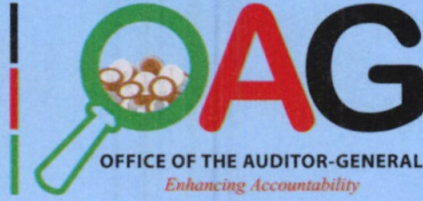
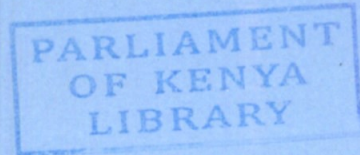


REPUBLIC OF KENYA



REPORT




OF

THE AUDITOR-GENERAL

ON

NATIONAL GOVERNMENT CONSTITUENCIES
DEVELOPMENT FUND – MATUNGU
CONSTITUENCY

FOR THE YEAR ENDED
30 JUNE, 2025

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 11 FEB 2026	
DAY: Wednesday	
TABLED BY:	Hon (Dr) Robert Pukose on behalf of Leader of Majority
CLERK-AT THE-TABLE:	Lomale

Revised 30th June 2025



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

MATUNGU CONSTITUENCY

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
30th JUNE 2025**

Transitional International Public Sector Accounting Standards (IPSAS) Financial Statements

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I. Acronyms and Definition of Key Terms

A. Acronyms

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

B. Definition of Key Terms

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

Comparative Year- Means the prior period.

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

2. Key Constituency Information and Management

(a) Background information

The National Government Constituencies Development Fund (NG-CDF) formerly Constituencies Development Fund (CDF), is established under the NG-CDF Act 2015 (amended 2023). The Act is a successor to the Constituencies Development Fund (CDF) Act of 2003 which initiated the Fund and its subsequent amendments/revisions 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 section (3) of the NG-CDF Act, 2015, is to:

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

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

Vision

Equitable Socio-economic development countrywide.

Mission

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

Core Values

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

Functions of NG-CDF Committee

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

(b) Key Management

The NGCDF Matungu 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	Mary Mwaki
2.	National Sub-County Accountant	Abel Onchiri Manoti
3.	Chairman NGCDFC	Faluma Wasaya
4.	Member NGCDFC	Alice Were
5.	Member NG CDFC	Michael Watako

(c) Fiduciary Oversight Arrangements

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

(d) NGCDF Matungu Constituency Headquarters •

Matungu Building/House/Plaza
Mayoni Busia Road
MUMIAS.

(e) NGCDF Matungu Constituency Contacts •

P.O. Box 1045-50102
Telephone: (254) 254723052513
E-mail: cdfmatungu@ngcdf.go.ke
Website: www.ngcdfmatungu.go.ke

(f) NGCDF Matungu Constituency Bankers •

1. Equity Bank.(Operations Account).
Mumias Branch
P.O. Box 606
MUMIAS •
2. Equity Bank (Deposit account).
Mumias Branch
P.O. Box 606
MUMIAS •
3. Project Management Committee Accounts
Equity Bank
Mumias Branch
P.O Box 606-50102
MUMIAS •

(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 •





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

P.O. Box 40112
City Square 00200
Nairobi, Kenya

3. NGCDF Committee

No	Name	Details
1	 Faluma Wasaya	Date of Birth:1/1/1956 Manager British Council of Botswana for 15 years Master's Degree O-Level- 1973-1976 A- Level- 1984-1985 University- 1990-1994 Masters Degree- 1995-1997
2	 Michael Watako	Date of Birth:15/7/1972 Farms Manager at Rang'ala Girls From 2008-2022 Hes a maize and sugar cane farmer O-Level- 1981-1992 Form four Certificate
3	 Juvenalis Muroso Mutayi	Date of Birth:19/5/1994 Environmental Officer from 2019 to date O-Level- 2011-2014 University-2015-2019
4	 Josephine Shisoka	Date of Birth: 9/8/1982 Marketing Manager from 2015 to date University Degree O-Level- 1997-2000 University- 2007-2010

*National Government Constituencies Development Fund (NGCDF)
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5	 Francisca Wabuyabo	<p>Date o Birth: 23/12/1976 College Diploma O-Level- 1993-1996 College-2007-2010 Social Worker from 2018 to 2023 She's a maize and sugarcane farmer</p>
6	 Alice Were	<p>Date of Birth: 1/1/1966 Form four Certificate She's a maize and sugar cane farmer from 2014 todate O-Level-1982-1985</p>
7	 Nancy Mukeyah	<p>Date of Birth:10/11/1991 Form four Certificate Community Health Promoter from 2021- to date O-Level- 2007-2010</p>
8	 Rose Makokha	<p>Date of Birth: 10/07/1982 Form four Certificate Community health volunteer from 2018-to date O-level- 1997-2000</p>

Members who exited Last financial year

1. Faluma Wasaya- 2 years
2. Michael Watako- 2 years
3. Juvenalis Mutayi- 2 years
4. Nancy Mukeyah- 2 years
5. Alice Were- years- 2 years

- 6. Josphine Shisoka- 2years
- 7. Rose Makokha- 2 years
- 8. Francisca Wabuyabo- 2 years

4. NG-CDFC Chairman's Report



The Matungu Constituency National Government Constituency Development Fund (NGCDF) has continued to make significant strides in transforming our community since its inception in 2003/2004. Matungu Constituency has 5 wards namely; Mayoni, Kholera, Koyonzo, Namamali & Khalaba. The Constituency has currently 84 Primary Schools and 43 Secondary Schools in the Public Sector. For the financial year 2024/2025, despite facing some challenges, we successfully implemented various projects across different sectors, with a focus on education, security, and infrastructure development. This report highlights the budget performance, key achievements, emerging issues, and the challenges faced during the year, along with our strategy to overcome them.

Budget Performance Overview

For the financial year 2024/2025, Matungu Constituency was allocated a total of Kshs 179,441,954 under the National Government Constituency Development Fund(NGCDF) with additional outstanding disbursement of Kshs 73,252,143 an increase from the previous year's allocation of Kshs 193, 252 143. However, a pending disbursement of Kshs 52,119,795 from the NGCDF Board affected the overall budget utilization.

The total receipts during the year amounted to Kshs 200,574,302, with additional receipts of Kshs 71,574,302 from previous years' balances. Despite these funds, the total expenditure stood at Kshs 193, 357,274 against a total budget of Kshs 330, 656,797 resulting in a utilization rate of 58%. This lower utilization rate is primarily due to the delayed

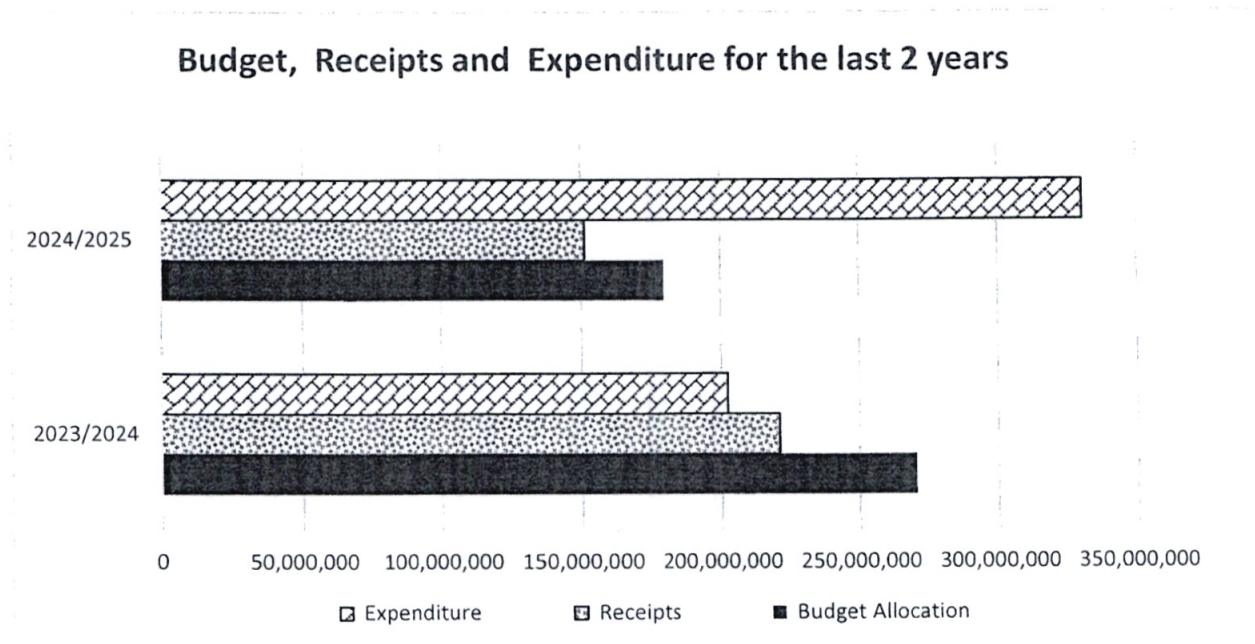
National Government Constituencies Development Fund (NGCDF)
Matungu Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025

disbursement from the NGCDF Board, affecting our ability to fully implement planned activities.

This allocation supported key priority projects across the constituency.

DESCRIPTION	AMOUNT (KSH)
Total Receipts	200,574,302
Expenditure Per Sector	
Compensation to Employees	6,246,607
Use of goods and Services	8,122,830
Transfer to other government Entities	115,342,060
Other Grants and Transfers	55,054,569
Other Payment	3,481,499
Total	188,247,565

Comparison of budget, receipts and expenditure is represented as below,



Financial Report

For the financial year 2024/2025, Matungu Constituency was allocated Kshs. 179,441,954. During the year, the constituency received Kshs 200,574,302 of the total budget. Additionally, the following funds were available

- Balance brought forward from previous financial year Kshs. 77,962,701
- Funds received from FY 2023/2024 allocation Kshs. 73,252,143

a) Utilization of Funds

Utilization of funds stood at 58%, down from 68% the previous year, this under performance was largely due to delayed disbursement of funds from NGCDF Board.

The overall utilization of funds during the year was as follows graphically;

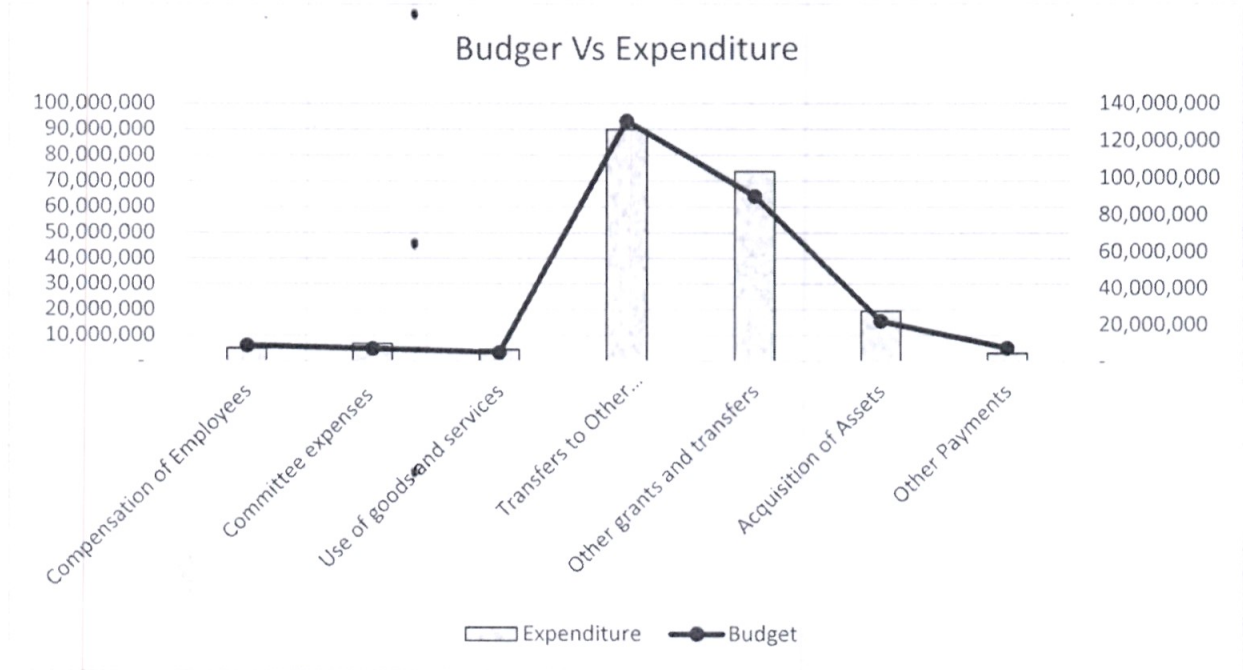
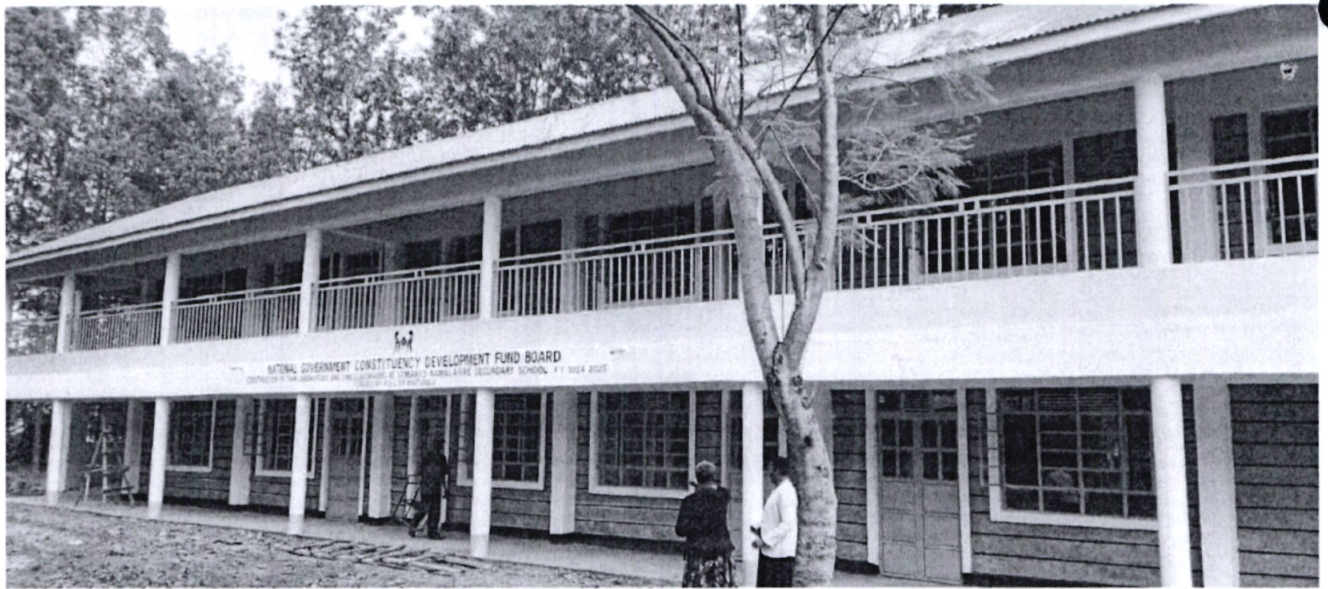


