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REPORT

OF

THE AUDITOR-GENERAL

ON

**NATIONAL GOVERNMENT CONSTITUENCIES
DEVELOPMENT FUND – LAMU WEST
CONSTITUENCY**

FOR THE YEAR ENDED

30 JUNE, 2025





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NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

LAMU WEST CONSTITUENCY

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
30th JUNE 2025

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

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

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1. Acronyms and Definition of Key Terms

A. Acronyms

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

B. Definition of Key Terms

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

Comparative Year- Means the prior period.

2. Key Constituency Information and Management

(a) Background information

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

Mandate

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

- a) Recognize the constituency as a platform for the identification, performance, and implementation of national government functions.
- b) Facilitate the performance and implementation of national government functions in all parts of the Republic pursuant to Article 6 (3) of the Constitution;
- c) Provide for the participation of the people in the determination and implementation of identified national government development projects at the constituency level pursuant to Article 10(2)(a) of the Constitution;
- d) Promote the national values of human dignity, equity, social justice, inclusiveness, equality, human rights, non-discrimination, and protection of the marginalized pursuant to Article 10(2)(b) of the Constitution;
- e) Provide for the sustainable development of all parts of the Republic pursuant to Article 10(2)(d) of the Constitution;
- f) Provide a legislative and policy framework pursuant to Article 21(2) of the Constitution for the progressive realisation of the economic and social rights guaranteed under Article 43 of the Constitution;
- g) Provide mechanisms for the National Assembly to exercise oversight over the performance of exclusive national government functions at the constituency level as provided for under Article 95 of the Constitution;
- h) Authorize withdrawal of money from the Consolidated Fund as provided under Article 206(2)(c) of the Constitution;

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

Vision

Equitable Socio-economic development countrywide.

Mission

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

Core Values

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

Functions of NG-CDF Committee

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

(b) Key Management

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

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

Fiduciary Management

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

No	Designation	Name
1.	AIE holder	Javan Lewela Mwandawiro
2.	National Sub-County Accountant	CPA Benjamin Uhuru Kituku
3.	Chairman NGCDFC	Geoffrey Kupata Charo
4.	Member NGCDFC	Julia Wambui Njuguna

(c) Fiduciary Oversight Arrangements

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

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(d) NGCDF Lamu West Constituency Headquarters

P.O. Box 277-80500
NG-CDF Building
Adjacent to County Assembly Offices, Off Lamu- Garsen Road
Mokowe, Lamu.

(e) NGCDF Lamu Constituency Contacts

P.O. Box 277-80500
Telephone: (254) 0112237514
E-mail: cdflamuwest@ngcdf.go.ke
Website: www.ngcdf.go.ke

(f) NGCDF Lamu West Constituency Bankers

1. Equity Bank Kenya Limited (Operations Bank Account)
Account Number: 1270263908321
P.O. Box 75- 80503
Mpeketoni Branch
Mpeketoni, Lamu
2. Equity Bank Kenya Limited. (Deposit Bank Account).
Account Number: 1270284814524
P.O. Box 75- 80503
Mpeketoni Branch
Mpeketoni, Lamu
3. PMC Bank Accounts:
Equity Bank Kenya Limited.
Account Number: Various
P.O. Box 75- 80503
Mpeketoni Branch/ Mpeketoni, Lamu





(g) Independent Auditor

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





(h) Principal Legal Adviser


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

3. NG-CDF Committee

	Name	Details
1	<p>Mr. Geoffrey Kupata Charo</p> 	<p><u>Male Adult Representative</u> Date of Birth: 15/11/1974 Highest Academic Qualification: KCSE Professional Qualification: F&B Techniques Work Experience: Businessman Position: NG- CDFC Chairman</p>
2	<p>Ms. Julia Wambui Njuguna</p> 	<p><u>Co-Opted Member</u> Date of Birth: 15/04/1965 Highest Academic Qualification: Diploma Professional Qualification: ECDE Work Experience: Teacher (Retired) Position: NG- CDFC Secretary</p>
3	<p>Mr. Omar Bakari Khelef</p> 	<p><u>PWDs Representative</u> Date of Birth: 27/03/1963 Highest Academic Qualification: Degree Professional Qualification: Special Education Work Experience: Teacher (Retired) Position: NG- CDFC Member</p>
4	<p>Ms. Christine Ngina Muli</p> 	<p><u>Female Adult Representative</u> Date of Birth: 01/01/1974 Highest Academic Qualification: KCPE Professional Qualification: Social Worker Work Experience: Kenya Red Cross Society Position: NG- CDFC Member</p>

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5	<p>Ms. Annah Wanjiku Kibutu</p> 	<p><u>Female Adult Representative</u> Date of Birth: 1978 Highest Academic Qualification: KCSE Professional Qualification: Businesswoman Work Experience: Community Stakeholder Position: NG- CDFC Member</p>
6	<p>Mr. Salim Mohamed Obo</p> 	<p><u>Male Adult Representative</u> Date of Birth: 15/10/1984 Highest Academic Qualification: KCSE Professional Qualification: Marine Seafarer Work Experience: Sailor/Fisherman Position: NG- CDFC Member</p>
7	<p>Mr. James Kamau Waithaka</p> 	<p><u>Male Youth Representative</u> Date of Birth: 04/03/1992 Highest Academic Qualification: KCSE Professional Qualification: Certificate Work Experience: Insurance Position: NG- CDFC Member</p>
8	<p>Ms. Mary Mwihaki Kamangara</p> 	<p><u>Female Youth Representative</u> Date of Birth: 28/04/1994 Highest Academic Qualification: KCSE Professional Qualification: Businesswoman Work Experience: Community Services Position: NG- CDFC Member</p>

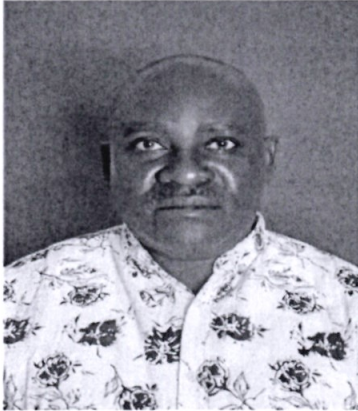
9		<p>Fund Account Manager Date of Birth: 16/05/1979 Highest Academic Qualification: Degree Professional Qualification: CPA-K Work Experience: Field Financial Services Position: Ex- Oficio Member</p>
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OUTGOING NG-CDF COMMITTEE

	NAME	DETAILS	PERIOD SERVED
1	James Kamau Waithaka	Male Youth Representative	2 Years
2	Mary Mwihaki Kamangara	Female Youth Representative	2 Years
3	Khalifa Twalib Basheikh	Male PWDs Representative	2 Years
4	Julia Wambui Njuguna	Female Adult Representative	2 Years
5	Geoffrey Kupata Charo	Male Adult Representative	2 Years
6	Christina Ngina Muli	Female Adult Representative	2 Years
7	Twalib Hussein Shakuwe	Male Adult Representative	2 Years
8	Zachariah Mugo	Co - Opted Member	2 Years

4. NG-CDFC Chairman's Report

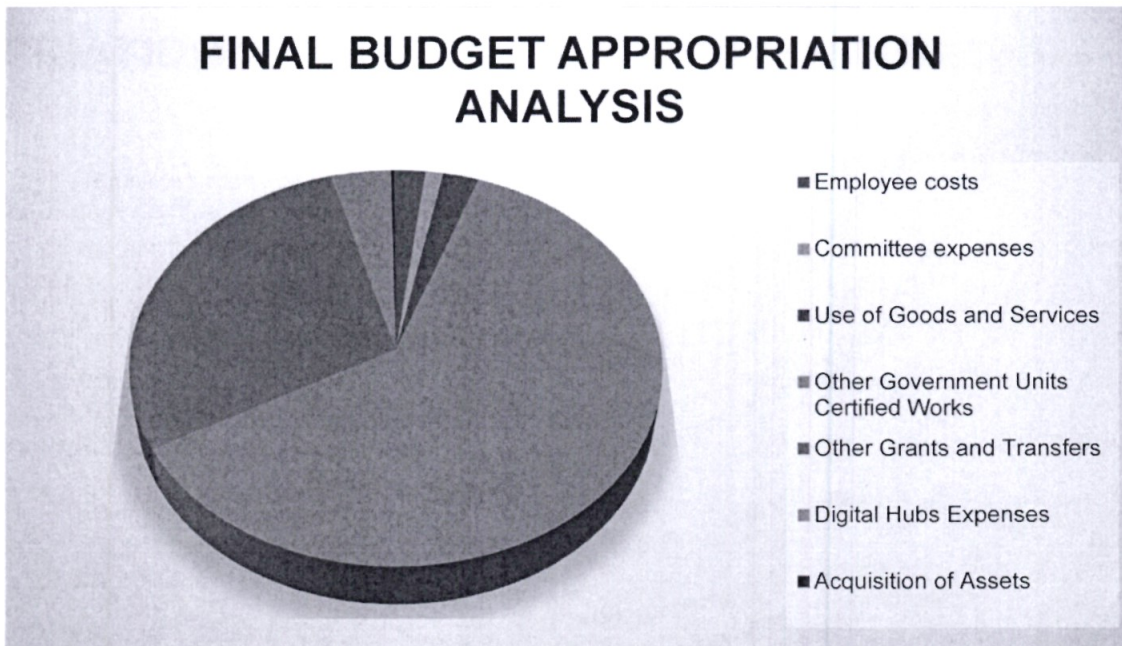
Mr. Geoffrey Kupata Charo



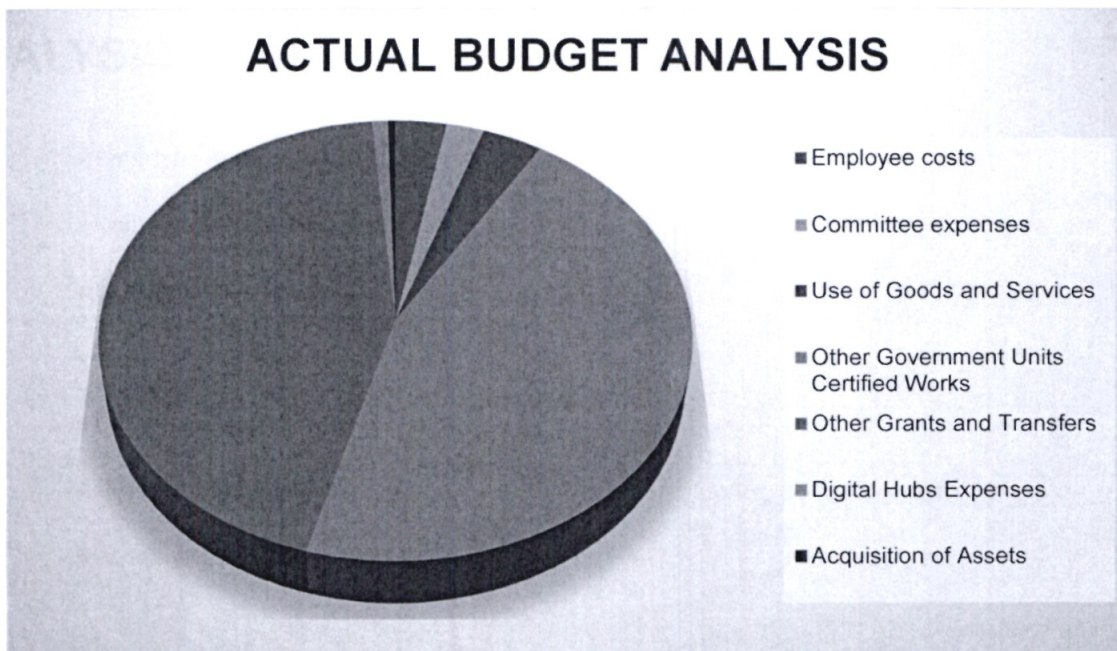
It is with great pleasure that I express my heartfelt gratitude to the people of NG-CDF Lamu West Constituency for granting me the opportunity to serve in this transformative, people-centered, nation-building role. We are delighted to present the unaudited accounts and collaborative annual report for the year ending June 30, 2025.

