling to</p>	As at the time of the audit the cheques had not been replaced	Unresolved	6 Months

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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>Kshs.635,775 was not provided at the time of audit. In the circumstances, the accuracy and completeness of the cash and cash equivalents balance amounting to Kshs.5,566,467 could not be confirmed</p>			
Other matters	<p>1 Unauthorized Disposal of Motor Vehicle The statement of receipts and payments and as disclosed in Note 2 to the financial statements reflect proceeds from sale of assets of Kshs.1,472,600 which relates to disposal of motor vehicles. However, approval by the National Government Constituencies Development Fund Board was not provided for verification. Further,</p>	<p><i>All assets are registered in the name of NG-CDF board and it is the same board that does the disposal of the assets. The assets were disposed by the board and funds transferred to Mt Elgon NG- CDF account. The management requested for disposal documents and were availed</i></p>	Unresolved	6 Months

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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>tender documents including advertisement and the method of disposal and number of bidders was not provided. The disposed motor vehicles were GKB 814G Land Rover Defender and GKA 796U Land Rover Pumma. In the circumstances, value for money was not obtained from the two (2) vehicles that were sold</p>			



.....
Carolyn Wanyonyi
Fund Account Manager.