Chart Showing Budget utilization for FY 2024-2025

Key Achievements

During the 2024/2025 financial year, the NGCDF achieved significant milestones in various sectors, demonstrating a strong commitment to community development despite numerous challenges.

- Education-Over Kshs 40,424,500 has been utilized in bursaries benefiting thousands of Students in Secondary, Tertiary and Special Institutions.
- Infrastructure Development- Multiple Classrooms have been constructed and renovated in both Primary and Secondary Institutions across the Constituency
- Security Enhancements were another priority, with efforts geared towards improving safety within the constituency. The NGCDF allocated funds for completion of Deputy County Office Block which is 89 % nearing completion.



Namalasire Secondary School- Construction of Storey Building of Twin Laboratory and 3 Classroom funded by Matungu NGCDF FY 2024-2025

The Project has provided conducive environment for both teachers and learners



Marinda Secondary School- Construction of Administration Block FY 2024-2025

The Project has provided conducive environment for both teachers and learners



Marinda Primary School- Completion of administration block FY 2023-2024

The Project has provided conducive environment for both teachers and learners

Emerging Issues

1. Heavy rainfall in the constituency throughout the year making classroom roofs to be blown off by strong winds and pit latrines sinking.
2. Difficulty in accessing the projects due to poor roads as a result of the heavy rainfall and the wide area coverage
3. Community Expectations vs. Funding Limitations - Very high population hence increased need for infrastructural developments in both the education and security sectors
4. Increased Demand for Bursaries -
5. Inflation and Rising Project Costs
6. Delayed disbursement of funds by the National Government affect implementation of Projects as per the implementation schedule.

Challenges

1. Shortage of Public Works Officers in the County
2. Lack of sufficient financial and technical knowledge among the PMCs
3. Hostility of the locals demanding for jobs at the sites
4. Inadequate funding to meet infrastructural demand of Public learning institutions

Remedies to the challenges

1. Proper planning by the project implementers to ensure we share the scarce technical personnel
2. Use of our Clerk of Works who has the relevant expertise to guide the PMCs

- 3. Conducting capacity building to the PMCs
- 4. Timely funding by NGCDF Board



Faluma Wasaya

Chairperson NGCDF Committee

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

Introduction

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

The key development objectives of the **NGCDFMATUNGU Constituency 2025-2028** plan are to:

1. To have all children of school going age attending school in the Education sector
2. To curb within the Constituency and sensitize constituents on the need to be secure in their neighborhood in the security sector
3. Strengthening of overall policy coordination of natural resources and ensure proper waste disposal and management to curb the extreme global warming and climate change
4. To cater for unforeseen occurrences within the Constituency using emergency funds

Progress on the attainment of Strategic development objectives

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

Sector	Objective	Outcome	Indicator	Performance
Education	To have all children of school going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	number of usable physical infrastructure build in primary, secondary, and tertiary institutions number of bursary's beneficiaries at all levels	In FY 2024/25 -We built 10 new classrooms, 1 girls dormitory and 2 twin laboratories etc - The total numbers of beneficiaries of Bursaries

*National Government Constituencies Development Fund (NGCDF)
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			<ul style="list-style-type: none"> • • 	11,682 being 6302 Male and 5380- female students in both secondary and tertiary institution respectively
Security	To curb within the Constituency and sensitize constituents on the need to be secure in their neighbourhoods	Increased security and social protection within the Constituency	<ul style="list-style-type: none"> - Buy land for construction of administration offices - Construct and rehabilitate of Police Posts and Police housing - Construct and Equip additional Security installations in underserved areas • 	In FY 2024/25 -we completed construction of one Police Post, Indangalasia Police Post and allocated funds to complete Deputy County Commissioners office which is at 90% completion stage
Activities of Climate change	Strengthening of overall policy coordination of natural resources and ensure proper waste disposal and management	Awareness creation on importance of environmental management Conservation and strengthening of overall policy coordination of Natural resources management	<ul style="list-style-type: none"> - To promote and encourage tree planting within the Constituency • - Improve water catchment areas - Promote green environment within the Constituency • - Promote clean environment by establishment infrastructural facilities(Ablution blocks, Pit Latrines) in the • 	In the year 2024/25 we constructed many buildings and constructed gutters for water conservation. We also planted trees on several schools within the Constituency

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			learning institutions)	
Emergency	To cater for unforeseen occurrences within the Constituency	- Increase in Construction and renovation of infrastructural facilities in learning institutions affected by calamities	- Number of Classrooms constructed - Number of infrastructural facilities renovated	In the financial year 2024/25 Matungu NGCDFC constructed Classrooms and Pit Latrines that had been blown away by wind after heavy downpour.

6. Governance Statement

NG-CDFC process of appointment

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

- i) There is established a National Government Constituency Development Fund Committee for every constituency.
- ii) Constituency Committee Shall comprise of;
 - a) The national government official responsible for co-ordination of national government functions.
 - b) three men each nominated in accordance with subsection (3), one of whom shall be a youth at the date of appointment
 - c) three women nominated in accordance with subsection (3) one of Whom shall be a youth at the date of appointment;
 - d) one person with disability nominated by a registered group representing persons with disabilities in the constituency in accordance with subsection (3);
 - e) The officer of the Board seconded to the Constituency Committee by the Board who shall be an ex officio member without a vote.
 - f) one member co-opted by the Board in accordance with regulations made by the Board
- iii) The seven persons referred to in sub-section (2) (b), (d) and (e) shall be selected in such manner and shall have such qualifications as the Board may, by Regulations, prescribe.
- iv) The names of the persons selected under sub-section (3) shall be submitted by the Board to the National Assembly for approval before appointment and gazettelement by the board
- v) Current members are yet to be gazetted.

The persons appointed are drawn from different groupings as follows:

NO	NAME	CATEGORY	Date of Appointment	WARD	Position
1.	Faluma Wasaya	Man (Adult)	22 nd Dec 2022	Mayoni	Chairperson
2.	Juvenalis Muroso	Man (Youth)	22 nd Dec 2022	Namamali	Member
3.	Francisca Wabuyabo	Woman (Adult)	22 nd Dec 2022	Namamali	Member
4.	Nancy Mukeyah	Woman (Youth)	22 nd Dec 2022	Kholera	Member
5.	Rose Makokha	Representative of Persons with Disability	22 nd Dec 2022	Khalaba	Member
6.	Michael Watako	Constituency Nominee (Male)	22 nd Dec 2022	Namamali	Secretary
7.	Alice Were	Constituency Nominee (Female)	22 nd Dec 2022	Koyonzo	Member
8.	Josephine Shisoka	NGCDF Board Co-opted	22 nd Dec 2022	Namamali	Member
9.	Christine Kimaeti	Deputy County Commissioner			Member

10.	Mary Mwaki	Fund Account Manager		Member
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b. NG-CDFC Tenure

Section 43(8) of the NGCDF Act 2015 provides that the term of office of the members of the Constituency Committee shall be two years and shall be renewable but shall expire upon the appointment of a new Constituency Committee in the manner provided for in the Act, or as may be approved by the Board.

c. The Role of the Constituency Committee

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

The roles and functions of NG-CDFC are as follows; -

- a) Build the capacity of project management committees and Committee.
- b) Sensitize the Community on the operations of the Fund;
- c) Consider all project proposals from all wards in the constituency and any other projects which a constituency committee considers beneficial to the Constituency;
- d) Ensure that all proposed projects that are approved for funding meet the requirements of section 24 of the Act; 1956 - Kenya Subsidiary Legislation, 2016
- e) Ensure that project proposals submitted to the Board include detailed budget proposals, procurement plans and work plans; in approving a project and before submitting the project to the Board for consideration, satisfy itself and make a declaration to the effect that such project (works and services) fall within the functions of the National Government under the Constitution;
- f) Rank projects proposals in order of priority while ensuring that on-going projects take precedence;
- g) Ensure that all projects receive adequate funding and are completed within three years;
- h) where a project involves purchase of a parcel of land or a building, ensure that the ownership thereof is duly verified and ownership documents authenticated with relevant government agencies;

d. Removal of NG-CDFC Members

A member holding a position within the NG-CDFC can be relieved of their duties for any of the subsequent reasons, either individually or in combination: Absence of integrity, Severe misconduct, misappropriation of public funds, tarnishing the committee's reputation through inappropriate personal behaviour in public, advocating unethical behaviours, creating discord within the committee, Suffering from a physical or mental ailment, Misusing funds, or any other valid and justifiable cause.

e. Induction and Training of NG-CDFC Members:

In the year 2024/2025, the entity conducted capacity building for the NGCDF Committees in July 2024 at Star backs Hotel, Eldoret. The training focused on enhancing committee's knowledge in key areas critical to effective fund management, governance, and operational efficiency. Key topics included an overview of the NGCDF Act and its regulations, construction management, project cycle management, financial management under the PFM Act, and performance contracting.

The training emphasized the importance of gender mainstreaming, environmental and disaster management, audits and risk management, quality management systems, and compliance with procurement laws. Additionally, the program addressed human resource management, taxation and statutory requirements, governance, integrity, corruption prevention, communication linkages with stakeholders, and safeguarding NGCDF funds. The comprehensive training aimed to equip committee members with the skills necessary to manage NGCDF projects effectively while ensuring transparency, accountability, and adherence to statutory guidelines.

f. 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 Matungu Constituency, the NG-CDF Committee conducted 16 meetings in the financial 2024-2025

National Government Constituencies Development Fund (NGCDF)
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NG-CDFC MEMBERS	09/07/2024	05/08/2024	05/09/2024	26/09/2024	14/10/2024	12/11/2024	15/11/2024	03/01/2025	29/01/2025	04/02/2025	17/03/2025	27/03/2025	14/04/2025	05/05/2025	03/06/2025	25/06/2025
Faluma Wasaya Chairperson	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Michael Watako- Secretary	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Francisca Wabuyabo- Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Nancy Mukeya- Member- Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Juvenalis Mutayi- Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓		✓
Rose Makokha Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓		✓
Alice Were- Member	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓		✓		✓
Josphine Shisoka- Member	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓					✓
Cristine Eredi DCC	✓		✓		✓	✓	✓	✓	✓	✓	✓	✓				✓
Mary Mwaki- FAM	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

g. Remuneration Rates

Members of the NG-CDF Committee receive compensation in accordance with the directives established by both the NGCDF Board and the Salaries and Remuneration Commission (SRC). Presently, committee members are eligible to receive a sitting allowance of Kshs 5,000 per session, while the chairperson is entitled to Kshs 7,000 per session.

Remuneration for Constituency staff is derived from the allocation designated for office administration, and this is done in alignment with the stipulations outlined by the SRC, NGCDF Board, and the Employment Act of 2007. It is important to note that all payments are subject to the prevailing tax laws and other mandatory deductions as per statutory regulations.

h. Policy on conflict of interest

Matungu NGCDF requires all individuals associated with our organization to promptly and openly disclose any conflicts of interest that may arise in the course of their duties. Such

disclosures are crucial to maintaining the integrity and impartiality of our decision-making processes, ensuring transparency, and upholding the highest standards of ethics and accountability. All disclosures shall be to the Fund Account Manager and the Chairman of the Committee

In line with our dedication to transparency, integrity, and the highest ethical standards, it is essential that all committee members and staff within our organization disclose any potential conflicts of interest that may arise during the course of their responsibilities. This act of disclosure is crucial to guarantee that our decision-making processes remain impartial, equitable, and in the best interests of our constituents and stakeholders. By promptly identifying and addressing conflicts of interest, we demonstrate our commitment to preserving the trust vested in us by the community we serve and upholding our organization's credibility.

