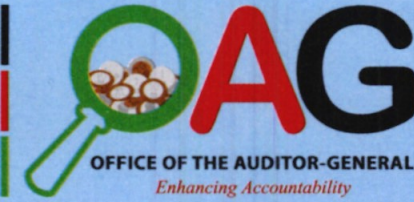


REPUBLIC OF KENYA



REPORT THE NATIONAL ASSEMBLY PAPERS LAID

DATE: 11 FEB 2026 DAY: Wednesday

TABLED OF Hon. (Dr.) Robert Lukose, on behalf of Leader of Majority CLERK-AT-THE-TABLE: Lomale

THE AUDITOR-GENERAL

ON

**NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND-
KILGORIS CONSTITUENCY**

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

Revised 30th June 2025



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

KILGORIS CONSTITUENCY

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
30th JUNE 2025

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

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

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

A. Acronyms

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

B. Definition of Key Terms

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

Comparative Year- Means the prior period.

(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/reviews of 2007 and 2013. At the cabinet level, NG-CDF is represented by the Cabinet Secretary for the Treasury, who is responsible for the Fund's general policy and strategic direction.

Mandate

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

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

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- 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

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Functions of NG-CDF Committee

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

(b) Key Management

The NGCDF KILGORIS 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	Lemarimpe N.Parsupant
2.	National Sub-County Accountant	Wilson Okero Ocheo
3.	Chairman NGCDFC	Gideon Ole Saruni
4.	Member NGCDFC	Gideon Ole Saruni (operations bank account)
5.	Member NG CDFC	Gideon Ole Saruni (deposit bank account)

(c) Fiduciary Oversight Arrangements

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

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(d) NGCDF KILGORIS Constituency Headquarters

P.O. Box 361-40700

Kilgoris NG-CDF Building

Off Kisii Kilgoris Road Next to Sub –County Headquarters

Kilgoris, KENYA

(e) NGCDF Kilgoris Constituency Contacts

Telephone: (254) 724365797

E-mail: cdfkilgoris@ngcdf.go.ke

Website: www.cdfkilgoris.go.ke

(f) NGCDF KILGORIS Constituency Bankers

Equity Bank Limited (Main Account)

Kilgoris Branch

P.O. Box 203

Kilgoris, Kenya.

A/c No.1223261205890

Co-operative Bank (Deposit Account)

Kilgoris Branch

P.O. Box 203

Kilgoris, Kenya.

A/c No. 01100659367001

1. Bank C. (PMC Accounts)

EQUITY Bank

Kilgoris branch

P.o box

National Government Constituencies Development Fund (NGCDF)
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(g) Independent Auditor




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

(h) Principal Legal Adviser



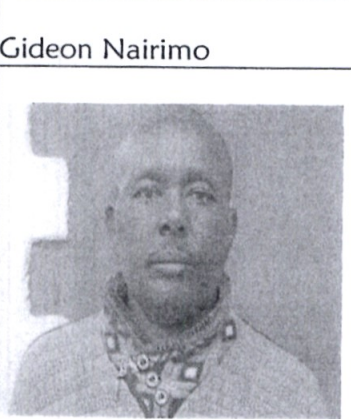

The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

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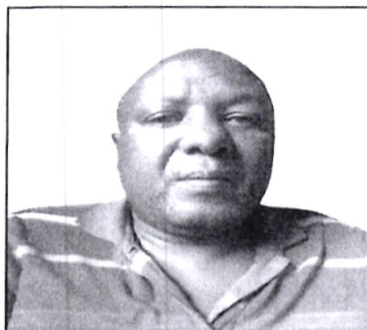
3. NGCDF Committee

Name	Details
 <p data-bbox="156 864 400 898">Gideon Ole Saruni</p>	<p data-bbox="520 539 1369 629">Position Mr. Gideon Ole Saruni is the current Chairman of the Kilgoris NG-CDFC</p> <p data-bbox="520 629 1369 685">DOB: He was born in 1959</p> <p data-bbox="520 685 1369 741">Qualifications: He has a Masters degree</p> <p data-bbox="520 741 1369 842">Work experience: He previously served as the Kilgoris Town clerk.</p> <p data-bbox="520 842 1369 898">Experience: He has served in the NG-CDF for 3 years.</p>
 <p data-bbox="156 1272 341 1305">Moses Nasesia</p>	<p data-bbox="520 913 1369 1014">Position: Mr. Moses Olputa Olenasesia is the current NG-CDFC Male youth Representative for the Kilgoris Constituency.</p> <p data-bbox="520 1014 1369 1070">DoB: He was Born on 15/07/1999</p> <p data-bbox="520 1070 1369 1126">Accademic Qualifications: He holds a Diploma in Public health</p> <p data-bbox="520 1126 1369 1227">Work experience: He is a Farmer and businessman in Kilgoris town.</p> <ul data-bbox="560 1238 1254 1272" style="list-style-type: none"> - He has served for 3 years in the NG-CDF Committee as a member
 <p data-bbox="156 1666 341 1700">Cicilia Martine</p>	<p data-bbox="520 1308 1369 1408">Position: Mrs. is the current Female Adult representative in the Kilgoris BG-CDF Committee.</p> <p data-bbox="520 1408 1369 1464">DoB: She was born on 03/12/1967</p> <p data-bbox="520 1464 1369 1520">Qualifications: she holds a Certificate in Secretarial</p> <p data-bbox="520 1520 1369 1576">Work experience: 21 years in private business.</p> <ul data-bbox="560 1576 1342 1666" style="list-style-type: none"> - She has served for 3 years in the NG-CDF Committee as a member

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	<p>Position: Mrs. Susan Kaapei is the current Female youth representative in the NG-CDF Kilgoris committee</p> <p>DoB: She was born on 01/07/1995</p> <p>Qualifications: she has a qualification of O-level</p> <p>Work experience: Farmer</p> <ul style="list-style-type: none"> - She has served for 3 years in the NG-CDF Committee as a member
	<p>Position: Mr. Gideon Nairimo is the Co-opted members in the NG-CDF Committee.</p> <p>DoB: He was Born on 30/01/1990</p> <p>Qualifications: He has a qualification of O-level</p> <p>Work experience: 20 years business man</p> <ul style="list-style-type: none"> - He has served for 3 years in the NG-CDF Committee as a member
	<p>Position: Mr. David Taiswa Ngeeti is the current Kilgoris NG-CDFC Male Adult representative.</p> <p>DoB: He was Born on 01/01/1972</p> <p>Qualifications: He has a qualification of O-level</p> <p>Work experience: 10 YEARS in private business</p> <ul style="list-style-type: none"> - He has served for 3 years in the NG-CDF Committee as a member
	<p>Position: Mrs. Gladys Cherop kipkuto in the current Kilgoris NG-CDFC Female Adult representative.</p> <p>DoB: She was born on 02/09/1989</p> <p>Qualifications: she holds a proficiency certificate</p> <p>Work experience: business lady 8 years in private business</p> <ul style="list-style-type: none"> - She has served for 3 years in the NG-CDF Committee as a member

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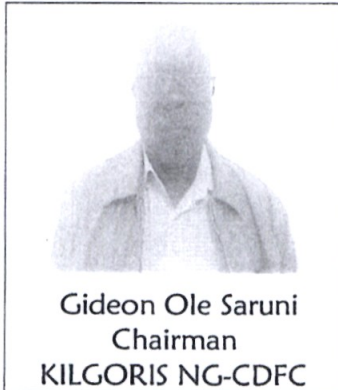
Davis Sempelai

Position: Mr. Ole Sempelai Davis is the current NG-CDFC Representative of persons Living with disability.
DoB: He was born on 01/01/1981
Qualifications: He has the qualification of O-Level
Work experience: he has 16 years experience In Business

- He has served for 3 years in the NG-CDF Committee as a member

4. NG-CDFC Chairman's Report

5



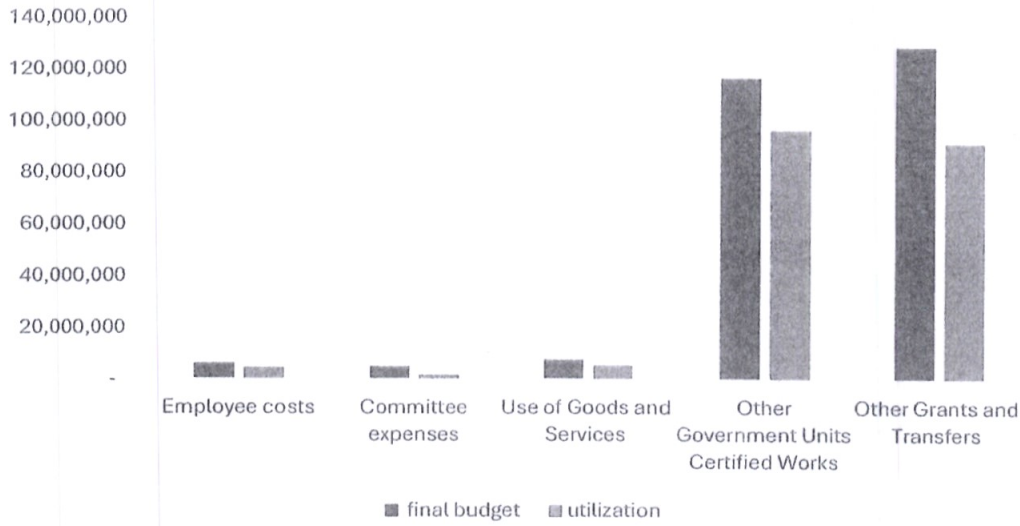
The NG-CDFC wishes to have in summary the budget performance against actual amounts for the current financial year based on economic classification and programmes. The NG-CDFC have improved in their budget performance despite the challenges encountered during the year. The performance in all the sectors i.e. Education, Security, Bursary and other projects implemented as per the Act achieved a desirable percentage in terms of utilization.

During the financial year under review, the Kilgoris NG-CDFC expected to operate under a total sum of Kshs. 151,000,000 from the NG-CDF Board. Of the total allocation of 188,414,052.19, the excess funding formed part of the previous financial years' balances of Kshs.64,133,584 formerly owed by the NG-CDF Board. The constituency had a cash book balance brought forward of Kshs 9,414,564.80. The Constituency therefore, managed to implement a number of key projects as per the proposal including disbursement of Bursary funds to needy students in various institutions, construction of chiefs' offices and also construction of classrooms in various institutions both primary and secondary. By closure of the financial year, the NG-CDFC had remained with a balance of Ksh. 37,414,052 being undisbursed balance at the NG-CDF Board and a cashbook balance of Kshs.25,186,345.32.

