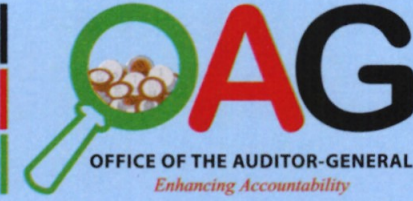
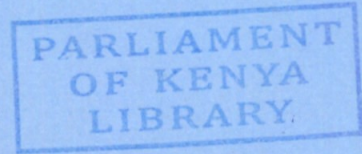


REPUBLIC OF KENYA



REPORT




OF

THE AUDITOR-GENERAL

ON

NATIONAL GOVERNMENT CONSTITUENCIES  
DEVELOPMENT FUND – BUDALANGI  
CONSTITUENCY

FOR THE YEAR ENDED  
30 JUNE, 2025

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE:	17 FEB 2026
	DAY: TUESDAY
TABLED BY:	DEPUTY MAJORITY LEADER
CLERK-AT-THE-TABLE:	FINLAT



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NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

BUDALANGI CONSTITUENCY

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30<sup>th</sup> JUNE 2025

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Transitional International Public Sector Accounting Standards (IPSAS) Financial Statements

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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 realization of the economic and social rights guaranteed under Article 43 of the Constitution;
- g) Provide mechanisms for the National Assembly to exercise oversight over the performance of exclusive national government functions at the constituency level as provided for under Article 95 of the Constitution;
- h) Authorize withdrawal of money from the Consolidated Fund as provided under Article 206(2)(c) of the Constitution;
- i) Provide mechanisms for supplementing infrastructure development at the constituency level in matters falling within the exclusive functions of the national government at that level in accordance with the Constitution;

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- j) Provide a framework for citizens-led development to assist the national government in planning and prioritizing the use of its resources;
- k) Create a harmonious relationship between citizens and the national government and its officers in local development;
- l) Provide a platform for citizens' participation in service delivery;
- m) Build local accountability and transparency in the use of resources; and
- n) Provide for a public finance system that promotes an equitable society and in particular expenditure that promotes equitable development of the country by making special provisions for marginalized groups and areas pursuant to Article 201(b)(iii) of the Constitution.

**Vision**

Equitable Socio-economic development countrywide.

**Mission**

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

**Core Values**

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

### **Functions of NG-CDF Committee**

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

#### **(b) Key Management**

The NGCDF Budalangi 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 30<sup>th</sup> June 2025 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	AIE holder	Peter O.Ochokolo
2.	National Sub-County Accountant	Jared L.Manono
3.	Chairman NGCDFC	Alfred W.Siduwa
4.	Member NGCDFC	Lawrence S.Nyange
5.	Member NG CDFC	Mary A.Ajiambo

#### **(c) Fiduciary Oversight Arrangements**

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

**(a) NGCDF Budalangi Constituency Headquarters**

Old Action Aid Building  
Bunyala District Headquarters  
Port Victoria, Kenya.

**(b) NGCDF Budalangi Constituency Contacts**

P.O. Box 171-50410  
Telephone: (254) 726269213  
E-mail: [cdfbudalangi.go.ke](mailto:cdfbudalangi.go.ke)  
Website: [www.go.ke](http://www.go.ke)

**(c) NGCDF Budalangi Constituency Bankers**

1. Operations Account  
Equity Bank:  
Busia Branch  
P.O.Box 264 - 50400  
Busia - Kenya
  
2. Deposit Account  
Diamond Trust Bank:  
Busia Branch  
P.O.Box 48 - 50400  
Busia Kenya
  
3. Project Management Committees Accounts  
Kenya Commercial Bank  
Port Victoria Branch  
P.O. Box 274-50410  
Port Victoria

**(d) Independent Auditor**

Auditor General  
Office of the Auditor General

Anniversary Towers, University Way

P.O. Box 30084

GPO 00100

Nairobi, Kenya

**(e) Principal Legal Adviser**

The Attorney General

State Law Office

Harambee Avenue





P.O. Box 40112


City Square 00200

Nairobi, Kenya



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**3. NGCDF Committee**

Name	Details
 Alfred W. Siduwa – ChairPerson	Date of Birth: 03 <sup>rd</sup> July, 1978 Academic Professional –O Level Work Experience-Businessman He joined Budalangi Constituency in November 2017 as the chairperson of NG-CDFC Budalangi
 Lawrence S. Nyange-Secretary	Date of Birth: 27 <sup>th</sup> July, 1994. Academic Professional –O Level He joined Budalangi Constituency in November 2017 as the Secretary of NG-CDFC Budalangi Work Experience: Self-employed (10 years)
 Fredrick Otumo-Member	Date of Birth: 26 <sup>th</sup> August, 1963 Academic Professional –A Level, Primary Training Certificate He joined Budalangi Constituency in May 2025 He is a member of Budalangi NG-CDF Committee. Work Experience-Retired Teacher over 30yrs in Teaching
 Lea A. Okumu-Member	Date of Birth: 16 <sup>th</sup> June, 1994. Academic Professional –O Level She joined Budalangi Constituency in November 2017 She is a Member of Budalangi NG-CDF Committee Work Experience: She has been a successful Business Lady for the past 7 years

	<p>Date of Birth:25<sup>Th</sup> September,1986 Academic Professional –O Level She joined Budalangi Constituency in November 2017 She is a Member of Budalangi NG-CDF Committee Work Experience: She has been a successful Fish farmer for the past 10years</p>
	<p>Date of Birth:1970, Academic Professional –O Level She joined Budalangi Constituency in November 2017 She is a Member of Budalangi NG-CDF Committee Work Experience: She has been a successful Business Lady for the past 20years</p>
	<p>Date of Birth:3<sup>Th</sup> November,1972. Academic Professional –O Level She joined Budalangi Constituency in November 2017 She is a Member of Budalangi NG-CDF Committee Work Experience: Self-employed (15 years)</p>
	<p>Date of Birth:01<sup>st</sup> January,1969. Academic Professional-O-Level He joined Budalangi Constituency in November, 2017 Work Experience: Self-employed (20 years)</p>

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	<p>Date of Birth:14<sup>th</sup> July,1973          Academic Professional:.,Degree Holder.</p> <p>He Joined Budalangi Constituency in Dec 2024 as an EX Official.</p> <p>Working Experience, 17years Carrier Civil Servant</p>
<p>Geoffrey Waini- DCC</p>	<p>Date of Birth:17<sup>TH</sup> December,1982          Academic Professional: Master Holder and Member of ICPAK.</p> <p>He Joined Budalangi Constituency in September 2024 as an Officer of the NG-CDF Board</p> <p>Working Experience:17 Years Carrier Civil Servant</p>
	<p>Peter Ochokolo- Fund Account Manager</p>

*(List the NG CDFC members who exited during the financial year and the period they served.)*

Name	Financial Year/Period Served
Antony Afubwa	2022-2025/2year

#### 4. NG-CDFC Chairman's Report



**Mr. Alfred Wesonga Siduwa**

**Budalangi NG-CDFC Chairman**

I'm pleased to present an insightful analysis of Budalangi NG-CDF's financial performance for the fiscal year 2024-2025, focusing on the variances between budgeted allocations and actual expenditures across key spending categories.

For **Compensation of Employees**, the budget of Kshs. 6,637,798 with actual spending at Kshs. 3,023,491, resulting in a 54% utilization rate and an underutilization of Kshs. 3,604,307.

**Committee Expenses** had actual expenditures of Kshs. 2,382,700 against a budget of Kshs. 2,417,000 leading to a 99% utilization rate and an under-utilization of Kshs. 34,300. The **Use of Goods and Services** category saw a utilization rate of 99%, with actual spending of Kshs. 7,542,149 compared to the budget of Kshs. 7,597,604. **Transfers to Other Government Units** showed significant underutilization, with only Kshs. 76,525,611 spent out of a Kshs.

198,711,420 budget, resulting in a 39% utilization rate and an underutilization of Kshs.

122,105,809. **Other Grants and Transfers** had actual expenditures of Kshs. 56,142,140 against a budget of Kshs. 69,053,152 leading to 81% utilization rate and Kshs. 12,911,031 underutilized.

The Lastly, **Other Payments** had a utilization rate of 76%, with Kshs. 6,286,650 spent against a budget of Kshs. 8,250,000 and an underutilization of Kshs. 1,963,350.

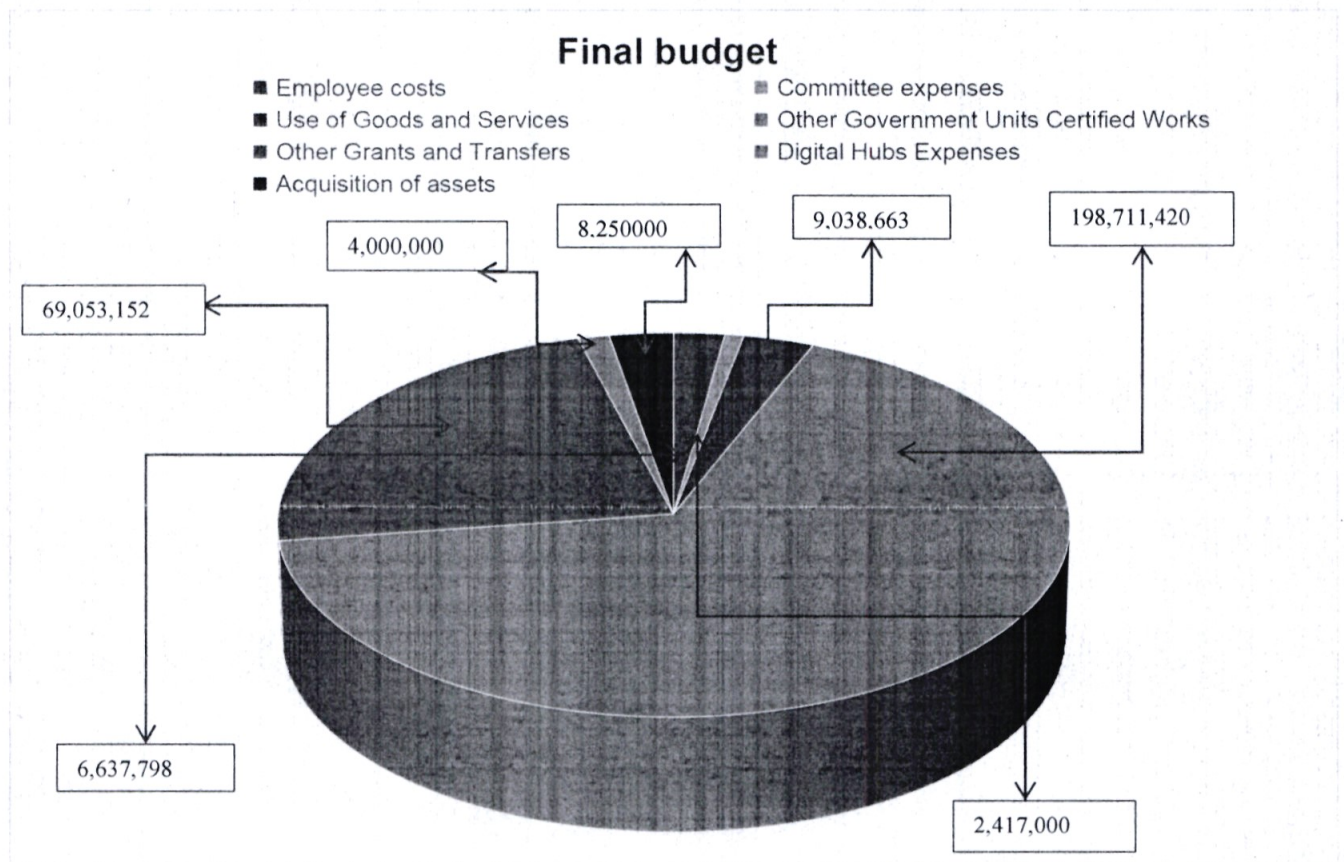
In Conclusion, The overall financial performance for the 2024-2025 fiscal year reveals areas of both strong budget adherence and opportunities for improvement. The significant underutilization in certain categories, particularly in Transfers to Other Government Units and

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Acquisition of Assets, is primarily due to delays in fund disbursements from the exchequer. These delays disrupt the planned execution of projects, resulting in lower-than-anticipated expenditures within the fiscal year. Moving forward, ensuring timely release of funds is critical for optimal budget utilization and the achievement of intended development goals.