Moreover, ethical conduct stands as a fundamental pillar of our organization's mission, and we anticipate all committee members and staff to strictly adhere to a code of ethics in the execution of their professional duties. This commitment encompasses the preservation of confidentiality, avoidance of any actions that could jeopardize our organization's integrity, and the enactment of behaviours that align with our core values. Our unwavering dedication to ethical behaviour not only reinforces our standing but also ensures that our actions consistently conform to the principles of equity, accountability, and responsibility that serve as the foundation of our work.

i. Succession plan

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

j. ethics and Conduct

During the training, members were also taken through chapter six of the constitution on ethical issues and how they are supposed to conduct themselves during the process of management of fund.

k. Risk Management:

As part of the training organized by the NG-CDF Board, committee members were educated on the intricacies of risk management, equipping them with the skills necessary to address risks at the constituency level. Recognizing that risk management is an essential component of sound governance and exemplary management practices within the constituency.

Moreover, the committee was informed that the Risk Policy underscores NG-CDF's commitment to cultivating a risk-aware culture that promotes deliberate and proactive risk management, aligned with NG-CDF's strategic objectives. Specific examples of identified risks and their corresponding management responses were also provided

7. Management Discussion and Analysis

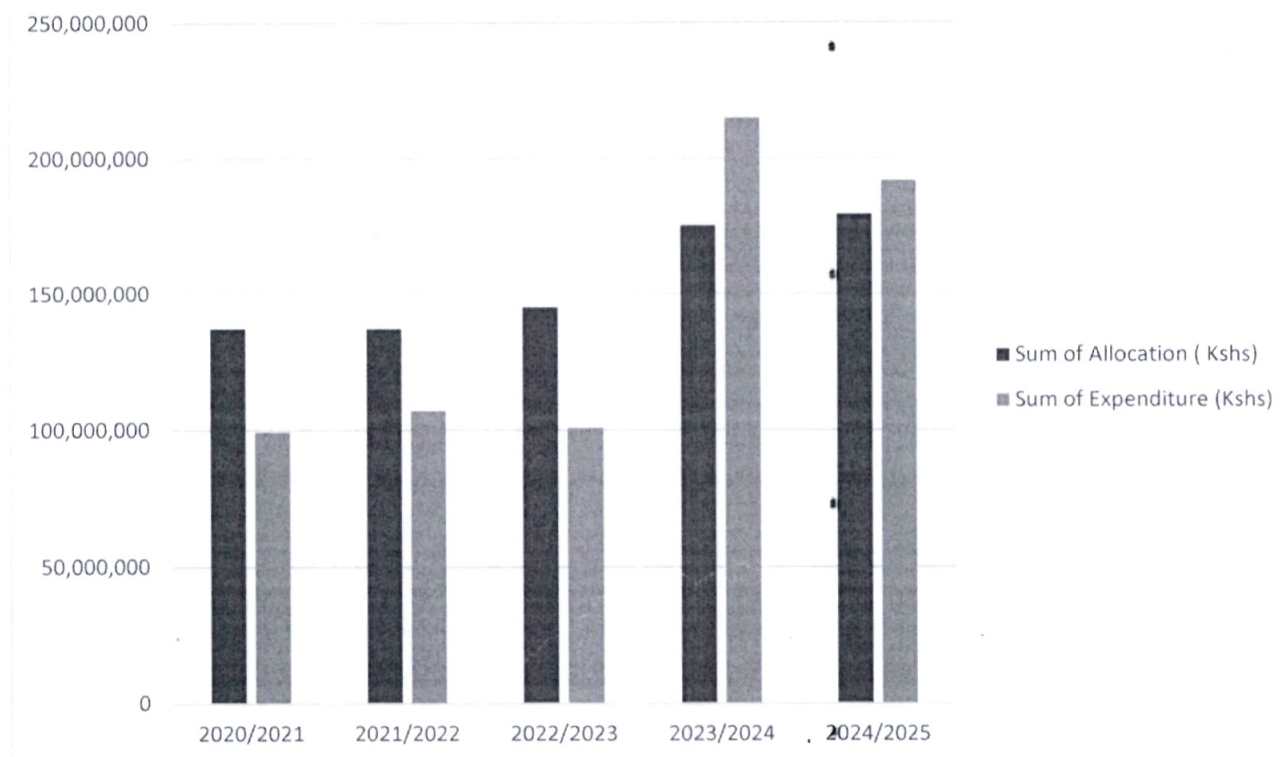
Over the past financial years, Matungu NGCDF has steadily increased its annual allocation and increased its rate of fund absorption. Despite several challenges encountered during disbursement and implementation of projects at the community level, we managed to implement the improved projects of which some are complete and others ongoing.

The graph below illustrates allocation vs expenditure from FY 2019/2020 to financial to 2024/2025 and expenditure per sector for the financial years.

FINANCIAL PERFORMANCE OF MATUNGU NGCDF THE LAST 5 YEARS

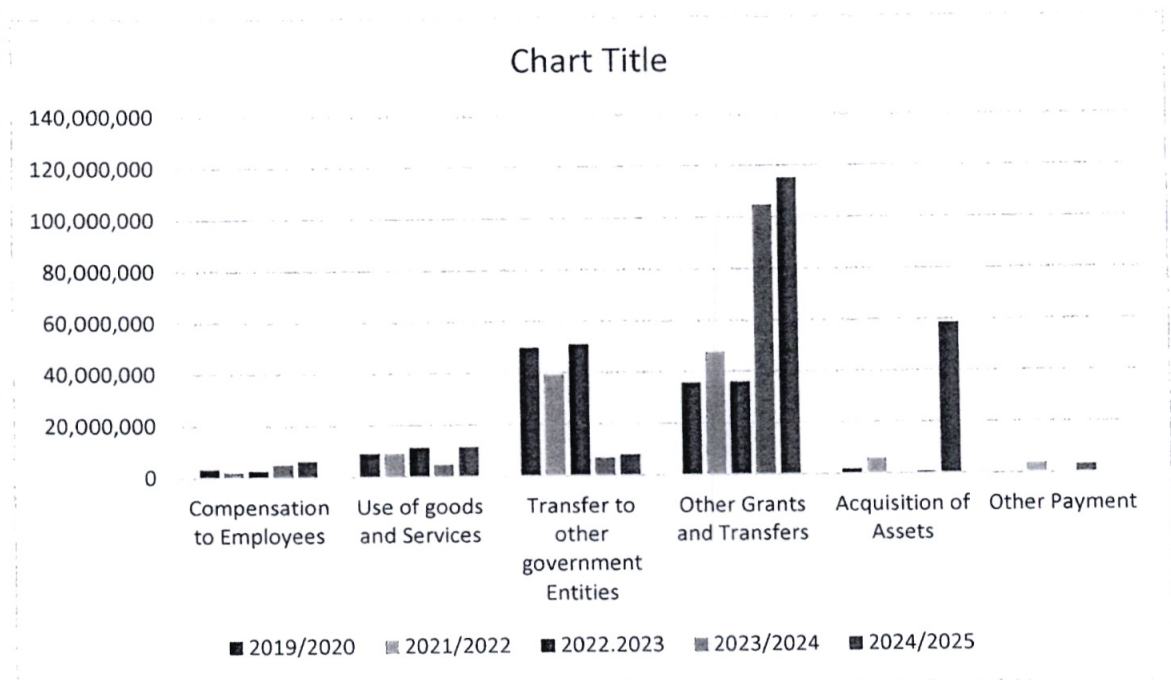
Financial Year	Allocation (Kshs)	Expenditure (Kshs)
2020/2021	137,270,879	99,374,515
2021/2022	137,088,879	107,092,370
2022/2023	145,087,603	100,848,454
2023/2024	175,361,810	215,057,036
2024/2025	179,441,954	192,000,482

The above information is graphically illustrated in the table below:



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

Expenditure Per Sector	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025
Compensation to Employees	3,123,016	1,944,460	2,563,310	4,892,237	6,246,607
Use of goods and Services	9,032,269	8,956,158	11,371,816	4,792,438	8,122,830
Transfer to other government Entities	49,725,000	39,298,635	51,047,353	6,732,069	115,342,060
Other Grants and Transfers	35,698,370	47,523,347	35,865,974	104,739,872	55,054,569
Acquisition of Assets	1,795,861	5,862,000	-	506,264	-
Other Payment	-	3,507,770	-	3,043,528	3,481,499
Total	99,374,515	107,092,370	100,848,454	215,057,036	188,247,565

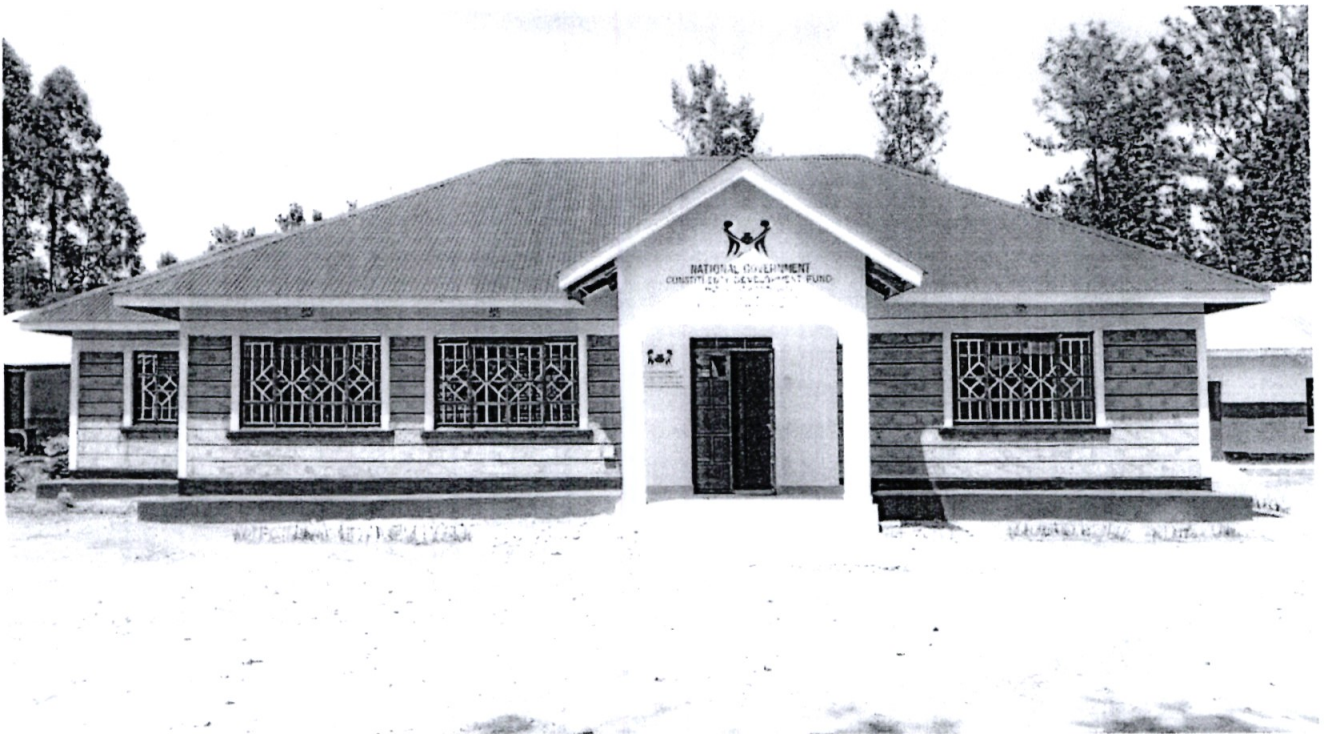


Key Projects – Implemented & Ongoing

1. Bursary & Education Support -Over Kshs. 165 M disbursed over FY 2020-25 across all education levels as illustrated below;