During the current review period, delays in disbursements from the Board informs the slowness in the implementation of projects for the 2024/2025 financial year.

In the financial year 2024/2025, NG-CDF Lamu West Constituency was allocated Kshs. 197,386,150. However, a total of Kshs. 378,851,721 was available for spending during the financial year. The allocation comprised an opening balance of Kshs. 128,477,298, Kshs. 48,386,150 still owed from the Board, and the allocation for the period.



Total actual expenditure for the period was Kshs. 183,764,500, translating to 48% of the final allocation. The unutilized funds of Kshs. 195,087,221 include a PMC balance of Kshs. 127,161,094.02. The slow utilization of the PMC funds resulted from delayed funding and the sluggishness in meeting some approval conditions by the PMC members. All the projects proposed by the committee for approval by the Board have been approved.



Section 81 of the Public Finance Management Act, 2012 requires National Government entities to prepare annual reports and financial statements at the end of each financial year. Further, section 81(3) mandates the entities to prepare the annual reports in formats prescribed by the Public Sector Accounting Standards (PSAS) Board, further section 39(4) of the NG- CDF Act 2015 as amended in 2023 mandates the NG- CDF Board to submit separate financial statements for the secretariat and constituencies to the Auditor General. The constituency is in compliance with the above legal requirements.

Further, the National Treasury vide Press statement released on 3rd October, 2024 announced migration from cash-based reporting. The effective date for the accrual basis was set for 1st July, 2024, with the first accrual-based financial statement expected for the financial year ending

30th June, 2025. This financial statement is a transition from cash-based to accrual based financial reporting.

Role of Citizens in Strategic plan development and Implementation

The Constitution of Kenya advocates for community participation in project formulation and implementation for ownership and sustainability. The NG-CDF Committee expects the community at the forefront of the project cycle:

1. Participate in open public meetings convened by the Chairperson of the NG-CDFC to deliberate on development matters in the constituency to facilitate in prioritization of projects;
2. To participate in project implementation by voluntarily providing locally available resources (land, materials, labor, or skills) or for pay;
3. Participate in the nomination and formation of PMCs for the purpose of implementation of the projects;
4. To provide feedback to the Board, law enforcement Agencies & the public on matters concerning the Fund;
5. Witness the commissioning of projects, issuing cheques, Launching of new projects, handing over of the project sites and complete projects to the end users, and other disbursements by the constituency committee to take over & sustain completed projects.

Summary of Key Achievements

1. Recorded the highest number of bursary applicants, and awards: The Committee supported a record 10,000 needy students through the bursary project;
2. Improvement of security due to increased terror attacks in the region: The Committee has completed a new Police Station (Hindi Police Station), a project started by NG- CDF Lamu West Constituency;
3. Construction of 300 capacity dormitory at Mpeketoni Girls Secondary School. This will enhance affirmative action in the constituency;

4. The Committee worked hand in hand with the public through Public Participation and it came up with A Strategic Plan for the FY 2022/2023- FY 2026/2027 which gives the constituency a sense of direction.
5. Improved Transparency within the institution. The procurement process was extremely transparent and the public was involved in the whole process. The tenders were advertised through open tenders and the Project Management Committees were involved in the tender opening, tender evaluation and the awarding process.

Challenges, Emerging Issues and Risk Affecting the Constituency Operation

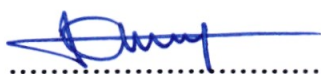
- High level of terror attacks and their unconventional nature;
- The Finance Act, 2023 has introduced higher tax regime resulting to high cost of projects implementation;
- The Introduction Competency-Based Curriculum (CBC) has introduced more pressure on the fund making it inadequate to the demands of the Constituents;
- Poor educational infrastructural development: Most primary school have temporary classrooms, our secondary school lack key infrastructures like laboratories, Libraries, Fence (especially girls schools and primary school), and Kitchen and Dining Halls;
- Extreme Poverty: Most students rely entirely on support from the Government, more so bursaries from the County and Government and NG- CDF. The bursary allocation of the fund is incapable to sufficiently be relied on in meeting the need.

Recommendation and/or Mitigation Factors to the Challenges

- At all cost, eliminate political interference with the NG-CDF especially in awarding of the project contracts and recruitment;
- Ensuring that there's need to further strengthen public participation and inclusivity in need identification;
- With proper identification of very high-risk events per constituency the board needs to prioritize on the worst-case scenario to mitigate further risk extending;

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- There is need of Regular capacity building on risk related areas e.g., procurement, project implementation, how to develop a procurement plan, monitoring plan and General Work plans and their action plans;
- Allocation for construction should vary according to accessibility, terrain and vicinity to construction materials;
- Involve relevant stakeholders during bursary recruitment such as PWDs representatives, local administrators e.g. chiefs and sub chiefs.



.....
Name: Mr. Geoffrey Kupata Charo
Chairman NGCDF Committee

5. Statement Of Performance Against Predetermined Objectives for FY2024/2025

Introduction

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

The Vision statement ,Mission statement and the core values of the *NGCDF Lamu West Constituency 2022/2023– 2026/2027* plan are,

1. **NG-CDF Lamu West Vision Statement:** Equitable and sustainable socio-economic development in the constituency.
2. **NG-CDF Lamu West Mission Statement:** To offer quality services and leadership through efficient and effective management of the constituency fund.

NG-CDF Lamu West Core Values:

1. Transparency: Openness to all;
2. Accountability: Value for money and answerability for actions;
3. Professionalism: To meet stakeholders' expectations;
4. Teamwork: Uniformity of purpose and support;
5. Democracy: Inclusivity and public participation in decision making;
6. Equity: Fairness and Justice in all engagements.

Progress on the attainment of Strategic development objectives

For purposes of implementing and cascading 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:

Progress on the attainment of Strategic development objectives

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

Sector	Objective	Outcome	Indicator	Performance
Education	Expansion of bursaries and scholarship Programs	A literate society	Constructed to completion 20 new classrooms	100% enrolment, retention and transition
	Collaboration with the relevant ministries for an enabling learning environment	Improved living standards	Constructed and equipping to completion of 4 dormitories	An enabling learning environment
	Presence of schools within reasonable Radius	Emotionally intelligent	Constructed and equipping to completion of 12 laboratories	Improved performance
	Expansion of education infrastructural Facilities	Population with life skills	Renovation of 20 old classrooms	An all-rounded student
	Advocacy for Teacher/Student recommended ratio per school		Equipping of computer classrooms and Innovation Hubs	
	Mainstreaming Special needs education in schools			
	Provision of learning and instructional materials and tool			
	School exposure programs			

<p>Security</p>	<p>Establishment and operationalization of administrative units</p> <p>Establishment and operationalization of correctional centers (prisons)</p> <p>Advocacy for a recommended officer/citizen ratio</p> <p>Organize and support cultural events and festivities</p>	<p>Booming businesses</p> <p>Attraction of investors</p> <p>Improved living standards</p> <p>Rule of law Stability, peace and order</p> <p>Improved living standards</p> <p>Investor attraction</p>	<p>Completion of all ongoing police station projects</p> <p>Securing the police station with enhance perimeter fencing and boundary trenches</p> <p>Equipping of the police stations with furniture, water and electricity</p> <p>Construction and equipping of Offices for higher ranking officers</p> <p>Provision of housing units to police officers</p>	<p>A secure society</p> <p>Cohesion and Inclusivity</p>
<p>Climate change mitigation activities</p>	<p>Enhance clean environment, conservation, Preservation and protection of biodiversity to mitigate impacts of climate change and emergency/disasters</p>	<p>Restoration of tree nurseries and forest</p> <p>Tree growing and nurturing</p> <p>Restoration from degradation and pollution</p>	<p>In order to achieve the environmental target, we plan to:</p> <p>a) Construct to completion 20 new toilets in different institutions</p> <p>Plant 2,000 seedlings in different institutions</p>	<p>Climate Change Mitigation activities were tree planting in line with the changes in the Act and the President initiative of planting 15 Billion tree seedlings by 2032. The committee through various PMCs will plant at least 2,000 seedlings in the financial year.</p>

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Emergency	To identify uncertain occurrences in the constituency and their mitigating actions	Facilitate reduction of risks in learning institutions by making funds available to counter any emergency occurrence	Putting up emergency fund at all times and having quick response mechanism for countering any unexpected eventuality.	Working with other units and departments dealing with emergency response in the constituency to ensure quick identification and response.
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6. Governance Statement

Appointment and removal of Constituency Committee members:

The Current NG- CDF Lamu West Constituency Committee was appointed vide The Kenya Gazette Notice No. 6462, Vol. CXXVII—No. 98 NAIROBI, 21st May, 2025. However, the effective date of appointment is 11th April, 2025 for a period of 2 years.

Regulation 5(2) creates a vacancy in the Office of Constituencies Committees, in the manner provided. Section 48(8) of the Act is succinct on the expiry of the term of the Committee. Further, Section 43(3) of the NG-CDF Act, 2015 as amended in 2023, the seven persons referred to in Sub-section (2) (b), (c), (d), (e), (f) and (g) shall be selected in the manner prescribed in the Regulations. Regulation 5 and 6 of the NG- CDF Act, 2025 as amended in 2023, provide for the eligibility criteria and procedures for nomination.