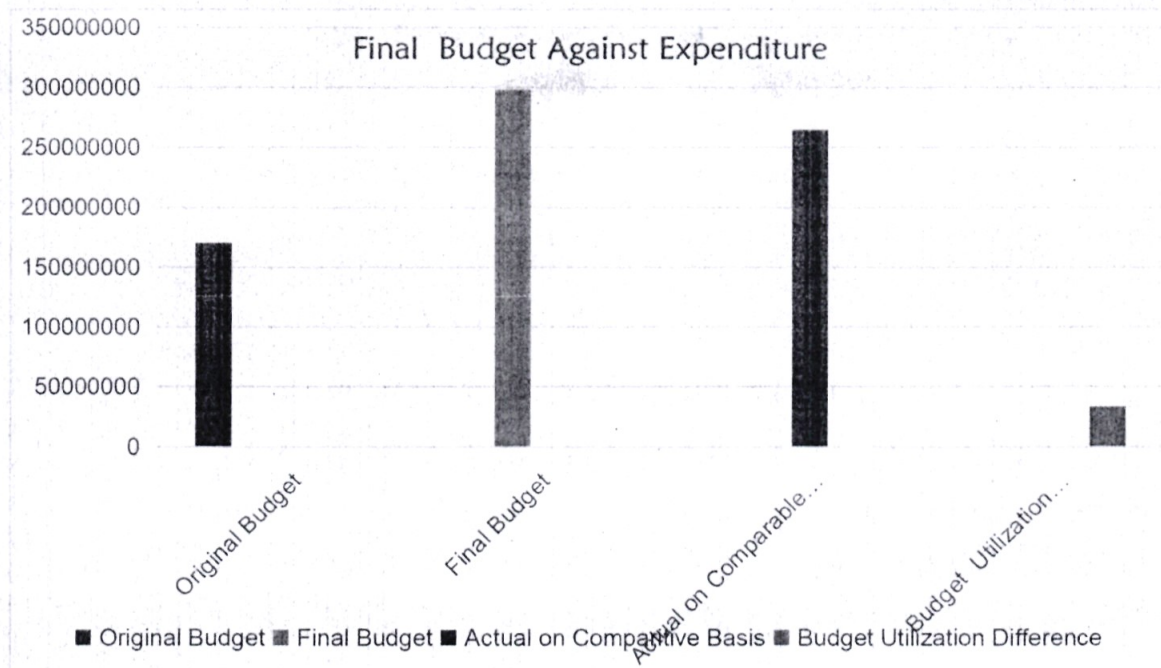
The performance is hereby summarised as shown below:

**2024 – 2025 Financial Year Budget**



Original Budget	170,469,857
Final Budget	297,907,975
Actual on Comparable Basis	264,438,118
Budget Utilization Difference	33,469,857

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Expenses	Final budget	Actual expenditure	Budget utilization difference
Employee costs	<b>6,637,798</b>	3,023,491	<b>3,614,307</b>
Committee expenses	<b>2,417,000</b>	2,382,700	<b>34,300</b>
Use of Goods and Services	<b>9,138,663</b>	9,083,178	<b>55,455</b>
Other Government Units Certified Works	<b>198,711,420</b>	75,508,837	<b>122,135,809</b>
Other Grants and Transfers	<b>69,053,152</b>	55,111,802	<b>12,911,013</b>
Digital Hubs Expenses	<b>4,000,000</b>	-	<b>4,000,000</b>
Acquisition of assets	<b>8,250,000</b>	6,286,650	<b>1,963,350</b>
Other payments			

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From the above analysis the performance of Budalangi NG-CDF has been commendable given the circumstances and this was as a result of team work among the NG-CDFC and other stakeholders.

The construction of additional classrooms reduced the challenges that the various schools were facing more so the Junior Secondary schools

Bursaries issued to over 10,007 students across the constituency enabled the needy students to learn without interruptions

Rural Electrification project enabled connectivity of electricity to large number of homes thus making their economic activities effective and efficient.

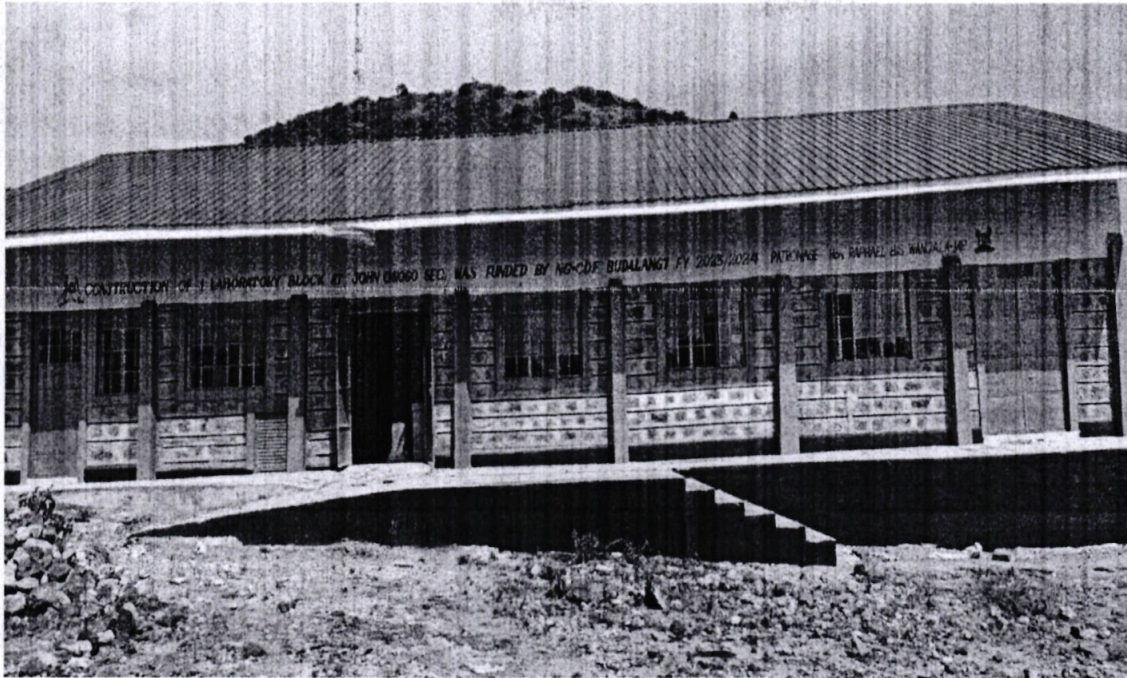
**ACHIEVEMENTS DURING FINANCIAL YEAR 2024-2025**

During the financial year 2024-2025, Budalangi NG-CDF received Kshs 217,378,000 which was spend under various Vote heads i.e. Compensation to employees, payment of bursary to over 10,007 students both in secondary, special needs and tertiary, climate change, emergency projects, secondary projects and security projects. Top of the achievements, the below pictorials demonstrate the achievements

**a. Samples of completed projects**

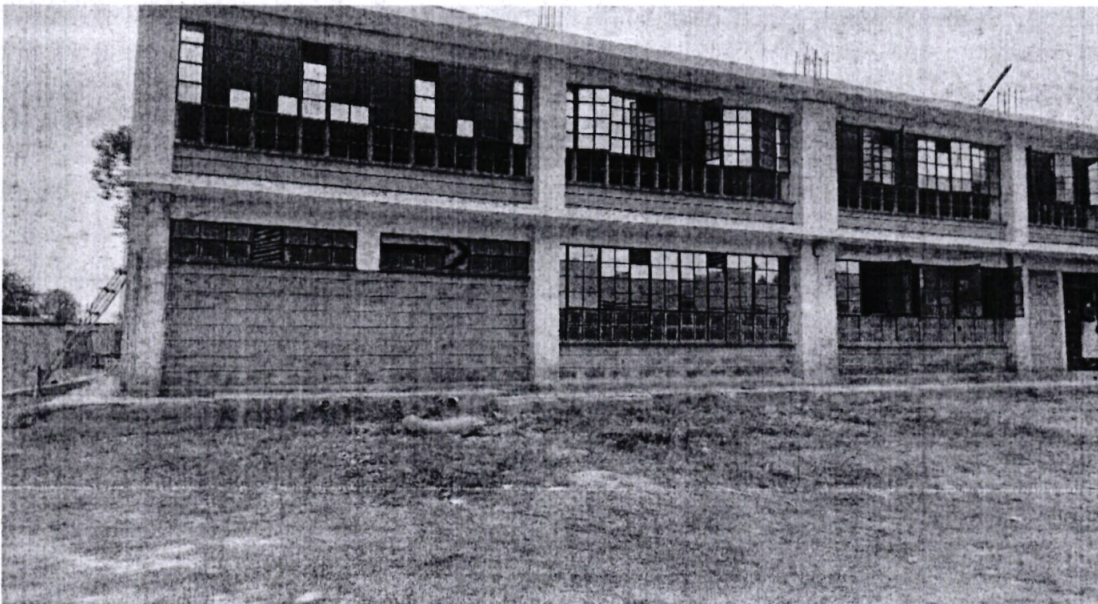


**A one number classroom Budalangi Primary School-Bunyala North Ward**

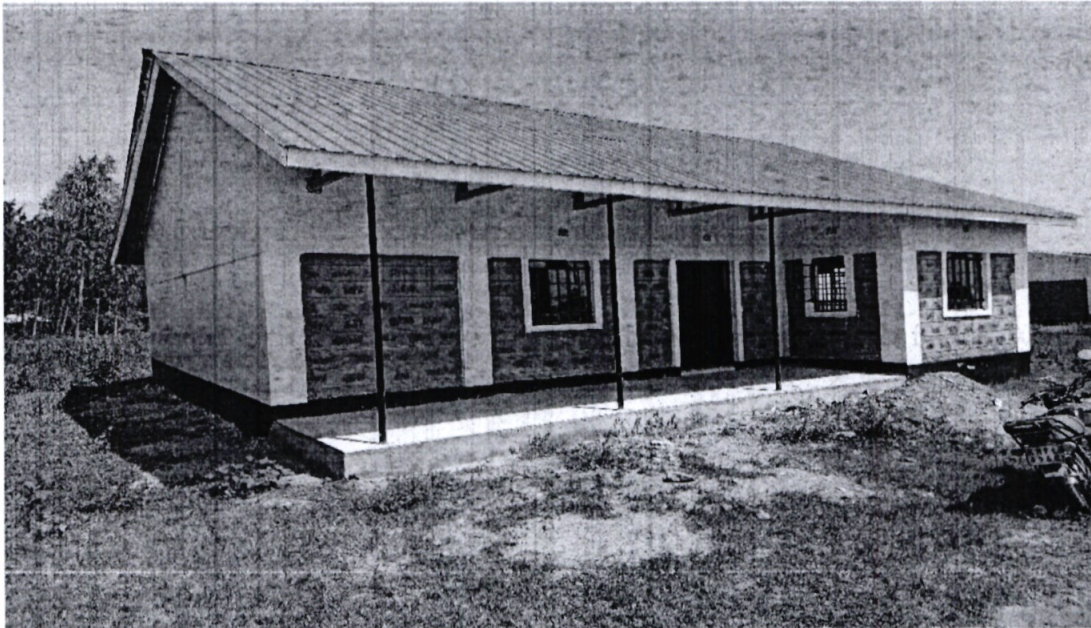


45NO. Capacity Laboratory at John Osogo Secondary School-Bunyala West Ward

b. Samples of Ongoing projects



A Storey Building at ACK Musoma Secondary School-Bunyala South Ward



#### **Mukhobola Police Station-Bunyala Central Ward**

##### **Emerging issues and challenges**

- Many projects delayed due to late disbursement of public funds. We hope that this will improve to enable us do the projects in time. We have however been able to utilize the funds adequately as they are disbursed by the Board
- There is also a challenge in the education funds set for bursary. The number of needy students within Budalangi constituency is too high compared to the available funds for the same. We wish to increase the amount allocated to bursary funds in the coming financial years.
- Getting Acknowledgement Receipts from the members of the Public when they are issued with bursary has been a challenge. We have been able to disburse combined cheque to those schools that are closer or where students are many in one school and this has enabled us get a few Bursary Acknowledgement Receipts and hence meet the requirements set for the same. We have also been doing civic education and awareness of the need for the bursary beneficiaries to bring back bursary acknowledgement receipts from the institutions once they have collected their cheques and taken them to schools.

Otherwise the impact of the NG-CDF kitty is felt in the constituency and we hope and pray that the fund lives longer and longer in order to impact positively more and more lives in Kenya

### **Challenges and way forward**

As we appreciate the continued support from the National Government in making slight additions to the kitty, we however regrettably wish to say that it's not enough to assist the constituency make the rapid anticipated challenge of providing proper infrastructure for the education sector and security organs. The National Government should seriously consider the re-introduction of the poverty index scheme for the distribution of the national cake.

- It's common knowledge that there are certain pocket of regions in this country that have a high poverty index like Budalangi and they have to be jump started economically to catch up with region that have huge strides in matters development.
- We remain committed as a committee to ensure that the fund makes the expected impact in the constituency in terms of enabling needy and bright students attend and complete their formal education in a convenient environment.
- Lack of training manual for PMC. The Board should develop one.
- Rise in cost of Building materials which makes the sealing set by the board not attainable. The board should revise costs throughout.



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**Name: Alfred W. Siduwa**

**Chairman NGCDF Committee**

## 5. Statement of performance against predetermined objectives for FY 2024/25

### Introduction

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

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

1. To promote value addition in agricultural activities.
2. To boost scholarship and effective participation of the community through capacity building.
3. To stimulate structural development, conservation of the environment and socioeconomic development.
4. To inspire a healthy population to increase productivity and employment opportunities through entrepreneurship.
5. To promote transparency and accountability through project impact analysis and proper monitoring and evaluation

### Progress on the attainment of Strategic development objectives

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

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Sector	Objective	Outcome	Indicator	Performance
Education	To have all children of school going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	number of usable physical infrastructure build in primary, secondary, and tertiary institutions number of bursary's beneficiaries at all levels	In FY 2024/2025 -We increased number of classrooms in 13 junior secondary schools, 1no. Laboratories from nil to a 45 capacity laboratory at John Osogo Secondary school. We have awarded Bursary to over 10,007 students in Secondary schools, tertiary and special schools as per the attached schedules
Security	To enhance security within the community	Increased security in the community	Decrease in crime rate, decrease in consumption of drugs and illicit brews	In FY 2024/2025-We erected a ramp and landscaped Bulemia Chief's camp to completion.
Climate change mitigation activities	To conserve the environment	Increased number of trees in government institutions	Number of tree planted in government institutions	In FY 2024/2025-We have planted 7600 trees seedlings of assorted species in various primary schools and secondary schools. In addition, we have installed 8no. 3000 litre capacity water tanks complete with concrete

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				tank base in 8 primary schools.
Emergency	To cater for any unforeseen circumstances in the constituency	Improved response to emergency cases and Easy access to learning facilities by students during floods.	Number of emergency cases solved, reduced loss of lives during calamities	In FY 2024/2025- We have completed construction of 2no. Classrooms at Bumadeya primary school and Buongo Primary school through allocating of additional funds for completion of the projects.