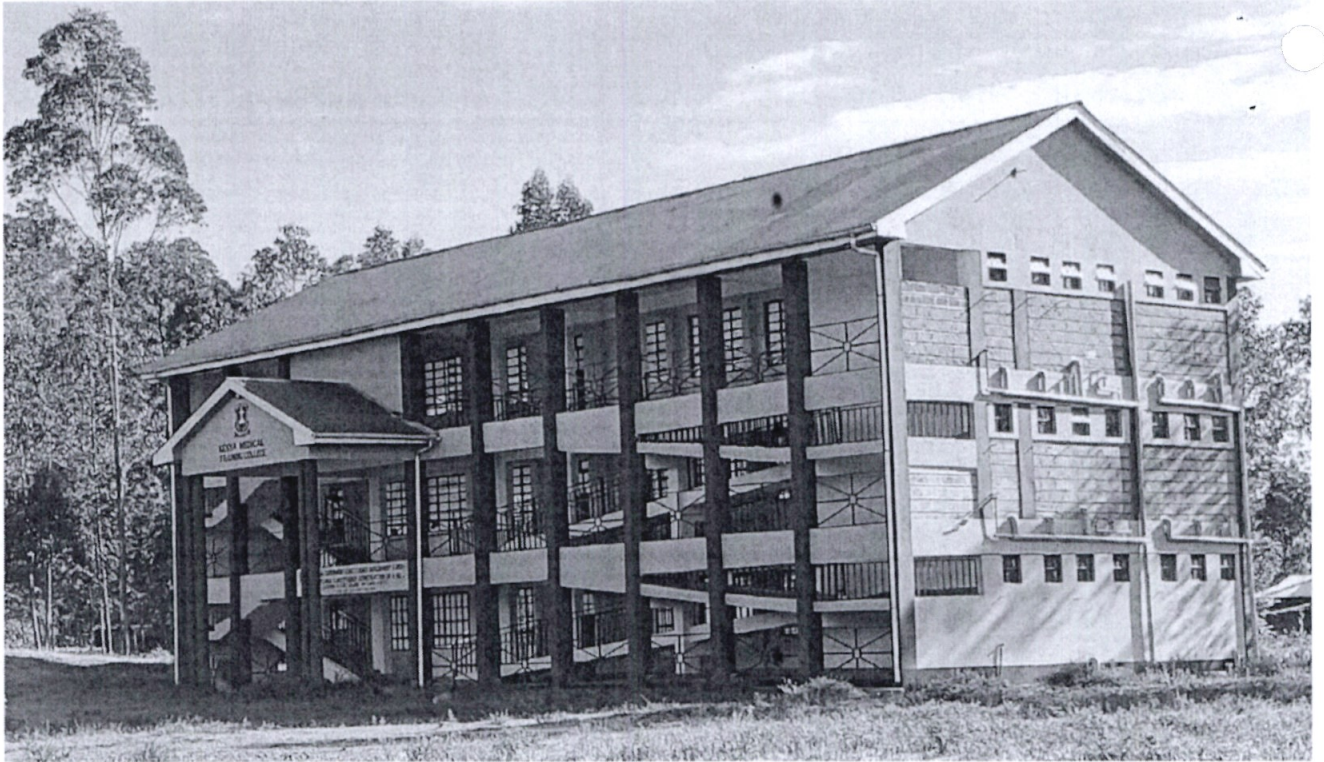
Construction of Twin Laboratory and 3 Classrooms at St. Maurice Mwira Secondary School



Construction of 35 Capacity Administration Block at Mwira Primary School



Completion of DCC office at 90 % completion



Matungu KMTC at 98% Complete



Construction of 1 Classroom at Eshibanze primary School



Construction of 1 Classroom at Koyonzo Special Primary School FY 2022-2023

2. Classrooms Construction, Renovation & Emergency Response – Constructed over 200 classrooms and renovated over 320 classrooms, constructed 70 toilets, and addressed unsafe learning environments.

1. Security – Constructed over 10AP Post & 5 Chiefs Office

NG-CDF has consistently adhered to:

1. The NG-CDF Act, 2015;
2. Annual audits by the Auditor-General's Office, with no unresolved material arrears as of Jun 2025;
3. Adherence to Public Finance Management and Procurement laws;
4. Timely submission of financial statements and annual reports.

Major Risks & Management Strategies

Matungu NG-CDFC, like other public entities, operates in a dynamic environment that exposes it to financial, operational, legal, and reputational risks. The management has identified the following key risk areas and corresponding mitigation strategies:

Risk	Description	Mitigation Measures
Delayed Disbursement of Funds	Late releases from the Broad disrupt planned project timelines and bursary disbursements.	<ul style="list-style-type: none"> - Implement phased project planning - Prioritize essential projects early - Maintain a working balance from prior-year savings
Rising Costs of Construction Materials	Inflation and market fluctuations increase costs mid-project, affecting scope and quality.	<ul style="list-style-type: none"> - Use locally available materials - Build in contingencies during budgeting - Regularly review and update Bill of Quantities
Contractor Underperformance	Some contractors fail to meet timelines or quality standards, delaying completion.	<ul style="list-style-type: none"> - Strict vetting and registration procedures - Enforce performance bonds - Use blacklisting mechanisms for repeat offenders
Limited Technical Capacity in Implementation	Some schools and PMCs lack technical knowledge for effective supervision of projects.	<ul style="list-style-type: none"> - Train PMC members and school heads - Assign technical officers for M&E - Use simplified guidelines and manuals
Fraud and Misappropriation Risk	Potential misuse of funds at implementation level.	<ul style="list-style-type: none"> - Frequent audits - Strict approval and payment workflows
Data and Records Management Challenges	Manual record keeping may affect tracking, retrieval, and reporting.	<ul style="list-style-type: none"> - Introduce digital systems - Train staff on data management - Regular backups

Material Arrears & Financial Obligations

There are no material arrears in statutory or contractual payments as of FY 2024/25. PMC savings and prudent fund management have ensured all obligations are met promptly.

Economic & Sectorial Context

Despite inflationary pressures and agricultural challenges, local investments have improved community resilience. Continuous support to education and health sectors is delivering notable local returns, evident in school enrolment, infrastructure upgrades, and youth participation.

Future Outlook & Strategic Developments

- Optimized Bursary Scheme - Scaling bursaries to meet continued demand.
- ICT and Innovation Expansion - Increased budgets for training and hub infrastructure.
- Green Commitment - Target to plant 10,000 tree seedling planting in the FY

Conclusion

- Matungu NG-CDF has demonstrated Improved funding absorption from ~91% in FY 2020/21 to 115% in FY 2024/25;
- A balanced project portfolio encompassing education, infrastructure, environment, and security
- Robust compliance and risk systems ensuring transparency and efficiency.
- Through ongoing stakeholder engagement and strategic prioritization, the Fund remains on track to meet its mandate and heighten impact in subsequent financial years.



.....
Name: Faluma Wasaya
Chairman NGCDF Committee

8. Environmental and Sustainability Reporting

The constituency previously allocated only 2% for the environmental sector. In the financial year 2024-2025 the constituency increased allocation to 3 % to cater for environmental sustainability, planting of Tree seedlings in Public Learning Institutions and Installation of solar lamps. The committee managed to Plant 2300 tree seedling sand installation of solar lamps in various institutions.

To ensure the sustainability of Climate change and environmental conservation, Matungu NGCDF ensures that all the below mentioned sectors are considered;

Sustainability strategy and profile -

Matungu Constituency, the committee funds the following key sectors with the following sustainable priorities.

- a. **Education and Training:** Matungu Constituency's focus on human capital for constituency development is entrenched in its strategy to support needy and bright students from each ward of the constituency. The intention is to empower the constituents such that in years to come, the beneficiaries at secondary school levels would have transitioned to Tertiary institutions while those at tertiary level would have transitioned to the job market as employees or employers, thereby contributing positively to the economic growth of the constituency. This strategy takes care of both marginalized groups, including girls and people living with disabilities.
- b. **Security Sector Support:** Among its key pillars, NGCDF has security as a priority area with the intention to provide a better working environment for the security providers within the constituency as well as a secure constituency. The strategy is to have a long-term collaborative working approach that enhances community engagement in security activities. This is aimed at eliminating crime and vices in the long run by providing a better working environment for law enforcement agencies while collaborating with the community in trust on matters of security.
- c. **Climate change mitigation:** The Constituency acknowledges that all its operation has an impact on the environment. Cognizant of the Sustainable development goals, the NG-CDF has allocated part of its budget to climate change mitigation activities such as afforestation, reforestation, grassroots sensitization, and tree seedling production.

Environmental performance

- The NG-CDF Matungu has been carrying out environmental conservation programs annually in all public institutions within the Constituency. This is through conservation of Natural resources by Planting of tree seedlings annually in various learning institutions as shown in the photos below;



- The NG-CDF Matungu Constituency has also carried out sensitization and awareness on drug and substance abuse through youth training and engaging them in environmental conservation activities
- The NG-CDF Matungu Constituency has also engaged youth through various community initiatives and programs as a way of sensitizing them on the importance of environmental conservation

Employee welfare

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

Marketplace practices-

Matungu Constituency is committed to fair and ethical market practices.

The Procurement of goods and services is done through a transparent and competitive bidding process that allows equal opportunities to all participants. We support local vendors drawn from the constituency to lift them economically. Our ethical market practices ensure the fund gets value for money on all goods and services procured.

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

NGCDF has put in efforts to ensure:

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

Community Engagements-

Matungu Constituency has endeavoured to sustain community engagement through CSR as well as appreciating our existence through engaging local contractors and suppliers when necessary. We have also engaged the community through community projects.

Public Participation in Project Identification, Implementation, and Monitoring

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

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

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

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

Public Awareness

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

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



.....
Name: Mary Mwaki
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-Matungu 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-Matungu 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-Matungu Constituency further confirms the completeness of the accounting records maintained for the *constituency*, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

The Accounting Officer in charge of the NGCDF Matungu 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-Matungu Constituency financial statements were approved and signed by the Accounting Officer on 30th July 2025.



Name: Faluma Wasaya
Chairman – NGCDF Committee



Name: Mary Mwaki
Fund Account Manager

REPUBLIC OF KENYA

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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - MATUNGU 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 – Matungu Constituency set out on

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

pages 1 to 66, 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 effect of the matters described in the Basis for Qualified Opinion section of my report, the transitional IPSAS financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund – Matungu Constituency as at 30 June, 2025, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) including the transitional provisions permitted under IPSAS 33 and comply with the Public Finance Management Act, 2012, the National Government Constituencies Development Fund Act, 2015 (Amended 2023) and The National Treasury and Economic Planning Circular No.3 of 14 April, 2025.

Basis for Qualified Opinion

1. Unsupported Bursary Disbursements

The statement of financial performance reflects other grants and transfers amounting to Kshs.55,968,536, which as disclosed in Note 12 to the financial statements includes bursary disbursements totaling Kshs.10,212,000 to tertiary institutions. However, bursaries of Kshs.4,933,000 paid to various tertiary institutions were not supported by acknowledgement slips from the beneficiary institutions.

In the circumstances, the regularity, accuracy and completeness of the bursary disbursements amounting to Kshs.4,933,000 could not be confirmed.

2. Inaccuracy of Statement of Changes in Net Assets

The statement of changes in net assets reflects revaluation reserves balance of Kshs.122,999,871 as at 30 June, 2025. However, there was no evidence provided for audit indicating occurrence of revaluation reserves.

In the circumstances, the accuracy and completeness of revaluation reserves balance of Kshs.122,999,871 could not be confirmed.

3. Inaccuracy of the Statement of Financial Position

The statement of financial position reflects net assets balance of Kshs.136,602,154 as at 30 June, 2025, which includes revaluation reserves balance of Kshs.136,602,154 and nil accumulated surplus. However, the statement of changes in net assets reflects

revaluation reserves balance of Kshs.122,999,871 and accumulated surplus balance of Kshs.13,602,283 resulting to unexplained variances of Kshs.13,602,283 each.

Further, the statement reflects net assets balance of Kshs.150,482,474 as at 1 July, 2024, which includes revaluation reserves balance of Kshs.150,482,474 and nil accumulated surplus. However, the statement of changes in net assets reflects revaluation reserves balance of Kshs.122,999,871 and accumulated surplus balance of Kshs.27,482,603 resulting to unexplained variances of Kshs.27,482,603 each.

In the circumstances, the accuracy and completeness of net assets balances of Kshs.136,602,154 and Kshs.150,482,474 as at 30 June, 2025 and 1 July, 2024 respectively, could not be confirmed.

1. Unconfirmed Opening Balances

The statement of financial position and Note 15 to the financial statements reflects cash and cash equivalents opening balance of Kshs.77,962,701 as at 1 July, 2024. The balance includes deposit account balance of Kshs.1,239,421 and Project Management Committee (PMC) accounts balance of Kshs.49,240,677. However, audited financial statements for the previous year ended 30 June, 2024 reflects balances of Kshs.1,167,389 and Kshs.18,719,408, respectively, resulting to unexplained variances of Kshs.72,032 and Kshs.30,521,269 respectively.

In the circumstances, the accuracy and completeness of the cash and cash equivalents opening balance of Kshs.77,962,701 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 - Matungu Constituency Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis amounts of Kshs.330,656,797 and Kshs.278,537,003 respectively, resulting in under-funding of Kshs.52,119,795 or 16% of the approved budget. Similarly, the Fund expended an amount of Kshs.192,000,482 against the budget of Kshs.330,656,797 resulting in under-expenditure of Kshs.138,656,315 or 42% of the approved budget.

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

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

In the audit of the previous year, one issue each was reported under Report on the Financial Statements and Emphasis of Matter as detailed below.

Observation
Report on the Financial Statements
Unsupported Bursary Payments
Emphasis of Matter
Budgetary Control and Performance

However, Management had not resolved the issues or given reasons for the delay in resolving the issues.

Other Information

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

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in 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. Project Implementation Status

During the year under review, the Fund had planned to implement forty (40) projects at a total cost of Kshs.102,282,192. However, out of these projects eighteen (18) or 45 % costing Kshs.47,668,198 had not started, while fourteen (14) or 35% of the projects costing Kshs.40,885,961 were ongoing with eight (8) or 20 % of the projects costing Kshs.15,728,033 completed.

In the circumstances, value for money was not obtained from the 18 projects that had not started and 14 projects that were ongoing.

2. Delayed Implementation of Projects

2.1. Completion of Classroom at Emurabe Primary School

The Management awarded a local contractor a contract on 6 May, 2025 for construction of a classroom at Emurabe Primary School at a contract sum of Kshs.1,451,600, with expected works completion period of eight (8) weeks from the contract date. As at the time of audit on 31 October, 2025, an amount of Kshs.835,043 or 58% had already been paid to the contractor, while certified works was at 40% complete.

However, field inspection conducted on 31 October, 2025, revealed incomplete works including roofing works, plastering, painting, windows and doors had not been done despite the lapse of the project period for over a period of ten (10) weeks and the contractor was not on site.