Section 43 (13) (a), (b), (c), (d), (e), (f) and (g) provides the manner in which a member of the Constituency Committee may be removed from office, Section 44 of the Act elaborates the manner a Constituency Committee shall be dissolved, Regulation 10 lists the procedure for removal of a Constituency Committee Member and Regulation 5 (2) describes circumstance in which a vacancy may occur in the constituency committee. The committee was inducted by the Board from 26th June, 2025 to 29th June, 2025.

Convening of Constituency Meetings

Section 43 (6) state that, “The first meeting of the Constituency Committee shall be convened within one hundred and twenty days of the commencement of a new term of Parliament or the date of the holding of a by-election, by the national government official at the constituency or in his or her absence, by an officer of the Board seconded to the constituency.”

After appointment of members of the NG- CDF Committee through publication in the Kenya Gazette, and within 120 days of the commencement of the thirteenth parliament, the Deputy County Commissioner (or in his/her absence) the Fund Account Manager shall convene the first meeting of the NG- CDF Committee, during which the members will elect the Chairperson and the Secretary. The Officer of the Board will then submit to the Board the names of the

elected Chairperson and Secretary, attaching a certified copy of form four certificate and the academic certificates for the highest level of education attained and the minutes of the NG-CDF Committee that approved the appointment. As the management of NG- CDF Lamu West Constituency we complied with the Act and its regulations.

Tenure of the Constituency Committee

As per the provision of Section 43 (8) and (9) of the NG- CDF Act, the tenure of the members of NG- CDF Committee shall expire upon the appointment of a new Constituency Committee in the manner provided for in the Act and regulations, while the Fund Account Manager remain the custodian of all the records and equipment of the constituency. As per Regulation 24 of the Act, once the new committee members have been appointed, the Fund Account Manager in liaison with the Deputy County Commissioner, shall facilitate smooth handover between the outgoing and the newly gazetted NG- CDF Committee members. To facilitate this, the Fund Account Manager prepares a comprehensive handover report on behalf of the outgoing committee.

Functions and Operations of the Constituency Committee

Regulation 11 of NG- CDF Act outlines the functions of the Constituency Committee. Implementation of projects through the Projects Management Committees at the community level is one of the mandates. In addition, effective and efficient project management is cardinal achievement of the Fund's objective of poverty reduction while ensuring equitable development across the Constituency. In order to achieve this objective, the Fund Account Manager through the Board, continuously trains the NG- CDF Committee, the staff and the technical officers from relevant government departments on various projects management, pertinent issues to enable them facilitate Project management Committees. Regulation 11 (1) (a) is the function of the Constituency Committee to build capacity of the Project Management Committees and sensitize the community on the operations of the Fund.

Section 43 (11) of the Act provides that 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.

Management of Transition and Handing over

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

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

Number of meetings

NG-CDF Act Section 43(11) Stipulates that NG-CDFC shall have a maximum of twenty-four meetings per year and not less than twelve including sub-committee meetings. In Lamu West Constituency, the NG-CDFC Committee conducted 18 Meetings and 2 Sub-committee meetings.

NO	NAME	CATEGORY	WARD	NO. OF MEETINGS HELD	NO. OF SUB-COMMITTEES HELD
1	Geoffrey K.Charo	Male Adult	Witu	18	0
2	James K. Waithaka	Male Youth	Bahari	18	0
3	Julia W.Njuguna	Co-opted Member	Bahari	18	0
4.	Mary Mwihaki	Female Youth	Hongwe	18	2
5.	Christine N.Muli	Member	Witu	18	2
6.	Salim M.Obo	Female Adult	Mkomani	2	0
7.	Annah W.Kibutu	Female Adult	Hongwe	2	0
8.	Omar Bakari Khelef	PWD	Shella	2	0

7. Management Discussion and Analysis

Establishment and Management of the Fund

Section 4 of the Act state that: There is established a fund to be known as the National Government Constituencies Development Fund which shall—(a) Be a National Government Fund consisting of monies of an amount of not less than 2.5% (two and half per centum) of all the national government's share of revenue as divided by the annual Division of Revenue Act enacted pursuant to Article 218 of the Constitution;

The Fund Account Manager shall hold the authority to incur expenditure of the funds at the constituency account. Further, projects under this Act shall only be in respect of works and services falling within the exclusive functions of the national government as provided in the Constitution. However, the administration of the fund is done through the Constituency Committee.

NG- CDF Lamu West Constituency, pursuant to Section 34 of the Act, was allocated Kshs. 559,207,168.92 Between FY 2020/2021 and 2024/2025:

FINANCIAL YEAR	ALLOCATION (KSHS)
2020/2021	137,132,879.31
2021/2022	137,088,879.00
2022/2023	158,832,745.00
2023/2024	202,988,274.00
2024/2025	197,386,149.92

The current Strategic Plan 2022/2023 to 2026/2027 identifies a number of strategies and their implementation matrix. In the last 3 financial years, the matrix implementation has had a funding with sectorial allocations approved code list and funded under Section 24 of the Act. The highest beneficiary being education sector through bursary and schools infrastructural development. The table below shows how the funds were distributed:

SECTOR	ALLOCATION (KSHS)	PERCENTAGE ALLOCATION
Administration	32,943,012.50	6%
Monitoring and Evaluation	16,423,505.35	3%

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Constituency Oversight	1,588,327.45	1%
Bursary	160,988,384.00	29%
Capital Grants to Primary Schools	127,187,995.00	23%
Capital Grants to Secondary Schools	148,957,222.00	27%
Capital Grants to Tertiary Institutions & Universities	-	0%
Climate Change Mitigation Activities	5,150,000.00	1%
Sports	-	0%
Security	45,774,890.00	8%
Constituency Innovation and Digital Hubs	15,174,832.00	3%
NG- CDF Assets and Renovations	819,000.00	0.2%
Others (Strategic Plan)	4,200,000.00	0.8%

Bursary Sector

The committee over the last 3 years managed to allocate bursary over 14,000 learners every financial year. The ever increasing population in the Constituency largely affects the awarding of bursaries. However, the committee has endeavoured to provide scholarship depending on schools performance and level of need for individual learners. This is vetted on case by case.

Grants to Primary and Secondary Schools

The committee has tried over the years to eliminate temporary classrooms at the region, especially Hindi Ward, Mkunumbi Ward and Witu Ward. Over 50 Classrooms and laboratories have been built, and renovations to a number of schools which were constructed many years ago by the GTC (GIZ).


The committee is as well constructing a 300 capacity dormitory at Mpeketoni Girls Secondary School. This will eliminate early learners' pregnancies, long distance movements and enhance academic environment for learners from families with humble backgrounds.


Security

The committee has ensured completion of Hindi Police Station at Hindi Town. The station is earmarked for construction of National Police Services Headquarters. This will improve security

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in the country and help reduce the poverty level of people around Hindi Town who will feel secure in starting up businesses.


.....
Name: Javan Mwandawiro
Fund Account Manager



8. Environmental and Sustainability Reporting

The Lamu West Constituency NG-CDF is dedicated collecting, analyzing, and disclosing information about the institution's environmental and sustainability performance. This reporting helps the committee track its environmental impact, demonstrate accountability to stakeholders, and improve sustainability practices.

1. Sustainability strategy and profile -

To ensure the sustainability of NG- CDF Lamu West Constituency, the committee funds the following key sectors with the following sustainable priorities.

- a. **Education and Training:** NG- CDF Lamu West 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, NG- CDF Lamu West Constituency 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 Lamu West Constituency has allocated part of its budget to climate change mitigation activities such as afforestation, reforestation, grassroots sensitization, and tree seedling production.

2. Environmental performance

Environmental protection is a core initiative of the Lamu West NG-CDF. We consider caring for the environment a fundamental responsibility and a crucial aspect of our operational approach. Our commitment to environmental stewardship is deeply integrated in our strategic plan.

As the committee, we are waiting for guidelines from the Board in line with the changes in the NG-CDF Act 2015 as amended in 2023. These will guide the in coming up with future strategies in handling climate change mitigation matters.

Despite that, the committee has allocated sufficient funds fir tree planting at schools. In order to ensure sustainability and survival of the tree growing activity, the committee is constructing perimeter walls for all the schools.

3. Employee welfare

We invest in providing the best working environment for our employees. NG- CDF Lamu West constituency recruitment is guided by Employment Act, NGCDF Act, and other regulations as issued from time to time. In line with the law and regulations, the Constituency offers equal opportunity to all while adhering to the one-third gender rule and special groups. We also Recognize and appreciate our employees for exemplary performance. The reward and sanctions system is based on performance appraisal.

The constituency promotes a healthy lifestyle and provides all employees with health insurance coverage through a reliable insurance Scheme. Employees are encouraged and supported to build on their skills and knowledge continually. NG- CDF Lamu West 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-

NG- CDF Lamu West 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 Lamu West Constituency 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-

NG- CDF Lamu West 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.

6. Public Participation in Project Identification, Implementation, and Monitoring

NG- CDF Lamu West 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 NG CDF Board in accordance with the Act.

Public participation is a process that directly engages the concerned stakeholders in decision-making and fully considers public input. The NG-CDFC Lamu West Constituency engaged the community through community leaders during the bursary program to identify the needy students to be awarded the bursary.

7. 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.

NG- CDF Lamu West Constituency has continually practiced public participation and public awareness during project identification and proposal collections in all the wards in the constituency.



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**Name: Mr.Javan Mwandawiro
Fund Account Manager.**

9. Statement Of Management Responsibilities

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

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

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

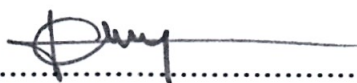
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The Accounting Officer in charge of the NGCDF Lamu West Constituency confirms that the *constituency* has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's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

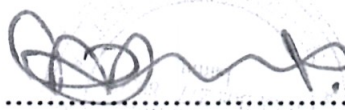
In preparing the financial statements, the Committee has assessed the Fund's ability to continue as a going concern and disclosed as applicable. Nothing has come to the attention of the Committee that the Fund will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The NGCDF- Lamu West Constituency financial statements were approved and signed by the Accounting Officer on 6th August, 2025.



Name: Mr. Geoffrey Kupata
Chairman – NGCDF Committee



Name: Mr. Javan Mwandawiro
Fund Account Manager

REPUBLIC OF KENYA



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

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

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying transitional IPSAS financial statements of National Government Constituencies Development Fund - Lamu West Constituency set out on pages 1 to 65, which comprise of the statement of financial position as at

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

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the transitional IPSAS financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund - Lamu West Constituency as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards Accrual Basis including the transitional provisions permitted under IPSAS 33, as discussed in Note 2 to the financial statements and comply with the National Government Constituencies Development Fund Act, 2015 (Amended 2022) and the Public Finance Management Act, 2012 and The National Treasury and Economic Planning Circular No. 3 of 14 April, 2025.