The graphical representation of the whole utilization analysis is as shown below;

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final budget against utilization



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KEY ACHIEVEMENTS BY NGCDF KILGORIS

In the FY 24-25 we have been able to pay school fees for several student via Bursary hence enhancing attendance of student to the various educational facilities. We have also been able to improve the educational institution infrastructures. Some of the Key achievements of the constituency were projects that were ongoing at the closure of financial year 2024/2025 as highlighted below:

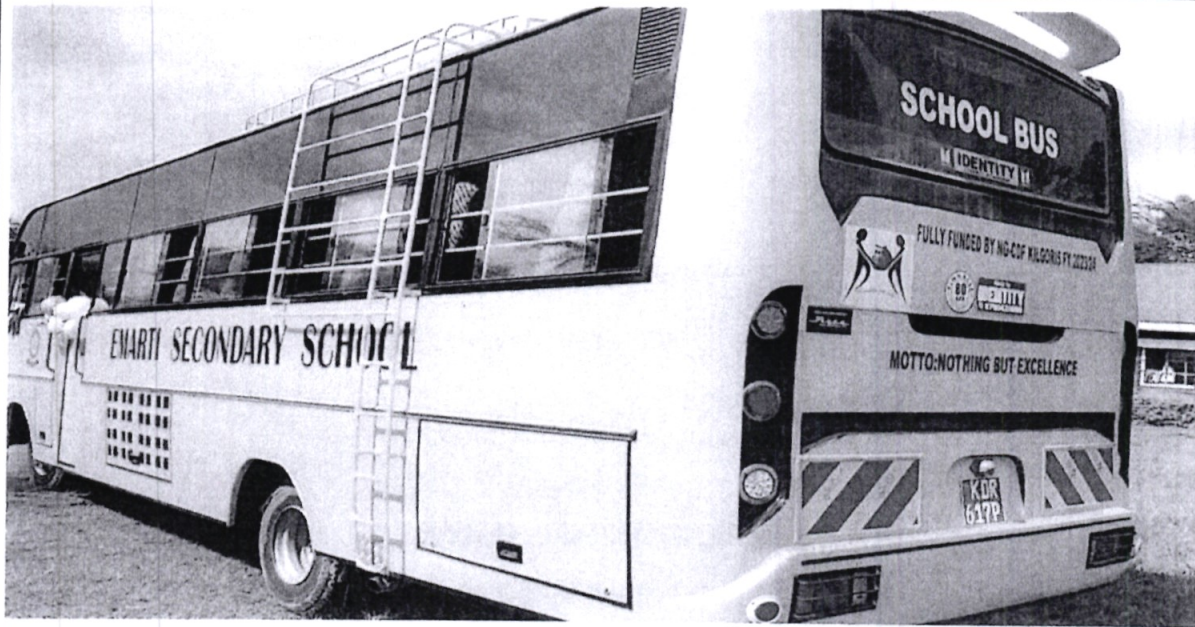
OLAMURIAKI PRIMARY SCHOOL – Construction of classrooms



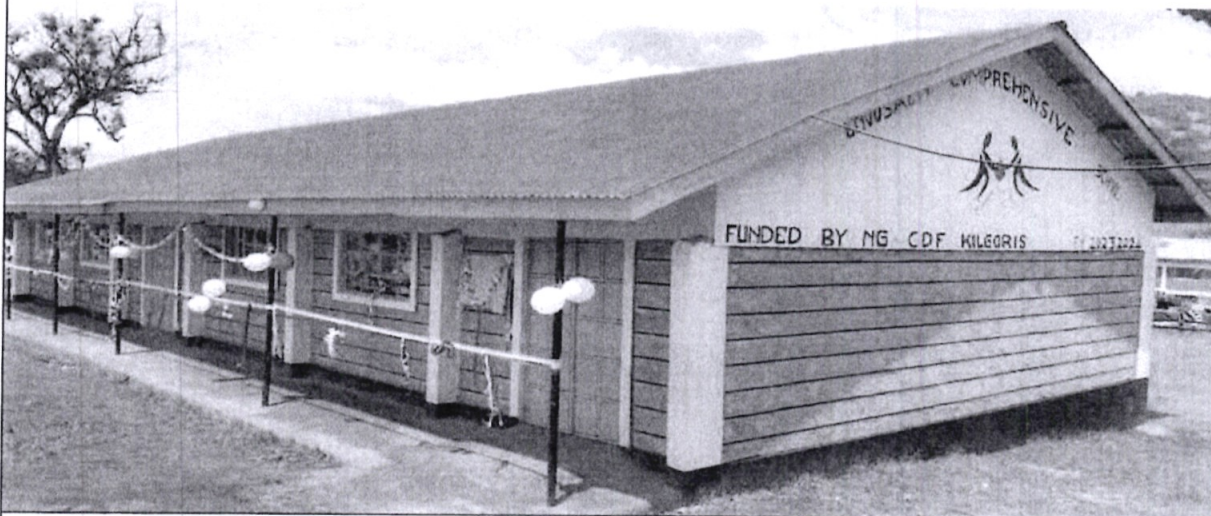
Kapune chief's office - construction of administration block



Emarti secondary school – purchase of school bus



Enoosaen Primary School – construction to completion of 2 classrooms



Emerging issues

The following are some of the emerging issues that are experienced as a result of the current economy.

1. Restructuring of the Education Funding

The move by the government to restructure the education funding for the tertiary institutions through changing of the HELB funding structure has brought a lot of pressure to the NGCDF Bursary Funds as many students are now seeking for scholarships from the constituency to enable them continue with their studies

2. Junior Secondary School

The introduction of the Junior Secondary School through the CBC Education system has brought a lot of pressure to the existing facilities in various primary schools. There is need for construction and equipping of new classrooms and laboratories to accommodate the students.

3. Inflation Rates

With the current economic position where the rate of exchange of Kenyan shillings to dollar continues to rise, there has been an increase in the cost of construction materials. Hence those projects that were submitted to the board before inflation may not be completed with the original budgeted cost necessitating need for variations and additional funding.

Challenges and solutions

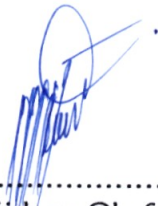
- Many projects delayed due to late disbursement of public funds. We hope that this will improve to enable us do the projects in time. We have however been able to utilize the funds adequately as they are disbursed by the Board
- There is also a challenge in the education funds set for bursary. The number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

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

Way forward

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

- It's common knowledge that there are certain pocket of regions in this country that have a high poverty index like Kilgoris and they have to be jump started economically to catch up with region that have huge strides in matters development.
- We remain committed as a committee to ensure that the fund makes the expected impact in the constituency in terms of enabling needy and bright students attend and complete their formal education in a convenient environment.
- We are also focused to ensure our constituency achieve the lowest regional and national crime indices



.....
Name: Gideon Ole Saruni
Chairman NGCDF Committee

5. Statement Of Performance Against Predetermined Objectives for FY 2025/26

Introduction

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

The key development objectives of the *NGCDF Kilgoris Constituency 2022-2027* plan are to:

1. Education

Objective:

- To support provision of quality education, improving infrastructure and access to education.

Initiatives:

- To build, equip, furnish and renovate public Primary and Secondary schools in the constituency.
- To give bursaries to bright, needy and deserving pupils and students in secondary schools, colleges and universities; with priority to people with disability.
- To finance youth-based competency programs

2. Security

Objective;

- To support the national government in providing an enabling environment that enhances peace, security, efficiency and effectiveness in public administration.

Initiatives:

- To construct and equip chiefs and assistant chiefs offices for improved service delivery.
- To improve public administration infrastructure in the constituency.
- To equip, facilitate and enhance capacity of provincial administration and other security organs in order to improve service delivery and make the constituency secure.

3. Sports

Objective:

- To empower and develop youth and special groups to reduce dependence by nurturing talents economically through sports.

Initiatives:

- Nurture sports as a peace building avenue.
- Provide games equipment to identified talented and organised groups.
- Sponsor selected tournaments as an annual event.
- Improve sports by levelling game fields.

4. Environment

Objective:

- To compliment environmental conservation efforts in the constituency.

Initiatives:

- Support active communities in environmental conservation.

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- Install water harvesting systems in schools.
- Build toilets in public institutions and offices.

5. Staff Capacity Building

Objective:

- To improve the capacity of NG-CDF Kilgoris Committee and staff for effective and efficient running of constituency affairs.

Initiatives:

- Annual team building
- Training on corporate governance and community mobilisation.
- Training on basic financial management knowledge.

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	This financial year NG-CDF Kilgoris allocated funds for construction of 60 classrooms in primary schools, 1 administration block and one staff house, 30 classrooms and 7 toilets in 20 primary schools. Further, the management funded a 51 seater school bus, construction of administration block and construction of two classrooms.
	Improve performance and increase secondary and higher education transition rates	Payment of bursary to needy students in secondary, tertiary and special schools.	Number of bursary beneficiaries at all levels	The total number of beneficiaries in both secondary, tertiary and special schools were 11,390. Total amount disbursed towards bursary was Kshs. 62,479,200.00

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				, to secondary and tertiary schools.
Security	Equip, facilitate and enhance capacity of provincial administration and other security organs in order to improve service delivery	Develop and enhance provincial administration and other security organs infrastructure to enhance service delivery	Number of usable physical infrastructure built in locations, sub locations and police stations	The management disbursed funds for construction of 4 chiefs' offices :- Masurura Police Post, Kilgoris Police Station, Dcc Transmara West, Dcio Lolgorian.
climate change mitigation (Environment)	Create a more sustainable and conserved environment through natural resources conservation initiatives	Equip schools and public facilities with sanitation	Number of sanitation facilities built in primary and secondary	Management allocated Kshs. 2,000,000 under this sector for tree planting. The funds are yet to be expensed.
Emergency	Cater for unforeseen urgencies	Reduced emergencies	To cater for unforeseen activities within the constituency	NG-CDFC funded PMCs for 9 projects at a total cost of Kshs. 5,380,790. The projects have been completed and are in use.

6. Governance Statement

Introduction

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

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

- a) One person nominated by national Government official in charge of Sub County or designated representative who shall chair the panel
- b) Officer of the Board seconded to the constituency who is to be the secretary of the selection panel
- c) Two persons one of either gender nominated by the constituency office (established under regulations made pursuant to the parliamentary service act)

Further the NG-CDF regulations require that one to serve as member of the NGCDF committee he or she must be;

- a) citizen of Kenya
- b) ordinarily resident voter of the constituency
- c) able to read and write and communicate in English and Kiswahili
- d) meet the chapter six of the constitution
- e) Available to participate in the activities of the constituency
- f) For youth nominee he or she must have attained age of 18 years but below age of 35yrs and
- g) For persons with disability nominee must be nominated by a registered group representing persons with disability within the constituency.

Appointment of National Government Constituency Development Fund Committee

- (1) There is established a National Government Constituency Development Fund Committee for every constituency.
- (2) Each Constituency Committee shall comprise of—
 - (a) the national government official responsible for co-ordination of national government functions;
 - (b) two men each nominated in accordance with subsection (3), one of whom shall be a youth at the date of appointment;
 - (c) Two women nominated in accordance with subsection (3). one of whom shall be a youth at the date of appointment;
 - (d) one person with disability nominated by a registered group representing persons with disabilities in the constituency in accordance with subsection (3);
 - (e) two persons nominated by the constituency office established under Regulations made pursuant to the Parliamentary Service Act;
 - (f) The officer of the Board seconded to the Constituency Committee by the Board who shall be an ex officio member without a vote.
 - (g) One member co-opted by the Board in accordance with Regulations made by the Board.
- (3) The seven persons referred to in subsection (2)(b), (c), (d) and (e) shall be selected in such manner and shall have such qualifications as the Board may, by Regulations, prescribe.
- (4) The names of the persons selected under subsection (3) shall be submitted by the Board to the National Assembly for approval before appointment and gazettelement by the Board.
- (5) The Regulations made under subsection (3) shall be submitted to the National Assembly for approval before publication by the Board.
- (6) The first meeting of the Constituency Committee shall be convened within one hundred and twenty days of the commencement of a new term of Parliament or the date of the holding of a by-election, by the national government official at the constituency or in his or her absence, by an officer of the Board seconded to the constituency.
- (7) The quorum of the Constituency Committee shall be one half of the total membership.

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(8) 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.

(9) The Fund account manager seconded by the Board to the constituency shall be the custodian of all records and equipment of the constituency during the term of Parliament and during transitions occasioned by general elections or a by-election.

(10) Whenever a vacancy occurs in the Constituency Committee by reason of resignation, incapacitation or demise of a member the vacancy shall be filled from the same category of persons where the vacancy has occurred within a period of one hundred and twenty days.

(11) The Constituency Committee shall meet at least six times in a year but the committee shall not hold more than twenty-four meetings in the same financial year, including sub-committee meetings.