## **6. Governance Statement**

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

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

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

### **Process of Formation of the NGCDF Committee**

To facilitate this, the selection panel invited interested and qualified members of the public for appointment to the NG-CDF committee. The panel invited the public through advertisement

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publicized in churches, public offices notice boards at the chiefs and assistant Chiefs offices and other public areas in the constituency.

The selection panel developed a short listing criterion which enabled identification of the nominees for interviews. Two additional nominees were proposed by Budalangi Constituency Office as per section 43 of the NG-CDF Act, 2015.

NO	NAME	CATEGORY	WARD
1.	Antony Wafubwa	Male Adult	Bunyala Central
2.	Walter Masigah Ombere	Male Adult	Bunyala South

**Nominee of the Body representing Persons with Disability**

NO	NAME	NOMINATING ORGANIZATION	NATURE OF PHYSICAL IMPAIRMENT	WARD
1.	Mary A.Akhoyi	Budalangi Walemavu SHG	Hand Impairment	Bunyala Central

**C0-opted member**

NO	NAME	CATEGORY	OCCUPATION	WARD
1.	Benard Kayamba	Male	Business	Bunyala North

The list of the selected and recommended members was forwarded to the NG-CDF Board is as below.

Name	Category	Statutory Provision Under Ng-Cdf
Alfred W.Siduwa	Male Adult Representative	Appointment, Pursuant To Sect. 43(2)(B)
Fredrick M.K.H.Otumo	Male Adult Representative	Appointment, Pursuant To Sect. 43(2)(B)
Lea A.Okumu	Female Youth Representative	Appointment, Pursuant To Sect. 43(2)(C)
Lawrence S.Nyanga	Male Youth Representative	Appointment, Pursuant To Sect. 43(2)(C)
Mary A.Akhoyi	Representative Of Persons Living With Disabilities	Appointment, Pursuant To Sect. 43(2)(D)
Morine Chimwanyi	Female Adult Representative	Appointment, Pursuant To Sect. 43(2)(E)
Susan k.Okello	Female Adult Representative	Appointment, Pursuant To Sect. 43(2)(E)

The above committee was gazetted on 21<sup>st</sup>May 2025 by the Chief Executive Officer of the Board via Gazette Notice Vol. CXXVII-No. 98

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The members took over the office on the first meeting on 29<sup>th</sup> June 2025 and went through the process electing the chairperson and the secretary of the committee. The following members were elected.

S/NO	NAME	ID NUMBER	POSITION
1	Alfred.W.Siduwa	20898731	Chairperson
2	Lawrence S.Nyange	32421862	Secretary

During its first meeting, a Constituency Committee established Sub-Committees necessary for the proper performance of its functions in accordance with the guidelines issued by the Board.

The two sub-committee are as follows:

- i. Bursary Sub Committee
- ii. Monitoring and evaluation Sub Committee

The following were appointed to the different committee

**a. Bursary committee**

S/NO	NAME	POSITION
1	Benard Kayamba	Chairperson
2	Morine Chimwanyi	Member
3	Mary A.Akhoyi	Member
4	Susan Kadogo	Member

**b. Monitoring and evaluation Sub Committee**

S/NO	NAME	POSITION
1	Benard Kayamba	Member
2	Lea A.Okumu	Chairperson
3	Morine Chimwanyi	Member

The chairperson and the secretary are members of all the committees. The DCC is the member of the complaints committee, while representative from the ministry of education office is also co-opted to be in the Bursary committee.

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**NG-CDFC Tenure**

21<sup>st</sup> May 2025 to 22<sup>nd</sup> May 2027. IN EXERCISE of powers conferred by section 43(4) of the National Government Constituencies Development Fund Act, 2015 as Amended in 2023, National Government Constituencies Development Fund Board appoints, with the approval of the National Assembly, the members of National Government Constituency Development Fund Committee set out in the Schedule below hereto for a period of two (2) years, with effect from the 21<sup>st</sup> May, 2025.

**Roles and functions of NG-CDFC**

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

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

### **Removal of NG-CDFC Members**

Section 43(13) of the Act provides that a member of the Constituency Committee may be removed from office on any one or more of the following grounds-

- (i) lack of integrity;
- (ii) gross misconduct;
- (iii) embezzlement of public funds;
- (iv) bringing the committee into disrepute through unbecoming personal public conduct;
- (v) promoting unethical practices
- (vi) causing disharmony within the committee;
- (vii) 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 ought to be removed shall be given a fair hearing before the resolution is made.

In Budalangi the NG-CDFC there is no member has contravened the laid down regulations and law to warrant removal.

### **Handing over**

The handing over of office by the outgoing NG-CDF Committee to the incoming committee was carried out smoothly on 29<sup>th</sup> June 2025.

### **Training of NG-CDFC Members**

In the financial year 2024/2025 the NGCDF Board organized training of NGCDFC members. During the training, critical areas such as Strategic Planning & Performance Contracting Rationale for Strategic Planning & PC at NG-CDF, Complaints handling mechanism, Conduct of meetings and minute writing, Minutes files , Effective Communication and ICT Solutions, Brand Management, Project Cycle Management in NG-CDF operations , Technical aspects of Project Planning and Management, Architectural plan, Bill of Quantities description, interpretation and utilization in Project .Technical aspects of Project Planning and Management, Monitoring and Evaluation of NG-CDF Projects, Taxation in NG-CDF operations , Public Finance Management in NG-CDF Operations, Role of the committee in financial management.

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This enabled the committee to acquire knowledge and skills to ensure effective and efficient management of NG-CDF Budalangi

**Number of meetings:**

NG-CDF Act Section 43((11)The Constituency Committee shall meet at least six times in a year but the committee shall not hold more than twenty-four meetings in the same financial Year, including sub-committee meetings stipulates that NG-CDFC shall have a maximum of twenty-four meetings per year and not less than twelve including sub-committee meetings. In Budalangi Constituency, the NG-CDF Committee conducted 12 meetings and, 12 sub-committee meetings.

	Name of committee member	Meetings held											
		09/08/24	25/09/24	23/10/24	27/11/24	16/12/24	08/01/25	28/01/25	26/02/25	19/03/25	07/04/25	05/05/25	26/06/25
1	Alfred Wesonga Siduwa- chairperson	√	√	√	√	√	√	√	√	√	√	√	√
2	Lawrence Nyanga- secretary	√	√	√	√	√	√	√	√	√	√	√	√
3	Susan Kadogo- member	√	√	√	√	√	√	√	√	√	√	√	√
4	Bernard Kayamba- member	√	√	√	√	√	√	√	√	√	√	√	√
5	Mourine Chimwany- member	√	√	√	√	√	√	√	√	√	√	√	√
6	Mary Akhoyi- member	√	√	√	√	√	√	√	√	√	√	√	√
7	Leah Okumu- member	√	√	√	√	√	√	√	√	√	√	√	√
8	Antony Afubwa/Fredrick Otumo - member	√	√	√	√	√	√	√	√	√	√	√	√
9	Gregory Otaalo/Peter Ochokolo- FAM	√	√	√	√	√	√	√	√	√	√	√	√
10	Dr Paul Papa/Geoffrey Waini- DCC	√	√	√	√	√	√	√	√	√	√	√	√

### **Ethics & Conduct**

Members of NGCDFC are required to observe the following ethical issues

- i. Confidentiality-the NGCDFC members have a responsibility to ensure confidentiality unless in situations required by law.
- ii. Honesty and integrity-NGCDFC members have a duty to declare any private interest relating to their public duties and to take steps to resolve any conflict arising in a way that protects the public interest.
- iii. Leadership- NGCDFC members should promote leadership in the constituency.

During the financial year 2024/2025, most members of NGCDFC Budalangi adhered to the above ethical issues

### **Members Remuneration**

NG-CDFC members are not entitled to payment of salary. However, the chairperson of NG-CDFC is entitled to an allowance Ksh. 7,000 per meeting and all other members an allowance of Ksh. 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.

### **Disclose policy on conflict of interest**

A member who has an interest in any contract, or other matter present at a meeting shall at the meeting and as soon as reasonably practicable after the commencement, disclose the fact thereof and shall not take part in the consideration or discussion of, or vote on, 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 Budalangi contravened conflict of interest policy.

### **Risk management**

Risk management has been integrated in the constituency operations through the following: training of the NGCDF staff in their respective technical areas of service 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, the Fund

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account manager avails himself with all the support and required resources to ensure that the identified risk does not hamper with the delivery of service.

Some of the risk mitigation strategies that NGCDFC Budalangi has implemented include the following: 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.

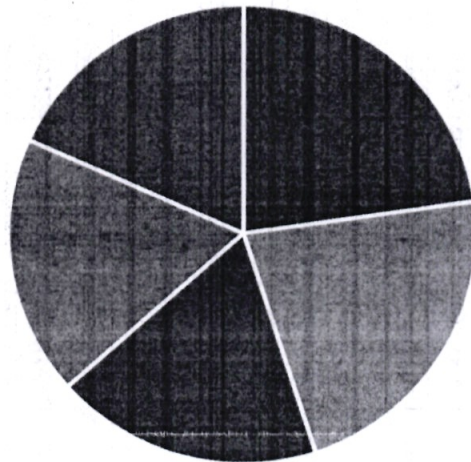
### 7. Management Discussion and Analysis

Under this section, the management gives a report on the operational and financial performance of the Fund for the past five (5) years, the Fund's key projects implemented or ongoing, the Fund's compliance with statutory requirements, major risks facing the Fund, material arrears in statutory and other financial obligations, review of the economy, review of the sector, future developments and any other information considered relevant to the users of the financial statements.

The management should make use of tables, graphs, pie charts, and other descriptive tools to make the information as understandable as possible.)

S/NO	FINANCIAL YEARS	ALLOCATION	DISBURSED	PERCENTAGE
1	2020-2021	137,088,879	137,088,879	100%
2	2021-2022	137,088,879	137,088,879	100%
3	2022-2023	138,215,033	138,215,033	100%
4	2023-2024	166,593,720	166,593,720	100%
5	2024-2025	170,469,854	137,000,000	80%
	<b>TOTAL</b>	<b>749,456,365</b>	<b>715,986,511</b>	

Budget Allocation and Disbursement

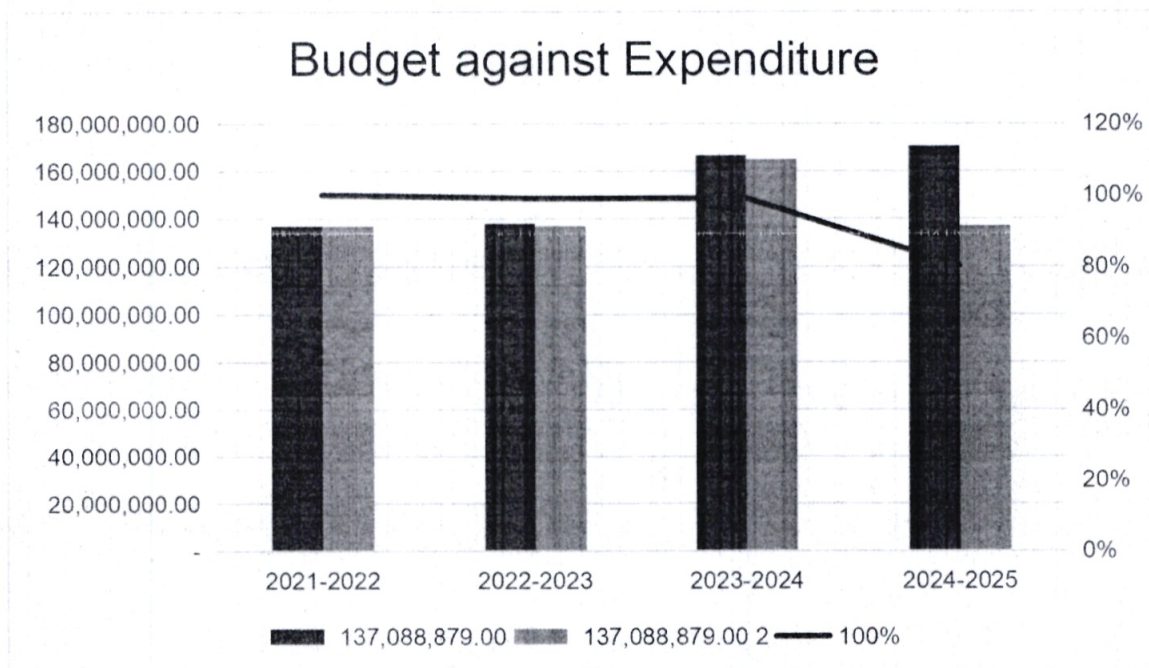


■ 2024-2025 ■ 2023-2024 ■ 2022-2023 ■ 2021-2022 ■ 2020-2021

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**Comparison between Total budget and Actual Expenditure**

S/NO	FINANCIAL YEARS	ALLOCATION	Expenditure	PERCENTAGE
1	2020-2021	137,088,879	137,088,879	100%
2	2021-2022	137,088,879	137,088,879	100%
3	2022-2023	138,215,033	137,002,033	99%
4	2023-2024	166,593,720	164,948,720	99%
5	2024-2025	170,469,857	137,000,000	80%
	<b>TOTAL</b>	<b>749,456,365</b>	<b>715,986,511</b>	



A graph showing budget absorption rate

Based on the above information for the last five financial years; the key consumer of the resources is Education sector with an average of 70% of the entire allocation and secondly the security sector with average of 2%. This is an indicator that the Fund has put more efforts in improving the academic standards of Budalangi constituency through both the infrastructure and bursaries to needy students studying in various institutions.