Basis for Qualified Opinion

1. Inaccurate Revaluation Reserves and Accumulated Surplus Balances

The statement of financial position reflects revaluation reserves and accumulated surplus balances of Kshs.177,670,735 and Kshs.11,196,478 respectively. However, the statement of changes in net assets reflect revaluation reserves balance of Kshs.188,867,478 and Nil accumulated surplus balance. In addition, the reporting template provides for recognition of assets and liabilities under reserves and not revaluation reserves.

In the circumstances, the accuracy and completeness of revaluation reserves and accumulated surplus balances of Kshs.177,670,735 and Kshs.11,196,478 respectively could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituencies Development Fund - Lamu West 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 revenue budget and actual on comparable basis totalling to Kshs.378,851,721 and Kshs.330,465,572 respectively resulting to an under-funding totaling to

Kshs.48,386,149 or 13% of the budget. Similarly, the Fund spent Kshs.183,764,500 against actual revenue of Kshs.330,465,572 resulting to an under-utilization of Kshs.146,701,072 or 44% of the actual revenue.

The under-funding and under-utilization 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 prior year audit report, three (3) issues were raised under the Report on Lawfulness and Effectiveness in the Use of Public Resources. These issues included irregular payment of daily subsistence allowances, incomplete asset register and irregular management of Project Management bank accounts. Review of the status during audit of the Fund in 2024/2025 revealed that the matters remained unresolved.

Other Information

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

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Failure to Deduct and Remit Capacity Building Levy

The statement of financial performance reflects total expenditure of Kshs.186,189,407. Review of the documents provided for audit revealed that included in the expenditure is Kshs.106,680,843 which was paid for certified works during the year under review. However, it was observed that the Project Management Committees did not deduct and remit capacity building levy totaling to Kshs.32,004. This was contrary to Section 3 of the Public Procurement Capacity Building Levy Order, 2023 which states that there shall be paid a Levy by a supplier on all procurement contracts signed between the supplier and a procuring entity, at the rate of zero point zero three per centum (0.03%) of the value of the signed contract, exclusive of applicable taxes. Local purchase orders and local service orders shall be deemed to be contracts, as and when applied. In addition, the Public Procurement Regulatory Authority Circular referenced PPRA/6/5 Vol. II (224) dated 30 August, 2024 on implementation of the public procurement capacity building levy order, 2023 directed that deduction and remittance of capacity building levy should commence on 1 September, 2024.

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

2. Inaccurate Fixed Assets Register

The statement of financial position reflects property, plant and equipment balance of Kshs.1,241,490 as disclosed in Note 23 to the financial statements. Review of the asset register revealed that it had not been updated to include a parcel of land on which the constituency office is located and whose deed of ownership was not provided for verification. This was contrary Section 72 (1) (a) (b) of the Public Finance Management Act, 2012 which states that the Accounting Officer for a National Government entity shall be responsible for the management of the entity's assets and liabilities and manage those assets in a way which ensures that the National Government entity achieves value for money in acquiring, using and disposing of those assets. Regulation 143 (1) of the Public Finance Management (National Government) Regulations, 2015, states that the Accounting Officer shall be responsible for maintaining a register of assets under his or her control or possession as prescribed by the relevant laws.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of the Management and those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

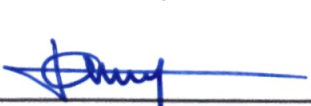
28 November, 2025

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


	Note	2024/2025
		Kshs
Revenue from non-exchange transactions		
Transfers from the NGCDF Board	6	197,386,150
Transfers from domestic and foreign partners	7	-
Revenue from exchange transactions		
Finance income	8	-
Miscellaneous income	9	-
Total revenue		197,386,150
Expenses		
Employee costs	10	6,136,499
Committee expenses	11	4,082,118
Use of Goods and Services	12	6,926,801
Other Government Units Actual expenditure	13	85,994,158
Other Grants and Transfers Actual expenditure	14	80,941,745
Depreciation and amortization expense	15	376,254
Digital Hubs Expenses Actual expenditure	16	1,731,832
Total expenses		186,189,407
Other gains/(losses)		
Gain/Loss on Sale of Assets	17	-
Impairment loss	18	-
Surplus/(Deficit) for the year		11,196,743

The Constituency financial statements were approved by the NGCDFC on 6th August, 2025 and signed by:


Chairman NG-CDF Committee

Name: Mr. Geoffrey Kupata

CHIEF REPRESENTATIVE
NG-CDFC LAMU WEST
P. O. Box 277 - 80500, LAMU


National Sub-County
Accountant

Name: CPA Benjamin Kituku
ICPAK M/No: 16068

THE NATIONAL TREASURY
NATIONAL SUB-COUNTY ACCOUNTANT
LAMU WEST


Fund Account Manager

Name: Mr. Javan Mwandawiro



National Government Constituencies Development Fund (NGCDF)
Lamu West 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 30 th June 2025	Opening Statement 1st July 2024
		Kshs	Kshs
Assets			
Current Assets			
Cash And Cash Equivalents	19	146,701,072	128,477,298
Receivables from Exchange Transactions	20	-	-
Receivables from Non-Exchange Transactions	21	48,386,150	52,988,274
Prepayments	22	-	-
Total Current Assets		195,087,222	181,465,572
Non-Current Assets			
Property, Plant and Equipment	23	1,241,490	798,744
Intangible Assets	24	-	-
Right-of-use assets	25	-	-
Total Non- Current Assets		1,241,490	798,744
Total Assets (A)		196,328,712	182,264,316
Liabilities			
Current Liabilities			
Trade and Other Payables	26	270,400	-
Third Party Deposits	27	5,769,440	3,663,939
Lease Liabilities	28	-	-
Gratuity Provision	29	1,421,393.00	929,641
Total Current Liabilities		7,461,233	4,593,580
Non-Current Liabilities			
Lease Liabilities	28	-	-
Total Liabilities (B)		7,461,233	4,593,580
Net Assets (A-B)		188,867,478	177,670,737
Represented by:			
Revaluation Reserves		177,670,735	177,670,735

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

Accumulated Surplus		11,196,743	-
Total Net Assets		188,867,478	177,670,735

The Constituency financial statements set out on pages 001 to 019 approved by NG CDFC on 6th August, 2025 and signed by:



Chairman NG-CDF Committee
 Name: Mr. Geoffrey Kupata



National Sub-County
 Accountant
 Name: CPA Benjamin Kituku
 ICPAK M/No: 16068



Fund Account Manager
 Name: Mr. Javan Mwandawiro

CHAIRPERSON
 NG-CDF/LAMU WEST
 P.O. Box 277 - 85500, LAMU

THE NATIONAL TREASURY
 NATIONAL SUB-COUNTY ACCOUNTANT
 LAMU WEST



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

Description	Revaluation Reserves	Accumulated surplus/Deficit	Total
		Kshs	Kshs
Fund Balance as at 30 th June 2024	10,180,671	-	10,180,671
Adjustments			
Recognition of Assets	171,154,003	-	171,154,003
Recognition of Liabilities	3,663,939	-	3,663,939
As at July 1, 2024	177,670,735	-	177,670,735
		-	
Surplus/(Deficit) For the Period	11,196,743	-	11,196,743
Revaluation Gain/Loss	-	-	-
As at June 30, 2025	188,867,478	-	188,867,478

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.

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

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

	Notes	30 th June 2025
		Kshs
Cash flows from operating activities		
Receipts		
Transfers from the NGCDF Board		201,988,274
Transfers from domestic and foreign partners		-
Finance income		-
Miscellaneous income		-
Total Receipts		201,988,274
Payments		
Employee costs		5,644,747
Committee expenses		4,082,118
Use of Goods and Services		6,656,401
Other Government Units Certified Works		83,603,259
Other Grants and Transfers		81,227,143
Digital Hubs Expenses		1,731,832
Total Payments		182,945,500
Net Cash Flows from/ (used in) Operating Activities	30	19,042,774
Cash flows From Investing Activities		
Purchase of PPE		819,000
Purchase of Intangible assets		-
Proceeds From Sale of PPE		-
Net Cash Flows from Investing Activities		819,000
Net increase/(decrease) in cash & Cash equivalents		18,223,774
Cash Flows from Financing Activities		
Lease Payment		-

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Net Cash Flows from Financing Activities		18,223,774
Cash and cash equivalents at 1 July	19	128,477,298
Cash and cash equivalents at 30 June	19	146,701,072

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

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

	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilization
	Kshs	Kshs		Kshs	Kshs	Kshs	n
	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	Insert current FY	Insert current FY		0
Revenue							
Transfers From the NGCDF Board	197,386,150	128,477,298	52,988,273	378,851,721	330,465,572	48,386,149	87%
Transfers from domestic and foreign partners	-	-	-	-	-	-	-
Finance income	-	-	-	-	-	-	-
Miscellaneous income	-	-	-	-	-	-	100%
Totals	197,386,150	128,477,298	52,988,273	378,851,721	330,465,572	48,386,149	87%
Expenses							
Employee costs	6,221,532	1,187,752	-	7,409,284	5,644,747	1,764,537	76%
Committee expenses	3,572,645	751,803	-	4,324,448	4,082,118	242,330	94%
Use of Goods and Services	7,920,576	1,099,530	-	9,020,106	6,656,401	2,363,705	74%
Other Government Units Certified Works	95,745,000	106,901,891	30,171,423	232,818,314	83,603,259	149,215,055	36%
Other Grants and Transfers	70,483,397	15,620,705	22,816,850	108,920,952	81,227,143	27,693,809	75%
Digital Hubs Expenses	13,443,000	1,731,832	-	15,174,832	1,731,832	13,443,000	11%
Acquisition of Assets	-	819,000	-	819,000	819,000	-	100%

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	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
	<i>2024/2025</i>	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements	<i>Insert current FY</i>	<i>Insert current FY</i>		
Funds Pending Approval-PMC Savings	-	364,785	-	364,785	-	364,785	0%
Total Expenditure	197,386,150	128,477,298	52,988,273	378,851,721	183,764,500	195,087,221	49%
Surplus for the period							

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

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Explanatory Notes:

1. *Employee costs: The committee had over-budgeted on employee expenses to cater for any unforeseen government changes in staff compensation and tax implication.*
2. *Use of Goods and Services: The committee had not spend funds on motor vehicle insurance, motor vehicle fuel and purchase of staff uniforms*
3. *Other Government Units Certified Works: The committee experienced delayed project proposal approval and subsequent delayed funding of the projects.*
4. *Other Grants and Transfers: The committee experienced delayed project proposal approval and subsequent delayed funding of the projects.*
5. *Digital Hubs Expenses: The committee experienced delayed project proposal approval and subsequent delayed funding of the projects.*