Process of Formation of the NGCDF Committee

To facilitate this, the selection panel invited interested and qualified members of the public for appointment to the NG-CDF committee. The panel invited the public through advertisement publicized in churches, public offices notice boards at the chiefs and assistant Chiefs offices and other public areas in the constituency.

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

The whole composition was therefore as hereunder;

S/no.	Name		Position
1	Gideon Ole Saruni	Male Adult	Chairperson
2	Moses Nasesia	Male Youth	Member
3	Cicilia Martine Sapalan	Female Adult	Member
4	Susan Kaapei	Female Youth	Member
5	Gideon Nairimo	PWD Rep	Member
6	David Taiswa Ngeeti	Co-Opted Member	Secretary
7	Gladys Cherop	Nominee of constituency office	Member
8	Davis Sempelai	Nominee of constituency office	Member
9	Chuck Masua	DCC	Member

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10	Lemarimpe N. Parsumpat	FAM	Member
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The above committee was gazetted on 21st May 2025 by the Chief Executive Officer of the Board via Gazette Notice Vol. CXXVII-No. 98

The members took over the office on the first meeting on 11th June 2025 and went through the process electing the chairperson and the secretary of the committee.

a. NG-CDFC Tenure

The NGCDF Act 2016 on appointment of NGCDFC members states; The members of a Constituency Committee provided for Appointment of under section 43 of the Act shall be selected by a members of Constituency selection panel established under paragraph (4) upon an occurrence of a Committee vacancy in the Constituency Committee. Kenya Subsidiary Legislation, 2016 1951

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

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

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

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

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

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

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

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

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

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

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

1952 Kenya Subsidiary Legislation, 2016

The selection panel shall stand dissolved upon the appointment of the members of a Constituency Committee.

The Board shall, within fourteen days after gazettelement of the members of a Constituency Committee inform the members of their appointment in writing.

A member of a Constituency Committee who is appointed Under the Act may at any time resign from office by giving notice, in writing, to the officer of the Board and a copy thereof to the Board.

At least one of the Constituency Committee members appointed under section 43 shall be a mandatory signatory to the Constituency account.

The term of office for the members of the Constituency Committee is two years and will be renewable but shall expire upon the appointment of a new Constituency Committee in the manner provided for in the Act. The outgoing committee handed over the office on 31st May and the incoming committee became active immediately for a period of two years till 31st March 2027 as per the constituency guidelines.

Roles and functions of NG-CDFC

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

- Convene public meetings in every ward in the constituency to deliberate to on development matters.
- Deliberate on project proposals and any other projects considers beneficial to constituency.
- List of projects to be submitted in accordance with the Act to be submitted to the to the Board and ensure that all proposed projects that are approved for funding meet the requirements of section 24 of the Act.
- Ensure formation of project management committees, opening of project accounts, project implementation and closure of projects build the capacity of project management committees and sensitize the Community on the operations of the Fund

- Ensure that all projects receive adequate funding and are completed within three years.
- Monitor the implementation of projects in accordance with the monitoring and evaluation framework prescribed by the Board.
- Submit financial statements to the Board within sixty days of the end of the financial year to enable the Board comply with section 39(4) of the Act.
- Recommend to the Board the removal of a committee member in accordance with section 43(13) and (14) of the Act.
- Enter into performance contracting with the Board on an annual basis.

Removal of NG-CDFC Members

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

- (i) lack of integrity;
- (ii) gross misconduct;
- (iii) embezzlement of public funds;
- (iv) bringing the committee into disrepute through unbecoming personal public conduct;
- (v) promoting unethical practices
- (vi) causing disharmony within the committee;
- (vii) Physical or mental infirmity.

A decision to remove a member under subsection (13) is made through a resolution of at least five members of the Committee and the member ought to be removed shall be given a fair hearing before the resolution is made.

In Kilgoris the NG-CDFC has found four (4) members to have contravened the laid down regulations and law to warrant removal. The due process is ongoing and the Board is yet to give its verdict.

Handing over

The handing over of office by the outgoing NG-CDF Committee to the incoming committee was carried out smoothly on 31st May 2025.

Training of NG-CDFC Members

In the financial year 2024/2025 the NGCDF Board organized training of NGCDFC members. During the training, critical areas were handled. This enabled the committee to acquire knowledge and

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skills to ensure effective and efficient management of NG-CDF Kilgoris. Trained issues were as stated below:

1. Strategic Planning & Performance Contracting
2. Rationale for Strategic Planning & PC at NG-CDF
3. Complaints handling mechanism
4. Conduct of meetings and minute writing
5. Minutes filing
6. Effective Communication and ICT Solutions
7. Brand Management
8. Project Cycle Management in NG-CDF operations
9. Technical aspects of Project Planning and Management
10. Architectural plan
11. Bill of Quantities description, interpretation and utilization in Project
12. Technical aspects of Project Planning and Management
13. Monitoring and Evaluation of NG-CDF Projects
14. Taxation in NG-CDF operations
15. Public Finance Management in NG-CDF Operations
16. Role of the committee in financial management.

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Number of Meetings Held

According to the NG-CDF Act 2015, Section 43(1), the NGCDF Committee is required to hold a maximum of 24 meetings in a year including any subcommittee meetings. Kilgoris Constituency Held a total of 12 meetings in the financial year 2024-2025 and the attendance was as follows.

S.No	NG-CDFC COMMITTEE MEMBERS	03/7/24	28/8/24	03/09/24	25/10/24	27/10/23	02/12/24	30/01/25	06/02/25	02/04/25	02/05/25	26/08/25	03/06/25
1	Gideon Ole Saruni	√	√	√	√	√	√	√	√	√	√	√	√
2	Moses Nasesia	√	√	√	√	√	√	√	√	√	√	√	√
3	Cicilia Martine Sapalan	√	√	√	√	√	√	√	√	√	√	√	√
4	Susan Kaapei	√	√	√	√	√	√	√	√	√	√	√	√
5	Gideon Nairimo	√	√	√	√	√	√	√	√	√	√	√	√
6	David Taiswa Ngeeti	√	√	√	√	√	√	√	√	√	√	√	√
7	Gladys Cherop	√	√	√	√	√	√	√	√	√	√	√	√
8	Davis Sempelai	√	√	√	√	√	√	√	√	√	√	√	√
9	Chuck Masua	√	√	√	√	√	√	√	√	√	√	√	√
10	Lemarimpe N. Parsumpat	√	√	√	√	√	√	√	√	√	√	√	√

Ethics & Conduct

Members of NGCDFC are required to observe the following ethical issues

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

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

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b. Remuneration Rates

NG-CDFC members are not entitled to payment of salary. However, the chairperson of NGCDFC is entitled to an allowance of ksh7,000 per meeting and all other members an allowance of ksh.5,000 per sitting. All NGCDFC members should adhere to general ethics and code of conduct as stipulated in the NGCDF Act.

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

c. Disclose the policy on conflict of interest

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

d. 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.

e. Ethics and code of conduct

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

f. Risk Management

The constituency has a risk policy which they observe and are required to maintain a risk register. The committee has the following responsibilities

- Implementing audit findings and recommendations
- adherence and compliance with NGCDF Act 2015 and other laws and regulations to ensure an effective and efficient control system,
- ensuring that NGCDFC members are actively engaged in the projects implementations and overall fund utilization in the constituency,

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- ensuring that the staff responsible for statutory deductions are well aware of the due dates of remittance,
- allocating insurance fund in the constituency budget,
- preparation of procurement plan,
- budget and Monitoring & evaluation plan for the financial year.
- Conducting public participation within the prescribed time lines to ensure the constituents are involved in project identification.

The National Government Constituency Development Fund Committee is established under Section 43 of The National Government Constituencies Development Fund Act of 2015. The composition of the committee includes;

- (a) The national government official responsible for co-ordination of national government functions.
- (b) Two men each nominated as per the guidelines one of whom shall be a youth at the date of appointment.
- (c) Two women nominated as per the guidelines 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 as per the guidelines.
- (e) Two persons nominated by the constituency office established under Regulations made pursuant to the Parliamentary Service Act.
- (f) The officer of the Board seconded to the Constituency Committee by the Board who shall be an ex officio member without a vote.
- (g) One member co-opted by the Board in accordance with Regulations made by the Board.

7. Management Discussion and Analysis

The National Government Constituency Development Fund has been instrumental in Kenya's development. As it has allocated billions of shillings to various constituencies since its inception.

Operation of the committee

The quorum of the Constituency Committee shall be one half of the total membership. 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.

The Fund account manager seconded by the Board to the constituency shall be the custodian of all records and equipment of the constituency during the term of Parliament and during transitions occasioned by general elections or a by-election.

Whenever a vacancy occurs in the Constituency Committee by reason of resignation, incapacitation or demise of a member the vacancy shall be filled from the same category of persons where the vacancy has occurred within a period of one hundred and twenty days.

Meetings

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

Removal from office

A member of the Constituency Committee may be removed from office on any one or more of the following grounds;

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

A decision to remove a member shall be made through a resolution of at least five members of the Committee and the member sought to be removed shall be given a fair hearing before the resolution is made. A vacancy arising as a result of the removal of a member under subsection

shall be filled in the manner set out in the Act and minutes of the meeting shall indicate the fact of the removal or appointment of a member.

Dissolution of Constituency Committee

A person may present a petition to the Board for the dissolution of a Constituency Committee setting out the alleged facts constituting any one or more of the following grounds for dissolution.

- (a) Serious violation of the Constitution or any other law including a contravention of Chapter Six.
- (b) Gross misconduct, whether in performance of the member's or office holder's functions or otherwise.
- (c) Incompetence
- (d) Bankruptcy; or
- (e) Any other cause as may be deemed justifiable.

Compliance with statutory requirements

Kilgoris NG-CDF is an entity that is fully guided by the constitution of Kenya 2010, NG0CDF Act 2015, PFM Act 2012, PPADA2015 and many other relevant laws and has been in full compliance of the same.

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

Major Risks facing the Fund

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

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

Fund's Review on Economy

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

- Funding Allocation- NG-CDF allocates funds directly to constituencies, supporting local development projects in education, infrastructure, and other essential services.
- Development projects: The fund has implemented various projects including construction of schools improving living standards and access to basic services.

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- Economic Growth: By investing in local projects, NG-CDF contributes to economic growth, job creation, and poverty reduction in constituencies.

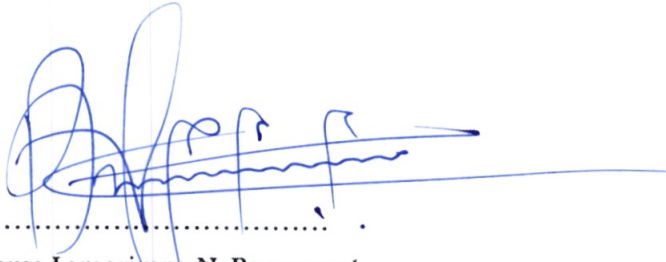
Future Development of the Fund

NG-CDF in Kenya is expected to continue focusing on key areas like education, infrastructure, and economic empowerment with a growing emphasis on digital literacy and sustainable development. The fund will expand its reach through initiatives like constituency innovation hubs and digital hubs at the ward level to enhance access to online opportunities and improve efficiency through automation.

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

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

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



.....
Name Lemarimpe N. Parsumpat
Fund Account Manager.

8. Environmental and Sustainability Reporting

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

1. Sustainability strategy and profile -

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

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

2. Environmental performance

In this policy statement KILGORIS NG-CDF commits to:

- Comply with all relevant environmental legislation, regulations and approved codes of practice
- Protecting the environment by striving to prevent and minimize our contribution to pollution of land, air, and water
- Seeking to keep wastage to a minimum and maximize the efficient use of materials and resources
- Managing and disposing of all wastage in a responsible manner;
- Providing training for our CDFC and staff so that we all work in accordance with this and within an environmentally aware culture
- Regularly communicating our environmental performance to our employees and other significant stakeholders
- Developing our management processes to ensure that environmental factors are considered during planning and implementation
- Monitoring and continuously improving our environmental performance.
- Seeking to leverage our environmental impact by encouraging stakeholders to improve their environmental performance

3. Employee welfare

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

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put in place disaster-mitigating measures, including fire extinguishers and accessible escape routes in case of emergency.