Further from the above analysis, it is important to note that the Fund has been able to serve the rural communities and be able to improve on the living standards of the people, poverty eradication being one of its key objectives. The management advocates for more resource allocation to further improve on its mandate.

#### Sector Performance

Over the reporting period, the Budalangi NG-CDF focused its interventions in key sectors as outlined below:

#### Education Sector

- Over 104 classrooms constructed or rehabilitated across primary, secondary schools and Tertiary Institutions.
- More than 40,000 students benefited from bursaries over five years.
- New science laboratories constructed in line with CBC requirements.

#### Security Sector

- Construction of Mukhobola police Station and Bulemia Chief's Office improved safety and police Chief's welfare.

#### ICT and Digital Empowerment

- Digital Innovation: There are plans to implement a Constituency Digital Hub, expected to promote access to internet and online jobs.

#### Operational Performance:

Budalangi NG-CDF has implemented various projects across the constituency, focusing on education, security, and infrastructure development.

The fund has been instrumental in

- a. Education: Funding schools, classrooms and bursaries
- b. Security: Constructing National Government Administration offices, chief's/assistant chief's offices and police offices.

- c. Infrastructure Development: Supporting various infrastructural projects.
- d. Climate Change Mitigation: Enhancing conservation and restoration of forests in the constituency.

The Key projects implemented or On-going.

- 1. Mundere Girls Secondary School

### **Background Information**

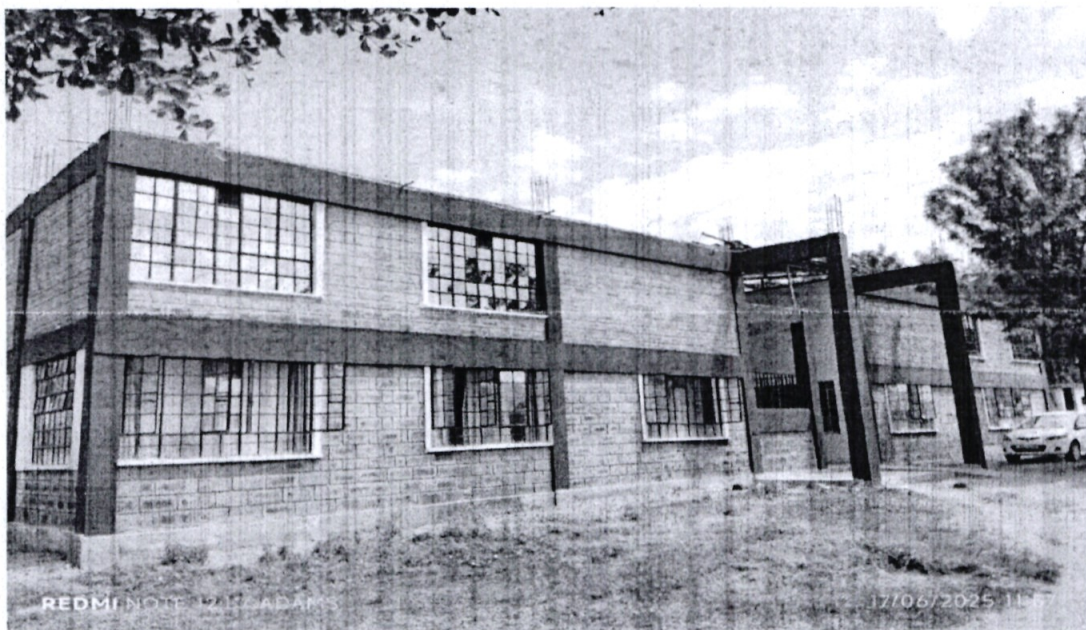
Mundere Girls Secondary School is new school situated in Bunyala North ward. It is a school with a rapid growing population. It has a small piece of land thus to save on space, Budalangi NG-CDF built a storey building for classrooms.

### **Activities done**

- i. Construction to completion of a two storey building consisting of eight classrooms.

Anticipated Project Impact

- 1. The project has led to improved learning environment to learners.



Mundere Girls Secondary School-Construction of an Administration block with 8no.Classrooms

### **Compliance with statutory requirements**

Budalangi NG-CDF is an entity that is fully guided by the constitution of Kenya 2010, NGOCDF Act 2015, PFM Act 2012, PPADA2015 and many other relevant laws and has been in full compliance of the same.

Budalangi NG-CDF has been able to meet its obligations for instance payment of taxes like VAT withholding tax, Pay as you Earn tax among others and the constituency is committed to operate within the law even in the future.

**1. Bulemia Chief's Office**

**Background information of Bulemia Chief's Office**

**Bulemia Chief** has been working under rented office but since its completion it has increased service delivery in the location.

**Location**

This project is situated at Bulemia area Bulemia Location, Bunyala West Ward.

**Activities done**

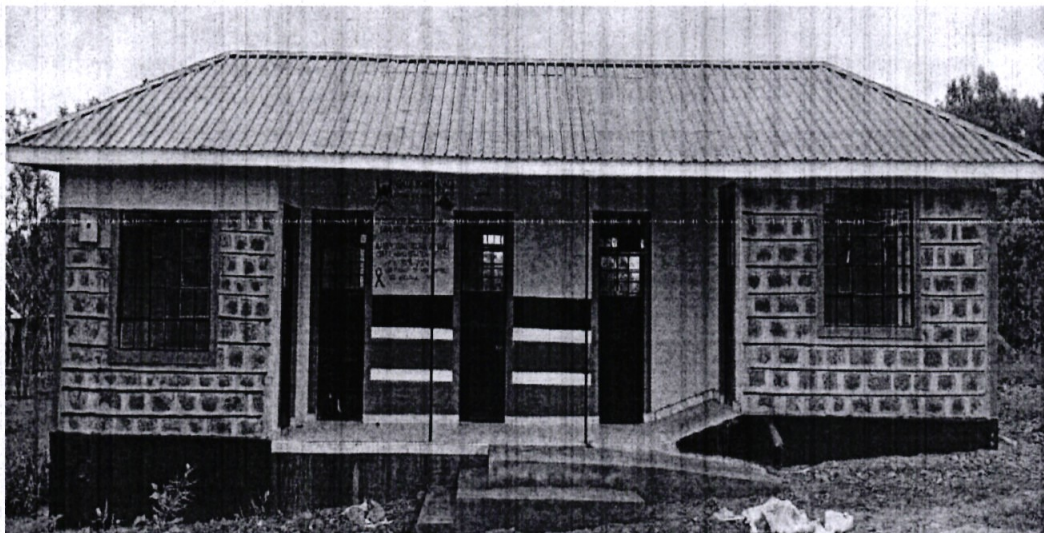
2. Construction to completion of of Chief's Office

**i. Summary of funding for the Administration Block Project:**

Financial Year	Amount Disbursed	Contract (Kshs)	Sum	Project Start Date	Project Status
2023/2024	1,200,000	1,540,000		July 2024	Complete and handed over
2024/2025	400,000				

**Anticipated Project Impact**

1. Increased security of Luanda south ward within constituency
2. Improved economic Performance of within locality of the project



### **Major Risks facing the Fund**

Despite its successes, NG-CDF faces challenges such as:

1. Delayed Disbursement of funds- NG-CDF has faced challenges with delayed disbursement of funds from National Treasury, which affects project implementation and service delivery
2. Inadequate Budget Allocation- The funds allocation is based on the percentage of the national revenue, which may not be sufficient to meet the development needs of constituencies.
3. Fiscal pressure- The country's fiscal pressure such as debt repayment can impact availability of funds for NG-CDF
4. Institutional Challenges- NG-CDF faces institutional challenges that hinder effective utilization of funds, including inadequate monitoring and evaluation.

### **Fund's Review on Economy**

NG-CDF has been a crucial factor in Kenya's economic development, particularly at the grassroots level. Here's a review of its economic impact:

- Funding Allocation- NG-CDF allocates funds directly to constituencies, supporting local development projects in education, infrastructure, and other essential services.
- Development projects: The fund has implemented various projects including construction of schools improving living standards and access to basic services.
- Economic Growth: By investing in local projects, NG-CDF contributes to economic growth, job creation, and poverty reduction in constituencies.

### **Future Development of the Fund**

NG-CDF in Kenya is expected to continue focusing on key areas like education, infrastructure, and economic empowerment with a growing emphasis on digital literacy and sustainable development.

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The fund will expand its reach through initiatives like constituency innovation hubs and digital hubs at the ward level to enhance access to online opportunities and improve efficiency through automation.

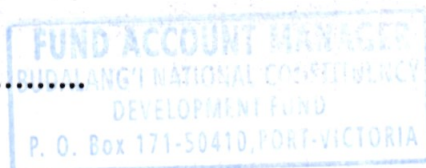
NG-CDF is involved in tree planting projects highlighting a growing focus on environmental sustainability.

Projects like police offices, provision of bursaries, construction of educational infrastructure, demonstrate a commitment to community development, improve security, support students' education, and improve public service.

It also partners with National Health Insurance Fund to provide health insurance to vulnerable households contributing to government's universal health coverage goals.



.....  
Name: Peter O. Ochokolo  
Fund Account Manager



## **8. Environmental and Sustainability Reporting**

Budalangi NG-CDF exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, which is founded on social sector, namely, Education & Training, Security Sector Support, Environment, and Sports. This pillar also makes special provisions for Kenyans with various disabilities and previously marginalized communities. We aim to increase tree coverage in the constituency through the climate change projects that are proposed by the community. We aim to positively impact climatic conditions of the community and align to the national agendas.

### **1. Sustainability strategy and profile -**

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

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

- Outline clearly, the environmental policy guiding the constituency, and provide evidence of the policy. Outline successes, shortcomings, efforts to manage biodiversity, waste management policy, and efforts to reduce the environmental impact of the constituency's activities.
- Report on the frequency of how often NG-CDF supported students carry out environmental conservation activities, e.g., planting trees once in an academic calendar.
- Sensitization of youth/ community on the impact of drug abuse.
- Report on security activities, e.g., construction of police stations supported by NG-CDF

## **3. Employee welfare**

We invest in providing the best working environment for our employees. Budalangi constituency recruitment is guided by Employment Act, NG-CDF 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. Budalangi constituency invests in capacity-building programs for employees. These include courses on technical competencies relevant to each employee and continuous sensitization on cross-cutting issues.

The committee has a safety policy in compliance with the Occupational Safety and Health Act of 2007 (OSHA) and has ensured the work environment is conducive to everybody's movement and accessibility within the office, including PWDs. The Constituency has also put in place disaster-mitigating measures, including fire extinguishers and accessible escape routes in case of emergency.

#### **4. Marketplace practices-**

Budalangi 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.

NG-CDF 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-**

Budalangi 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**

Budalangi 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.

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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**

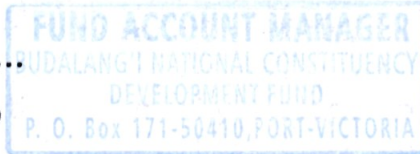
This includes mechanisms for participation and cooperation with local, regional, and national agencies, as well as for conducting community-based needs assessments, public awareness campaigns, and community meetings.

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

*P.O.*

Name: Peter O.Ochokolo

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 NG-CDF-Budalangi 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 NG-CDF-Budalangi Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Accrual Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the constituency's financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2025, and of the entity's financial position as at that date. The Accounting Officer charge of the NG-CDF- Budalangi 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 NG-CDF Budalangi 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

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year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further, the Accounting Officer confirms that the Constituency's financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

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

**Approval of the financial statements**

The NG-CDF- Budalangi Constituency financial statements were approved and signed by the Accounting Officer on 25/11/2025.



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Name: Alfred W. Siduwa  
Chairman – NGCDF Committee



.....

Name: Peter O. Ochokolo  
Fund Account Manager

# REPUBLIC OF KENYA

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NAIROBI

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

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### PREAMBLE

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

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

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

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

### REPORT ON THE FINANCIAL STATEMENTS

#### Qualified Opinion

I have audited the accompanying transitional IPSAS financial statements of National Government Constituencies Development Fund-Budalangi Constituency set out on

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

pages 1 to 70, which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial performance, statement of changes of net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the transitional IPSAS financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund - Budalangi 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 National Government Constituencies Development Fund Act, 2015 (Amended 2023), the Public Finance Management Act, 2012 and The National Treasury and Economic Planning Circular No.3 of 14 April, 2025.

## **Basis for Qualified Opinion**

### **1. Unconfirmed Cash and Cash Equivalents Balance**

The statement of financial position reflects cash and cash equivalents balance of Kshs.113,041,461 as disclosed in Note 19 to the financial statements. The balance includes Project Management Committee (PMC) bank balances totaling to Kshs.94,065,637 held in forty-six (46) bank accounts in various commercial banks. However, the cash books, certificates of bank balances and bank statements for twenty-six (26) PMC bank accounts with balances totaling to Kshs.71,652,267 were not provided for audit review.

Further, Note 19 to the financial statements reflects opening PMC bank accounts balance of Kshs.35,241,505 as at 1 July, 2024. However, the previous year audited financial statements for the year ended 30 June, 2024 reflect a total of Kshs.7,836,524 resulting to an unexplained variance of Kshs.27,404,981.

In the circumstances, the accuracy, and completeness of cash and cash equivalents balance of Kshs.113,041,461 could not be confirmed.

### **2. Inaccuracy of the Financial Statements**

Review of the financial statements revealed the following anomalies:

- i. The budget reconciliation of the statement of comparison of budget and actual amounts failed to reconcile budget utilization difference totals to cash and cash equivalents balance as at 30 June, 2025, both balances equal to Kshs.113,041,461.