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	195,087,221
Less undisbursed funds receivable from the Board as at 30 th June 2025	(48,386,149)
Cash and Cash Equivalents at the end of the 30 th June 2025	146,701,072

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 6th August, 2025 and signed by:


Fund Account Manager

Name: Mr. Javan Mwandawiro


National Sub-County Accountant

Name: CPA Benjamin Kituku
ICPAK M/No:16068


Chairman NG-CDF Committee

Name: Mr. Geoffrey Kupata

CHAIRPERSON
NG-CDFC LAMU WEST
Committee 277 - 80500, LAMU

THE NATIONAL TREASURY
NATIONAL SUB-COUNTY ACCOUNTANT
LAMU WEST

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent						
1.1 Compensation of employees	6,221,532	1,187,752	-	7,409,284	5,644,747	1,764,537
1.2 Committee allowances	1,668,000	62,654	-	1,730,654	1,559,950	170,704
1.3 Use of goods and services	3,953,637	621,030	-	4,574,667	2,733,086	1,841,581
Sub-total	11,843,169	1,871,436	-	13,714,605	9,937,783	3,776,822
2.0 Monitoring and evaluation						
2.1 Capacity building	-	-	-	-	-	-
2.2 Committee allowances	1,904,645	689,149	-	2,593,794	2,522,168	71,626
2.3 Use of goods and services	3,966,939	478,500	-	4,445,439	3,923,315	522,124
Sub-total	5,871,584	1,167,649	-	7,039,233	6,445,483	593,750
3.0 Emergency						
unutilized	10,388,745	10,465	-	10,399,210	-	10,399,210
Sub-total	10,388,745	10,465	-	10,399,210	-	10,399,210
4.0 Bursary and Social Security						
4.1 Primary Schools	-	-	-	-	-	-
4.2 Secondary Schools	26,000,000	1,802,946	-	27,802,946	27,794,393	8,553
4.3 Tertiary Institutions	26,749,152	1,822,916	-	28,572,068	28,569,320	2,748
4.4 Special Needs	2,000,000	129,000	-	2,129,000	2,129,000	-

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
4.5 Education Support Programmes	-	-	-	-	-	-
4.6 Social Security	-	-	-	-	-	-
Sub-total	54,749,152	3,754,862	-	58,504,014	58,492,713	11,301
5.0 Climate Change Mitigation						
5.1 Mpeketoni Girls Secondary School	1,150,000	-	-	1,150,000	-	1,150,000
5.2 Wiyoni Comprehensive School	200,000	-	-	200,000	-	200,000
5.3 Mpeketoni Girls Secondary School	-	-	428,800	428,800	428,800	-
5.4 Sikomani Primary School	-	-	240,000	240,000	237,400	2,600
5.5 Matondoni Primary School	-	-	231,200	231,200	-	231,200
Sub-total	1,350,000	-	900,000	2,250,000	666,200	1,583,800
6.0 Primary Schools Projects (List all the Projects)						
6.1 Amkeni Primary School	-	139,044	-	139,044	139,044	-
6.2 Bahari Primary School	-	20,240	-	20,240	-	20,240
6.3 Bahati Njema Primary School	-	546,702	-	546,702	546,702	-
6.4 Chalaluma Primary School	-	1,317,856	-	1,317,856	1,002,387	315,469
6.5 Furaha Primary School	-	542	-	542	-	542

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
6.6 Hindi Primary School	-	1,027,566	-	1,027,566	1,027,566	-
6.7 Holy Angel Primary School	-	1,641,670	-	1,641,670	1,641,670	-
6.8 Hongwe Primary School	-	5,844,000	-	5,844,000	5,844,000	-
6.9 Jericho Primary School	-	3,054,844	-	3,054,844	3,054,844	-
6.10 Kakathe Primary School	-	571,081	-	571,081	571,081	-
6.11 Kizuke Primary School	-	3,445	-	3,445	3,445	-
6.12 Lamu Special School For Mentally Challenged	-	20,595	-	20,595	20,000	595
6.13 Magogoni Primary School	-	541,000	-	541,000	541,000	-
6.14 Mahmoud Bin Fadhil Boys Primary School	-	4,747,000	-	4,747,000	4,294,614	452,386
6.15 Mahmoud Bin Fadhil Girls Primary School	-	4,747,000	-	4,747,000	2,300,459	2,446,541
6.16 Maishamasha Primary School	-	2,494,000	-	2,494,000	2,494,000	-
6.17 Maleli Primary School	-	1,002	-	1,002	1,002	-
6.18 Manyatta Primary School	-	1,216,000	-	1,216,000	1,173,738	42,262
6.19 Matondoni Primary School	-	83,963	-	83,963	82,648	1,315
6.20 Moa Primary School	-	85,419	-	85,419	85,419	-

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous 'Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
6.21 Mokowe Aridzone Primary School	-	48,541	-	48,541	20,000	28,541
6.22 Ndeu Primary School	-	1,393,792	-	1,393,792	1,393,792	-
6.23 Pangani School	-	14,165	-	14,165	-	14,165
6.24 Pangani School	-	2,494,000	-	2,494,000	2,494,000	-
6.25 Poromoko Primary School	-	4,149	-	4,149	-	4,149
6.26 Safirisi Primary School	-	2,494,000	-	2,494,000	2,494,000	-
6.27 Sikomani Primary School	-	2,748	-	2,748	-	2,748
6.28 Swabaha Primary School	-	955	-	955	-	955
6.29 Takutaku Primary School	-	5,001	-	5,001	5,001	-
6.30 Vipingoni Primary School	-	2,729,000	-	2,729,000	2,729,000	-
6.31 Ziwani Primary School	-	3,444,000	-	3,444,000	3,106,495	337,505
6.32 Jericho Comprehensive School	11,532,000	-	-	11,532,000	-	11,532,000
6.33 Lake Kenyatta Comprehensive School	5,600,000	-	-	5,600,000	-	5,600,000
6.34 Lake Kenyatta Comprehensive School	1,190,000	-	-	1,190,000	-	1,190,000
6.35 Juhudi Primary School	3,200,000	-	-	3,200,000	-	3,200,000

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
6.36 Poromoko Primary School	2,650,000	-	-	2,650,000	-	2,650,000
6.37 Muungano Primary School	1,275,000	-	-	1,275,000	-	1,275,000
6.38 Kilimani Comprehensive School	4,175,000	-	-	4,175,000	-	4,175,000
6.39 Bargoni Comprehensive School	3,330,000	-	-	3,330,000	-	3,330,000
6.40 Mugumoini Primary School	3,450,000	-	-	3,450,000	-	3,450,000
6.41 Budhei Junction Primary School	2,800,000	-	-	2,800,000	-	2,800,000
6.42 Jipendeni Primary School	3,000,000	-	-	3,000,000	-	3,000,000
6.43 Sendemke Primary School	2,800,000	-	-	2,800,000	-	2,800,000
Sub-total	45,002,000	40,733,320	-	85,735,320	37,065,908	48,669,412
7.0 Secondary Schools Projects						
7.1 Bomani Secondary School	-	1,744	-	1,744	1,744	-
7.2 Coast Arid Secondary School	-	240	-	240	-	240

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
7.3 Coast Arid Secondary School	-	48,415	-	48,415	48,415	-
7.4 Hindi Secondary School	-	949,655	-	949,655	167,907	781,748
7.5 Kiongwe Secondary	-	125,170	-	125,170	-	125,170
7.6 Lake Kenyatta Secondary School	-	1,000	-	1,000	-	1,000
7.7 Lamu Boys Secondary School	-	14,934,000	2,200,000	17,134,000	6,192,053	10,941,947
7.8 Maisha Masha Secondary School	-	4,999	-	4,999	4,999	-
7.9 Majembeni Secondary School	-	39,796	-	39,796	-	39,796
7.10 Majembeni Secondary School	-	78,699	-	78,699	78,699	-
7.11 Manda Secondary	-	3,739	-	3,739	-	3,739
7.12 Manda Secondary School	-	214,167	-	214,167	214,167	-
7.13 Matondoni Secondary School	-	386,248	-	386,248	386,248	-
7.14 Moa Secondary School	-	2,344,000	-	2,344,000	2,060,761	283,239
7.15 Mokowe Secondary School	-	3,998,000	-	3,998,000	3,998,000	-

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
		Kshs	Kshs			
7.16 Mpeketoni Boys Secondary School	-	6,744,000	-	6,744,000	5,472,492	1,271,508
7.17 Mpeketoni Girls Secondary School	-	31,911,540	19,235,747	51,147,287	24,762,305	26,384,982
7.18 Mkunumbi Secondary School	-	1,000	-	1,000	1,000	-
7.19 Witu Secondary School	-	42,976	-	42,976	00	42,976
7.20 Witu Mjini Secondary School	-	3,801,060	-	3,801,060	3,801,060	-
7.21 Ngcdf Environment Project	-	538,063	-	538,063	538,063	-
7.22 Ngcdf Sports Activity	-	60	-	60	60	-
7.23 Mpeketoni Girls Secondary School	15,000,000	-	-	15,000,000	-	15,000,000
7.24 Mpeketoni Girls Secondary School	2,400,000	-	-	2,400,000	-	2,400,000
7.25 Mpeketoni Girls Secondary School	2,000,000	-	-	2,000,000	272,736	1,727,264
7.26 Ndeu Secondary School	5,600,000	-	-	5,600,000	-	5,600,000
7.27 Ndeu Secondary School	595,000	-	-	595,000	-	595,000
7.28 Ndeu Secondary School	3,500,000	-	-	3,500,000	-	3,500,000

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
7.29 Manda Airport Secondary School	4,000,000	-	-	4,000,000	-	4,000,000
7.30 Manda Airport Secondary School	6,343,000	-	-	6,343,000	-	6,343,000
7.31 Maisha Masha Secondary School	10,000,000	-	-	10,000,000	-	10,000,000
7.32 Maisha Masha Secondary School	1,305,000	-	-	1,305,000	-	1,305,000
7.33 Muthama Secondary School Katsakakairu	-	-	8,735,676	8,735,676	-	8,735,676
Sub-total	50,743,000	66,168,571	30,171,423	147,082,994	48,000,709	99,082,285
8.0 Tertiary institutions Projects (List all the Projects)						
Sub-total						
9.0 Security Projects						
9.1 Cipu	-	133,320	-	133,320	132,320	1,000
9.2 Hindi Police Station	-	4,670,290	-	4,670,290	4,183,225	487,065
9.3 Hindi Police Station	-	-	20,500,000	20,500,000	9,904,981	10,595,019
9.4 Hongwe Police Post	-	3,000	-	3,000	3,000	-
9.5 Kibaoni Police Station-Coop	-	321,609	-	321,609	321,609	-