Marketplace practices-

KILGORIS 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.

4. Community Engagements-

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

Public Participation in Project Identification, Implementation, and Monitoring

KILGORIS 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

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

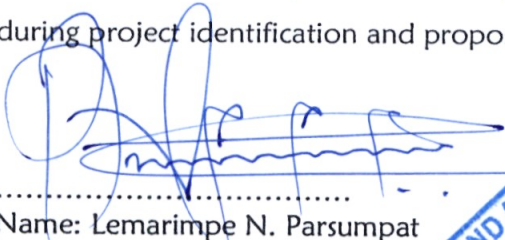
Public participation is a process that directly engages the concerned stakeholders in decision-making and fully considers public input.

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

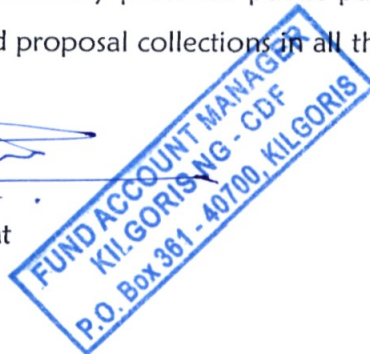
Public Awareness

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.

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



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

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The Accounting Officer in charge of the NGCDF KILGORIS 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.

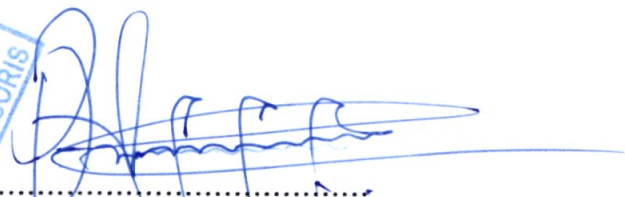
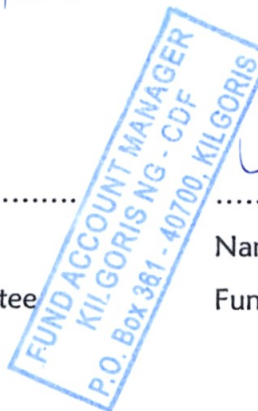
In preparing the financial statements, the Committee has assessed the Fund's ability to continue as a going concern and disclosed as applicable. Nothing has come to the attention of the Committee that the Fund will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The NGCDF- KILGORIS Constituency financial statements were approved and signed by the Accounting Officer on 26/11 2025.



Name: Gideon Ole Saruni
Chairman – NGCDF Committee



Name: Lemarimpe parsumpat
Fund Account Manager

REPUBLIC OF KENYA



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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – KILGORIS 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 - Kilgoris Constituency set out on pages 1 to 73, which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial performance, statement of changes of net

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

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

Basis for Qualified Opinion

1. Non-Compliance with Transitional IPSAS Reporting Template

The cover page to the annual report and financial statements indicates “Transitional IPSAS financial statements/Prepared in accordance with accrual basis of accounting method under International Public Sector Accounting Standards (IPSAS). This was indicative of Management failure to choose the method adopted to prepare the financial statements. Further, under Note 2 to Financial Statements on Statement of Compliance and Basis of Preparation of the financial statements, Management having taken advantage of the transitional provisions under IPSAS 33 have not indicated the elements of the financial statements that have not been recognized and the steps being taken towards full compliance with IPSAS Accrual.

In the circumstances, the financial statements as prepared and presented are not in compliance with IPSAS reporting framework.

2. Misclassification of Other Grants and Transfers Actual Expenditure

The statement of financial performance and as disclosed in Note 14 to the financial statements reflects an amount of Kshs.93,424,252 in respect of other grants and transfers actual expenditure. Included in this expenditure was an amount of Kshs.7,899,511 relating to acquisition of assets, thus overstating other grants and transfers actual expenditure by an amount of Kshs.7,899,511.

In the circumstances, the accuracy, completeness, presentation and disclosure of other grants and transfers actual expenditure amounting to Kshs.93,424,252 could not be confirmed.

3. Unsupported Property, Plant and Equipment

Annex 1 to the financial statements reflects summary of asset register cumulative historical costs of Kshs.25,059,000. The summary of assets comprised of land, buildings and structures, transport equipment, office equipment and ICT equipment of Kshs.3,500,000, Kshs.15,252,331, Kshs.3,849,628, Kshs.462,741 and Kshs.1,994,300 respectively. However, audit verification revealed that:

- i. Valuation report of the land on which the Fund's buildings and structures are built was not provided and therefore its carrying amount could not be confirmed;
- ii. The land ownership documents, including title deeds, were not availed for audit verification;
- iii. The logbooks on the transport equipment were not provided.

In the circumstances, the ownership, existence, completeness, and valuation of the summary of assets balance of 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 - Kilgoris 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

Budget Control and Performance

The statement of comparison of budget and actual amounts reflects a final revenue budget and actual on a comparable basis of Kshs.330,657,579 and Kshs.293,243,579 respectively resulting to under-funding of Kshs.37,414,052 or 11% of the budget. Further, the Fund spent an amount of Kshs.188,213,198 against actual receipts of Kshs.293,243,579, resulting to an under-utilization of Kshs.105,030,381 or 36% of actual receipts.

The under-funding and under-utilization affected the planned activities and may have impacted negatively on the delivery of services 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, I have determined that there are no other key audit matters to communicate in my report.

Other Matter

Unresolved Prior Year Audit Matters

In the prior year audit report, several issues were raised under the Report on the Financial Statements and Report on Lawfulness and Effectiveness in Use of Public Resources. Review of the status of the Fund in 2024/2025 revealed that the following nine (9) matters remained unresolved as at 30 June, 2025:

No.	Financial Year	Audit Issue
1.	2023/2024	Unsupported Domestic Travel and Subsistence
2.	2023/2024	Unsupported Refurbishment of Buildings
3.	2023/2024	Unsupported Summary of Fixed Assets
4.	2023/2024	Budgetary Control and Performance
5.	2023/2024	Projects Implementation Status
6.	2023/2024	Lack of Training Needs Assessment
7.	2023/2024	Delay in Disbursement of Funds from the Board
8.	2023/2024	Failure to Insure Assets
9.	2023/2024	Lack of a Risk Management Policy and Risk Register

Other Information

Management is responsible for the Other Information set out on page iii 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, Environmental and Sustainability Reporting, Management Discussion and Analysis and Statement of Management Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on

Lawfulness and Effectiveness in the Use of Public Resources section of my report, I confirm that nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Bursary Allocation in Excess of the Legal Limits

The statement of financial performance reflects expenditure on other Government units' actual expenditure of Kshs.83,611,155 as disclosed in Note 13 to the financial statements. The expenditure included bursaries disbursed in the year of amounting Kshs.70,139,658 and Kshs.13,471,497 to primary schools and secondary schools respectively. The allocation for the year amounted to forty-four percent (44%) which surpasses the forty percent (40%) threshold set by Section 48 of the National Government Constituencies Development Fund Act, 2015 (Amended 2023). Further, the disbursements of bursaries were not supported with list of beneficiaries and acknowledgment letters from the beneficiary institutions.

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

2. Failure to Insure Constituency Assets

Review of asset management records and supporting documentation revealed that the Fund Management acquired computers and ICT equipment valued at Kshs.1,410,000. However, no documentary evidence was provided by Management to confirm that the assets were insured at the point of acquisition and when such cover is due for expiry. This was contrary to Section 36(3) of the National Government Constituencies Development Fund Act, 2015 (Amended 2023).

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

3. Failure to Implement the E-Procurement System

Review of the Fund's procurement processes revealed that the Management had neither fully implemented the E-Procurement System nor complied with all the requirements of the Executive Order No. 2 of 2018 on Procurement of Public Goods, Works and Services by Public Entities. Further, the tenders were only maintained and publicized only on the Kilgoris Constituency notice boards instead of being uploaded and continuously updated in the e-Citizen and Public Procurement Regulatory Authority (PPRA) platforms, as required.

Further, the Fund Management neither published on the prescribed platforms a comprehensive list of all registered suppliers, contractors, and consultants in the various categories of goods, works, and services, nor did it consolidate and publish tender and supplier data by the 15-day of every subsequent month as required by the Executive Order

In the circumstances, Management was in breach of the Executive Order.

4. Delay in Project Implementation

Review of the payment details and schedules submitted for the audit revealed that the Fund had allocated an amount of Kshs.2,500,000 for the fencing Deputy County Commissioner's Office. However, as at the time of the audit in the month of November, 2025, the project had not begun despite having a signed contract. Further, there was no evidence or explanation as to why the project had not been implemented. Delayed project implementation contravenes Section 24(1) of the National Government Constituencies Development Fund Act, 2015 (Amended 2023) and related guidelines which require that projects approved in a given financial year be implemented and completed within the same or immediately succeeding year.

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

5. Non-Performance of Staff Appraisals

The statement of financial performance and as disclosed in Note 10 to the financial statements reflects staff costs amount of Kshs.4,676,442 incurred on the compensation of contractual and casual staff engaged during the financial year. Review of personnel files revealed that the Fund Management did not performance appraisals of employees through. No completed appraisal forms, evaluation reports, or evidence of performance review meetings were provided for audit examination. In the circumstances, there was no documented assessment of staff performance against work plans and targets. The appraisals play a critical role in management decision making such as contract renewals. Without the performance appraisals, therefore, it was not possible to confirm the criteria upon which contract renewals of some of the contractual employees was arrived at. Further, without the appraisals it was not possible to link individual performance with organization performance.

In the circumstances, the efficiency and effectiveness in human resource management could not be confirmed.

6. Failure to Construct Digital Hubs

The statement of financial performance reflects total expenditure for the year of Kshs.189,442,787. However, analysis of the expenditure items revealed that the Fund did allocate the three percent (3%) legally prescribed amount for the construction and installation of digital hubs contrary to Section 25 (2A) of the National Government Constituencies Development Fund Act, 2015 (Amended 2023), which provides for a three percent (3%) allocation towards the construction of the digital hubs.

In the circumstances, Management was breach of the law.

7. Failure to Implement Climate Change Projects

The statement of financial performance reflects total expenditure amounting to Kshs.189,442,787. However, the Fund had nil expenditure in respect of climate change projects contrary to Section 25(10) of the National Government Constituencies Development Fund Act, 2015 (Amended 2023), which allows 5% allocation of the funds to be used for climate change projects.

In the circumstances, Management was breach of the law.

8. Incomplete Projects

During the audit exercise in the month of November, 2025, a number of projects were selected and physically inspected. The following projects with an amount of Kshs.32,299,540 were incomplete and some with poor workmanship:

No.	Project Name	Description	Amount (Kshs)	Observations
1.	NG-CDF Office car parking	Construction of office car parking at NG-CDF office	1,999,540	Not labelled Completed and functioning
2.	Ololborsoito Primary School	Construction of two four door pit latrines	2,500,000	There is delay in Project completion and it has not been labelled
		Renovations of 5 classrooms	2,500,000	The classrooms are complete and in use.
3.	Oltanki Primary School	Renovation of administration block and classrooms	4,000,000	The Project is complete and functioning BUT the gutters replacement has not been done.
4.	Poroko Friends Comprehensive	Construction of: Classroom	1,300,000	The Project is complete but it's not yet handed over. The ICT lab was paid for but physical inspection in the school show it was ongoing construction of administration block
		ICT Laboratory	5,000,000	
5.	Kilgoris Boys' High School	Renovation of 10 classrooms	5,000,000	The Project is complete and functioning A total of 12 classrooms were renovated but the quoted number in the payment voucher is 10. The paint works is not fully done
6.	Kilgoris Police Station	Construction of 6 door staff ablution block	2,500,000	The Project is incomplete

No.	Project Name	Description	Amount (Kshs)	Observations
7.	Kilgoris Deputy County Commissioners office	Fencing to completion of 4.5 acres compound	5,000,000	The Project is incomplete
8.	NG-CDF Kilgoris offices	Construction of 6 door toilets	2,500,000	Doors are of poor-quality needs replacement Completed but not utilized Floors and walls are not properly done Project has not been labelled

In the circumstances, value for money for the above eight (8) projects with contract sums of Kshs.32,299,540 could not be confirmed.

