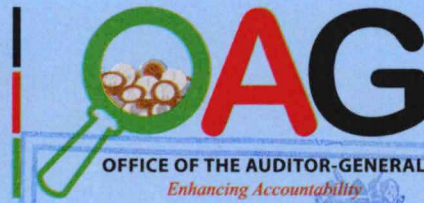


REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL
Enhancing Accountability

THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 26 NOV 2025

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TABLED
BY:

Hon. Robert Pukara

REPORT

Mbodo Atabo

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OF

THE AUDITOR-GENERAL

ON

NATIONAL GOVERNMENT CONSTITUENCIES
DEVELOPMENT FUND – KAMUKUNJI
CONSTITUENCY

FOR THE YEAR ENDED
30 JUNE, 2025



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

KAMUKUNJI 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)
Kamukunji Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025

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1. Acronyms and Definition of Key Terms

A. Acronyms

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

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;

- 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

*National Government Constituencies Development Fund (NGCDF)
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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 Kamukunji 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	Farah G. Keinan
2.	National Sub-County Accountant	Cornelius K Omonyo
3.	Chairman NGCDFC	Dickens Okode
4.	Member NGCDFC	Esther Wairimu Kinyua
5.	Member NG CDFC	Ali Joram Juma

(c) Fiduciary Oversight Arrangements

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

(d) NGCDF KAMUKUNJI Constituency Headquarters

Kamukunji Sub County Office's
Along Digo Road
Nairobi KENYA.

(e) NGCDF KAMUKUNJI Constituency Contacts

P.O. Box 6403-00300
Telephone: (254) 020-2616403
E-mail: cdfkamukunji@ngcdf.go.ke
Website: www.kamukunjicdf.com

(f) NGCDF KAMUKUNJI Constituency Bankers

1. Operations Account

Equity Bank A/C No 0430262662557
Gikomba Branch
P.O Box 5328-20100
Nairobi Kenya

2. Deposit Account

Equity Bank A/C No 0430286532016
Gikomba Branch
P.O Box 5328-20100
Nairobi Kenya

3. PMC Accounts

Equity Bank
Gikomba Branch

- i. A/C No. 0430-271555683
- ii. A/C No. 177-0284310457
- iii. A/C No. 0430-266420617
- iv. A/C No. 0430-179433396
- v. A/C No. 0430-266420447
- vi. A/C No. 177-0284310516
- vii. A/C No. 0430-266419870
- viii. A/C No. 177-0286453679
- ix. A/C No. 0430-271555683

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

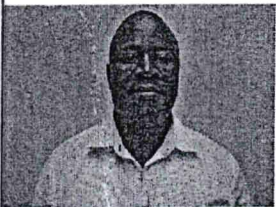
Auditor General
Office of the Auditor General
Anniversary Towers, University Way
P.O. Box 30084
GPO 00100
Nairobi, Kenya

(h) Principal Legal Adviser

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

3. NGCDF Committee

(provide details for all the NG CDFC members in the format below)

Name	Details
 Dickens Okode	<i>Provide a concise description of each member's date of birth, key academic and professional qualifications, and work experience.</i>
 Raphael Maingi Kimilu	Born in 1954 Diploma in Banking

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 Zeitun Mohamed Essman	Born in 1996
 Brian Makuba Ingalula	Born in 1994 o-level
 Esther Wairimu	Born in 1994 Diploma
 Ann Muthoni Kuria	Born in 1983
 Ali Joram Juma	Born in 1977 Diploma

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 Elsie Ounga Adhiambo	Born in 1993 Diploma
 Fund Account Manager – Farah G. Keinan	Born 1982 BSC Economics & Finance Masters of Science in Economic Policy

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

4. NG-CDFC Chairman's Report



Dickens Okode
Chairperson, Kamukunji NG-CDFC

Financial year budget

In the financial year 2024/25 the NG-CDF Kamukunji Constituency was allocated Kshs 179,441,954.74 Plus previous financial year balance of Kshs 52,240,395 totalling to kshs 231,682,349.74 and out of that we have only received kshs 201,240,395.00 for the financial year 2024/2025, leaving undisbursed funds of kshs 30,441,954.74.

Budget utilization was 77%. The challenges were brought in by the late disbursement of funds.