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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
9.6 Kibaoni Police Station-Equity	-	2,239,500	-	2,239,500	1,889,767	349,733
9.7 Lamu Police Line	-	87,115	-	87,115	87,115	-
9.8 Ocpd-Mpeketoni	-	220,250	-	220,250	220,250	-
9.9 Pangani Police Station	-	4,180,294	-	4,180,294	4,180,294	-
9.10 Lamu Central Sub County Police Commander Motor vehicle	-	-	1,416,850	1,416,850	1,392,420	24,430
9.11 Critical Infrastructure Police Unit (CIPU) Mokowe	1,550,000	-	-	1,550,000	-	1,550,000
9.12 Critical Infrastructure Police Unit (CIPU) Mokowe	850,000	-	-	850,000	-	850,000
9.13 Critical Infrastructure Police Unit (CIPU) Mokowe	883,000	-	-	883,000	-	883,000
9.14 Pangani Police Station	712,500	-	-	712,500	-	712,500
Sub-total	3,995,500	11,855,378	21,916,850	37,767,728	22,314,981	15,452,747
10.0 Acquisition of assets						
10.1 Motor Vehicles-NG-CDF Lamu West Motor Vehicle	-	819,000	-	819,000	819,000	-
Sub-total	-	819,000	-	819,000	819,000	-
11.0 Digital Hubs						

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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
11.1 Bahari Ward Digital Hub-Mpeketoni	9,000,000.00	-	-	9,000,000	-	9,000,000
11.2 Bahari Ward Digital Hub-Mpeketoni	1,759,000.00	-	-	1,759,000	-	1,759,000
11.3 Lamu West NG-CDF Office Constituency Innovation Hub	2,684,000.00	1,731,832.00	-	4,415,832	1,731,832	2,684,000
Sub total	13,443,000	1,731,832.00	-	15,174,832	1,731,832	13,443,000
12.0 Others						
Sub total	-	-	-	-	-	-
13.0 Funds pending approval**	-	-	-	-	-	-
13.1 Unapproved projects	-	-	-	-	-	-
13.2 PMC Savings	-	364,785	-	364,785	-	364,785
Sub-total	-	364,785	-	364,785	-	364,785
Total	197,386,150	128,477,298	52,988,273	378,851,721	185,474,609	193,377,112

(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 Lamu West Constituency principal activity is to provide leadership and policy direction for effective and efficient management of the Fund

2. Statement of Compliance and Basis of Preparation

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

The financial statements have been prepared in accordance with the PFM Act and international Public Sector Accounting Standards (IPSAS).The NGCDF Lamu West has taken advantage of the transitional provisions under IPSAS 33 and adopted a phased approach; Therefore this is the 1st transitional financial statements.(The NG-CDF Lamu West has recognized all financial Assets which includes cash and cash equivalent for operational account, deposit account and PMC Balances, Receivables(owing from the board and others),Prepayments, PPE and intangible assets acquired in FY 2023/2024 to date of reporting. Liabilities recognized includes trade and other payables, third party deposits and gratuity provisions. Recognition of all other

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non-financial assets acquired in FY prior to 2023/2024 to be recognized in the third year of transition after identification and valuations have been done.

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

3. Adoption of New and Revised Standards

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

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

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

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

Standard	Effective date and impact:
IPSAS 43: Leases	<p><i>Applicable 1st January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an Entity.</p> <p>The new standard requires entities to recognize, measure and present information on right of use assets and lease liabilities.</p> <p><i>This IPSAS is not applicable in this constituency this financial year.</i></p>
IPSAS 44:	<i>Applicable 1st January 2025</i>

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<p>Non- Current Assets Held for Sale and Discontinued Operations</p>	<p>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:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p> <p><i>This IPSAS is not applicable at the constituency this financial year.</i></p>
<p>IPSAS 45: Property Plant and Equipment</p>	<p><i>Applicable 1st January 2025</i></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognized as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p> <p><i>The IPSAS is applicable at the constituency effective 1st July 2025</i></p>
<p>IPSAS 46: Measurement</p>	<p><i>Applicable 1st January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS.

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	<p>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</p> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p><i>The IPSAS is applicable at the constituency effective 1st July 2025</i></p>
IPSAS 47: Revenue	<p><i>Applicable 1st January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> <p><i>This IPSAS is not applicable this financial year</i></p>
IPSAS 48: Transfer Expenses	<p><i>Applicable 1st January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p> <p><i>This IPSAS is not applicable at the constituency this financial year.</i></p>
IPSAS 49: Retirement Benefit Plans	<p><i>Applicable 1st January 2026</i></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p> <p><i>This IPSAS is not applicable at the constituency this financial year.</i></p>
IPSAS 50:	<p><i>Applicable 1st January 2027</i></p>

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<p>Exploration For & Evaluation of Mineral Resources</p>	<p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ul style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized. <p><i>This IPSAS is not applicable at the constituency this financial year.</i></p>
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iii. Early adoption of standards

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

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Sale of goods

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

Interest income

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

Rental income

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

b) Budget information

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

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

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

c) Property, plant and equipment

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

d) Leases

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

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

e) Intangible assets

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

f) Financial instruments

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

a) Financial assets

Classification of financial assets

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

b) Financial liabilities

Classification

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

g) Inventories

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

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

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

the sale, exchange, or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the *Entity*.

h) Provisions

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

i) Social Benefits

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

j) Contingent liabilities

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

k) Contingent assets

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

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

l) Employee benefits

Retirement benefit plans

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

m) Foreign currency transactions

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

n) **Related parties**

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

o) **Cash and Cash Equivalents**

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

p) **Comparative figures**

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

q) **Subsequent events**

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

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

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

Useful lives and residual value

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

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

Provisions

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

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6. Transfers from the NGCDF Board

Description	<i>Period ended on 30th June 2025</i>
	Kshs
NGCDFB Transfers (Allocation for the FY)	197,386,150
Total	197,386,150

7. Transfers from domestic and foreign partners

Description	<i>Period ended on 30th June 2025</i>
	Kshs
Grants	-
Total	-

8. Finance income

Description	<i>Period ended on 30th June 2025</i>
	Kshs
Interest Income on Bank Deposits	-
Total	-

(Provide a brief explanation for this revenue)

9. Miscellaneous income

	<i>Period ended on 30th June 2025</i>
	Kshs
Rental Income	-
Income from sale of tenders	-
Hire of plant/equipment/facilities	-
Other Income Not Classified Elsewhere <i>(specify)</i>	-
Total	-

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10. Employees cost

	<i>Period ended 30th June 2025</i>
	Kshs
NG-CDFC Basic staff salaries	2,870,704
Personal allowances paid as part of salary	-
House Allowance	528,000
Transport Allowance	528,000
Leave allowance	22,000
Gratuity to contractual employees	882,240
Casual Labour and Internships	410,000
Employer Contributions Compulsory national social security schemes	244,800
Employer Contributions Compulsory Housing levy	67,505
Employer contributions to National Industrial Training Authority	7,250
Hardship Allowance	576,000
Total	6,136,499

11. Committee Expenses

	<i>Period ended 30th June 2025</i>
	Kshs
Sitting allowance	2,407,450
Other Committee expenses	1,674,668
Total	4,082,118

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12. Use of Goods and services

	Period ended 30th June 2025
	Kshs
Utilities, supplies and services	100,680
Communication, supplies and services	42,819
Domestic travel and subsistence	2,338,420
Printing, advertising and information supplies & services	307,830
Office Rent	-
Training expenses	1,175,816
Hospitality supplies and services	430,000
Insurance costs	-
Specialized materials and services	-
Office and general supplies and services	1,216,976
Fuel, oil & lubricants	340,000
Bank charges	351
Routine maintenance – vehicles and other transport equipment	102,672
Routine maintenance – other assets	135,450
Strategic plan expenses	-
Other operating expenses	735,787
Total	6,926,801

13. Other Government Units Actual expenditure

Description	Period ended 30th June 2025
	Kshs
Primary Schools Actual expenditure	36,283,239
Secondary Schools Actual expenditure	49,710,919
Tertiary Institutions Actual expenditure	-
Total	85,994,158

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14. Other Grants and transfers Actual expenditure

	Period ended 30th June 2025
	Kshs
Bursary – secondary schools	27,794,393
Bursary – tertiary institutions	28,569,320
Bursary – special schools	2,129,000
Bursary - Education Support programmes	-
Social Security programmes (SHIF)	-
Security projects Actual expenditure	21,782,832
Climate change mitigation projects	666,200
Emergency projects Actual expenditure	-
Roads projects Actual expenditure	-
Others specify	-
Total	80,941,745

15. Depreciation and Amortization Expenses

Description	Period ended 30th June 2025
	Kshs
Property Plant and Equipment	376,254
Intangible Assets	-
Total	376,254

16. Digital Hubs Expenses

Description	Period ended 30th June 2025
	Kshs
Construction/ renovation/ Actual expenditure	1,731,832
Digital Hub utility costs Water, Electricity,	-
Maintenance of ICT equipment	-
Maintenance of building	-
Others (<i>specify</i>)	-
Total	1,731,832

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17. Gain/loss on Sale of Assets

Description	Period ended 30th June 2025
	Kshs
Property, Plant and Equipment	-
Intangible Assets	-
Total Gain/loss on Sale of Assets	-

18. Impairment Loss

Description	Period ended 30th June 2025
	Kshs
Property, Plant and Equipment	-
Intangible Assets	-
<i>(Include financial instruments that are impaired)</i>	-
Total Impairment Loss	-

(Provide brief explanation on assets impairment loss)

19. Cash and Cash Equivalents

Name Of Bank and Account No.	Period ended 30th June 2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Bank Accounts (Cash Book Bank Balance)		
<i>Lamu West NG-CDF A/C Account No: 1270263908321. (Operations account)</i>	18,118,585	10,180,671
<i>Operations account pending closure (Indicate name & account no.)</i>	-	-
<i>Lamu West NG-CDF Deposit A/C, 1270284814524. (Deposit account)</i>	1,421,393	929,641
<i>Equity Bank, Lamu Branch. (PMC accounts)</i>	127,161,094	117,366,986
Total	146,701,072	128,477,298
Cash Balances		
Location 1	-	-
Location 2	-	-
Other Locations <i>(Specify)</i>	-	-

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Total	-	-
<i>[Provide Cash Count Certificates for Each]</i>		

(A schedule of all reconciled PMC bank balances as at the end of the period is attached)

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20. Receivables from Exchange Transactions

Description	Period ended 30th June 2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Total receivables		
Other exchange debtors (<i>Specify</i>)	-	-
Less: impairment allowance	-	-
Total receivables	-	-
a. Current receivables	-	-
b. Non-current receivables	-	-
Total Receivables (a+b)	-	-