In the circumstances, value for money realized on Kshs.835,043 paid to the contractor could not be confirmed.

2.2. Stalled Project at Indangalasia Boys Secondary School

Management awarded a local contractor a contract for construction of a twin laboratory storey building and three (3) classrooms at Indangalasia Boys Secondary School at a contract sum of Kshs.20,876,249 with the contract period being forty-eight (48) weeks

commencing on 7 October, 2024. As at the time of audit on 31 October, 2025, an amount of Kshs.8,526,812 or 41% had already been paid to the contractor, while certified works was at 60% complete.

However, physical verification of the project on 31 October, 2025, revealed that the project was incomplete and had stalled at approximately 60% and the contractor had abandoned the site with painting works, laboratory floor, ceiling boards and window panes not yet done.

In the circumstances, value for money realized on Kshs.8,526,812 paid to the contractor could not be confirmed.

3. Outstanding Tax Arrears Owed to Kenya Revenue Authority

Following a tax audit covering the five-year period from 2014 to 2018, the Fund was assessed to have tax arrears amounting to Kshs.20,784,106 which had not been settled as at 30 June, 2025. Further, the tax liability was not disclosed in the financial statements.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

The audit was conducted in accordance with ISSAIs 2315 and 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 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 control, risk management and overall governance.

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

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

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are in compliance 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

10 December, 2025

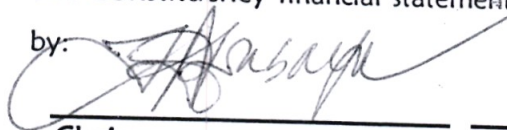
*National Government Constituencies Development Fund (NGCDF)
Matungu Constituency
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11. Statement of Financial Performance for the Year Ended 30th June 2025

	Note	2024/2025
		Kshs
Revenue from non-exchange transactions		
Transfers from the NGCDF Board	6	179,441,954
Revenue from exchange transactions		
Miscellaneous income	7	35,000
Total revenue		179,476,954
Expenses		
Employee costs	8	5,597,847
Committee expenses	9	3,329,756
Use of Goods and Services	10	8,080,750
Other Government Units Actual expenditure	11	116,820,743
Other Grants and Transfers Actual expenditure	12	55,968,536
Depreciation and amortization expense	13	78,143
Digital Hubs Expenses Actual expenditure	14	3,481,499
Total expenses		193,357,274
Surplus/(Deficit) for the year		(13,880,320)

The Constituency financial statements were approved by the NGCDFC on 30th July 2025 and signed

by:







Chairman
Committee
Name: Faluma Wasaya

NG-CDF

National
Accountant
Name: Abel Manoti Onchiri
ICPAK M/No: 17633

Sub-County

Fund Account Manager

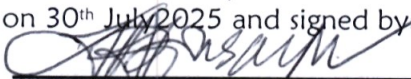

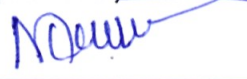
Name: Mary Mwaki

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

	Note	2024/2025	Opening Statement 1st July 2024
		Kshs	Kshs
Assets			
Current Assets			
Cash And Cash Equivalents	15	86,994,681	77,962,701
Receivables from Non-Exchange Transactions	16	52,119,795	73,252,143
Prepayments	17	72,651	30,571
Total Current Assets		139,187,128	151,245,415
Non-Current Assets			
Property, Plant and Equipment	18B	326,305	404,448
Total Non- Current Assets		326,305	404,448
Total Assets (A)		139,513,432	151,649,863
Liabilities			
Current Liabilities			
Third-Party Deposits	19	2,392,650	-
Gratuity provision	20	518,629	1,167,389
Total Current Liabilities		2,911,279	1,167,389
Non-Current Liabilities			
Total Liabilities (B)		2,911,279	1,167,389
Net Assets (A-B)		136,602,154	150,482,474
Represented by:			
Revaluation Reserves	24	136,602,154	150,482,474
Accumulated Surplus			
Total Net Assets		136,602,154	150,482,474

The Constituency financial statements set out on pages Matungu to Matungu approved by NG-CDFC on 30th July 2025 and signed by:

		
Chairman Committee Name: Faluma Wasaya	NG-CDF National Accountant Name: Abel Manoti Onchiri ICPAK M/No: 17633	Sub-County Fund Account Manager Name: Mary Mwaki

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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		27,482,603	27,482,603
Adjustments			
Recognition of Assets	122,999,871		122,999,871
Recognition of Liabilities			
As at July 1, 2024	122,999,871	27,482,603	150,482,474
Surplus/(Deficit) For the Period		(13,880,320)	(13,880,320)
Revaluation Gain/Loss			
As at June 30, 2025 (current year)	122,999,871	13,602,283	136,602,154

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

	Notes	2024-2025
		Kshs
Receipts From Operating Activities		
Transfer from the NGCDF Board	6B	200,574,302
Miscellaneous income	7	35,000
Total Receipts		200,609,302
Payments		
Employee Costs	8B	6,246,607
Committee expenses	9	3,329,756
Use Of Goods and Services	10B	8,122,830
Other Government Units Certified Works	11B	115,342,060
Other Grants and Transfers	12B	55,054,569
Digital hubs expenses	14	1,513,759
NGCDF Office	14	1,967,740
Total Payments		191,577,322
Net Cash Flows from[used in] Operating Activities	21	9,031,980
Cash flow From Investing Activities		
Net Cash flows from investing activities		
Net Increase/[Decrease] in Cash and cash equivalents		-
Cash Flows from financing activities		-
Net Cash Flows from financing activities	21	9,031,980
Cash and cash Equivalents at period start	15	77,962,701
Cash and cash Equivalents at period end		86,994,681

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

	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilization
	Kshs	Kshs		Kshs	Kshs	Kshs	
	A	b		C=(a+b)	d	e=(c-d)	f=d/c *100
	2024/2025	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements	2024/2025	2024/2025		
Revenue							
Transfers From the NGCDF Board	179,441,954	77,962,701	73,252,143	330,656,798	278,537,003	52,119,795	84%
Miscellaneous income	-	-	-	-	-	-	0%
Totals	179,441,954	77,962,701	73,252,143	330,656,797	278,537,003	52,119,795	84%
Expenses							
Employee costs	5,120,071	2,047,990	964,093	8,132,154	6,246,607	1,885,547	77%
Committee expenses	2,596,000	372,693	-	2,968,693	3,329,756	(361,063)	112%
Use of Goods and Services	8,167,305	2,674,122	848,480	11,689,906	8,122,830	3,567,076	69%
Other Government Units Certified Works	96,352,192	59,306,562	56,290,666	11,949,420	115,666,422	96,282,998	55%
Other Grants and Transfers	62,865,068	6,665,293	11,486,404	81,016,765	58,634,867	22,381,899	72%
Funds Pending Approval**	4,341,318	6,896,040	3,662,500	14,899,858	-	14,899,858	0%
Total Expenditure	179,441,954	77,962,700	73,252,143	30,656,797	192,000,482	138,656,315	58%
Surplus for the period					86,536,520	(86,536,520)	

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The over expenditure is as a result of the under budgeting at the beginning of the financial year. The under expenditure is due to the delayed disbursement of funds by the exchequer.

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	138,656,315
Less undisbursed funds receivable from the Board as at 30 th June 2025	52,119,795
Cash and Cash Equivalents at the end of the 30 th June 2025	86,536,520

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 30th July 2025 and signed by:



Chairman NG-CDF Committee
 Name: Faluma Wasaya



National Sub-County Accountant
 Name: Abel Manoti Onchiri
 ICPAK M/No: 17633



Fund Account Manager
 Name: Mary Mwaki

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						

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
1.1 Compensation of employees	5,120,071	2,047,990	964,093	8,132,154	6,246,607	1,885,547
1.2 Committee allowances	1,008,000	94,343	-	1,102,343	1,102,343	-
1.3 Use of goods and services	4,372,046	771,238	848,480	5,991,764	4,570,008	1,421,755
Sub-total	10,500,117	2,913,571	1,812,573	15,226,261	11,918,959	3,307,303
2.0 Monitoring and evaluation						
2.1 Capacity building	400,000	584,978	-	984,978	707,585	277,393
2.2 Committee allowances	1,588,000	278,350	-	1,866,350	2,227,413	(361,063)
2.3 Use of goods and services	3,395,259	1,317,906	-	4,713,165	2,845,237	1,867,928
Sub-total	5,383,259	2,181,234	-	7,564,493	5,780,235	1,784,258
3.0 Emergency						
3.1 Primary Schools	9,500,000	94,285	-	9,594,285	9,132,754	461,531
Sub-total	9,500,000	94,285	-	9,594,285	9,132,754	461,531
4.0 Bursary and Social Security						
4.1 Primary Schools	-	-	-	-	-	-
4.2 Secondary Schools	34,398,668	175,296	57,500	34,631,464	29,212,500	5,418,964
4.3 Tertiary Institutions	15,000,000	-	-	15,000,000	10,212,000	4,788,000
4.4 Special Schols	1,000,000	-	-	1,000,000	1,000,000	-
Sub-total	50,398,668	175,296	57,500	50,631,464	40,424,500	10,206,964
5.0 Climate Change Mitigation						

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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
Bukosia Primary School		95,000		95,000	-	95,000
Ebubambula Primary School			120,000	120,000	118,000	2,000
Emanami Muslim Primary School		95,000		95,000	-	95,000
Emurabe Primary School			120,000	120,000	119,700	300
Eshikhonesi Primary School			120,000	120,000	120,000	-
Indangalasia Primary School			55,785	55,785	55,785	-
Indangalasia Primary School		64,215		64,215	64,215	-
Indangalasia Primary School		95,000		95,000	76,735	18,265
Itete Primary School		95,000		95,000	90,249	4,751
Lubanga Primary School		120,000		120,000	114,000	6,000
Makokhwe Primary School			120,000	120,000	120,000	-
Makokhwe Primary School		95,000		95,000	95,000	-
MATUNGU CONSTITUENCY SPECIAL ROADS		1		1	1	-
MATUNGU SUB DISTRICT		326		326	326	-
MIRERE PRIMARY		419		419	-	419
Mirere Primary School		120,000		120,000	120,000	-
Munanga Primary School			120,000	120,000	120,000	-
MUNGUNGU DISPENSARY		635		635	635	-

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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
Musango Primary School			120,000	120,000	108,000	12,000
Namalasire Primary School		120,000		120,000	114,000	6,000
Namalenje Secondary School		95,000		95,000	-	95,000
Namamali Muslim Primary School		95,000		95,000	90,249	4,751
NAMASANDA HEALTH CENTRE		1,587		1,587	1,587	-
NAMULUNGU DISPENSARY		299		299	299	-
Nanyeni Secondary School		120,000		120,000	-	120,000
NG CDF Matungu-Environment		1,457		1,457	-	1,457
Şayangwe Primary School			120,000	120,000	114,000	6,000
ST. LUKES KHABUKOSHE		1,000		1,000	-	1,000
St. Lukes Khabukoshe Secondary School		95,000		95,000	-	95,000
Sub-total	-	1,309,938	895,785	2,205,723	1,642,780	562,943
6.0 Primary Schools Projects (List all the Projects)						
Bukosia Primary School	1,600,000			1,600,000	-	1,600,000
Bulanda Primary School		1,000	1,480,000	1,481,000	1,481,000	-
BULANDA PRIMARY SCHOOL		81		81	81	-

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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
Bulimbo Primary School		1,000	1,480,000	1,481,000	1,409,661	71,339
BULIMBO PRIMARY SCHOOL		-	-	-	-	-
BUILIMBO PRIMARY SCHOOL		2,471		2,471	2,471	-
Buloma Primary School	1,528,033			1,528,033	-	1,528,033
BULONGA PRIMARY SCHOOL		1,830		1,830	1,830	-
BUSOMBI PRIMARY SCHOOL		1,000		1,000		1,000
Busombi Primary School			1,480,000	1,480,000	1,474,719	5,281
BUSOMBI PRIMARY SCHOOL		2,642		2,642	2,642	-
CHIBANGA PRIMARY SCHOOL		395		395	395	-
EBUBAMBILA PRIMARY SCHOOL		15,423		15,423		15,423
Ebubambula Primary School		24,000	1,480,000	1,504,000	1,498,411	5,590
Ebusambe Primary School	-		1,480,000	1,480,000	-	1,480,000
Ebusambe Primary School	1,200,000	3,060	1,480,000	2,683,060	2,702,061	(19,001)
EBUTALIKO PRIMARY SCHOOL CDF PROJECT		2,019,912		2,019,912	2,003,929	15,983

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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
EJINA PRIMARY SCHOOL		3,454		3,454	3,454	-
Ejinja Primary School			1,480,000	1,480,000	1,477,289	2,711
EJINJA PRIMARY SCHOOL PMC ACCOUNT		1,000		1,000		1,000
EMAKALE PRIMARY SCHOOL CDF ACCOUNT		3,257,846		3,257,846	844,559	2,413,287
Emanani Muslim Primary School	1,200,000			1,200,000	-	1,200,000
Emuberi Primary School	4,500,000			4,500,000	-	4,500,000
EMUBERI PRIMARY SCHOOL		878		878	878	-
Emurabe Primary School	1,528,033			1,528,033	-	1,528,033
Emurabe Primary School	600,000			600,000	-	600,000
Emurabe Primary School	-	2,400,000		2,400,000	-	2,400,000
EMURABE PRIMARY SCHOOL		1,000		1,000		1,000
ESHIBANZE PRIMARY SCHOOL		11		11	11	-
ESHIBANZE PRIMARY SCHOOL		10,000		10,000	1,490,000	(1,480,000)
ESHIKHONDI PRIMARY SCHOOL		7,068		7,068	7,068	-