- ii. The statement of financial position indicates balances for both the current and previous financial year 2023/2024. However, being the first year of adoption of IPSAS Accrual accounting framework by the Fund, the statement of financial position should indicate the current balances as at 30 June, 2025 and the opening statement as at 1 July, 2024 which was not the case.
- iii. The statement of financial position reflects net assets balance of Kshs.149,788,151 in respect to accumulated surplus as at 30 June, 2025. On the contrary, the statement of changes in net assets reflects net assets balance of Kshs.149,788,151 which comprises revenue reserves and accumulated surplus balances of Kshs.126,744,958 and Kshs.23,043,193. The use of different terminologies in the two statements is contrary to reporting template prescribed by the Public Sector Accounting Standards Board.

In the circumstances, the presentation and disclosure of the financial statements is not in accordance with the requirements of the reporting template prescribed by the Public Sector Accounting Standards Board.

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

### **Emphasis of Matter**

#### **Budgetary Control and Performance**

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis amounts of Kshs.297,907,975 and Kshs.264,438,118 respectively, resulting to under-funding of Kshs.33,469,857 or 11% of the budget. Similarly, the Fund spent Kshs.151,396,656 against budgeted expenditure of Kshs.297,907,975 resulting to an under-expenditure of Kshs.146,511,319 or 49% of the budget

The under-funding and under-expenditure affected the planned activities and may have impacted negatively on service delivery to the public.

My opinion is not modified in respect of this matter.

### **Key Audit Matters**

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

## **Other Matter**

### **Unresolved Prior Year Matters**

In the report for the previous year, several issues were raised under Report on the Financial Statements, Emphasis of Matter and Report on Lawfulness and Effectiveness in the Use of Public Resources as detailed in **Appendix I**. However, the issues had not been resolved and Management did not provide satisfactory reasons for the delay in resolving the issues.

### **Other Information**

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

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

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

## **REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES**

### **Conclusion**

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

### **Basis for Conclusion**

#### **1. 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 Fund revealed that the Accounting Officer of the Fund did not establish a Cash to accrual transition committee at the entity level and did not appoint a project manager to

oversee the transition contrary to The National Treasury and Economic Planning circular Ref. Treasury Circular No.3/2025 of 14 April, 2025 on Guidelines on transition from cash to accrual accounting by the National Government, County Governments and their respective entities. Further, a detailed roadmap outlining the key milestones at the entity level had not been developed as required.

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

## **2. Delayed Implementation of Projects**

During the year under review, the Fund had planned to implement twenty-four (24) projects with a budget of Kshs.99,313,234. However, only three (3) projects had started as at the time of audit in October, 2025.

In the circumstances, value for money was not obtained from the twenty-one (21) projects which had not started.

## **3. Unreported Payments for Emergency Projects**

The statement of financial performance reflects other grants and transfers expenditure amounting to Kshs.55,170,300, which as disclosed in Note 14 to the financial statements includes emergency projects amounting to Kshs.5,510,684. However, during the year under review, the Constituency Committee did not prepare and send to the Board reports of the occurrence of emergencies as required by Regulation 20(2) of the National Government Constituencies Development Fund, Regulations, 2016 which states that the utilization of the emergency reserve shall be reported to the Board within thirty days (30) of the occurrence of the emergency, in the format prescribed by the Board.

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

## **4. Outstanding Tax Arrears Owed to Kenya Revenue Authority**

Following a tax audit covering the five-year period from 2014 to 2018, the Fund was assessed to have tax arrears amounting to Kshs.2,927,122 which had not been settled as at 30 June, 2025. Further, the tax liability was not disclosed in the financial statements.

In the circumstances, Management was in breach of the tax laws.

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

## REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

### **Conclusion**

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

### **Basis for Conclusion**

#### **Lack of Internal Audit Reports**

Management did not provide internal audit reports for the Fund for audit review. Therefore, it was not possible to ascertain whether the internal audit function had effectively tracked the utilization of funds at the constituency level as required by the Regulation 160(1) of the Public Finance Management (National Government) Regulations, 2015, which states that internal auditors shall review and evaluate budgetary performance, financial management, transparency and accountability mechanisms and processes in National Government entities, including Parliament and Judiciary and have a duty to give reasonable assurance through the Audit Committee on the state of risk management, control and governance within the organization.

In the circumstances, the effectiveness of the Fund's internal controls and risk management could not be confirmed.

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 the 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**

## Appendix 1: Unresolved Prior Year Matters

<b>Reference No. of The Auditor-General's Audit Report</b>	<b>Observation</b>
	<b>Report on the Financial Statements</b>
1	Unsupported Bursary Payments
2	Unconfirmed Project Management Committee Bank Balances
	<b>Emphasis Of Matter</b>
1	Budgetary Control and Performance
	<b>Report on Lawfulness and Effectiveness in the Use of Public Resources</b>
1	Unreported Payments of Emergency Projects
2	Delayed Implementation of Funded Projects

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

	Note	2024-2025
		Kshs
<b>Revenue from non-exchange transactions</b>		
Transfers from the NGCDF Board	6	170,469,857
Grants/donations from other entities	7	-
<b>Revenue from exchange transactions</b>		
Finance income	8	-
Miscellaneous income	9	-
<b>Total revenue</b>		<b>170,469,857</b>
<b>Expenses</b>		
Employee costs	10	3,454,887
Committee expenses	11	2,382,700
Use of Goods and Services	12	9,083,178
Other Government Units Actual expenditure	13	77,179,598
Other Grants and Transfers Actual expenditure	14	55,170,300
Depreciation and amortization expense	15	156,000
Digital Hubs Actual expenditure	16	
<b>Total expenses</b>		<b>147,426,664</b>
<b>Other gains/(losses)</b>		
Gain/Loss on Sale of Assets	17	-
Impairment loss	18	-
<b>Surplus/(Deficit) for the year</b>		<b>23,043,193</b>

The Constituency financial statements were approved by the NGCDFC on 26/11 2025 and signed by:



Chairman NG-CDF  
Committee  
Name: Alfred W. Siduwa



National Sub-County  
Accountant  
Name: Jared L. Manono  
ICPAK M/No: 14671



Fund Account Manager  
Name: Peter O. Ochokolo



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

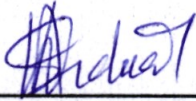
**12. Statement of Financial Position As At 30th June, 2025**

	Note	Period as at June 2025	2023-2024
		Kshs	Kshs
<b>Assets</b>			
<b>Current Assets</b>			
Cash And Cash Equivalents	19	113,041,461	47,060,118
Receivables from Exchange Transactions	20	-	-
Receivables from Non-Exchange Transactions	21	33,469,857	80,378,000
Prepayments	22	-	-
<b>Total Current Assets</b>		<b>146,511,318</b>	<b>127,438,118</b>
<b>Non-Current Assets</b>			
Property, Plant and Equipment	23	6,412,000	-
Intangible Assets	24	-	-
Right-of-use assets	25	-	-
<b>Total Non- Current Assets</b>		<b>6,412,000</b>	<b>-</b>
<b>Total Assets (A)</b>		<b>152,923,318</b>	<b>127,438,118</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and Other Payables	26	-	-
Third-Party Deposits	27	2,010,610	-
Lease Liabilities	28	-	-
Gratuity provision	29	1,124,556	693,160
<b>Total Current Liabilities</b>		<b>3,135,166</b>	<b>693,160</b>
<b>Non-Current Liabilities</b>			
Lease Liabilities	28	-	-
<b>Total Liabilities (B)</b>		<b>3,135,166</b>	<b>693,160</b>
<b>Net Assets (A-B)</b>		<b>149,788,151</b>	<b>126,744,958</b>
<b>Represented by:</b>			
Revaluation Reserves			
Accumulated Surplus		149,788,151	126,744,958
<b>Total Net Assets</b>		<b>149,788,151</b>	<b>126,744,958</b>

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

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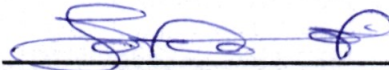
The Constituency financial statements set out on pages 1 to 8 approved by NG CDFC on \_17<sup>th</sup> November 2025 and signed by:



Chairman NG-CDF

Committee

Name: Alfred W. Siduwa

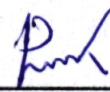


National Sub-County

Accountant

Name: Jared L. Manono

ICPAK M/No: 14671



Fund Account Manager

Name: Peter O. Ochokolo



*National Government Constituencies Development Fund (NGCDF) Budalangi 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	Revenue Reserves	Accumulated surplus/Deficit	Total
		Kshs	Kshs
<b>As at 30<sup>th</sup> June 2024 (cash basis)</b>	11,818,613		11,818,613
Adjustments: (to recognize assets and liabilities)			
Add Assets	115,619,505		115,619,505
Less Liabilities	693,160		693,160
<b>As at July 1, 2024</b>	126,744,958		149,788,151
Surplus/(Deficit) For the Period		23,043,193	23,043,193
Revaluation Gain/Loss	-	-	-
<b>As at 30<sup>th</sup> June (current year)</b>	<b>126,744,958</b>	<b>23,043,193</b>	<b>149,788,151</b>

Note:

1. For items that are not common in the financial statements, the Entity should include a note on what they relate to – either on the face of the statement of changes in equity/net assets or among the notes to the financial statements.
2. Prior year adjustment should have an elaborate note describing what the amounts relate to. In such instances, a restatement of the opening balances needs to be done.

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

	Notes	2024-2025
		Kshs
<b>Cash flows from operating activities</b>		
<b>Receipts</b>		
Transfers from the NGCDF Board		217,378,000
Grants/donations from other entities		-
Finance income		-
Miscellaneous income		-
<b>Total Receipts</b>		<b>217,378,000</b>
<b>Payments</b>		
Employee costs		3,023,490
Committee expenses		2,382,700
Use of Goods and Services		9,083,178
Other Government Units Certified Works		75,508,837
Other Grants and Transfers		55,111,802
Digital Hubs Expenses		-
<b>Total Payments</b>		<b>145,110,007</b>
<b>Net Cash Flows from/ (used in) Operating Activities</b>	30	<b>72,267,993</b>
<b>Cash flows From Investing Activities</b>		
Purchase of PPE		(6,286,650)
Purchase of Intangible assets		-
Proceeds From Sale of PPE		-
<b>Net Cash Flows from Investing Activities</b>		<b>(6,286,650)</b>
<b>Net increase/(decrease) in cash &amp; Cash equivalents</b>		<b>65,981,343</b>
<b>Cash Flows from Financing Activities</b>		
Lease payment		-
<b>Net Cash Flows from Financing Activities</b>		<b>65,981,343</b>
Cash and cash equivalents at Period Start	19	47,060,118
<b>Cash and cash equivalents at Period End</b>	19	<b>113,041,461</b>

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		
<b>Revenue</b>							
Transfers From the NGCDF Board	170,469,857	47,060,118	80,378,000	297,907,975	264,438,118	33,469,857	89%
Grants/donations from other entities	-	-	-	-	-	-	0%
Finance income	-	-	-	-	-	-	0%
Miscellaneous income	-	-	-	-	-	-	0%
<b>Totals</b>	<b>170,469,857</b>	<b>47,060,118</b>	<b>80,378,000</b>	<b>297,907,975</b>	<b>264,438,118</b>	<b>33,469,857</b>	<b>89%</b>
<b>Expenses</b>							
Employee costs	5,944,638	693,160	-	6,637,798	3,023,490	3,614,308	46%
Committee expenses	2,417,000	-	-	2,417,000	2,382,700	34,300	99%
Use of Goods and Services	5,638,663	3,500,000	-	9,138,663	9,083,178	55,485	99%
Other Government Units Certified Works	99,313,234	33,137,127	64,720,000	197,170,361	75,508,837	121,661,525	38%
Other Grants and Transfers	53,156,321	9,451,831	6,445,000	69,053,152	55,111,802	13,941,351	80%

*National Government Constituencies Development Fund (NGCDF) Budalangi 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	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		
Digital Hubs Expenses	4,000,000	-	-	4,000,000	-	4,000,000	0%
Acquisition of Assets	-	250,000	8,000,000	8,250,000	6,286,650	1,963,350	76%
Funds Pending Approval**	-	28,000	1,213,000	1,241,000	-	1,241,000	0%
<b>Total Expenditure</b>	<b>170,469,857</b>	<b>47,060,118</b>	<b>80,378,000</b>	<b>297,907,975</b>	<b>151,396,656</b>	<b>146,511,318</b>	<b>51%</b>
<b>Surplus for the period</b>					<b>113,041,461</b>	<b>(113,041,461)</b>	

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

**Explanatory Notes.**

The Fund utilization of Employee costs, Other Government Units Certified Works, Other Grants and Transfers, Digital Hubs Expenses and Acquisition of Assets occurred since more funds were disbursed towards the closure of financial year Digital Hubs Expenses

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	
Less undisbursed funds receivable from the Board as at 30 <sup>th</sup> June 2025	33,469,857
Cash and Cash Equivalents at the end of the 30 <sup>th</sup> June 2025	113,041,461

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 26/11 2025 and signed by:



*[Signature]*

Fund Account Manager

Name: Peter O. Ochokolo

*[Signature]*

National Sub-County Accountant

Name: Jared L. Manono

*[Signature]*

Chairman NG-CDF Committee

Name: Alfred W. Siduwa

ICPAK M/No:14671

16. Budget Execution by Sectors And Projects For The Year Ended 30<sup>th</sup> 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
<b>1.0 Administration and Recurrent</b>						
1.1 Compensation of employees	5,944,638	693,160		<b>6,637,798</b>	3,023,490	3,614,308
1.2 Committee allowances	1,588,000			<b>1,588,000</b>	1,553,700	34,300
1.3 Budalangi NG-CDF Strategic Plan		3,500,000	-	<b>3,500,000</b>	3,490,370	9,630
1.4 Use of goods and services	1,867,900			<b>1,867,900</b>	1,848,145	19,755
<b>Sub-total</b>	<b>9,400,538</b>	<b>4,193,160</b>	<b>-</b>	<b>13,593,698</b>	<b>9,915,705</b>	<b>3,677,993</b>
<b>2.0 Monitoring and evaluation</b>						
2.1 Capacity building	1,541,059			<b>1,541,059</b>	1,541,029	30
2.2 Committee allowances	829,000			<b>829,000</b>	829,000	-

**National Government Constituencies Development Fund (NGCDF) Budalangi Constituency (NGCDF) Budalangi 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
2.3 Use of goods and services	2,229,704			2,229,704	2,203,634	26,070
<b>Sub-total</b>	<b>4,599,763</b>	-	-	<b>4,599,763</b>	<b>4,573,663</b>	<b>26,100</b>
<b>4.0 Emergency</b>						
Unutilized	5,558,864			5,558,864		5,558,864
DCC Emergency Boats		4,131,193		4,131,193	4,050,249	80,945
lunyofu primary school		96,500		96,500	96,500	-
Ack musoma secondary school		950,000		950,000	873,394	76,606
Riverview Primary school		474,587		474,587	444,700	29,887
Mundere Girls Secondary school	1,600,000			1,600,000		1,600,000
Lunyofu Primary school	1,500,000			1,500,000	50	1,499,950
<b>Sub-total</b>	<b>8,658,864</b>	<b>5,652,280</b>	-	<b>14,311,144</b>	<b>5,464,893</b>	<b>8,846,251</b>
<b>5.0 Bursary and Social Security</b>						
5.1 Primary Schools				-		-
5.2 Secondary Schools	27,078,154		1,500,000	28,578,154	31,999,035	(3,420,881)

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization Difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
5.3 Tertiary Institutions	13,000,000			13,000,000	12,987,000	13,000
5.4 special needs	1,500,000			1,500,000	495,001	1,004,999
5.5 Education Support Programmes				-		-
5.6 Social Security				-		-
<b>Sub-total</b>	<b>41,578,154</b>	-	1,500,000	<b>43,078,154</b>	<b>45,481,036</b>	<b>(2,402,882)</b>
<b>7.0 Environment</b>						
ostieko secondary school	139,913			139,913	104,609	35,304
bulemia primary school	139,913			139,913	139,913	-
river view primary school	139,913			139,913	139,913	-
munani primary school	139,913			139,913	139,913	-
budalangi primary	139,913			139,913	139,913	-
buongo primary school	139,913			139,913	139,913	-
mubwayo primary school	139,913			139,913	139,913	-
bulwani primary school	139,913			139,913	139,913	-

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
Port mixed primary school		93,750		93,750	93,750	-
Bunyala Model Sec school		93,750		93,750	93,750	-
Sisenye Secondary school		93,750		93,750	93,750	-
Bukoma Sec school		93,750		93,750	93,750	-
Osieko Primary school		93,750		93,750	93,750	-
St. Cecilia Namanya Sec school		93,750		93,750	93,750	-
St.Cecilia Primary school		93,750		93,750	93,750	-
Lunyofu Primary school		93,750		93,750	93,750	-
Bubamba Primary school		93,750		93,750	93,750	-
Sifugwe Primary school		93,750		93,750	93,750	-
Sibuka Primary school		93,750		93,750	93,750	-
Mundika Primary school		93,750		93,750	93,750	-
Makunda Primary school		93,750		93,750	93,750	-
Rugunga Primary school		93,750		93,750	93,750	-
Lugare Primary school		93,750		93,750	93,750	-

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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
John Osogo Sec school		93,750		93,750	93,750	-
Bubamba Primary school			165,000	165,000		165,000
Bubango Primary school			165,000	165,000		165,000
Budalangi Primary school			165,000	165,000		165,000
Bukoma Primary school			165,000	165,000		165,000
Bumadeya Primary school			165,000	165,000		165,000
Habvanga Primary school			165,000	165,000		165,000
Lugale Primary school			165,000	165,000		165,000
Lunyofu Primary school			165,000	165,000		165,000
Makunda Primary school			165,000	165,000		165,000
Mudembi Primatyu school			165,000	165,000		165,000
Mukhobola Primary school			165,000	165,000		165,000
Munani Primary school			165,000	165,000		165,000
Mundere Primary school			165,000	165,000		165,000
Mundika Primary school			165,000	165,000		165,000

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
Musoma Primary school			165,000	165,000		165,000
Nandekere Primary school			165,000	165,000		165,000
Osieko Primary school			165,000	165,000		165,000
Rugunga Primary school			165,000	165,000		165,000
Sisenye Primary school			165,000	165,000		165,000
St.benedicts Budalangi High school			165,000	165,000		165,000
Budala Primary school			95,000	95,000		95,000
Budubusi Primary school			85,000	85,000		85,000
Musoma Primary school			95,000	95,000		95,000
Makunda Primary school			85,000	85,000		85,000
Buongo Primary school			95,000	95,000		95,000
Ruambwa Primary school			95,000	95,000		95,000
Lugale Primary school			95,000	95,000		95,000
Bulala FM Solar Installation		428		428		428

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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
DCC's office		200,000		200,000	198,025	1,975
<b>Sub-total</b>	<b>1,119,304</b>	<b>1,700,428</b>	<b>3,945,000</b>	<b>6,764,732</b>	<b>2,782,025</b>	<b>3,982,707</b>
<b>8.0 Primary Schools Projects</b>						
ACK Musoma Pri. School		639,497		639,497	126	639,371
budalangi jss		1,400,000		1,400,000	1,278,583	121,417
mundika jss		1,400,000		1,400,000	1,298,133	101,867
lugare jss		1,400,000		1,400,000	1,333,012	66,988
musoma jss		1,400,000		1,400,000	1,237,355	162,646
Mudembi Primary school		1,400,000		1,400,000	1,305,123	94,877
osieko jss		1,400,000		1,400,000	979,293	420,707
sisenye jss		1,400,000		1,400,000	1,303,564	96,436
buongo jss	156,617	1,243,383		1,400,000	1,333,228	66,773
mukhobola jss		1,400,000		1,400,000	1,002,893	397,107
habanga jss		1,400,000		1,400,000	1,299,751	100,249

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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
bumadeya jss	156,617	1,243,383		1,400,000	1,307,888	92,112
bubango jss		1,400,000		1,400,000	1,296,423	103,578
river view jss		1,400,000		1,400,000	1,213,055	186,945
munani jss		1,400,000		1,400,000	1,032,178	367,822
Mukhobola Primary school		3,087		3,087	-	3,087
Mundika Primary school		1,689		1,689	-	1,689
Sirimba Primary school School		93,277		93,277	-	93,277
ACK Lugale Primary school		51,586		51,586	-	51,586
Bubamba Primary school		728		728	-	728
Bubango Primary school		26,346		26,346	-	26,346
Budala Primary school		491,275		491,275	-	491,275
Budalangi Primary school		20,241		20,241	-	20,241
Budubusi Primary school		500		500	-	500
Bukoma Primary school		1,300		1,300	-	1,300
Bulagu Primary school		4,672		4,672	-	4,672

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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
Bulwani Primary school		4,740		4,740	-	4,740
Bumadeya Primary school		407		407	-	407
Buongo Primary school		852		852	-	852
Busagwa Primary school		26,870		26,870	-	26,870
Habanga primary school		11,522		11,522	-	11,522
Igigo Primary school		39,133		39,133	-	39,133
Lunyofu Primary school		10,979		10,979	-	10,979
Makunda Primary school		1,684		1,684	-	1,684
Mubwayo Primary school		103,197		103,197	7,171	96,026
Munani Primary school		575		575	-	575
Mundere Special school		6,964		6,964	-	6,964
Namalo Primary school		21,146		21,146	-	21,146
Osieko Primary school		602		602	-	602
Port Mixed Primary school		1,400,000		1,400,000	1,308,185	91,815
Port Mixed Primary school		1,102		1,102	-	1,102

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
Ruambwa Primary school		252		252	-	252
Rugunga Primary school		8,828		8,828	-	8,828
Runyu Primary school		79		79	-	79
Sifugwe Primary school		5,382		5,382	-	5,382
Sisenye Primary school		683		683	-	683
St. Cecilia primary school		23,106		23,106	-	23,106
Igigo Primary school	1,300,000			1,300,000	-	1,300,000
Mubwayo Primary school	1,500,000			1,500,000	-	1,500,000
Rugunga Primary school	1,500,000			1,500,000	-	1,500,000
Mundere Primary school	800,000			800,000	-	800,000
Mundere Primary school	1,700,000			1,700,000	-	1,700,000
Habanga Primary school	1,500,000			1,500,000	-	1,500,000
Munani Primary school	1,500,000			1,500,000	-	1,500,000
Riverview Primary school	1,500,000			1,500,000	-	1,500,000
Nabutswi Primary school	3,000,000			3,000,000	-	3,000,000

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
Bubamba Primary school	700,000			700,000	-	700,000
Bulwani Primary school	1,600,000			1,600,000	-	1,600,000
Sinyenye Muslim Primary school	1,500,000			1,500,000	-	1,500,000
Bubango Primary school	2,000,000			2,000,000	-	2,000,000
Kenya Gauze Primary school	1,500,000			1,500,000	-	1,500,000
Sirimba Primary school	1,500,000			1,500,000	-	1,500,000
				-		-
<b>Sub-total</b>	<b>23,413,234</b>	<b>22,289,067</b>	<b>-</b>	<b>45,702,301</b>	<b>18,535,959</b>	<b>27,166,342</b>
<b>9.0 Secondary Schools Projects (List all the Projects)</b>						
Bunyala Model Secondary		3,670		3,670	-	3,670
john osogo sec school		4,268,136		4,268,136	3,640,678	627,459
osieko sec school		2,400,000		2,400,000	1,990,312	409,688
Mundere Secondary school	17,000,000	25,771	16,500,000	33,525,771	16,461,668	17,064,103
ACK Musoma Sec.		15,064	16,500,000	16,515,064	16,247,315	267,749

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
Mudembi Secondary school		956		956	-	956
Ruambwa Secondary school	17,000,000	206,077	16,500,000	33,706,077	10,490,645	23,215,432
Sisenye Mixed Secondary school		92,253	15,220,000	15,312,253	7,138,822	8,173,431
St. Annes Bunyala Girls Sec school		49,979		49,979	45,000	4,979
St.Marys Namambusi Sec school		98,554		98,554	-	98,554
St.Peters Makunda Secondary school		19,182		19,182	-	19,182
ACK Musoma sec school	17,000,000			17,000,000	-	17,000,000
Sisenye mixed sec school	15,000,000			15,000,000	-	15,000,000
Ruambwa ss school	700,000			700,000	-	700,000
Sisenye mixed sec school	2,000,000			2,000,000	-	2,000,000
				-	-	-
<b>Sub-total</b>	<b>68,700,000</b>	<b>7,179,642</b>	<b>64,720,000</b>	<b>140,599,642</b>	<b>56,014,439</b>	<b>84,585,203</b>
<b>10.0 Tertiary institutions Projects</b>						

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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
<b>(List all the Projects)</b>						
bunyala institute of technology	200,000	266,557		466,557	387,600	78,957
Bunyala Technical and Vocational		909		909		909
masinde muliro university		3,400,953		3,400,953		3,400,953
bunyala institute of technology	7,000,000			7,000,000	570,839	6,429,161
				-		-
<b>Sub-total</b>	<b>7,200,000</b>	<b>3,668,418</b>	<b>-</b>	<b>10,868,418</b>	<b>958,439</b>	<b>9,909,980</b>
<b>11.0 Security Projects</b>				-		
muhobola police post	400,000			400,000	-	400,000
mukhobola Police Post			1,000,000	1,000,000	-	1,000,000
Bulemia Police Post		5,332		5,332	-	5,332
Muhobola Police Post		853,652		853,652	263,241	590,411
bulemia chief's office	400,000	1,240,000	-	1,640,000	1,120,607	519,393
port victoria law courts	1,000,000			1,000,000	-	1,000,000

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
<b>Sub-total</b>	<b>1,800,000</b>	<b>2,098,984</b>	<b>1,000,000</b>	<b>4,898,984</b>	<b>1,383,848</b>	<b>3,515,136</b>
<b>12.0 Acquisition of assets</b>						
12.1 Motor Vehicles (including motorbikes)			-	-		-
12.2 Purchase of Computers		250,000		250,000	520,000	(270,000)
12.2 Construction of CDF office			8,000,000	8,000,000	5,766,650	2,233,350
<b>Sub-total</b>	<b>-</b>	<b>250,000</b>	<b>8,000,000</b>	<b>8,250,000</b>	<b>6,286,650</b>	<b>1,963,350</b>
<b>Digital HuBs Expences</b>						
construction of ICT HUBs	4,000,000	-	-	4,000,000	-	4,000,000
<b>Sub-total</b>	<b>4,000,000</b>	<b>-</b>	<b>-</b>	<b>4,000,000</b>	<b>-</b>	<b>4,000,000</b>
<b>Sports</b>						
Budalangi Sports		138		138	-	138
<b>Sub-total</b>	<b>-</b>	<b>138</b>	<b>-</b>	<b>138</b>	<b>-</b>	<b>138</b>
<b>13.0 Others</b>						
<b>Funds pending approval**</b>				<b>-</b>		<b>-</b>

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
unapproved projects		-	1,213,000	1,213,000		1,213,000
AiA	-	28,000		28,000		28,000
<b>Sub-total</b>	-	<b>28,000</b>	<b>1,213,000</b>	<b>1,241,000</b>	-	<b>1,241,000</b>
<b>Total</b>	<b>170,469,857</b>	<b>47,060,118</b>	<b>80,378,000</b>	<b>297,907,975</b>	<b>151,396,656</b>	<b>146,511,318</b>

(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 Budalangi Constituency principal activity is Development.