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

i. Ageing Analysis for Receivables

Description	Period ended 30th June 2025		Opening Statement 1 st July 2024	
	Current FY	% of the total	Opening Balance	% of the total
Less than 1 year	-	-	-	-
Between 1- 2 years	-	-	-	-
Between 2-3 years	-	-	-	-
Over 3 years	-	-	-	-
Total (a+b)	-	-	-	-

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21. Receivables from Non-Exchange Transactions

Description	Period ended 30th June 2025		Opening Statement 1 st July 2024	
	Kshs		Kshs	
Transfers from NGCDFB	48,386,150		52,988,273	
Outstanding imprest	-		-	
Total	48,386,150		52,988,273	
Ageing Analysis- Receivables from non-exchange transactions	Period ended 30th June 2025	% of the total	Opening Balance	% of the total
Less than 1 year	48,386,150	100%	52,988,273	100%
Between 1-2 years	-	-	-	-
Over 3 years	-	-	-	-
Total	48,386,150	-	52,988,273	

22. Prepayments

Description	Period ended 30th June 2025		Opening Statement 1 st July 2024	
	Kshs		Kshs	
Prepaid Rent	-		-	
Prepaid Insurance	-		-	
Prepaid Electricity Costs	-		-	
Other Prepayments (<i>Specify</i>)	-		-	
Total	-		-	

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23. Property, Plant and Equipment

	Land	Buildings	Motor vehicles	Furniture and fittings	Computers & ICT Equipment	Other Assets (specify)	Capital Work in progress	Total
Depreciation Rate(specify)		10%	25%	12.5%	30%	x%		
Cost	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Opening Bal as 1 st July 2024	-	-	-	444,860	584,988	-	-	1,029,848
Additions	-	-	819,000	-	-	-	-	819,000
Disposals	-	-	-	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-	-	-	-
As At 30 th June 2025	-	-	819,000	444,860	584,988	-	-	1,848,848
Depreciation And Impairment								
Opening Depreciation		-	-	55,608	175,496	-	-	231,104
Depreciation	-	-	204,750	48,657	122,847	-	-	376,254
Disposals	-	-	-	-	-	-	-	00
Impairment	-	-	-	-	-	-	-	00
Transfer/Adjustment	-	-	-	-	-	-	-	00
As At 30 th June 2025		-	204,750	104,264	298,344	-	-	607,358
Net Book Values								
Opening Bal as at 1 st July 2024	-	-	-	389,253	409,492	-	-	798,744
As At 30 th June 2025	-	-	614,250	340,596	286,644	-	-	1,241,490

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Valuation

Land and buildings/ Equipment (be specific) were valued by in line with the National Assets and Liabilities Management Policy and Guidelines (Issued 30th June 2020). These amounts were adopted on 1st July 2024.

22 b) Property, Plant and Equipment at Cost

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

	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land	-	-	-
Buildings	-	-	-
Plant And Machinery	-	-	-
Motor Vehicles, Including Motorcycles	819,000	204,750	614,250
Computers And Related Equipment	584,998	298,344	286,644
Office Equipment, Furniture, And Fittings	444,860	104,264	340,596
Total	1,848,858	607,358	1,241,490

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

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

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24. Intangible Assets

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

25. Right-of use assets

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

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26. Trade and Other Payables

Description	FY 2024/2025		Opening Statement 1 st July 2024	
	Kshs		Kshs	
Trade payables	270,400			
Employee payables				
Other payables				
Total trade and other payables	270,400			
Aging analysis: (Trade and other payables)	FY	% of the	1st July	% of the
	2024/2025	Total		Total
Under one year	270,400	100%		
1-2 years				
2-3 years				
Over 3 years				
Total (tie to above total)	270,400			

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27. Third-Party deposits

	<i>FY 2024/2025</i>
	KShs
Retention as at 1 st July (A)	3,663,939
Retention held during the year (B)	8,169,722
Retention paid during the Year (C)	6,064,221
Closing Retention as at 30 th June D= A+B-C	5,769,440

Retentions aging analysis.

	FY 2024/2025	% of the total	FY 2023/2024	% of the total
Less than 1 year	5,769,440	100%	3,663,939	100%
1-2 years	-	-	-	-
2-3 years	-	-	-	-
Over 3 years	-	-	-	-
Total	5,769,440	100%	3,663,939	

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

28. Lease Liabilities

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

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Maturity Analysis

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

Analysed as:

Description	Amount
Current	-
Non- Current	-
Total	-

29. Gratuity Provision

Description	<i>FY2024/2025</i>
	Kshs
Gratuity at the beginning of the year 1 st of July	929,641
Gratuity held during the year	882,240
Gratuity paid during the year	(390,488)
Total Gratuity Provision 30th June (A+B-C)	1,421,393

30. Cash Generated from Operations

	FY 2024/2025
	Kshs
Surplus/Deficit for the year	11,196,743
Adjusted for:	
Depreciation	376,254
Impairment	-
Gains and losses on disposal of assets	-
Working capital adjustments	
Increase/decrease in receivables	(4,602,124)
Increase/decrease in payables	(270,400)
Increase/decrease in Third Party Deposits	(2,105,501)
Increase/decrease in Gratuity	(491,752)
Net cash flow from operating activities	19,042,774

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

31. Financial Risk Management

The Entity's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The Entity's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to 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:

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i) Credit risk

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

Financial Risk Management

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

Description	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
As at 30th June 2025				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	48,386,150	48,386,150	-	-
Bank balances	-	-	-	-
Total	48,386,150	48,386,150	-	-
As at 30 June 2024				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	52,988,274	52,988,274	-	-
Bank balances	-	-	-	-
Total	52,988,274	52,988,274	-	-

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

Financial Risk Management

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the Entity has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts.

ii) Liquidity risk management

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
As at 30th June 2025				
Trade payables	270,400	-	-	270,400
Current proportion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Gratuity Provision	-	-	882,240	882,240
Total	270,400	-	882,240	1,152,640
As at 30th June (Previous FY)				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Employee benefit obligation	-	-	-	-
Total	-	-	-	-

iii) Market risk

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

a) Foreign currency risk

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

Financial Risk Management

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

Description	Change in currency rate	Effect on Profit before tax	Effect on Equity/Net assets
	Kshs	Kshs	Kshs
Current FY			
Euro	10%	-	-
USD	10%	-	-
Previous FY			
Euro	10%	-	-
USD	10%	-	-

b) Interest rate risk

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

Management of interest rate risk

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

Fair value of financial assets and liabilities

a) Financial instruments measured at fair value.

Determination of fair value and fair values hierarchy

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

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- 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.

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	FY 2024/2025	<i>Opening Statement 1st July 2024</i>
	Kshs	Kshs
Revaluation Reserve	177,670,735	177,670,735
Retained Earnings	11,196,743	-
Capital Reserve	-	-
Total Funds	188,867,478	177,670,735
Total Borrowings	-	-
Less: Cash and Bank Balances	146,701,072	128,477,298
Net Debt/(Excess Cash And Cash Equivalents)	-	-
Gearing	00%	00%

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32. Related Party Disclosures

	FY 2024/2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Committee Members Remuneration		
Sitting allowance of committee Members during the year	4,082,118	-
Transaction with the NGCDF Board		
Transfers from the NGCDF Board during the year	201,988,274	-
Total	201,988,274	-

33. Segment Information

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

34. Contingent Assets and Contingent Liabilities

Contingent Assets

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

(Give details)

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Contingent Liabilities

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

35. Capital Commitments

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

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

36. Events after the Reporting Period

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

37. Ultimate And Holding Entity

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

38. Currency

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

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18. Annexes
 Annex 1: Summary of Asset Register

Asset class	Historical Cost balance brought forward (Kshs)	Additions during the period (Kshs)	Disposals during the period (Kshs)	Historical Cost (Kshs) At Year/period End
Land	-	-	-	
Buildings and structures	13,007,240	-	-	13,007,240
Transport equipment	11,229,170	-	-	11,229,170
Office equipment, furniture, and fittings	1,435,210	444,860	-	1,880,070
ICT Equipment and Other ICT Assets	847,568	584,988	-	1,432,556
Other Machinery and Equipment	-	-	-	-
Intangible assets	-	-	-	-
Total	26,519,188	1,029,848	-	27,549,036

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

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

PMC	Bank	Account number	Bank Balance	<i>Opening Statement 1st July 2024</i>
			Current period	
AMKENI PRIMARY SCHOOL	Equity Bank	1270284411342	-	139,044
BAHARI PRIMARY SCHOOL- NGCDF PROJECT	Equity Bank	1270282608647	20,240	20,240
BAHATI NJEMA PRIMARY SCHOOL	Coop Bank	1100011346001	-	546,702
BOMANI SECONDARY SCHOOL	Equity Bank	1270284738298	-	1,744
CHALALUMA PRI. SCHOOL	Equity Bank	1270285386437	315,469	1,317,856
COAST ARID SECONDARY SCHOOL	Equity Bank	1270279700889	240.00	240
COAST ARID SECONDARY SCHOOL	Equity Bank	1270285367070	-	48,415
CRITICAL INFRASTRUCTURE PROTECTION UNIT	Equity Bank	1590281710196	1,000	133,320
OCPD MPEKETONI OFFICE-NGCDF PROJECT	Equity Bank	1270281291252	-	220,250
FURAHA PRIMARY SCHOOL	Equity Bank	1270277803162	542	542
HINDI POLICE STATION	Equity Bank	1960285385592	487,065	4,670,290
HINDI PRIMARY SCHOOL	Equity Bank	1960285385736	-	1,027,566
HINDI SECONDARY SCHOOL	Equity Bank	1590282774092	781,748	949,655
HOLY ANGEL PRIMARY SCHOOL	Equity Bank	1270284199940	-	1,641,670
HONGWE POLICE POST	Equity Bank	1270279678876	-	3,000
HONGWE PRIMARY SCHOOL	Equity Bank	1270285371151	-	5,844,000
JERICHO PRIMARY SCHOOL	Equity Bank	1270281763241	-	3,054,844
KAKATHE PRIMARY SCHOOL	Equity Bank	1960285371151	-	571,081
KIBAONI POLICE STATION	Coop Bank	1141562016400	-	14,872
KIBAONI POLICE STATION	Equity Bank	1960285384682	349,733	2,239,500
KIZUKE PRIMARY SCHOOL	Coop Bank	1139562670000	-	3,445
KIONGWE SECONDARY SCHOOL	Equity Bank	1270276328445	125,170	125,170