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 else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

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

Responsibilities of the Management and those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

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



FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

08 December, 2025

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

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

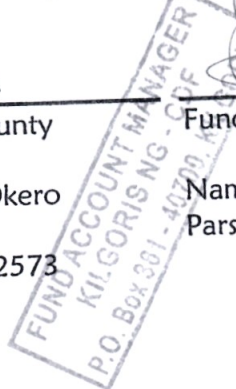
	Note	Period ended June 2025
		Kshs
Revenue from non-exchange transactions		
Transfers from the NGCDF Board	6	188,414,052
Grants/donations from other entities	7	-
Revenue from exchange transactions		
Finance income	8	-
Miscellaneous income	9	-
Total revenue		188,414,052
Expenses		
Employee costs	10	4,676,442
Committee expenses	11	3,096,000
Use of Goods and Services	12	4,211,938
Other Government Units Actual expenditure	13	83,611,155
Other Grants and Transfers Actual expenditure	14	93,424,252
Depreciation and amortization expense	15	423,000
Digital Hubs Actual expenditure	16	-
Total expenses		189,442,787
Other gains/(losses)		
Gain/Loss on Sale of Assets	17	-
Impairment loss	18	-
Surplus/(Deficit) for the year		(1,028,734)

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

Chairman NG-CDF
 Committee
 Name: Gideon Ole Saruni

National Sub-County
 Accountant
 Name: Wilson Okero
 Ochege
 ICPAK M/No: 22573

Fund Account Manager
 Name: Lemarimpe
 Parsumpat



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


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


	Not e	Period as at June 2025	Opening Statement 1st July 2024
		Kshs	Kshs
Assets			
Current Assets			
Cash And Cash Equivalents	19	103,620,328	78,109,943
Receivables from Exchange Transactions	20	-	-
Receivables from Non-Exchange Transactions	21	37,414,052	64,133,584
Prepayments	22	-	-
Total Current Assets		141,034,380	142,243,527
Non-Current Assets			
Property, Plant and Equipment	23	987,000	-
Intangible Assets	24	-	-
Right-of-use assets	25	-	-
Total Non- Current Assets		987,000	-
Total Assets (A)		142,021,380	142,243,527
Liabilities			
Current Liabilities			
Trade and Other Payables	26	-	-
Third-Party Deposits	27	349,951	-
Lease Liabilities	28	-	-
Gratuity provision	29	2,147,742	1,691,105
Total Current Liabilities		2,497,693	1,691,105
Non-Current Liabilities			
Lease Liabilities	28	-	-
Total Liabilities (B)		2,497,693	1,691,105
Net Assets (A-B)		139,523,687	140,552,422
Represented by:			
Revaluation Reserves		139,523,687	140,552,422
Accumulated Surplus			
Total Net Assets		139,523,687	140,552,422

**National Government Constituencies Development Fund (NGCDF)
KILGORIS Constituency**

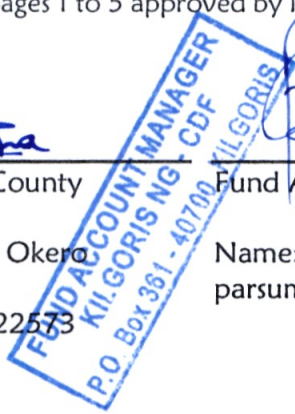
Annual Report and Financial Statements for The Year Ended June 30, 2025

The Constituency financial statements set out on pages 1 to 5 approved by NG CDFC on 26/11/2025 and signed by:


Chairman NG-CDF
Committee
Name: Gideon ole Saruni


National Sub-County
Accountant
Name: Wilson Okero
Ocheo
ICPAK M/No:22573


Fund Account Manager
Name: Lemarimpe
parsumpat



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

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

Description	Reserves	Accumulated surplus/Deficit	Total
	Kshs	Kshs	Kshs
As at 30 th June 2024 (cash basis)	9,414,565		9,414,565
Adjustments: (to recognize assets and liabilities)			
Add Assets	131,137,857		131,137,857
Less Liabilities	-		-
As at July 1, 2024	140,552,422		140,552,422
Surplus/(Deficit) For the Period	(1,028,734)		(1,028,734)
Revaluation Gain/Loss	-	-	-
As at 30 th June (current year)	139,523,687	-	139,523,687

Note:

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

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

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

	Notes	<i>Period ended june</i>
		Kshs
Cash flows from operating activities		
Receipts		
Transfers from the NGCDF Board		215,133,584
Grants/donations from other entities		-
Finance income		-
Miscellaneous income		-
Total Receipts		215,133,584
Payments		
Employee costs		4,219,925
Committee expenses		3,096,000
Use of Goods and Services		4,211,818
Other Government Units Certified Works		83,611,155
Other Grants and Transfers		93,074,301
Digital Hubs Expenses		-
Total Payments		188,213,198
Net Cash Flows from/ (used in) Operating Activities	30	26,920,386
Cash flows From Investing Activities		
Purchase of PPE		1,410,000
Purchase of Intangible assets		-
Proceeds From Sale of PPE		-
Net Cash Flows from Investing Activities		1,410,000
Net increase/(decrease) in cash & Cash equivalents		25,510,386
Cash Flows from Financing Activities		
Lease payment		
Net Cash Flows from Financing Activities		25,510,386
Cash and cash equivalents at Period Start	19	78,109,943
Cash and cash equivalents at Period End	19	103,620,328

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

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

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

	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilization
	Kshs	Kshs		Kshs	Kshs	Kshs	
	a	b		C=(a+b)	d	e=(c-d)	f=d/c*100
	2024/2025	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements	2024/2025	2024/2025		
Revenue							
Transfers From the NGCDF Board	188,414,052	78,109,943	64,133,584	330,657,579	293,243,527	37,414,052	88.68
Grants/donations from other entities	-	-	-	-	-	-	0
Finance income	-	-	-	-	-	-	0
Miscellaneous income	-	-	-	-	-	-	0
Totals	188,414,052	78,109,943	64,133,584	330,657,579	293,243,527	37,414,052	88.7
Expenses							
Employee costs	4,453,135	1,691,105	-	6,144,240	4,219,925	1,924,315	68.7
Committee expenses	4,899,819	-	-	4,899,819	3,096,000	1,803,819	63.2
Use of Goods and Services	7,604,311	-	-	7,604,311	4,211,818	3,392,493	55.4
Other Government Units Certified Works	77,374,638	56,044,936	39,003,683	172,423,256	83,611,155	88,812,101	48.5
Other Grants and Transfers	94,082,150	20,373,902	25,129,901	139,585,953	93,074,301	46,511,653	66.7
Digital Hubs Expenses	-	-	-	-	-	-	0.0
Funds Pending Approval**	-	-	-	-	-	-	0.0
Total Expenditure	188,414,052	78,109,943	64,133,584	330,657,579	188,213,198	142,444,381	56.9
Surplus for the period							

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

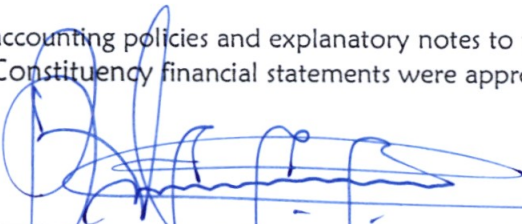
***Funds pending approval are sums not yet approved by the board for utilization and include approved allocations and/or AIA not yet allocated for specific projects.*

Explanatory Notes.

- There was delay in rerelease of funds from the NG-CDF Board. During the year, management received 81% of the funds.
- There was also under utilization of funds across all sectors due late receipt of AIEs and also delay in disbursement with 19.40% of the funds not received as at the closure of the financial year.

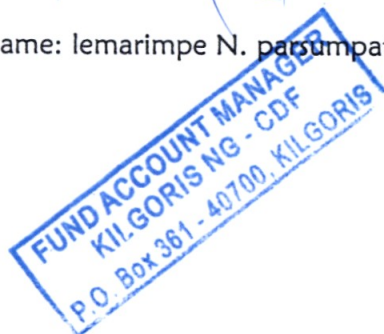
Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	63,988,650
Less undisbursed funds receivable from the Board as at 30 th June 2025	48,519,722
Cash and Cash Equivalents at the end of the 30 th June 2025	15,468,928

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.
 The Constituency financial statements were approved by NG CDFC on 26/11 2025 and signed by:



Fund Account Manager

Name: Lemarimpe N. parsumpat




National Sub-County Accountant

Name: Wilson Okero Ocheo
 ICPAK M/No: 22573



Chairman NG-CDF Committee

Name: Gideon Ole Saruni

National Government Constituencies Development Fund (NGCDF)

KILGORIS Constituency

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

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent						
1.1 Compensation of employees	4,453,135	1,691,105		6,144,240	4,219,924.78	1,924,315
1.2 Committee allowances	3,171,294			3,171,294	1,827,475	1,343,819
1.3 Use of goods and services	3,680,414			3,680,414	1,629,726	2,050,688
Sub-total	11,304,843	1,691,105	-	12,995,948	7,677,126	5,318,823
2.0 Monitoring and evaluation						
2.1 Capacity building	1,430,000			1,430,000	930,000	500,000
2.2 Committee allowances	1,728,525			1,728,525	1,268,525	460,000
2.3 Use of goods and services	2,493,897			2,493,897	1,652,092	841,804
Sub-total	5,652,422	-	-	5,652,422	3,850,617	1,801,804
4.0 Emergency						
OLAMURIAKI PRIMARY SCHOOL	400,000			400,000	400,000.00	-
SHARTUKA GIRLS SECONDARY SCHOOL	300,000			300,000	300,000.00	-
IGILA PRIMARY SCHOOL	300,000	67,146.00		367,146	297,950.00	69,196

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OSONKOROI SECONDARY SCHOOL	300,000	71,737.50		371,738	298,500.00	73,238
KIIKAT PRIMARY SCHOOL	300,000			300,000	300,000.00	-
ACC KEIYAN OFFICE	300,000	78		300,078	-	300,078
DCC'S OFFICE TRANSMARA WEST	387,790			387,790	387,790.00	-
SITETI PRIMARY	1,400,000.00	1,000		1,401,000	1,401,000.00	-
kilgoris NG-CDF Office - (office, water)	1,693,000.00			1,693,000		1,693,000
unutilized	4,535,739.06		2,000,000	6,535,739		6,535,739
Sub-total	9,916,529	139,962	2,000,000	12,056,491	3,385,240	8,671,251
5.0 Bursary and Social Security						
5.1 Primary Schools				-		-
5.2 Tertiary Institutions	49,365,620.88	66,910	4,992,697	54,425,228	43,032,200	11,393,028
5.3 Secondary Schools	26,000,000.00	9,414,565	1,427,694	36,842,258	19,447,000	17,395,258
5.4 special needs				-		-
5.5 Education Support Programmes				-		-
5.6 Social Security				-		-
Sub-total	75,365,621	9,481,475	6,420,391	91,267,486	62,479,200	28,788,286
7.0 Environment						
				-		-
Oltanki Primary School	500,000			500,000		500,000
Township Primary School	500,000			500,000		500,000
St. Joseph's Primary School	500,000			500,000		500,000
Siteti Primary School	500,000			500,000		500,000
Endonyo onkopit spring				-		-
Oldonyo rasha spring						-
				-		-