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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			
ESHIKHONESI PRIMARY SCHOOL		665,022		665,022	1,792,860	(1,127,839)
Eshikoneshi Primary School			1,480,000	1,480,000	-	1,480,000
Eshirumbwe Primary School			1,480,000	1,480,000	1,448,156	31,844
ESHIRUMBWE PRIMARY SCHOOL CDF PROJECT		131		131		131
Ikulumoyo Primary School	1,528,033			1,528,033	165	1,527,868
IKULUMWOYO PRIMARY SCHOOL		1,030		1,030		1,030
Indangalasia Primary School	1,600,000			1,600,000	54,000	1,546,000
INDANGALASIA PRIMARY SCHOOL		53,638		53,638		53,638
ITETE PRIMARY SCHOOL		21,808	1,480,000	1,501,808	1,484,798	17,010
KADIMA PRIMARY SCHOOL CDF PROJECT		4,542,568		4,542,568	4,535,266	7,302
KANDAI PRIMARY SCHOOL		11,044		11,044	11,044	-
KHABUKOSHE PRIMARY SCHOOL		617,894		617,894	594,728	23,166
KHALABA PRIMARY SCHOOL		11,418		11,418	11,418	-
Khorela Primary School		1,000	1,480,000	1,481,000	1,480,681	319
Koyonzo Primary School	9,000,000			9,000,000	-	9,000,000

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
KOYONZO PRIMARY SCHOOL		1,486,125		1,486,125	1,485,993	132
KOYONZO SPECIAL PRIMARY SCHOOL		5,552		5,552	5,552	-
Koyonzo Special School		1,000	400,000	401,000	401,000	-
LUBANGA AC PRIMARY		1,753		1,753	1,753	-
Lubanga Primary School	1,528,033			1,528,033	742,944	785,089
LUBANGA PRIMARY SCHOOL		1,000		1,000		1,000
Lunganyiro Primary School			1,480,000	1,480,000	1,480,000	-
LUNGANYIRO PRIMARY SCHOOL		1,259		1,259	1,259	-
Lutasio Primary School			1,480,000	1,480,000	1,404,852	75,148
Makokhwe Primary School			1,480,000	1,480,000	1,460,649	19,351
MAKOKHWE PRIMARY SCHOOL		945		945	945	-
MAKOKHWE PRIMARY SCHOOL		1,000		1,000		1,000
Makunda Primary School	800,000			800,000	-	800,000
MAKUNDA PRIMARY SCHOOL		486		486	486	-
Malanga Primary School	300,000	631,181		931,181	548,126	383,055

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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
MANANI PRIMARY SCHOOL		399		399	399	-
Marinda Primary School		1,000	1,200,000	1,201,000	1,201,000	-
MARINDA PRIMARY SCHOOL		2,272		2,272	2,272	-
MATUNGU PRIMARY SCHOOL		1,162		1,162	1,162	-
Matungu SDA Primary School	1,600,000		1,480,000	3,080,000	2,007,000	1,073,000
MATUNGU SDA PRIMARY SCHOOL		7,000		7,000		7,000
MATUNGU SPECIAL PRIMARY SCHOOL		3,782		3,782	3,782	-
MAYONI PRIMARY SCHOOL		36,804		36,804	36,804	-
Mayoni Primary School			1,480,000	1,480,000	1,480,000	-
Mirere Primary School	1,200,000			1,200,000	-	1,200,000
MIRERE PRIMARY SCHOOL PMC ACCOUNT		1,492,000		1,492,000	1,492,000	-
Mukhweya Primary School	800,000	18,302		818,302	-	818,302
Mukhweya Primary School			1,480,000	1,480,000	1,492,872	(12,872)
Mukunyuku Primary School	1,528,033			1,528,033	-	1,528,033

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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
MUKUNYUKU PRIMARY SCHOOL		3,116		3,116	3,116	-
MUNAMI PRIMARY SCHOOL-		2,650		2,650	2,650	-
MUNANGa Primary School	1,528,033			1,528,033	-	1,528,033
MUNANGA PRIMARY SCHOOL		7,111		7,111	7,111	-
MUNGAKHA 'W' PRIMARY		158		158	158	-
Mungore Primary	800,000			800,000	-	800,000
MUNGORE PRIMARY SCHOOL		931		931	931	-
Musango Primary	2,563,604		1,480,000	4,043,604	2,897,603	1,146,001
MUSANGO PRIMARY SCHOOL		5,137		5,137	5,137	-
MUSANGO PRIMARY SCHOOL		1,501,000		1,501,000		1,501,000
MWIRA PRIMARY SCHOOL		4,503,267		4,503,267	6,113,600	(1,610,333)
Mwira Primary School			1,610,333	1,610,333		1,610,333
Nabunulu Primary School			350,000	350,000	-	350,000
NABUNULU PRIMARY SCHOOL-		99,308		99,308	99,308	-

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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
NAMALASIRE PRIMARY SCHOOL CDF PROJECT		489,574		489,574	444,361	45,213
NAMALENJE PRIMARY		7,989		7,989	7,989	-
NAMAMALI MUSLIM PRIMARY		1,220		1,220	1,220	-
Namamali Primary School			1,480,000	1,480,000	1,455,267	24,733
NAMAMBA PRIMARY SCHOOL CDF PROJECT ACCOUNT		4,500,233		4,500,233	4,431,575	68,658
NAMANGA PRIMARY SCHOOL		6,881		6,881	6,881	-
NAMASANDA PRIMARY		5,907		5,907	5,907	-
NAMAYIAKALO PRIMARY		1,000		1,000		1,000
Namayiakalo Primary School	800,000			800,000	-	800,000
NAMBEREKEYA PRIMARY		5,412		5,412	5,412	-
Namberekeya Primary School	-	2,400,000		2,400,000	-	2,400,000
Namberekeya Primary School	1,600,000			1,600,000	-	1,600,000
Namberekeya Primary School	1,200,000			1,200,000	1,131,051	68,949
Namulungu ACK Primary School	2,000,000			2,000,000	-	2,000,000
NANYENI PRIMARY SCHOOL		9,750		9,750	9,750	-

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Navunulu Primary School	3,056,066	1,000,000		4,056,066	-	4,056,066
Ngairwe Primary School			1,610,333	1,610,333	1,473,038	137,295
NYAPWAKA PRIMARY SCHOOL-SDF ACCOUNT		49,435		49,435		49,435
Sayangwe Primary School	1,200,000			1,200,000	976,122	223,878
SAYANGWE PRIMARY SCHOOL		776		776	776	-
SHIYABO PRIMARY PRIMARY SCHOOL		1,000		1,000		1,000
SHIYABO PRIMARY PRIMARY SCHOOL		10,821		10,821	10,821	-
Shiyabo Primary School	2,000,000			2,000,000	1,274,474	725,526
SOWETO PRIMARY SCHOOL		488		488	488	-
ST JOSEPH INDANGALASIA		268		268	268	-
ST PAUL ENJINJA PRIMARY SCHOOL		700,000		700,000		700,000
ST. EMMANUEL LUTASIO PRIMARY		5,672		5,672	5,672	-
ST. JOHNS MUKHWEYA PRIMARY SCHOOL		19,460		19,460	-	-
St. Marys Bulonga Primary School	1,600,000			1,600,000	2,199	1,600,000

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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
ST.MATHIAS KHOLERA PRIMARY SCHOOL		2,199		2,199	2,204,778	-
SUWO PRIMARY SCHOOL		2,268,593		2,268,593	28,000	63,816
WAMUKOYA MUSLIM PRIMARY		629,289		629,289		601,289
Sub-total	50,387,868	35,611,287	33,290,666	119,289,821	63,689,544	55,600,277
7.0 Secondary Schools Projects (List all the Projects)						
A.C.K.ST.PAUL'S MUNGORE		1,849		1,849	1,849	-
BUSOMBI MUSLIM SECONDARY SCHOOL		495		495	495	-
EBUBAMBULA SECONDARY SCHOOL		1,092		1,092	1,092	-
EBUSAMBE SECONDARY SCHOOL CDF PROJECT		70,903		70,903	65,000	5,903
EJINJA MIXED DAY SECONDARY SCHOOL		1,861		1,861	1,861	-
EMUBERI MIXED SECONDARY SCHOOL-PMC ACCOUNT		65,171		65,171		65,171
ESHIKHONDI SECONDARY SCHOOL		954		954		954

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		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Eshirumbwe Secondary School	2,400,000	-		2,400,000	-	2,400,000
KOYONZO GIRLS SECONDARY SCHOOL		655,286		655,286	625,000	30,286
KOYONZO MIXED SECONDARY SCHOOL		60,667		60,667		60,667
Lubanga Secondary School		1,904	1,200,000	1,201,904	1,079,719	122,185
MAKOKHWE SECONDARY		2,100		2,100	2,100	-
MAKUNDA SECONDARY SCHOOL		2,390		2,390	2,390	-
MARY SEAT OF WISDOM BULIMBO GIRKS SECONDARY SCHOOL-CDF PROJECT ACCOUNT		221,229		221,229	-	221,229
Mukunyuku Sec School		600,000		600,000	-	600,000
MUNAMI SECONDARY SCHOOL CDF PROJECT		1,001,663		1,001,663	1,001,661	2
MUNANGa Secondary School	-	110,050	400,000	510,050	453,000	57,050
Namalasire Seco - 2,199 2,204,778 28,000	6,962,860			6,962,860	5,793,215	1,169,645

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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
63,689,544 ndary School						
NAMALASIRE SECONDARY SCHOOL		2,638,500		2,638,500		2,638,500
NAMALENJE SECONDARY SCHOOL		29,932		29,932		29,932
NAMAMBA DAY MIXED SECONDARY SCHOOL		603,944		603,944		603,944
Namulungu ACK Secondary School	600,000			600,000	530,000	70,000
NAMULUNGU MUSLIM SECONDARY SCHOOL		409		409	409	-
NAMULUNGU SECONDARY SCHOOL		2,045		2,045	2,045	-
Nanyeni Secondary School	-		1,200,000	1,200,000	1,178,450	21,550
Nanyeni Secondary School	1,528,033	31,704		1,559,737	-	1,559,737
Ngairwe Secondary School	1,528,033	2,599		1,530,632	2,599	1,528,033
Nyapora Sec School	-	600,000		600,000	-	600,000
SDA MATUNGU SECONDARY SCHOOL-CDF PROJECT ACCOUNT		22,008		22,008		22,008
SECONDARY SCHOOL CDF		7,411		7,411	7,411	-
St Agnes Mwira Girls	-	700,000		700,000	-	700,000

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		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
St. Agnes Mwira Girls Secondary School	600,000			600,000		600,000
ST. AGNES MWIRA GIRLS SECONDARY SCHOOL		555,000		555,000	430,000	125,000
St. Charles Khalaba Secondary School	2,500,000	4,541,076		7,041,076	3,976,687	3,064,389
ST. Charles Lunganyiro Secondary School	1,528,033	-		1,528,033	-	1,528,033
ST. EMMANUEL LUTASIO SECONDARY SCHOOL		2,790		2,790	2,790	-
ST. EMMANUEL LUTASIO SECONDARY SCHOOL		34,405		34,405		34,405
ST. FRANCIS SHIYABO SECONDARY		10,566		10,566	10,566	-
St. Ida Girls Secondary School		46,000	3,600,000	3,646,000	3,613,664	32,336
St. Johns Mukhweya Secondary School			9,600,000	9,600,000	9,600,000	-
ST. LIKES KHABUKOSHE SECONDARY SCHOOL		34,405		34,405		34,405
ST. MARKS IMAKALE SECONDARY SCHOOL PMC ACCOUNT		750,000		750,000	665,120	84,880
ST. MARTHIAS KHOLERA BOYS SECONDARY		105,996		105,996		105,996

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		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
SCHOOL CDF PROJECT ACCOUNT						
ST. MARYS NAMASANDA SECONDARY SCHOOL		76,694		76,694		76,694
ST. MAURICE MWIRA GIRLS'		1,760		1,760	1,760	-
ST. MAURICE MWIRA SECONDARY SCHOOL		580		580	580	-
ST. MICHAEL ESHIRUMBWE SECONDARY		71,479		71,479	71,479	-
St. Raphael Namalenje Secondary School	1,528,033			1,528,033	-	1,528,033
ST. STEPHEN MUNGAKHA SECONDARY SCHOOL		7,877		7,877	7,877	-
ST. TERESA ITETE SECONDARY SCHOOL		2,691		2,691	2,691	-
ST.CHARLES LUNGANYIRO GIRLS SECONDARY		11,296		11,296	11,296	-
St. Joseph Indangalasi A Secondary School	11,789,332	1,000	7,000,000	18,790,332	12,833,474	5,956,858
Sub-total	30,964,324	13,689,776	23,000,000	67,654,100	41,976,278	25,677,822
8.0 Tertiary institutions Projects (List all the Projects)						