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LAKE KENYATTA SECONDARY SCHOOL	Equity Bank	1270282815893	1,000	1,000
LAMU BOYS SECONDARY SCHOOL	Equity Bank	1590285382659	10,941,947	14,934,000
LAMU SPECIAL SCH. FOR MENTALLY CHALLENGED	Equity Bank	1590280303091	595	20,595
LAMU POLICE LINE	Equity Bank	1590284208163	-	87,115
MAGOGONI PRIMARY SCHOOL	Equity Bank	1960285387081	-	541,000
MAHMOUD BIN FADHIL GIRLS PRIMARY SCHOOL	Equity Bank	1590285394623	2,446,540	4,747,000
MAHMOUD BIN FADHIL BOYS PRIMARY SCHOOL	Equity Bank	1590285384226	452,386	4,747,000
MAISHA MASHA PRIMARY SCHOOL	Equity Bank	1270285383884	-	2,494,000
MAISHA MASHA SECONDARY SCHOOL	Equity Bank	1270282610628	-	4,999
MAJEMBENI SECONDARY SCHOOL	Equity Bank	1270276260563	39,796	39,796
MAJEMBENI SECONDARY SCHOOL	Equity Bank	1270284199593	-	78,699
MALELI PRIMARY SCHOOL	Equity Bank	1270281759631	-	1,002
MANDA SECONDARY SCHOOL	Equity Bank	1590279647904	3,739	3,739
MANDA SECONDARY SCHOOL	Equity Bank	1590284227211	-	214,167
MANYATTA PRIMARY SCHOOL	Equity Bank	1270285376946	42,262.20	1,216,000
MATONDONI PRIMARY SCHOOL	Equity Bank	1590284406236	232,515	83,963
MATONDONI SECONDARY SCHOOL	Equity Bank	1590284398429	-	386,248
MOA PRIMARY SCHOOL	KCB Bank	1274197031	-	85,419
MOA SECONDARY SCHOOL	Equity Bank	1270285390181	283,239	2,344,000
MOKOWE SECONDARY SCHOOL	Equity Bank	1960285387801	-	3,998,000
MOKOWE ARID ZONE PRIMARY SCHOOL	Equity Bank	1960284638122	28,541	48,541
MPEKETONI BOYS SECONDARY SCHOOL	Equity Bank	1270285368184	1,271,508	6,744,000
MPEKETONI GIRLS SECONDARY SCHOOL	Equity Bank	1270277817551	32,525,097	31,911,540
MKUNUMBI SECONDARY SCHOOL	Equity Bank	1270284348139	-	1,000
NDEU PRIMARY SCHOOL	Coop Bank	1139926806000	-	1,393,792
NGCDF ENVIRONMENT PROJECT	Equity Bank	1590277563809	-	538,063
NGCDF SPORTS ACTIVITY	Equity Bank	1590272699813	-	60
PANGANI POLICE STATION	Equity Bank	1270281343351	-	3,096,748

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PANGANI PRIMARY SCHOOL	Equity Bank	1270277828190	14,165	14,165
PANGANI PRIMARY SCHOOL	Equity Bank	1270285367305	-	2,494,000
POROMOKO PRIMARY SCHOOL	Equity Bank	1270277815736	4,149	4,149
SAFIRISI PRIMARY SCHOOL	Equity Bank	1960285377135	-	2,494,000
SIKOMANI PRIMARY SCHOOL	Equity Bank	1270276349116	2,748	2,748
SWABAHA PRIMARY SCHOOL	Equity Bank	1270281051333	955	955
TAKU TAKU PRIMARY SCHOOL	Equity Bank	1270284297276	-	5,001
VIPINGONI PRIMARY SCHOOL	Equity Bank	1270285371207	-	2,729,000
WITU SECONDARY SCHOOL	Equity Bank	1270279730141	42,976	42,976
WITU MJINI SECONDARY SCHOOL	Equity Bank	1270276393563	-	3,801,060
ZIWANI PRIMARY SCHOOL	Equity Bank	1270285384210	337,505	3,444,000
BARGONI COMPREHENSIVE SCHOOL	Equity Bank	1960286507366	3,330,000	-
CIPU-MOKOWE OFFICE	Equity Bank	1960286503424	3,283,000	-
HINDI POLICE STATION	Equity Bank	1960286318656	10,595,017	-
JERICO COMPREHENSIVE SCHOOL	Equity Bank	1960286514662	11,532,000	-
JUHUDI PRIMARY SCHOOL	Equity Bank	1270286500795	3,200,000	-
KATSAKAIRU SECONDARY SCHOOL	Equity Bank	1960286516171	8,735,676	-
LAMU CENTRAL SC POLICE COMMANDER	Equity Bank	1590286318789	24,430	-
MAISHA MASHA SECONDARY SCHOOL	Equity Bank	1960286514110	11,305,000	-
MANDA SECONDARY SCHOOL	Equity Bank	1960286517476	10,343,000	-
MUGUMOINI PRIMARY SCHOOL	Equity Bank	1270286511235	3,450,000	-
PANGANI POLICE STATION	Equity Bank	1270286523368	712,500	-
NDEU SECONDARY SCHOOL	Equity Bank	1960286511974	9,695,000	-
SIKOMANI PRIMARY SCHOOL	Equity Bank	1270286423538	2,600	-
WIYONI COMPREHENSIVE SCHOOL	Equity Bank	1960286481088	200,000	-
			127,161,094	117,366,986

Annex 3: Progress On Follow Up of Auditor Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
OAG/KRO/NGCDF/LAMU W/2023-2024/(16)	<p>Emphasis of Matter Budgetary Control and Performance</p> <p>The summary statement of appropriation reflects approved final receipts budget and actual amount on comparable basis of an amount of Kshs. 281,251,992 and Kshs. 228,263,719 respectively, resulting to an under-funding of Kshs. 52,988,273 or 19% of the budget. Similarly, the Fund spend a total amount of Kshs. 217,447,077 against actual receipts of Kshs. 228,263,719 resulting to an under-utilization of Kshs. 10,816,642 of 5% of the actual receipts.</p> <p>The under-funding and under-utilization may have negatively impacted on the planned projects and service delivery to the public.</p> <p>My Opinion in not modified of this matter.</p>	<p>The Underutilization and under-funding was as a result of delayed approval of projects by the Board and subsequent delays in disbursement of funds to the Constituency Committee.</p>	Not Resolved	Date to be determined by DFAC
OAG/KRO/NGCDF/LAMU W/2023-2024/(16)	<p>Key Audit Matters</p> <p>Other Matters</p>			

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>Unresolved Prior Year Matters</p> <p>Various prior year audit matters remained unresolved as at 30th June, 2024. Management has not provided reasons for the delay in resolving the prior year audit issues.</p>	<p>All unresolved prior year matters raised by the Auditor General during the periods under review have been addressed by the committee and the supporting documents are available for review and clearance by DFAC</p>	Not Resolved	Date to be determined by DFAC
OAG/KRO/NGCDF/LAMU W/2023-2024/(16)	<p>REPORT ON LAWFULNESS AND EFFCETIVENESS IN THE USE OF PUBLIC FUNDS</p> <p>6. Irregular payment of Daily Subsistence Allowances</p> <p>The statement of receipts and payments and note 6 to the financial statements reflects payments on use of goods and services totaling Kshs. 9,952,924. Included in these payments is an amount of Kshs. 1,093,000 in respect to training expenses all of which was paid to the Fund Account Manager inform of imprest. Review of the records revealed that officers who are not employees of the Fund were paid per diems contrary to Regulation</p>	<p>The Fund allows the Fund Accounting Manager as the only officer of the Board and only officer eligible to receive DSA. In circumstances where training is conducted and DSA is required, it's the Accounting Officer who receives the DSA and re-distribute it to other officer. A distribution schedule</p>	Not Resolved	Date to be determined by DFAC

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

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>91(1) the Public Finance Management (National Government) Regulations, 2015 which states that for the purpose of this regulation and Regulation 92, 93 and 94, an imprest means a form of cash advanced or floated which the Accounting Officer may authorize to be issued to officers who in the course of duty are required to make payments which cannot conveniently be made through the cash office of a government entity or bank account.</p> <p>In the circumstance, Management was in breach of the law.</p>	and Training Invitation letter have been availed for review.		
OAG/KRO/NGCDF/LAMU W/2023-2024/(16)	<p>7. Incomplete Asset Register</p> <p>Annex 4-Summary of Fixed Asset Register to the financial statements reflects total fixed assets balance of Kshs.27,549,036.However ,review of records revealed that the Fund owns a piece of land approximately 0.256 Hectares parcel No. LAMU/MOKOWE NEW TOWNSHIP/1166 which was not included in the summary of the fixed asstes register contrary to Regulation 143(1) of the Public Finance Management(National Government)Regulations,2015 which states that the</p>	The committee has written to the County Land Valuer, County Land Registrar and County Land Surveyor for the valuation of the Office Land and determination of the Boundary.	Not Resolved	Date to be determined by DFAC

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

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)
	Accounting Officer shall be responsible for maintaining a register of assets under his or her control or possession as prescribed by the relevant laws and that the register of land and buildings shall record each parcel of land address ,area, dates of acquisition ,disposal or major change in use, capital expenditure, lease hold terms, maintenance contracts and other pertinent managements details. In the circumstances, Management was in breach of the law.			
OAG/KRO/NGCDF/LAMU W/2023-2024/(16)	<p>3. Irregular Management of Project Bank Accounts.</p> <p>The statement of receipts and payments and Note 7 to the financial statements reflects payments on transfers to other Government units totaling Kshs.139, 955,672. Included in these payments is an amount of Kshs.81,773,321 in respect to transfers to secondary schools. Review of the Project Management Committee bank statements revealed that funds for seven (7) projects meant to be managed by (7) Project Management Committees(PMCs) were managed through two(2) bank accounts contrary to regulation 15(1) of the National</p>	As at 30th June 2024, NGCDF Lamu West committee had as far as 93 active PMC Bank Accounts (The PMC Bank Accounts Certificate of Balances attached). It was therefore deemed logical and administrative convenience and efficient to have projects in the same school sharing same bank account since the project activities relate and are managed by Board of	Not Resolved	Date to be determined by DFAC

*National Government Constituencies Development Fund (NGCDF)
Lamu West Constituency*

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

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>Government Constituencies Development Fund Regulations, 2016 which states that there shall be appointed a PMC for each project in a constituency in accordance with section 36 of the Act which shall open and maintain an independent bank account for each project and Regulation 29(3) which states that the Constituency Committee shall ensure that the PMC opens a bank account in an approved bank for each project.</p> <p>In the circumstances, Management was in breach of the law.</p>	<p>Management (BOM) of the schools being the Project Management Committee (PMC) members as provided in the Act. However, it is worth noting that each project activity is independently procured and accounted.</p>		



 Name: Mr. Javan Mwandawiro
 Fund Account Manager.