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Sub-total	2,000,000	-	-	2,000,000	-	2,000,000	-
8.0 Primary Schools Projects							2,000,000
Chelchel Primary School	270,600.00			270,600		270,600	270,600
Emarti Primary School		2,700,000		2,700,000		2,654,022	45,978
Embolioi primary school						-	-
Enchurai Primary School	1,500,000.00		1,500,000	3,000,000	2,983,718		16,282
Enchurai Primary School	198,000.00			198,000		198,000	198,000
Enchurai primary school (MOE)			1,500,000	1,500,000			1,500,000
Enkeshui Priamry School		3,203,683		3,203,683		3,120,000	83,683
Enkenya Primary School	1,500,000.00			1,500,000			1,500,000
Enkeshui primary school						-	-
Enokipelia primary school						-	-
Enooretet Primary School	270,600.00			270,600			270,600
Enoosaen Primary school (MOE)		1,561,270	1,500,000	3,061,270		2,999,846	61,424
Ereko primary school						-	-
Ijuluka Primary School		3,000,000		3,000,000		2,998,000	2,000
Ilkujuka Primary School	198,000.00			198,000			198,000
Ilpashire Primary School	3,000,000.00			3,000,000			3,000,000
Inkoirienito primary school (MOE)		2,701,500	1,500,000	4,201,500		4,171,979	29,521
Inkorienito Primary School						-	-
Isonkon Primary School	3,000,000.00			3,000,000			3,000,000
Kenyelock primary school		1,500,000	3,000,000	4,500,000		2,950,000	1,550,000
Kiikat Primary School		3,000,000		3,000,000			3,000,000
Kilena Primary School	5,000,000.00			5,000,000			5,000,000
Kiletien Primary School	3,000,000.00			3,000,000			3,000,000
Kilkat Primary School	2,270,600.00			2,270,600		2,200,575	70,025
Kilkat Primary School						-	-

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Kinyibol Primary School	2,000,000.00			2,000,000		2,000,000
Kinyibol Primary School		25,000		25,000		25,000
Kipupu Primary School	2,000,000.00	22,677		2,022,677		2,022,677
Kipupu Primary School				-		-
Kontamet Primary school (MOE)			1,560,000	1,560,000		1,560,000
Mailolong Primary School	3,000,000.00			3,000,000		3,000,000
Maranatha Primary School	3,000,000.00			3,000,000		3,000,000
Masurura primary school (MOE)		1,560,000	1,560,000	3,120,000	2,883,490	236,510
Medungi Primary School		1,200,189		1,200,189		1,200,189
Mosiro Primary School	3,000,000.00			3,000,000		3,000,000
Mukulelta Primary School	3,000,000.00			3,000,000		3,000,000
Ndonyo Narok primary school (JSS -NGCDF)		1,560,000	1,560,000	3,120,000	2,992,898	127,102
Ndonyo Narok primary school (MOE)			1,560,000	1,560,000		1,560,000
Ng'anayio Primary School	198,000.00	3,000,000		3,198,000	2,998,000	200,000
Nganaiyo Primary School				-		-
Ntoluo Primary School	3,000,000.00			3,000,000		3,000,000
Olaitong primary school		3,500,000		3,500,000	2,816,053	683,947
Olalui primary school				-		-
Olamuriaki Priamry School		368		368		368
Olamuriaki Primary School	198,000.00			198,000		198,000
Oldonyo Orasha Primary School	4,500,000.00			4,500,000		4,500,000
Oldonyo Orok Primary School	2,000,000.00			2,000,000		2,000,000
Olempang'it primary school (MOE)		1,560,000	1,560,000	3,120,000	2,957,361	162,639

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Tororek primary school (MOE)			1,500,000	1,500,000		1,500,000
				-		-
Sub-total	67,874,638	48,480,405	30,003,683	146,358,725	70,139,658	76,219,067
9.0 Secondary Schools Projects (List all the Projects)						-
Kilgoris Boys Secondary School	5,000,000.00			5,000,000		5,000,000
Angata Barikoi Secondary School	4,500,000.00			4,500,000		4,500,000
Emarti Secondary School			9,000,000	9,000,000	9,000,000	-
Mashangwe Sec School		3,003,956		3,003,956	2,999,030	4,926
olmelil secondary school		3,000,575		3,000,575		3,000,575
kontamet secondary school		1,560,000		1,560,000	1,472,467	87,533
Sub-total	9,500,000	7,564,531	9,000,000	26,064,531	13,471,497	12,593,034
10.0 Tertiary institutions Projects (List all the Projects)						-
				-		-
				-		-
Sub-total	-	-	-	-	-	-
11.0 Security Projects						
Kilgoris Police station	2,500,000.00			2,500,000		2,500,000
lolgorian Directorate of Criminal Investigations Office	2,300,000.00	3,500,000		5,800,000	5,675,298	124,702
Kilgoris Deputy County Commissioner's Office			2,500,000.00	2,500,000		2,500,000
Masurura police post		1,252,466.00	6,900,000.00	8,152,466	8,143,333	9,133
ACC's Office - Enoosaen				-		-
Pusanki Chief's Office		2,000,000		2,000,000	1,961,150	38,850
Kapune Chief's Office		2,000,000		2,000,000	1,948,700	51,300

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Isokon Chief's Office		2,000,000			2,000,000		1,931,820	68,180
Sub-total	4,800,000	10,752,466		9,400,000	24,952,466		19,660,301	5,292,165
12.0 Acquisition of assets								
12.1 Motor Vehicles (including motorbikes)				-	-			-
12.2 Purchase of furniture and fittings					-			-
12.2 Construction of CDF office					-			-
Kilgoris NG-CDF Office	2,000,000				2,000,000		2,000,000.00	-
Sub-total	2,000,000				2,000,000		2,000,000	
13.0 Others								
12.2 Kilgoris NG-CDF Office				2,500,000.00	2,500,000		2,500,000.00	-
12.3 Kilgoris NG-CDF Office				4,809,511	4,809,511		3,049,559.50	1,759,951
12.4 Kilgoris NG-CDF Office				-	-		-	-
13.1 Kilgoris NG-CDF Strategic Plan								
13.2 Innovation Hub								
Sub-total	-	-	-	7,309,511	7,309,511		5,549,560	1,759,951
Funds pending approval**								
unapproved projects								
AIA								
Sub-total	-	-	-	-	-		-	-
Total	188,414,052	78,109,943	64,133,584	330,657,579	188,213,198		142,444,381	

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

17. Notes to the Financial Statements

1. General information

The National Government Constituencies Development Fund (NG-CDF) formerly Constituencies Development Fund (CDF), is established by and derives its authority and accountability from the NG-CDF Act 2015 (amended 2023). The NG-CDF is wholly owned by the Government of Kenya and is domiciled in Kenya. The NG-CDF KILGORIS Constituency principal activity is to transform lives.

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared in accordance with the Public Finance Management (PFM) Act and the International Public Sector Accounting Standards (IPSAS). The NG-CDF Kilgoris has taken advantage of the transitional provisions under IPSAS 33 and adopted a phased approach. Accordingly, this is the first transitional financial statement.

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

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

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

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

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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 cashflows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities. <i>Not Applicable</i>
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. <i>Not Applicable</i>

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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><i>Not Applicable</i></p>
<p>IPSAS 46: Measurement</p>	<p><i>Applicable 1st January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS. iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p><i>Not Applicable</i></p>
<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</p>

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

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iii. Early adoption of standards

The Entity did not early – adopt any new or amended standards in the financial year 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 30th June 2024 for the period 1st July 2024 to 30th June 2025 as required by law. Included in the adjustments are Cash book opening balance, AIA generated during the year and constituency allocations not yet disbursed at the beginning of the financial year.

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

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

c) Property, plant and equipment

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

d) Leases

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

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

e) Intangible assets

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

f) Financial instruments

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

a) Financial assets

Classification of financial assets

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

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

Trade and other receivables

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

Fair value through surplus or deficit

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

Impairment

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

b) Financial liabilities

Classification

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

g) Inventories

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

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

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

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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.

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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.

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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, 20xx

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

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

Useful lives and residual value

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

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

Provisions

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

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6. Transfers from the NGCDF Board

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

7. Transfers from domestic and foreign partners

Description	2024/2025
	Kshs
Grants	0
Total	0

8. Finance income

Description	2024/2025
	Kshs
Interest Income on Bank Deposits	0
Total	0

(Provide a brief explanation for this revenue)

9. Miscellaneous income

	2024/2025
	Kshs
Rental Income	0
Income from sale of tenders	0
Hire of plant/equipment/facilities	0
Other Income Not Classified Elsewhere <i>(specify)</i>	0
Total	0

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10. Employees cost

	<i>2024/2025</i>
	Kshs
NG-CDFC Basic staff salaries	3,414,139
Personal allowances paid as part of salary	-
House Allowance	-
Transport Allowance	-
Leave allowance	-
Gratuity to contractual employees	996,737
Employer Contributions Compulsory national social security schemes	216,103
Employer Contributions Compulsory Housing levy	49,464
Employer contributions to National Industrial Training Authority	-
Other Specify	-
Total	4,676,442

11. Committee Expenses

	<i>2024/2025</i>
	Kshs
Sitting allowance	1,778,000
Other Committee expenses	1,318,000
Total	3,096,000

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12. Use of Goods and services

	<i>2024/2025</i>
	Kshs
Utilities, supplies and services	38,510
Communication, supplies and services	181,000
Domestic travel and subsistence	-
Printing, advertising and information supplies & services	310,000
Office Rent	-
Training expenses	930,000
Hospitality supplies and services	389,000
Insurance costs	-
Specialized materials and services	-
Office and general supplies and services	1,523,770
Fuel, oil & lubricants	60,000
Bank charges	3,658
Routine maintenance – vehicles and other transport equipment	518,000
Routine maintenance – other assets	-
Strategic plan expenses	-
Other operating expenses	258,000
Total	4,211,938

13. Other Government Units Actual expenditure

Description	<i>Period ended June 2025</i>
	Kshs
Primary Schools Actual expenditure	70,139,658
Secondary Schools Actual Expenditure	13,471,497
Tertiary Institutions Actual Expenditure	-
Total	83,611,155

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14. Other Grants and transfers Actual expenditure

Description	<i>Period ended June 2025</i>
	Kshs
Bursary – secondary schools	19,447,000
Bursary – tertiary institutions	43,032,200
Bursary – special schools	-
Bursary - Education Support programmes	-
Social Security programmes (SHIF)	-
Security projects Actual Expenditure	19,660,301
Climate change mitigation projects	-
Emergency projects Actual Expenditure	3,385,240
Roads projects	-
Others specify	7,899,511
Total	93,424,252

15. Depreciation and Amortization Expenses

Description	<i>2024/2025</i>
	Kshs
Property Plant and Equipment	423,000
Intangible Assets	-
Total	423,000

16. Digital Hubs Expenses

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

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17. Gain/loss on Sale of Assets

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

(Provide brief explanation on gains on sale of fixed assets)

18. Impairment Loss

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

(Provide brief explanation on assets impairment loss)

19. Cash and Cash Equivalents

Name Of Bank and Account No.	Period ended June 2025	Opening Statement 1st July 2024
	Kshs	Kshs
Bank Accounts (Cash Book Bank Balance)		
<i>Name Of Bank, Account No. (Operations account)</i>	25,186,345	9,414,565
<i>Operations account pending closure (Indicate name & account no.)</i>	-	-
<i>Name of Bank, account No. (Deposit account)</i>	2,497,693	1,691,105
<i>Name of Bank, account No. (PMC's account)</i>	75,936,290	67,004,273
Total	103,620,328	78,109,943