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		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
MATUNGU TTI PMC ACCOUNT		10,000,600		10,000,600	10,000,600	-
MATUNGU TTI PMC ACCOUNT		1,590		1,590		1,590
Matungu KMTC	15,000,000	3,309		15,003,309		15,003,309
Sub-total	15,000,000	10,005,499	-	25,005,499	10,000,600	15,004,899
9.0 Security Projects						
Matungu Deputy Commissioners Office	-	1,020,796	6,999,995	8,020,791	3,863,382	4,157,409
Indangalasia Police Post	600,000		-	600,000	-	600,000
Indangalasia Police Post	400,000		-	400,000	-	400,000
Khalaba Police Post	1,000,000		-	1,000,000	-	1,000,000
Khalaba Police Post	700,000		-	700,000	-	700,000
ASSISTANT COUNTY KOYONZO		1,812	-	1,812	1,812	-
DEPUTY COUNTY COMMISSIONERS OFFICE MATUNGU		546,759	-	546,759	-	546,759
HARAMBEE POLICE POST		54,808	-	54,808	54,808	-
INDANGALASIA POLICE POST PMC ACCOUNT		79,847	-	79,847	-	79,847

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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
INDANGALASIA SUB LOCATION AP		1	-	1	-	1
KHALABA POLICE POST	-	10,580	-	10,580	10,580	-
MIREREI POLICE POST		2,168	-	2,168	2,168	-
WANANCHI POLICE POST		20,585	-	20,585	20,585	-
Sub-total	2,700,000	1,737,355	6,999,995	11,437,350	3,953,334	7,484,016
10.0 Acquisition of assets						
10.1 Motor Vehicles (including motorbikes)	-	3,736	-	3,736	-	3,736
10.2 Construction of CDF office						
10.3 Purchase of furniture and equipment						
10.4 Purchase of computers						
10.5 Purchase of land						
Sub-total	-	3,736	-	3,736	-	3,736
11.0 Digital Hubs						
Mayoni Koyonzo-ICT Hubs			1,572,159	1,572,159	1,513,759	58,400
NG-CDF Matungu-Innovation Hubs		1,169,2567	-	1,169,257	-	1,169,257
Sub total	1,169,257	1,572,159	2,741,416	1513,759	1,227,657	1,169,257
12.0 Others						

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		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Matungu NG-CDF Office	201,400	-	-	201,400	-	201,400
Matungu NG-CDF Office	65,000	-	-	65,000	-	65,000
Matungu NG-CDF-Purchase of Gen SET			10,000	10,000	-	10,000
Matungu NG-CDF-Office renovation		2,100,000		2,100,000		2,100,000
Matungu NG-CDF-Office renovation	-	18,113	1,950,965	1,969,078	1,967,740	1,338
12.1 Strategic Plan						
12.2		56,472	-	56,472	-	56,472
Sub total	266,400	2,174,585	1,960,965	4,401,950	1,967,740	2,434,210
13.0 Funds pending approval**	-	-	-	-	-	-
13.1 Unapproved projects	4,341,318	6,543,040	1,677,841	12,562,199	-	12,562,199
13.2 AIA	-	353,000	-	353,000	-	353,000
13.3						
Sub-total	4,341,318	6,896,040	3,662,500	14,899,858	-	14,899,858
Total	179,441,954	77,962,700	73,252,143	330,656,797	192,000,482	138,656,315

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 Matungu Constituency principal activity is farming.

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 NGCDF Matungu has taken advantage of the transitional provisions under IPSAS 33 and adopted a phased approach. Accordingly, this is the 1st transitional financial statement.

The NGCDF Matungu has recognized all financial assets, including cash and cash equivalents held in the operational account, deposit account and PMC accounts receivables (amounts due from the board and other parties).

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

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

The financial statements have been prepared and presented in Kenyan Shillings, which is the functional and reporting currency of the NGCDF. The financial statements have been prepared in accordance with PFM Act, the NGCDF Act and International Public Sector Accounting Standards (IPSA). The accounting policies adopted have been consistently applied to all the years presented.

3. Adoption of New and Revised Standards

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

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

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

Standard	Effective date and impact:
IPSAS 43: Leases	<i>Applicable 1st January 2025</i> The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities. These standards will improve information on all disclosures thus increasing transparency and accountability. Not applicable
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<i>Applicable 1st January 2025</i> The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.

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

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	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. Not applicable
IPSAS 48: Transfer Expenses	<i>Applicable 1st January 2026</i> 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. Not applicable
IPSAS 49: Retirement Benefit Plans	<i>Applicable 1st January 2026</i> 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. Not applicable
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<i>Applicable 1st January 2027</i> The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires: <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. Not applicable

iii. Early adoption of standards

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

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Sale of goods

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

Interest income

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

Rental income

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

b) Budget information

The original budget was approved by Parliament on 25 June 2024 for the period 1st July 2025 to 30th June 2025 as required by law. Included in the adjustments are Cash book opening balance, AIA generated during the year and constituency allocations not yet disbursed at the beginning of the financial year.

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

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

c) Property, plant and equipment

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

d) Leases

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

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

e) Intangible assets

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

f) Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. *The entity does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Entity'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 amortized cost, fair value through net assets/ equity or fair value through surplus and deficit on the basis of both the entity's management model for financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost when the financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. A financial asset is measured at fair value through net assets/ equity if it is held within the management model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless an entity has made irrevocable election at initial recognition for particular investments in equity instruments.

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

Trade and other receivables

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

Fair value through surplus or deficit

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

Impairment

The entity assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The entity recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL) are set out in *Note 25*

b) Financial liabilities

Classification

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

g) Inventories

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

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

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

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

h) Provisions

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

i) Social Benefits

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

j) Contingent liabilities

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

k) Contingent assets

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

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

l) Employee benefits

Retirement benefit plans

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

m) Foreign currency transactions

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

n) **Related parties**

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

o) **Cash and Cash Equivalents**

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

p) **Comparative figures**

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

q) **Subsequent events**

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

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

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

Useful lives and residual value

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

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

Provisions

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

6. Transfers from the NGCDF Board

Description	<i>2024/2025</i>
	Kshs
NGCDFB Transfers (Allocation for the FY)	179,441,954
Total	179,441,954

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6b. Transfer from NGCDF Board (Actual)

Description	2024/2025
	Kshs
NGCDFB Transfers (Allocation for the FY)	200,574,302
Total	200,574,302

7. Miscellaneous income

	2024/2025
	Kshs
Income from sale of tenders	35,000
Total	35,000

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8. Employees cost

	<i>2024/2025</i>
	Kshs
NG-CDFC Basic staff salaries	3,976,383
Personal allowances paid as part of salary	60,000
Transport Allowance	146,990
Gratuity to contractual employees	1,196,679
Employer Contributions Compulsory national social security schemes	143,488
Employer Contributions Compulsory Housing levy	67,007
Employer contributions to National Industrial Training Authority	7,300
Total	5,597,847

8b. Employee Costs

	<i>2024/2025</i>
	Kshs
NG-CDFC Basic staff salaries	3,976,383
Personal allowances paid as part of salary	60,000
Transport Allowance	146,990
Gratuity to contractual employees	1,845,439
Employer Contributions Compulsory national social security schemes	143,488
Employer Contributions Compulsory Housing levy	67,007
Employer contributions to National Industrial Training Authority	7,300
Total	6,246,607

9. Committee Expenses

	<i>2024/2025</i>
	Kshs
Sitting allowance	2,884,693
Other Committee expenses	445,063
Total	3,329,756

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10. Use of Goods and services

	2024/2025
	Kshs
Utilities, supplies and services	249,941
Communication, supplies and services	763,452
Domestic travel and subsistence	2,910,590
Printing, advertising and information supplies & services	438,388
Training expenses	707,585
Hospitality supplies and services	604,937
Insurance costs	89,196
Office and general supplies and services	994,620
Fuel, oil & lubricants	701,149
Bank charges	20,000
Routine maintenance – vehicles and other transport equipment	308,653
Routine maintenance – other assets	27,551
Other operating expenses	264,688
Total	8,080,750

10b. Use of Goods and Services

	2024/2025
	Kshs
Utilities, supplies and services	249,941
Communication, supplies and services	763,452
Domestic travel and subsistence	2,910,590
Printing, advertising and information supplies & services	438,388
Training expenses	707,585
Hospitality supplies and services	604,937
Insurance costs	131,276
Office and general supplies and services	994,620
Fuel, oil & lubricants	701,149
Bank charges	20,000
Routine maintenance – vehicles and other transport equipment	308,653
Routine maintenance – other assets	27,551
Other operating expenses	264,688
Total	8,122,830

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11. Other Government Units Actual expenditure

Description	2024/2025
	Kshs
Primary Schools Actual expenditure	63,670,571
Secondary Schools Actual expenditure	43,149,597
Tertiary Institutions Actual expenditure	10,000,575
Total	115,342,060

11b. Other Government Units Actual expenditure

Description	2024/2025
	Kshs
Primary Schools Actual expenditure	63,425,995
Secondary Schools Actual expenditure	41,915,490
Tertiary Institutions Actual expenditure	10,000,575
Total	115,342,060

12. Other Grants and transfers Actual expenditure

	2024/2025
	Kshs
Bursary – secondary schools	29,212,500
Bursary – tertiary institutions	10,212,000
Bursary – special schools	1,000,000
Security projects Actual expenditure	4,508,087
Climate change mitigation projects	1,633,933
Emergency projects Actual expenditure	9,402,016
Total	55,968,536

12b. Other Grants and Expenditure

	2024/2025
	Kshs
Bursary – secondary schools	29,212,500
Bursary – tertiary institutions	10,212,000
Bursary – special schools	1,000,000
Security projects Actual expenditure	3,863,382

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Climate change mitigation projects	1,633,933
Emergency projects Actual expenditure	9,132,754
Total	55,054,569

13. Depreciation and Amortization Expenses

Description	2024/2025
	Kshs
Property Plant and Equipment	78,143
Total	78,143

14. Digital Hubs Expenses

Description	2024/2025
	Kshs
Construction/ renovation/ Actual expenditure	1,513,759
Others <i>(specify)</i>	1,967,740
Total	3,481,499

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15. Cash and Cash Equivalents

Name Of Bank and Account No.	2024/2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Bank Accounts (Cash Book Bank Balance)		
<i>Equity Bank, Mumias A/C 0680299140. (Operations account)</i>	35,902,290	27,482,623
<i>Equity Bank, Mumias A/C 06802678901. (Deposit account)</i>	518,629	1,239,421
<i>Equity Bank, account No. (PMC accounts)</i>	50,573,762	49,240,677
Total	86,994,681	77,962,701

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16. Receivables from Non-Exchange Transactions

Description	2024/2025		Opening Statement 1 st July 2024	
	Kshs		Kshs	
Transfers from NGCDFB	52,119,795		73,252,143	
Total	52,119,795		73,252,143	
Ageing Analysis- Receivables from non-exchange transactions	2024/2025	% of the total	Opening Balance	% of the total
Less than 1 year	52,119,795	100%	73,252,143	100%
Between 1-2 years		%		%
Over 3 years		%		%
Total	52,119,795	100%	73,252,143	100%

17. Prepayments

Description	2024/2025		Opening Statement 1 st July 2024	
	Kshs		Kshs	
Prepaid Electricity Costs	72,651		-	
Total	72,651		-	

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18.b Asset movement Schedule

	Land	Buildings	Motor vehicles	Furniture and fittings	Computers & ICT Equipment	Other Assets (specify)	Capital Work progress	Total
Depreciation Rate(specify)		2%	25%	12.5%	30%	x%		
Cost	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Opening Bal as 1 st July 2024	-	-	294,264	-	210,000	-	-	504,264
Transfer/Adjustments	-	-	-	-	-	-	-	-
As At 30 th June 2025	-	-	294,264	-	210,000	-	-	504,264
Depreciation And Impairment								
Opening Depreciation	-	-	73,566	-	26,250	-	-	99,816
Depreciation	-	-	55,174	-	22,969	-	-	78,143
As At 30 th June 2025	-	-	128,740	-	49,219	-	-	177,959
Net Book Values								
Opening Bal as at 1 st July 2024	-	-	220,698	-	183,750	-	-	404,448
As At 30 th June 2025	-	-	165,524	-	160,781	-	-	326,305

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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 Matungu.

18 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
Motor Vehicles, Including Motorcycles	294,264	73,566	220,698
Office Equipment, Furniture, And Fittings	210,000	26,250	183,750
Total	504,264	99,816	404,448

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19. Third-Party deposits

	2024/2025	
	KShs	
Retention as at 1 st July (A)	-	-
Retention held during the year (B)	5,717,685	-
Retention paid during the Year (C)	3,325,035	-
Closing Retention as at 30 th June D= A+B-C	2,392,650	-

Retentions aging analysis.

	2024-2025	% of the total	Insert Comparative FY	% of the total
Less than 1 year	2,392,650	100%		%
1-2 years	-	-	-	%
2-3 years	-	-	-	%
Over 3 years	-	-	-	%
Total	2,392,650	100%	-	

20. Gratuity Provision

Description	2024/2025	
	Kshs	
Gratuity at the beginning of the year 1 st of July	1,167,389	-
Gratuity held during the year	1,196,679	-
Gratuity paid during the year	1,845,439	-
Total Gratuity Provision 30th June (A+B-C)	518,629	-

21. Cash Generated from Operations

	2024/2025
	Kshs
Surplus/Deficit for the year	(13,880,320)
Adjusted for:	
Depreciation	78,143
Working capital adjustments	
Increase/decrease in receivables	21,132,348
Increase/decrease in prepayments	(42,080)
Increase/decrease in payables	1,743,892
Net cash flow from operating activities	9,031,983

22. Financial Risk Management

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

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.