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

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

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

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

**3. Adoption of New and Revised Standards**

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

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

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

<b>Standard</b>	<b>Effective date and impact:</b>
IPSAS 43: Leases	<b>Applicable 1<sup>st</sup> January 2025</b> The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an Entity. The new standard requires entities to recognize, measure and present information on right of use assets and lease liabilities. <b>Not Applicable</b>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<b>Applicable 1<sup>st</sup> January 2025</b> The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance. <b>Not Applicable</b>
IPSAS 45: Property Plant and Equipment	<b>Applicable 1<sup>st</sup> January 2025</b> The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of

	<p>IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p>
IPSAS 46: Measurement	<p><b>Applicable 1<sup>st</sup> January 2025</b></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> <li>i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.</li> <li>ii. Clarifying transaction costs guidance to enhance consistency across IPSAS.</li> <li>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</li> </ul> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p><b>Not Applicable</b></p>
IPSAS 47: Revenue	<p><b>Applicable 1<sup>st</sup> January 2026</b></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> <p><b>Not Applicable</b></p>
IPSAS 48:	<p><b>Applicable 1<sup>st</sup> January 2026</b></p>

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Transfer Expenses	<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><b>Not Applicable</b></p>
IPSAS 49: Retirement Benefit Plans	<p><b>Applicable 1<sup>st</sup> January 2026</b></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>
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<p><b>Applicable 1<sup>st</sup> January 2027</b></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"> <li>i. Limited improvements to existing accounting practices for exploration and evaluation expenditures.</li> <li>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.</li> <li>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.</li> </ul> <p><b>Not Applicable</b></p>

**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 30<sup>th</sup> June 2025 for the period 1<sup>st</sup> July 2024 to 30<sup>th</sup> 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 amortized 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 cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless an 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

### **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 labor 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 recognizes a social benefit as an expense for the social benefit scheme at the same time that it recognizes 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 organization e.g. provision for bad debts, provisions of obsolete stocks and how management estimates these provisions

6. Transfers from the NGCDF Board

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

7. Transfers from domestic and foreign partners

Description	2024-2025
	Kshs
Grants	-
<b>Total</b>	<b>-</b>

8. Finance income

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

9. Miscellaneous income

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

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**10. Employees cost**

	<b>2024-2025</b>
	<b>Kshs</b>
NG-CDFC Basic staff salaries	1,975,013
Personal allowances paid as part of salary	-
House Allowance	575,000
Transport Allowance	-
Leave allowance	-
Gratuity to contractual employees	633,826
Employer Contributions Compulsory national social security schemes	157,032
Employer Contributions Compulsory Housing levy	39,293
Employer contributions to National Industrial Training Authority	-
Other Specify	74,724
<b>Total</b>	<b>3,454,887</b>

**11. Committee Expenses**

	<b>2024-2025</b>
	<b>Kshs</b>
Sitting allowance	2,114,000
Other Committee expenses	268,700
<b>Total</b>	<b>2,382,700</b>

**12. Use of Goods and services**

	<b>2024-2025</b>
	<b>Kshs</b>
Utilities, supplies and services	-
Communication, supplies and services	199,542
Domestic travel and subsistence	527,700
Printing, advertising and information supplies & services	-
Office Rent	-
Training expenses	1,219,400
Hospitality supplies and services	492,170
Insurance costs	252,923
Specialized materials and services	345,373
Office and general supplies and services	418,044
Fuel, oil & lubricants	636,740
Bank charges	26,325
Routine maintenance – vehicles and other transport equipment	933,417
Routine maintenance – other assets	224,324
Strategic plan expenses	3,490,370
Other operating expenses	316,850
<b>Total</b>	<b>9,083,178</b>

**13. Other Government Units Actual expenditure**

<b>Description</b>	<b>2024-2025</b>
	<b>Kshs</b>
Primary Schools Actual expenditure	19,336,577
Secondary Schools Actual expenditure	56,884,583
Tertiary Institutions Actual expenditure	958,439
<b>Total</b>	<b>77,179,599</b>

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**14. Other Grants and transfers Actual expenditure**

	<b>2024-2025</b>
	<b>Kshs</b>
Bursary – secondary schools	31,999,035
Bursary – tertiary institutions	12,987,000
Bursary – special schools	495,001
Bursary - Education Support programmes	-
Social Security programmes (SHIF)	-
Security projects Actual expenditure	1,396,555
Climate change mitigation projects	2,782,025
Emergency projects Actual expenditure	5,510,684
Roads projects Actual expenditure	-
Others specify	-
<b>Total</b>	<b>55,170,300</b>

**15. Depreciation and Amortization Expenses**

Description	<b>2024-2025</b>
	<b>Kshs</b>
Property Plant and Equipment	156,000
Intangible Assets	-
<b>Total</b>	<b>156,000</b>

**16. Digital Hubs Expenses**

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

**17. Gain/loss on Sale of Assets**

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

**18. Impairment Loss**

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

**19. Cash and Cash Equivalents**

Name Of Bank and Account No.	2024-2025	2023- 2024
	Kshs	Kshs
<b>Bank Accounts (Cash Book Bank Balance)</b>		
<i>Equity Bank Ltd (Operations account) A/C NO;0780279693505</i>	17,569,918	11,818,613
<i>Operations account pending closure (Indicate name &amp; account no.)</i>	-	-
<i>Diamond Trust Bank (Deposit account) A/C NO;0298574001</i>	1,405,906	-
<i>Kenya Commercial Bank (PMC accounts) Refer to Annex 2</i>	94,065,637	35,241,505
<b>Total</b>	<b>113,041,461</b>	<b>47,060,118</b>
<b>Cash Balances</b>		
Location 1		
Location 2		
Other Locations <i>(Specify)</i>		
<b>Total</b>		

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**20. Receivables from Exchange Transactions**

Description	2024-2025	Opening Statement 1 <sup>st</sup> July 2024
	Kshs	Kshs
<b>Total receivables</b>		
Other exchange debtors ( <i>Specify</i> )	-	-
Less: impairment allowance	-	-
<b>Total receivables</b>	-	-
a. Current receivables	-	-
b. Non-current receivables	-	-
<b>Total Receivables (a+b)</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 <sup>st</sup> July 2024	
	2024-2025	% of the total	Opening Balance	% of the total
Less than 1 year		%		%
Between 1- 2 years		%		%
Between 2-3 years		%		%
Over 3 years		%		%
<b>Total (a+b)</b>		%		%

## 21. Receivables from Non-Exchange Transactions

Description	2024-2025		2023-2024	
	Kshs		Kshs	
Transfers from NGCDFB	33,469,857		80,378,000	
Outstanding imprest	-		-	
<b>Total</b>	<b>33,469,857</b>		<b>80,378,000</b>	
<b>Ageing Analysis- Receivables from non-exchange transactions</b>	<b>2024-2025</b>	<b>% of the total</b>	<b>Opening Balance</b>	<b>% of the total</b>
Less than 1 year	33,469,857	100%	80,378,000	100%
Between 1-2 years		%		%
Over 3 years		%		%
<b>Total</b>	<b>33,469,857</b>	<b>100%</b>	<b>80,378,000</b>	<b>100%</b>

## 22. Prepayments

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

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		10%	25%	20%	12.5%	30%		
Cost	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Opening Bal as 1 <sup>st</sup> July 2024	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	520,000	6,048,000	6,568,000
Disposals	-	-	-	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-	-	-	-
As At 9th June 2025	-	-	-	-	-	520,000	6,048,000	6,568,000
Depreciation And Impairment								
Opening bal accumulated depreciation 1st July 2024	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	156,000	-	156,000
Disposals	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-	-	-
As At 9th June 2025	-	-	-	-	-	156,000	-	156,000
Net Book Values								
Opening Bal as at 1 <sup>st</sup> July 2025	-	-	-	-	-	-	-	-
As At 30th June 2025	-	-	-	-	-	364,000	6,048,000	6,412,000

**Valuation**

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

**22 b) Property, Plant and Equipment at Cost**

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

	<b>Cost</b>	<b>Accumulated Depreciation</b>	<b>NBV</b>
	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
Land	-	-	-
Buildings	-	-	-
Plant And Machinery	-	-	-
Motor Vehicles, Including Motorcycles	-	-	-
Computers And Related Equipment	-	-	-
Office Equipment, Furniture, And Fittings	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

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

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**24. Intangible Assets**

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

**25. Right-of use assets**

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

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As At 30 June 2025 (Current FY)				
As At 30 June 2024. (Comparative Period)				

**26. Trade and Other Payables**

Description	2024-2025		Opening Statement 1 <sup>st</sup> July 2024	
	Kshs		Kshs	
Trade payables		-		-
Employee payables		-		-
Other payables		-		-
<b>Total trade and other payables</b>		-		-
<b>Aging analysis: (Trade and other payables)</b>	<b>30<sup>th</sup> June, 2025</b>	<b>% of the Total</b>	<b>1<sup>st</sup> July, 2024</b>	<b>% of the Total</b>
Under one year	-	%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
<b>Total (tie to above total)</b>				

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**27. Third-Party deposits**

	<i>2024-2025</i>	<i>2023- 2024</i>
	<b>KShs</b>	<b>KShs</b>
Retention as at 1 <sup>st</sup> July (A)	-	-
Retention held during the year (B)	2,010,610	-
Retention paid during the Year (C)	-	-
<b>Closing Retention as at 30<sup>th</sup> June D= A+B-C</b>	<b>2,010,610</b>	<b>-</b>

**Retentions aging analysis.**

	<i>2024-2025</i>	<i>% of the total</i>	<i>2023-2024</i>	<i>% of the total</i>
Less than 1 year	<b>2,010,610</b>	100%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
<b>Total</b>	<b>2,010,610</b>	<b>100%</b>	<b>-</b>	

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

**28. Lease Liabilities**

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

**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	2023-2024
	Kshs	KShs
Gratuity at the beginning of the year 1 <sup>st</sup> of July	693,160	-
Gratuity held during the year	633,826	693,160
Gratuity paid during the year	202,431	-
<b>Total Gratuity Provision 30th June (A+B-C)</b>	<b>1,124,556</b>	<b>693,160</b>

### 30. Cash Generated from Operations

	2024-2025
	Kshs
Surplus for the period before tax	23,043,193
<b>Adjusted for:</b>	
Depreciation	156,000
Non-cash grants received	-
Contributed assets	-
Impairment	-
Gains and losses on disposal of assets	-
Contribution to provisions	-
Contribution to impairment allowance	-
<b>Working capital adjustments</b>	
Changes in inventory	-
Changes in receivables	46,908,143
Changes in deferred income	-
Changes in Third party deposits	1,729,261
Changes in gratuity provision	431,396
Changes in payments received in advance	-
<b>Net cash flow from operating activities</b>	<b>72,267,993</b>

Note: Changes in Third party deposits totals to Kshs. 2,010,610 as per the Statement of financial position included is Kshs. 281,250 that relates to retention for construction of office building that does not form the working capital as per note.30.

### 31. Financial Risk Management

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

**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
<b>As at 30<sup>th</sup> June 2025 (Current FY)</b>				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	33,469,857	33,469,857	-	-
Bank balances	17,569,918	17,569,918	-	-
<b>Total</b>	<b>51,039,775</b>	<b>51,039,775</b>	-	-
<b>As at 30 June 2024(Previous FY)</b>				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	80,378,000	80,378,000	-	-
Bank balances	11,818,613	11,818,613	-	-
<b>Total</b>	<b>92,196,613</b>	<b>92,196,613</b>	-	-

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

**Financial Risk Management**

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

**ii) Liquidity risk management**

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
<b>As at 30<sup>th</sup> June 2025 (Current FY)</b>				
Trade payables				
Current proportion of borrowings	-	-	-	-
Provisions(Retention)	-	-	2,010,610	2,010,610
Deferred income	-	-	-	-
Gratuity Provision	-	-	1,124,556	1,124,556
<b>Total</b>			<b>3,135,166</b>	<b>3,135,166</b>
<b>As at 30<sup>th</sup> June 2024 (Previous FY)</b>				
Trade payables				

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Gratuity provision	-	-	693,160	693,160
Employee benefit obligation				
<b>Total</b>			<b>693,160</b>	<b>693,160</b>

### 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

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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:

**2024-2025**

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

**Foreign currency sensitivity analysis**

**2024-2025**

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

### 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
<b>2024-2025</b>	n/a		
Euro	10%	-	-
USD	10%	-	-
<b>2023-2024</b>			
Euro	10%	-	-
USD	10%	-	-

#### b) Interest rate risk

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

#### Management of interest rate risk

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

#### Sensitivity analysis

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

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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
<b>As at 30 June,2025</b>				
<b>Financial Assets</b>				
Quoted Equity Investments	-	-	-	-
<b>Non- Financial Assets</b>				
Investment Property	-	-	-	-
Land And Buildings	-	-	-	-
<b>Total</b>	-	-	-	-
<b>As at 30<sup>th</sup> June,2024</b>				
<b>Financial Assets</b>				
Quoted Equity Investments	-	-	-	-
<b>Non- Financial Assets</b>				

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Investment Property	-	-	-	-
Land And Buildings	-	-	-	-
<b>Total</b>	-	-	-	-