(Provide a schedule of all reconciled PMC bank balances as at the end of the period)

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20. Receivables from Exchange Transactions

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

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

i. Ageing Analysis for Receivables

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

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21. Receivables from Non-Exchange Transactions

Description	2024/2025		Opening Statement 1 st July 2024	
	Kshs		Kshs	
Transfers from NGCDFB	37,414,052		64,133,584	
Outstanding imprest	-		-	
Total	37,414,052		64,133,584	
Ageing Analysis- Receivables from non-exchange transactions	Insert Current FY	% of the total	Opening Balance	% of the total
Less than 1 year	37,414,052	100%	64,133,584	100%
Between 1-2 years	-	%	-	%
Over 3 years	-	%	-	%
Total	37,414,052	%	64,133,584	%

22. Prepayments

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

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23. Property, Plant and Equipment

	Land	Buildings	Motor vehicles	Furniture and fittings	Computers & ICT Equipment	Other Assets (specify)	Capital Work in progress	Total
Depreciation Rate(specify)		2%	25%	12.5%	30%	x%		
Cost	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Opening Bal as 1 st July 2024	-	-	-	-	-	-	-	-
Additions	-	-	-	-	1,410,000	-	-	1,410,000
Disposals	-	-	-	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-	-	-	-
As At 30 th June 2025	-	-	-	-	1,410,000	-	-	1,410,000
Depreciation And Impairment								
Opening Depreciation		-	-	-	-	-	-	-
Depreciation	-	-	-	-	423,000	-	-	423,000
Disposals	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-	-	-
As At 30 th June 2025		-	-	-	-	-	-	-
Net Book Values								
Opening Bal as at 1 st July 2024	-	-	-	-	-	-	-	-
As At 30 th June 2025	-	-	-	-	987,000	-	-	987,000

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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 xxx.

22 b) Property, Plant and Equipment at Cost

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

	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land	-	-	-
Buildings	-	-	-
Plant And Machinery	-	-	-
Motor Vehicles, Including Motorcycles	-	-	-
Computers And Related Equipment	1,410,000	423,000	987,000
Office Equipment, Furniture, And Fittings	-	-	-
Total	1,410,000	423,000	987,000

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

	Cost or valuation	Normal annual depreciation charge
Plant and Machinery	-	-
Motor Vehicles including Motorcycles	-	-
Computers and Related Equipment	1,410,000	423,000
Office Equipment, Furniture and Fittings	-	-
Total	1,410,000	423,000

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24. Intangible Assets

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

25. Right-of use assets

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

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

26. Trade and Other Payables

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

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27. Third-Party deposits

	<i>Period ended June 2025</i>	<i>Opening Statement 1st July 2024</i>
	Kshs	Kshs
Retention as at start of the period (A)	-	-
Retention held during the period (B)	599,951	-
Retention paid during the period (C)	250,000	-
Closing Retention D= A+B-C	349,951	-

Retentions aging analysis.

	<i>Period ended June 2025</i>	<i>% of the total</i>	<i>Opening Statement 1st July 2024</i>	<i>% of the total</i>
Less than 1 year	349,951	%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total	-		-	

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

28. Lease Liabilities

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

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Maturity Analysis

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

Analysed as:

Description	Amount
Current	-
Non- Current	-
Total	-

29. Gratuity Provision

Description	<i>Period ended June 2025</i>	<i>Opening Statement 1st July 2024</i>
	Kshs	Kshs
Gratuity at the beginning of the period (A)	1,691,105	-
Gratuity held during the period (B)	1,000,395	1,691,105
Gratuity paid during the period (C)	543,758	-
Total Gratuity provision as at period xx D=(A+B-C)	2,147,742	1,691,105

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30. Cash Generated from Operations

	<i>Period ended June 2025</i>
	Kshs
Surplus for the period before tax	(1,028,734)
Adjusted for:	
Depreciation	423,000
Non-cash grants received	-
Contributed assets	-
Impairment	-
Gains and losses on disposal of assets	-
Contribution to provisions	-
Contribution to impairment allowance	-
Working capital adjustments	
Changes in inventory	-
Changes in receivables	(26,719,532)
Changes in deferred income	-
Changes in Third party deposits	(349,951)
Changes in gratuity provision	(456,637)
Changes in payments received in advance	-
Net cash flow from operating activities	26,920,386

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

31. Financial Risk Management

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

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i) Credit risk

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

Financial Risk Management

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

Description	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
As at 30th June (Current FY)				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	-	-	-	-
Total	-	-	-	-
As at 30 June (Previous FY)				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	-	-	-	-
Total	-	-	-	-

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

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Financial Risk Management

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

ii) Liquidity risk management

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
As at 30 th June (Current FY)				
Trade payables	-	-	-	-
Current poportion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Gratuity Provision	-	-	-	-
Total	-	-	-	-
As at 30 th June (Previous FY)				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-

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Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
Employee benefit obligation	-	-	-	-
Total	-	-	-	-

iii) Market risk

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

a) Foreign currency risk

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

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.

Fair value of financial assets and liabilities

a) Financial instruments measured at fair value.

Determination of fair value and fair values hierarchy

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

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

There were no transfers between levels 1, 2 and 3 during the year. Disclosures of fair values of financial instruments not measured at fair value have not been made because the carrying amounts are a reasonable approximation of their fair values.

iv) Capital Risk Management

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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	<i>2024/2025</i>	<i>Opening Statement 1st July 2024</i>
	Kshs	Kshs
Revaluation Reserve	-	-
Retained Earnings	-	-
Capital Reserve	-	-
Total Funds	-	-
Total Borrowings	-	-
Less: Cash and Bank Balances	-	-
Net Debt/(Excess Cash And Cash Equivalents)	-	-
Gearing	-	-

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32. 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	1,778,000.00	-
Transaction with the NGCDF Board		
Transfers from the NGCDF Board during the year	215,133,584.00	-
Total	216,911,584	-

33. Segment Information

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

34. Contingent Assets and Contingent Liabilities

Contingent Assets

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

(Give details)

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Contingent Liabilities

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

35. Capital Commitments

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

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

36. Events after the Reporting Period

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

37. Ultimate And Holding Entity

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

38. Currency

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

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18. Annexes

Annex 1: Summary of Asset Register

Asset class	Historical Cost/valuation cost balance brought forward (Kshs)	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) At Year End
Land	3,500,000			3,500,000
Buildings and structures	15,252,331			15,252,331
Transport equipment	3,849,628			3,849,628
Office equipment, furniture, and fittings	462,741			462,741
ICT Equipment and Other ICT Assets	584,300	1,410,000		1,994,300
Other Machinery and Equipment				
Intangible assets				
Total	23,649,000	1,410,000		25,059,000

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

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

PMC	Bank	Account number	Bank Balance 2024/2025	Bank Balance 2023/2024
Emarti Primary School	EQUITY	1230285494445'	45,978.00	2,700,000.00
ENCHURAI PRIMARY SCHOOL	EQUITY		83,191.46	66,909.50
Enekeshui Primary School	EQUITY	1230285360745'	83,683.00	3,203,683.00
ENKAKENYA PRIMARY SCHOOL			1,500,000.00	
Enooretet Primary School	Equity	1230299999227'	61,424.00	
sosiana primary school				300,760.00
Enoosaen Primary School	EQUITY	'1230263423688		1,561,270.00
Ereko Primary School	EQUITY	'1230285491689		-
Iljuluka Primary School	EQUITY	'1230285360958	2,000.00	3,000,000.00
ILPASHIRE PRIMARY SCHOOL				
Inkorienito Primary School	EQUITY	'1230297541035	29,520.80	2,701,500.00
ISONKON PRIMARY SCHOOL	EQUITY		3,000,000.00	
Kenyelok Primary School	EQUITY	1230285494438'	110,000.00	1,500,000.00
Kiikat Primary School	EQUITY	1230285360208'	2,799,425.00	3,000,000.00
KILENA PRIMARY SCHOOL			5,000,000.00	

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PMC	Bank	Account number	Bank Balance 2024/2025	Bank Balance 2023/2024
KILETIEN PRIMARY SCHOOL			3,000,000.00	
Kinyibol Primary School	EQUITY	1230298712137'	25,000.00	25,000.00
Kipupu Primary School			2,022,676.60	22,676.60
KONDAMET PRIMARY SCHOOL	EQUITY	1230285553670'	1,500,000.00	
MASURURA PRIMARY SCHOOL			236,509.71	1,560,000.00
Medungi Primary School	EQUITY	1230284428989'	1,200,189.20	1,200,189.20
MOSIRO PRIMARY SCHOOL			3,000,000.00	
MURANATHA PRIMARY SCHOOL			3,000,000.00	
Mopel Primary School	Equity	1230284068786'	-	
NDONYO NAROK PRIMARY SCHOOL			127,102.00	1,560,000.00
NTOLUO PRIMARY SCHOOL			3,000,000.00	
Nganaiyo Primary School	EQUITY	'1230285235935	2,000.00	3,000,000.00
OLDOINYO ORASHA PRIMARY SCHOOL			4,500,000.00	
Olaitong Primary School			683,947.00	3,500,000.00
Olamuriaki Priamry School	EQUITY	1230279912470'	367.5	367.50
Oldonyo Orok Primary School	Equity	1230298714255'	2,000,000	
OLEMPONGIT PRIMARY SCHOOL	EQUITY	'1230285491651	162,639.00	1,560,000.00

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PMC	Bank	Account number	Bank Balance 2024/2025	Bank Balance 2023/2024
Olkireruki Primary School			41,700.00	2,001,700.00
olmelil primary school	EQUITY	'1230269055466	49,865.00	49,865.00
Oloiborsoito Primary School	EQUITY	1230285360227'	112,490.00	1,500,000.00
OLOICHANI PRIMARY SCHOOL			51,151.00	
Oloonkolin Primary School	EQUITY	1230261417262'	72,111.00	2,110,000.00
OLPISAI PRIMARY SCHOOL			3,000,000.00	
Oltanki Primary School	EQUITY	1230284351895'	3,332.00	2,000,200.00
OLTIMOROI PRIMARY SCHOOL			3,000,000.00	
OSINONI PRIMARY SCHOOL			3,000,000.00	1,500,000.00
Oronkai Primary School	EQUITY	1230285360147'	42,580.00	3,068,425.00
Osero Primary School	EQUITY	1230282947125'	78,700.00	3,003,146.00
Osonkoroi Primary School	Equity	1230284068574'	96,996.00	
Osupuko Primary School	EQUITY	1230298929755'	-	1,338,626.00
Poroko Primary School	EQUITY	1230298444098'	2,009,471.50	1,201,742.50
Romosha Primary School	EQUITY	1230284346234'	5,021,592.50	310,374.00
SHARTUKAPRIMARY SCHOOL	Equity	1230278991118'	2,000,000	
Shankoe Primary School	Equity	1230276434723'		

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PMC	Bank	Account number	Bank Balance 2024/2025	Bank Balance 2023/2024
St Josephs Girls Primary School	Equity	1230897864512'	-	
Tororek Primary School	EQUITY	'1230299795320	3,144,563.00	880.00
SECONDARY SCHOOL PROJECTS			-	
Kondamet Sec School	EQUITY	1230285553670'	87,533	1,560,000.00
Mashangwe Sec School	EQUITY	'1230298686268	4,926.00	3,003,956.00
EMARTI SECONDARY SCHOOL	EQUITY	1230286002343'	-	-
KILGORIS BOYS HIGH SCHOOL	EQUITY		5,000,000.00	
ANGATA BARIKOI SECONDARY SCHOOL	EQUITY		4,500,000.00	
olmelil secondary school	EQUITY	'1230269055466	3,000,575.00	3,000,575.00
Pusanki Chief's Office	EQUITY	1230298827833'	38,850.00	2,000,000.00
Kapune Chief's Office	EQUITY	1230285494478'	51,300.00	2,000,000.00
Lolgorian DCIO	EQUITY	1230285900469'	124,702.00	3,500,000.00
MASURURA POLICE POST	EQUITY	1230286162444'	9,133.00	1,252,466.00
KILGORIS POLICE STATION	EQUITY		2,500,000.00	
DCC TRANSMARA WEST	EQUITY		2,500,000.00	
Isokon Chief's Office	EQUITY		68,180.00	
Isokon Chief's Office	EQUITY	1230285494478'		2,000,000.00