23. 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	52,119,795	52,119,795	-	-
Bank balances	86,994,681	86,994,681	-	-
Total	139,114,476	139,114,476	-	-
As at 30 June (2024)				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	73,252,143	73,252,143	-	-
Bank balances	77,962,701	77,962,701	-	-
Total	151,214,844	151,214,844	-	-

24. Financial Risk Management

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

ii) Liquidity risk management

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
As at 30th June 2025				
Trade payables	-	-	-	-
Current proportion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Gratuity Provision			518,629	518,629
Total			518,629	518,629
As at 30th June (2024)				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Employee benefit obligation	-	-	1,167,389	1,167,389
Total			1,167,389	1,167,389

iii) Market risk

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

a) Foreign currency risk

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

b) **Interest rate risk**

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

Management of interest rate risk

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

Sensitivity analysis

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

Fair value of financial assets and liabilities

a) **Financial instruments measured at fair value.**

Determination of fair value and fair values hierarchy

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

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

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- 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	Insert	Current	Opening
	2024/2025		Statement 1 st July 2024
	Kshs		Kshs
Revaluation Reserve			
Retained Earnings	136,602,154		150,482,474
Total Funds			
Less: Cash and Bank Balances	86,994,681		77,962,701
Net Debt/(Excess Cash And Cash Equivalentents)		-	-
Gearing		63.7%	51.8%

25. Related Party Disclosures

	<i>2024/2025</i>	<i>Opening Statement 1st July 2024</i>
	Kshs	Kshs
Committee Members Remuneration		
Sitting allowance of committee Members during the year	2,884,693	3,304,107
Transaction with the NGCDF Board		
Transfers from the NGCDF Board during the year	179,441,954	193,476,482
Total		

26. Events after the Reporting Period

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

77. Ultimate And Holding Entity

The Matungu 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.

28. Currency

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

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18. Annexes

Annex 1: Summary of Asset Register

Asset class	Historical Cost/valuation costbalance brought forward (Kshs)	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) At Year End
Land	20,499,913	-	-	20,499,913
Transport equipment	5,700,000	-	-	5,700,000
Office equipment, furniture, and fittings	294,264	-	-	294,264
Other Machinery and Equipment	210,000	-	-	210,000
Total	26,704,177	-	-	26,704,177

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

PMC	Bank	Account number	Bank Balance Current 2024/2025	Bank Balance Comparative 2023/2024
BULIMBO PRIMARY SCHOOL	Equity Bank	0680285855606	71,339	1,000
BULOMA PRIMARY SCHOOL	Equity Bank	0680286731730	1,528,033	-
BUSOMBI PRIMARY SCHOOL	Equity Bank	0680285932411	6,281	1,000
EBUBAMBULA PRIMARY SCHOOL	Equity Bank	0680193218674	72	15,423
EBUSAMBE PRIMARY SCHOOL	Equity Bank	0680285713297	1,939	24,000
EBUTALIKO PRIMARY SCHOOL CDF PROJECT	Equity Bank	0680294289555	15,983	2,019,912
EJINJA PRIMARY SCHOOL PMC ACCOUNT	Equity Bank	0680285840089	3,711	1,000
EMAKALE PRIMARY SCHOOL CDF ACCOUNT	Equity Bank	0680298971186	2,413,287	857,846
EMURABE PRIMARY SCHOOL	Equity Bank	0680286064183	2,401,000	1,000
ESHIKHONESI PRIMARY SCHOOL	Equity Bank	0680278867037	352,162	665,022
ESHIRUMBWE PRIMARY SCHOOL CDF PROJECT	Equity Bank	0680293439159	31,975	131
IKULUMWOYO PRIMARY SCHOOL	Equity Bank	0680299635258	1,528,898	1,030
INDANGALASIA PRIMARY SCHOOL	Equity Bank	0680261352385	1,599,638	53,638
ITETE PRIMARY SCHOOL	Equity Bank	0680298963957	17,010	21,808
KADIMA PRIMARY SCHOOLCDF PROJECT	Equity Bank	0680294214553	7,302	4,542,568
KHABUKOSHE PRIMARY SCHOOL	Equity Bank	0680293135078	23,166	617,894
KHOLERA PRIMARY SCHOOL PMC ACCOUNT	Equity Bank	0680285674522	319	1,000

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PMC	Bank	Account number	Bank Balance Current 2024/2025	Bank Balance Comparative 2023/2024
KOYONZO PRIMARY SCHOOL	Equity Bank	0680298779502	132	1,486,125
LUBANGA PRIMARY SCHOOL	Equity Bank	0680286033997	786,089	1,000
MAKOKHWE PRIMARY SCHOOL	Equity Bank	0680285644271	20,351	1,000
MALANGA PRIMARY SCHOOL	Equity Bank	0680299466748	383,055	631,181
MATUNGU SDA PRIMARY SCHOOL	Equity Bank	0680285957578	1,080,000	7,000
MIRERE PRIMARY SCHOOL PMC ACCOUNT	Equity Bank	0680282934470	1,200,000	-
MUKHWEYA PRIMARY SCHOOL	Equity Bank	0680293184339	805,430	18,302
MUKUNYUKU PRIMARY SCHOOL	Equity Bank	0680293988165	1,528,033	-
MUNGORE PRIMARY SCHOOL	Equity Bank	0680293125989	800,000	-
MUSANGO PRIMARY SCHOOL	Equity Bank	0680285796530	83,397	1,501,000
NAMALASIRE PRIMARY SCHOOL CDF PROJECT	Equity Bank	0680295414357	45,213	489,574
NAMAMALI MUSLIM PRIMARY SCHOOL	Equity Bank	0680285846849	24,733	-
NAMAMBA PRIMARY SCHOOL CDF PROJECT ACCOUNT	Equity Bank	0680299828483	68,658	4,500,233
NAMAYIAKALO PRIMARY	Equity Bank	0680286484685	801,000	1,000
NAMBEREKEYA PRIMARY	Equity Bank	0680261567972	2,468,949	-
NGAIRWE PRIMARY SCHOOL	Equity Bank	0680293276852	137,295	-
NYAPWAKA PRIMARY SCHOOL-SDF ACCOUNT	Equity Bank	0680261547620	49,435	49,435
SAYANGWE PRIMARY SCHOOL	Equity Bank	0680294327634	223,878	-

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PMC	Bank	Account number	Bank Balance Current 2024/2025	Bank Balance Comparative 2023/2024
SHIYABO PRIMARY PRIMARY SCHOOL	Equity Bank	0680292812402	726,526	1,000
ST PAUL ENJINJA PRIMARY SCHOOL	Equity Bank	0680299426336	700,000	-
ST. EMMANUEL LUTASIO PRIMARY	Equity Bank	0680293398246	75,148	-
SUWO PRIMARY SCHOOL	Equity Bank	0680297127052	63,816	2,268,593
WAMUKOYA MUSLIM PRIMARY	Equity Bank	0680297274617	601,289	629,289
EBUSAMBE SECONDARY SCHOOL CDF PROJECT	Equity Bank	0680299267935	5,903	70,903
EMUBERI MIXED SECONDARY SCHOOL-PMC ACCOUNT	Equity Bank	0680279944789	65,171	65,171
ESHIKHONDI SECONDARY SCHOOL	Equity Bank	0680298466211	954	954
ESHIRUMBWE SECONDARY SCHOOL	Equity Bank	0680298356381	2,400,000	-
KOYONZO GIRLS SECONDARY SCHOOL	Equity Bank	0680298779502	30,286	655,286
KOYONZO MIXED SECONDARY SCHOOL	Equity Bank	0680293951883	60,667	60,667
LUBANGA SECONDARY SCHOOL	Equity Bank	0680263495304	122,185	1,904
BULIMBO GIRLS	Equity Bank	0680299054488	221,229	221,229
MUNAMI SECONDARY SCHOOL CDF PROJECT	Equity Bank	0680293084424	2	1,001,663
MUNANGA SECONDARY SCHOOL	Equity Bank	0680280154081	1,585,083	110,050
NAMALASIRE SECONDARY SCHOOL	Equity Bank	0680294730867	3,808,145	2,638,500
NAMALENJE SECONDARY SCHOOL	Equity Bank	0680280140401	1,557,965	29,932
NAMAMBA DAY MIXED SECONDARY SCHOOL	Equity Bank	0680294181177	73,944	603,944

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PMC	Bank	Account number	Bank Balance Current 2024/2025	Bank Balance Comparative 2023/2024
NAMULUNGU ACK SECONDARY SCHOOL	Equity Bank	0680299834930	600,000	-
NANYENI SECONDARY SCHOOL	Equity Bank	0680279274012	1,581,287	31,704
NGAIRWE SECONDARY SCHOOL	Equity Bank	0680298601149	1,528,033	-
SDA MATUNGU SECONDARY SCHOOL-CDF PROJECT ACCOUNT	Equity Bank	0680262643664	22,008	22,008
ST. AGNES MWIRA GIRLS SECONDARY SCHOOL	Equity Bank	0680279878454	125,000	555,000
ST. CHARLES KHALABA SECONDARY SCHOOL	Equity Bank	0680294181162	564,389	4,541,076
ST. CHARLES LUNGANYIRO SECONDARY SCHOOL	Equity Bank	0680286752245	1,528,033	-
ST. EMMANUEL LUTASIO SECONDARY SCHOOL	Equity Bank	0680266553200	34,405	34,405
ST. IDA GIRLS HIGH SCHOOL EJINJA PMC ACCOUNT	Equity Bank	0680282496389	32,336	46,000
ST. JOSEPH INDANGALASIA SECONDARY SCHOOL PMC ACCOUNT	Equity Bank	0680285827164	5,956,858	1,000
ST. LIKES KHABUKOSHE SECONDARY SCHOOL	Equity Bank	0680294214707	34,405	34,405
ST. MARKS IMAKALE SECONDARY SCHOOL PMC ACCOUNT	Equity Bank	0680285503171	84,880	750,000
ST. MARTHIAS KHOLERA BOYS SECONDARY SCHOOL CDF PROJECT ACCOUNT	Equity Bank	0680299878362	105,996	105,996
ST. MARYS NAMASANDA SECONDARY SCHOOL	Equity Bank	0680266539458	76,694	76,694
MATUNGU KMTC-PMC ACCOUNT	Equity Bank	0680279829487	1,590	1,590
DEPUTY COUNTY COMMISSIONERS OFFICE MATUNGU	Equity Bank	0680280921926	4,683,372	546,759

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PMC	Bank	Account number	Bank Balance Current 2024/2025	Bank Balance Comparative 2023/2024
INDANGALASIA POLICE POST PMC ACCOUNT	Equity Bank	0680279975575	79,847	79,847
INDANGALASIA SUB LOCATION AP	Equity Bank	0680299199504	1	1
BUKOSIA PRIMARY SCHOOL	Equity Bank	0680286149330	115,700	1,000
EBUTALIKO PRIMARY SCHOOL	Equity Bank	0680294289555	19,297	-
EMANANI MUSLIM PRIMARY SCHOOL	Equity Bank	0680299843789	165,292	1,000
NANYENI PRIMARY SCHOOL	Equity Bank	0680299576693	69,557	600
BUKOSIA PRIMARY	Equity Bank	0680286149330	95,000	-
EBUBAMBULA PRIMARY SCHOOL	Equity Bank	0680193218674	2,000	
EMANAMI PRIMARY SCHOOL	Equity Bank	0680299843789	95,000	-
EMURABE PRIMARY	Equity Bank	0680286064183	300	
INDANGALASIA PRIMARY	Equity Bank	0680261352385	18,265	-
ITETE PRIMARY SCHOOL	Equity Bank	0680298963957	4,751	-
LUBANGA PRIMARY	Equity Bank	0680295751340	6,000	
MIRERE PRIMARY	Equity Bank	0680282934470	419	419
MUSANGO PRIMARY SCHOOL	Equity Bank	0680270428139	12,000	
NAMALASIRE PRIMARY	Equity Bank	0680295414357	6,000	-
NAMALENJE PRIMARY SCHOOL	Equity Bank	0680262649166	95,000	
NAMAMALI PRIMARY	Equity Bank	0680297186807	4,751	-
NANYENI SECONDARY SCHOOL	Equity Bank	0680279274012	120,000	-

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PMC	Bank	Account number	Bank Balance Current 2024/2025	Bank Balance Comparative 2023/2024
SAYANGWE PRIMARY	Equity Bank	0680286027603	6,000	-
ST. LUKES KHABUKOSHE	Equity Bank	0680294214707	96,000	1,000
MATUNGU NGCDF OFFICE	Equity Bank	0680294218182	(2,775)	14,000
Total			50,573,762	32,713,706

Annex 3: Progress On Follow Up of Auditor Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
Bursary payments of Ksh. 12,026,000 had not been accounted for	Constituency might not have reported accurately on Bursary	The said acknowledgements had not been received since the payments had just been done two weeks before the reporting period. These have since been received.	Not Resolved	2 Months
The summary statement of appropriation reflected a revenue budget of Ksh. 315,791,782, however the received funds showed an under funding of Ksh. 73,252,143. This was 23% less than the expected.	Constituency reported an underutilization of Ksh. 27,482,603 or 11%	These was caused by the perennial late funding from the exchequer. All the budgeted funds had not been received by the end of the reporting period.	Not resolved	1 Month

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Name
Fund Account Manager.

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