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	2023-2024
	Kshs	Kshs
Revaluation Reserve		
Retained Earnings	149,788,151	126,744,958
Capital Reserve	-	-
<b>Total Funds</b>	-	-
Total Borrowings	-	-
Less: Cash and Bank Balances	113,041,461	47,060,118
Net Debt/(Excess Cash And Cash Equivalents)	-	-
<b>Gearing</b>	<b>75%</b>	<b>37%</b>

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**32. Related Party Disclosures**

	2024-2025	2023- 2024
	Kshs	Kshs
<b>Committee Members Remuneration</b>		
Sitting allowance of committee Members during the year	2,114,000	2,875,240
<b>Transaction with the NGCDF Board</b>		
Transfers from the NGCDF Board during the year	217,378,000	177,174,240
<b>Total</b>	<b>219,492,000</b>	<b>180,049,480</b>

**33. Segment Information**

*(Where an organization 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 <sup>st</sup> July 2024
	Kshs	Kshs
<b>Contingent Assets</b>		
Insurance Reimbursements	-	-
Assets Arising from Determination Of Court Cases	-	-
Reimbursable Indemnities and Guarantees	-	-
Receivables From Other Government Entities	-	-
Others (Specify)	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

### **Contingent Liabilities**

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

### **35. Capital Commitments**

Capital Commitments	2024-2025	Opening Statement 1 <sup>st</sup> July 2024
	Kshs	Kshs
Authorised for	-	-
Authorised and Contracted for	-	-
<b>Total</b>	-	-

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

### **38. Currency**

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

18. Annexes

Annex 1: Summary of Asset Register

Asset class	Historical Cost/valuation cost balance brought forward (Kshs)	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) At Year End
Land				
Buildings and structures			-	
Transport equipment	9,635,345		-	9,635,345
Office equipment, furniture, and fittings	434,410		-	434,410
ICT Equipment and Other ICT Assets	1,369,750	520,000	-	1,889,750
Other Machinery and Equipment	4,600,815		-	4,600,815
Intangible assets	1,500		-	1,500
<b>Total</b>	<b>16,041,820</b>	<b>520,000</b>	<b>-</b>	<b>16,561,820</b>

**Annex 2 –PMC Bank Balances As At 30<sup>th</sup> June 2025**

<b>PMC</b>	<b>Bank</b>	<b>Account number</b>	<b>Bank Balance 30<sup>th</sup> June 2025</b>	<b>Bank Balance 30<sup>th</sup> June 2024</b>
Ack Musoma Primary School	Kcb-Portvictoria	1330834992	76,606	
Mubwayo Primary School	Kcb-Portvictoria	1275179819	96,026	103,197
Riverview Primary School	Kcb-Portvictoria	1293039861	29,887	474,587
St. Annes Bunyala Girls Sec School	Kcb-Portvictoria	1275617646	4,979	49,979
St.Peters Makunda Sec School	Kcb-Portvictoria	1289914877	19,182	19,182
Budubusi Primary School	Kcb-Portvictoria	1275617409	500	500
Mukhobola Police Post	Kcb-Portvictoria	1294369040	590,411	853,652
Bunyala Model Sec School	Kcb-Portvictoria	1292073438	3,670	3,670
Ack Musoma Sec School	Kcb-Portvictoria	1258519712	267,749	15,064
Dcc Office	Kcb-Portvictoria	1331114179	1,975	4,131,193
Osieko Sec School	Kcb-Portvictoria	1330904591	409,688	2,400,000
Mukhobola Jss	Kcb-Portvictoria	1330791363	397,107	1,400,000
Buongo Jss	Kcb-Portvictoria	1330904656	66,773	1,243,383
Sisenye Jss	Kcb-Portvictoria	1330834860	96,436	1,400,000
Osieko Jss	Kcb-Portvictoria	1330990781	420,707	1,400,000
Mudembi Jss	Kcb-Portvictoria	1330914139	94,877	1,400,000
Musoma Jss	Kcb-Portvictoria	1330835093	162,646	1,400,000

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PMC	Bank	Account number	Bank Balance 30 <sup>th</sup> June 2025	Bank Balance 30 <sup>th</sup> June 2024
Lugare Jss	Kcb-Portvictoria	1330698037	66,988	1,400,000
Mundika B Jss	Kcb-Portvictoria	1330790464	101,867	1,400,000
Budalangi Jss	Kcb-Portvictoria	1330901354	121,417	1,400,000
Munani Primary Jss	Kcb-Portvictoria	1330904761	367,822	1,400,000
Riverview Primary School	Kcb-Portvictoria	1330791169	186,945	1,400,000
Bubango Jss	Kcb-Portvictoria	1330790707	103,578	1,400,000
Bumadeya Jss	Kcb-Portvictoria	1330790197	92,112	1,243,383
Khabanga Primary	Kcb-Portvictoria	1330855590	100,249	1,400,000
Mundere Girls Sec School	Kcb-Portvictoria	1269537970	64,103	25,771
Bulemia Chief's Office	Kcb-Portvictoria	1333675143	119,393	1,240,000
John Osogo Sec School	Kcb-Portvictoria	1330835220	627,459	4,268,136
Buongo Primary	Kcb-Portvictoria	1292999985	852	852
Sisenye Mixed Sec School	Kcb-Portvictoria	1254026959	8,173,430	92,253
Ruambwa Sec School	Kcb-Portvictoria	1258531224	6,215,432	206,077
Port Mixed Pri School	Kcb-Portvictoria	1330790375	91,815	
Lunyofu Pri School	Kcb-Portvictoria	1340963329	1,499,950	
Bunyala Institute of Technology	Kcb-Portvictoria	1285922379	78,957	266,557
Budala Pri School	Kcb-Portvictoria	1275179894	491,275	491,275
Musoma AC Pri School	Kcb-Portvictoria	1290595127	639,371	639,497
Sirimba Pri School	Kcb-Portvictoria	1275179525	93,277	93,277

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<b>PMC</b>	<b>Bank</b>	<b>Account number</b>	<b>Bank Balance 30<sup>th</sup> June 2025</b>	<b>Bank Balance 30<sup>th</sup> June 2024</b>
DCC Emergency-Boats	Kcb-Portvictoria	1289477744	8,0945	200,000
ACK Lugale Pri School	Kcb-Portvictoria	1285856627	51,586	51,586
Port Mixed Primary school PMC	Kcb-Portvictoria	1290210349	1,102	1,102
Ruambwa Primary school PMC	Kcb-Portvictoria	1291415726	252	252
Rugunga Prtimary school PMC	Kcb-Portvictoria	1285856570	8,828	8,828
Runyu Primary school PMC	Kcb-Portvictoria	1295665204	79	79
Sifugwe Primary school PMC	Kcb-Portvictoria	1292059729	5,382	5,382
Sisenye Primary school PMC	Kcb-Portvictoria	1296485196	683	683
St. Cecilia primary school PMC			23,106	23,106
Igigo Primary school PMC			1,300,000	
Mubwayo Primary school PMC			1,500,000	
Rugunga Primary school PMC			1,500,000	
Mundere Primary school PMC			800,000	
Mundere Primary school PMC			1,700,000	
Habanga Primary school PMC			1,500,000	
Munani Primary school PMC			1,500,000	
Riverview Primary school PMC			1,500,000	
Nabutswi Primary school PMC			3,000,000	
Bubamba Primary school PMC			700,000	
Bulwani Primary school PMC			1,600,000	

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PMC	Bank	Account number	Bank Balance 30 <sup>th</sup> June 2025	Bank Balance 30 <sup>th</sup> June 2024
Sinyenye Muslim Primary school PMC			1,500,000	
Bubango Primary school PMC			2,000,000	
Kenya Gauze Primary school PMC			1,500,000	
Sirimba Primary school PMC			1,500,000	
Bubamba Primary school PMC	Kcb-Portvictoria	1292999950	728	728
Bubango Primary school PMC	Kcb-Portvictoria	1289993270	26,346	26,346
Munani Primary school PMC	Kcb-Portvictoria	1258519569	575	575
Mundere Special school	Kcb-Portvictoria	1205769498	6,964	6,964
Namalo Primary school PMC	Kcb-Portvictoria	1289913870	21,146	21,146
Osieko Primary school PMC	Kcb-Portvictoria	1258520184	602	602
Mukhobola Primary school PMC	Kcb-Portvictoria	1275617271	3,087	3,087
Mundika Primary school PMC	Kcb-Portvictoria	1277363161	1,689	1,689
Budalangi Primary school PMC	Kcb-Portvictoria	1289914605	20,241	20,241
Bukoma Primary school PMC	Kcb-Portvictoria	1286069580	1,300	1,300
Bulagu Primary school PMC	Kcb-Portvictoria	1294368680	4,672	4,672
Bulwani Primary school PMC	Kcb-Portvictoria	1275186165	4,740	4,740
Bumadeya Primary school PMC	Kcb-Portvictoria	1289914168	407	407
Busagwa Primary school PMC	Kcb-Portvictoria	1258519917	26,870	26,870
Habanga primary school PMC	Kcb-Portvictoria	1292689161	11,522	11,522
Igigo Primary school PMC	Kcb-Portvictoria	1287212042	39,133	39,133

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<b>PMC</b>	<b>Bank</b>	<b>Account number</b>	<b>Bank Balance 30<sup>th</sup> June 2025</b>	<b>Bank Balance 30<sup>th</sup> June 2024</b>
Lunyofu Primary school PMC	Kcb-Portvictoria	1275617506	10,979	10,979
Makunda Primary school PMC	Kcb-Portvictoria	1286069432	1,684	1,684
ACK Musoma sec school PMC			17,000,000	
Sisenye mixed sec school PMC			15,000,000	
Ruambwa ss school PMC			700,000	
Sisenye mixed sec school PMC			2,000,000	
St.Marys Namambusi Sec School	Kcb-Portvictoria	1322004080	98,554	98,554
Mudembi Girls Sec School	Kcb-Portvictoria	1285922484	956	956
Bunyala Institute of Technology			6,429,161	
Bunyala Technical and Vocational	Kcb-Portvictoria	1316497976	909	909
Bulemia Police Post	Kcb-Portvictoria	1294368818	5,332	5,332
Muhobola Police Post			400,000	
Bulemia chiefs office			400,000	
Port victoria law courts			1,000,000	
Digital hub-Jiitume			4,000,000	
Mundere Girls Secondary school			1,600,000	
Bulala FM Solar Installation PMC	Kcb-Portvictoria	1289871981	428	428
Budalangi sports PMC	Kcb-Portvictoria	1239225938	138	138

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PMC	Bank	Account number	Bank Balance 30 <sup>th</sup> June 2025	Bank Balance 30 <sup>th</sup> June 2024
Total			94,065,637	35,241,505

**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.

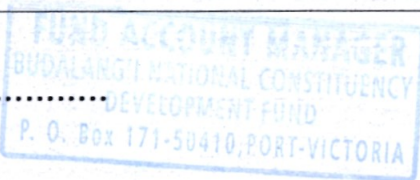
Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1	<p><b>Unsupported Bursaries to Secondary Schools, Special School and Tertiary Institutions</b></p> <p>The statement of receipts and payments reflects other grants and other transfers amount of Kshs. 55,116,171 which includes Bursary to secondary schools, tertiary institutions and special schools amounting to Kshs. 30,964,500, Kshs. 12,621,560 and kshs. 425,000 respectively and as disclosed in Note 8 to the financial statements. However the evidence documenting the vetting, identification and categorizing of needy students done by the bursary sub-committee were not provided for audit review. In addition, the area education officer or his representative as directed by the Board were not involved in allocation of bursary to students. Further the criteria used in identifying, vetting and awarding of the bursaries was not</p>	<p>The NG-CDFC Bursary sub-committee did applications, compiled and sorted and vetted the most needy were awarded as per the minutes and documents availed for</p>	Resolved	

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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>provided for audit review. In the circumstances, the accuracy, and completeness of other grants and transfers amount of kshs. 55,116,171 could not be confirmed.</p>	verification		
2	<p><b>Budgetary Control and Performance</b> The Summary Statement of Appropriation reflects final receipts budget and actual on comparable basis amounting to Kshs. 264,962,968 and kshs 184,556,968 respectively resulting to under-funding of kshs 80,378,000 or 30% of the budget. Similarly the statement reflects actual expenditure of kshs 174,879,723 against approved budget of kshs 264,962,968 resulting to under-performance of kshs 90,083,245 or 34% of the budget.</p> <p>The under-funding and under-performance affected the planned activities and may have impacted negatively on service delivery to the public.</p> <p>My opinion is not modified in respect of this/these matter(s)</p>	The projects have since been implemented	Resolved	
3	<p><b>Unreported Payments on Emergency Projects</b> Included the financial statements of receipts and payments and Note 8 to the financial statements are other grants and other transfers amounting to Kshs. 55,116,171 which further includes emergency projects amounting to Kshs.</p>	The NG-CDFC Approved funding of emergencies as they arise as per	Resolved	

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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)
	7,200,810. However, there did not exist evidence that the constituency committee reported to the Board the occurrence of emergency as required.	the minutes and needy requests as per availed documents for review and verification		
4	<p><b>Unconfirmed Project Management Bank Balances</b></p> <p>Note 19.4 and Annex 5 to the financial statements reflects Project Management Committee (PMC) bank balances of Kshs. 7,846,603 held in forty-nine (49) PMC bank accounts in various commercial banks. However, the cash books, bank reconciliation statements and certificates of bank balance for the bank accounts were not provided for audit review.</p> <p>In Circumstances the accuracy, and completeness of the project management committee bank balance amount of kshs 7,846,603 could not be confirmed.</p>	The Bank Pmc Statements and Bank Certificates are availed for review and verification	Resolved	

Name: Peter O. Ochokolo  
Fund Account Manager.