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PMC	Bank	Account number	Bank Balance 2024/2025	Bank Balance 2023/2024
IGILA PRIMARY SCHOOL	EQUITY	1230282370593'	69,196.00	67,146.00
OSONKOROI SECONDARY SCHOOL	EQUITY	1230298574757'	73,237.50	71,737.50
KIIKAT PRIMARY SCHOOL	EQUITY	1230285360208'	-	
ACC KEIYAN OFFICE	EQUITY	1230284222917'	300,078.00	78.00
NG-CDF OFFICE	EQUITY		1,693,000	
SITETI PRIMARY	Equity	1230284085771'	-	1,000.00
TOTAL			<u>75,936,289.77</u>	<u>43,394,241</u>

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Annex 3: Progress On Follow Up of Auditor Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>Basis for Qualified Opinion</p> <p>1. Unsupported Domestic Travel and Subsistence</p> <p>The statement of receipts and payments reflects use of goods and services amount of Kshs.8,479,999 which includes domestic travel and subsistence amount of Kshs.1,465,000 as disclosed in Note 6 to the financial statements. However, the domestic travel and subsistence expenses were not supported with the respective imprest warrants, entries in the</p>	<p><i>different times and accounted as part of various payment vouchers/expenses. The expenditure were not independent and therefore did not have independent/separate imprest warrants/payment vouchers but surrendered alongside other expenses in various payment vouchers. However, the vouchers related to the expenditure on domestic travel are here attached for your review. (Annex 1).</i></p>	<p><i>Not Resolved</i></p>	<p><i>25/12/2025</i></p>

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
	<p>imprest register and imprest surrender vouchers.</p> <p>In the circumstances, the accuracy and completeness of the domestic travel and subsistence expenses of Kshs.1,465,000 could be confirmed.</p>			
	<p>2. Unsupported Refurbishment of Buildings</p> <p>The statement of receipts and payments reflects acquisition of assets amount of Kshs.1,220,343 which as disclosed in Note 9 to the financial statements relates to refurbishment of buildings. However, the expenditure was not supported with the respective refurbishment contracts and work orders</p>	<p><i>It is regrettable that the in respect to the refurbishment contract and work orders showing the scope of work, the completion and acceptance certificates, were not presented for audit. Copies of the documents are here attached for your review. (Annex 4).</i></p>	<p><i>Not Resolved</i></p>	<p>25/12/2025</p>

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
	<p>showing the scope of work. In addition, the completion and acceptance certificates, were not presented for audit verification. This is contrary to Regulation 104 (1) of the Public Finance Management (National Government) Regulations, 2015 which states that all receipts and payments vouchers of public moneys shall be properly supported by pre-numbered receipt and payment vouchers and shall be supported by the appropriate authority and documentation.</p> <p>In the circumstances, the accuracy and completeness of the refurbishment of</p>			

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	buildings amount of Kshs.1,220,343 could not be confirmed.			
	<p>3. Unsupported Summary of Fixed Assets</p> <p>Annex 4 to the financial statements-summary of fixed assets register reflects cumulative historical asset cost of Kshs.3,649,000 comprising of land at a cost of Kshs.3,500,000, building and structures amounting to Kshs.15,252,331, transport equipment totaling Kshs.3,849,628, office equipment, furniture and fittings of Kshs.462,741, and ICT equipment and software and other ICT assets amount of Kshs.584,300. However,</p>	<p><i>Kshs. 23,649,000 is the cumulative historical cost of assets owned by the constituency as disclosed in Annex 4 – Summary of Fixed Asset Register. Land on which the Fund's building and structures are built is valued at Kshs.3,500,000 and included in the fixed asset register and the annual report and financial statements. Refer the attached copy of the financial statements (Annex 6).</i></p>	<p><i>Not Resolved</i></p>	<p><i>25/12/2025</i></p>

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
	<p>the land on which the Fund's building and structures are built has not been valued and included in the fixed asset register and the annual report and financial statements. Further, land ownership documents in form of land title deeds and motor vehicle log book were not provided for audit. This is contrary to Section 36(3) of the National Government Constituencies Development Fund Act, 2015 which states that all fixed and movable assets, including equipment bought under this Act for use by the Constituency Committee shall be the property of the Board</p>			

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
	<p>and shall be insured in the name of the Board.</p> <p>In the circumstances, the accuracy, completeness, ownership and valuation status of the fixed assets balance of Kshs.3,649,000 could not be confirmed</p>			
	<p>Emphasis of Matter</p> <p>Budgetary Control and Performance</p> <p>The summary statement of appropriation reflects final receipts budget and actual on comparable basis of Kshs.313,368,179 and Kshs.249,234,595 respectively resulting to under-funding of Kshs.64,133,584 or 20% of the budget. Further, the Fund spent an amount of Kshs.239,820,030 against actual receipt of Kshs.249,234,595</p>	<p><i>The under funding of Kshs. 64,133,584 was realized as a result of the delayed funding by the NG-CDF Board. See Attached AIEs - AIE No. 234509 of kshs. 24,000,000, AIE No. B228666 of kshs. 13,000,000 Dated 15/10/2024 and 24/07/2024 respectively totaling to</i></p>	<p><i>Not Resolved</i></p>	<p><i>25/12/2025</i></p>

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>resulting to an under-utilization of Kshs.9,414,565 or 4% of the actual receipts. The under-funding and under-utilization affected the planned activities of the Fund and may have impacted negatively on service delivery to the public.</p>	<p>Kshs. 47,000,000 received after the financial year under review. To date, the NG-CDF Board is yet to release a balance of Kshs. 17,133,584. Management could therefore not be able to implement projects attached to these amounts without AIEs.</p> <p>The underutilization of Kshs. 9,414,565 resulted from late approval of our code list (see attached copy dated 17 may 2024) accompanied by AIE</p>		

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)
		No. B214773 of Ksh. 30,000,000. Code list for other projects and the related AIEs were also received late after the financial year. This late approval of code list delayed the procurement processes and hence delayed absorption of the whole amount. However, part of this amount also formed administration, M&E and bursary funds whose implementation was ongoing. Management tried to		

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		disburse funds to projects leaving a balance of Kshs. 9,414,565 as at the closure of the financial year due to time constraints.		
	<p>Other Matter</p> <p>Unresolved Prior Year Matters Various prior year audit issues remained unresolved as at 30 June, 2023. Management has not</p>	<p>See Annex 7 - A/E No. 234509, A/E No. B228666, A/E No. B214773 and projects code list 2023/2024FY.</p> <p>All our prior year matters are in the process of being resolved with the Auditor alongside the Decentralized funds Accounts Committee (DFAC). Management is waiting for a date with the Committee.</p>	<p><i>Not Resolved</i></p>	<p>25/12/2025</p>

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>provided reasons for the delay in resolving the prior year audit issues. This is contrary to the requirements of the Public Sector Accounting Standards Board reporting guidelines.</p>			
1.	<p>Basis for Conclusion Projects Implementation Status Review of budget execution by sectors and projects' records revealed that, out of the ninety-four (94) projects planned for implementation, seventy (70) projects valued at</p>	<p>Delayed receipt of project funds, Late approval of code list led to delayed the procurement processes and hence delayed absorption of the whole amount. Management tried to disburse the funds</p>	<p>Not Resolved</p>	<p>25/12/2025</p>

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	<p>Kshs.239,820,030 were implemented while thirty-eight (38) projects valued at Kshs.73,548,149 were incomplete due to slow tendering process and delays in receipt of funds from the Board.</p> <p>In the circumstances, the public may not realize value for money from the projects valued at Kshs.73,548,149 as the completion dates are not clearly defined.</p>	<p><i>received to projects leaving a balance of Kshs. 9,414,565 as at the closure of the financial year due to time constraints (refer Annex 7).</i></p>		
2.	<p>Lack of Training Needs Assessment</p> <p>The statement of receipts and payments reflects use of goods an</p>	<p><i>Training needs assessment was done. However, it is regrettable that the</i></p>	<p><i>Not Resolved</i></p>	<p>25/12/2025</p>

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	<p>amount of Kshs.8,479,999 as disclosed in Note 6 to the financial statements. Included in the balance is an amount of Kshs.430,000 in respect of training expenses. However, no evidence was provided to show that the Fund undertook a Training Needs Assessment which should have informed the trainings undertaken.</p> <p>In the circumstances, the value for money realized from the expenditure of Kshs.430,000 incurred on training could not be confirmed.</p>	<p>questionnaire used to collect information was not presented to the auditor for verification. A copy is here attached (Annex 9).</p>		

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
3.	<p>Delay in Disbursement of Funds from the Board</p> <p>The statement of receipts and payments reflects transfers from National Government Constituencies Development Fund Board of Kshs.216,049,053. However, the amount includes a balance of Kshs.204,133,584 or 81% of total receipts which had been budgeted for in the financial year 2023/2024. Further, the Fund had not received arrears amounting to Kshs.76,049,053 relating to 2022/2023 financial year. This is contrary to Section 39(2) of the National Government Constituencies Development Fund Act, 2015 which states that the disbursement of funds to</p>	<p><i>The late release of these funds in regrettable, however was occasioned by late disbursement of funds by the exchequer.</i></p>	<p><i>Not Resolved</i></p>	<p>25/12/2025</p>

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
	<p>the Constituency Fund account shall be effected at the beginning of the first quarter of each financial year with an initial amount equivalent to twenty-five per centum of the allocation for the constituency and thereafter the Constituency Fund account shall be replenished in three equal instalments at the beginning of the second, third and fourth quarters of the financial year. Further Section 40(1) which stipulates that the Board shall ensure that the list of projects forwarded to it by each constituency is, upon approval, funded in accordance with the Act.</p> <p>In the circumstances, the Board was in breach of the law.</p>			

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>4. Failure to Insure Assets The Fund had fixed assets with historical costs totaling Kshs.23,649,000 as at 30 June, 2024. However, the assets were not insured contrary to Section 36(3) of the National Government Constituencies Development Fund Act, 2015. The law requires That all fixed and movable assets, including equipment</p>	<p><i>Management has since engaged the relevant government department (procurement) to initiate the process of identifying a reputable insurance company for the Fund's assets. On conclusion of the process, management shall do the necessary payment to the company to insure all the assets.</i></p>	<p><i>Not Resolved</i></p>	<p><i>25/12/2025</i></p>

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	<p>bought under the Act for use by the Constituency Committee to be insured in the name of the Board.</p> <p>In the circumstances, Management was in breach of the law.</p>			
	<p>Lack of a Risk Management Policy and Risk Register</p> <p>The Fund does not have a risk management policy that guides on assessment and evaluation of risk and to develop the strategies to mitigate them. This is</p>	<p><i>The management has a risk management policy in place developed by the NGCDF Board. Management uses this policy for guidance on how to mitigate operational, legal and financial risks. Therefore, Our processes are approved. See attached copy (Annex 10).</i></p>	<p><i>Not Resolved</i></p>	<p>25/12/2025</p>

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	contrary to Regulation 165(1) of the Public Finance Management Act (National Government)			

Name: Lemarimpe Parsumpat
Fund Account Manager.

FUND ACCOUNT MANAGER
KILGORIS NG - CDF
P.O. Box 361 - 40700, KILGORIS