Table 1.0 summary of budget performance

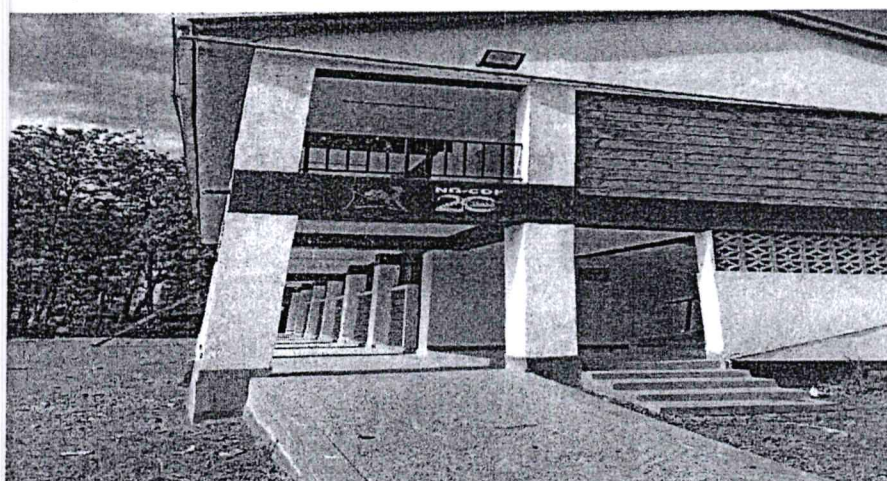
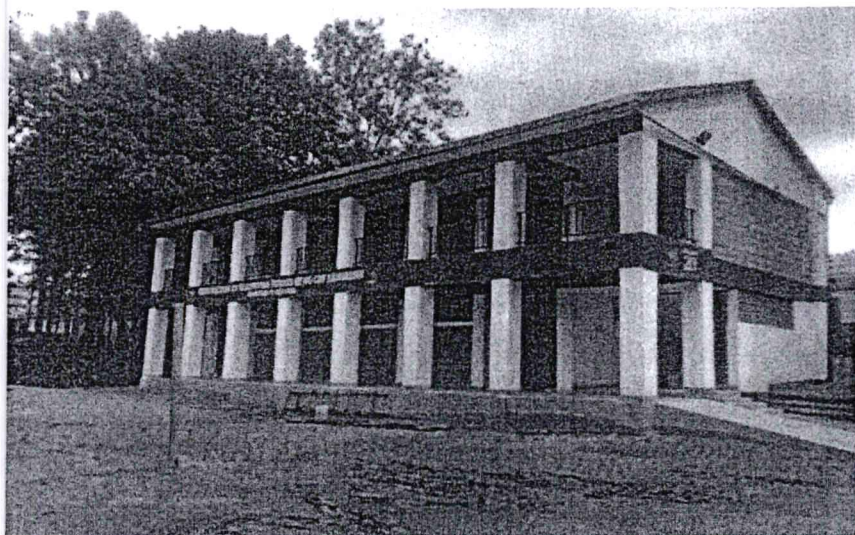
Key achievements

We have therefore completed our allocations in time, and achieved the results as stipulated in the summary graph below:

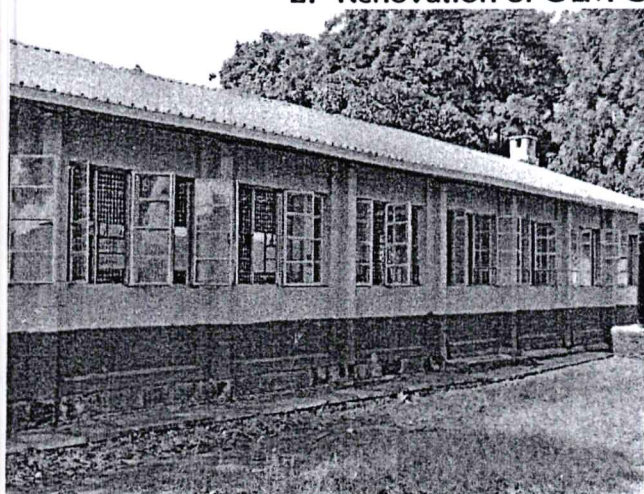
Compensation of Employees	99.36%
Committee expenses	10.41%
Use of goods and services	52.43%
Transfers to Other Government Units	61.04%
Other grants and transfers	48.75%

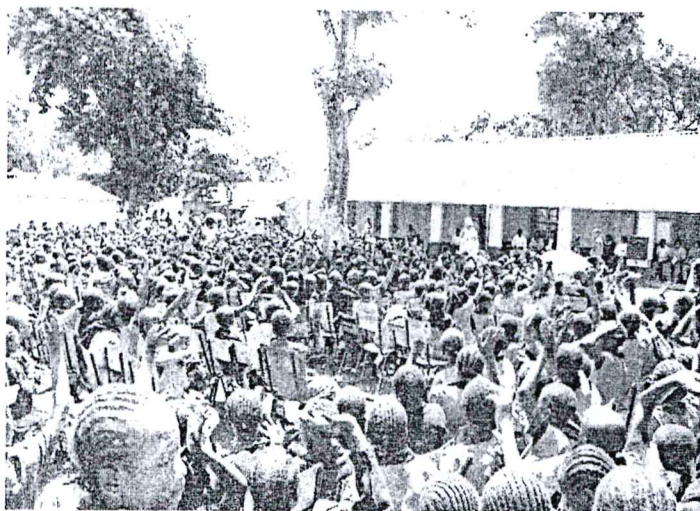
KEY ACHIEVEMENTS

1. St Teresas Boys Secondary School

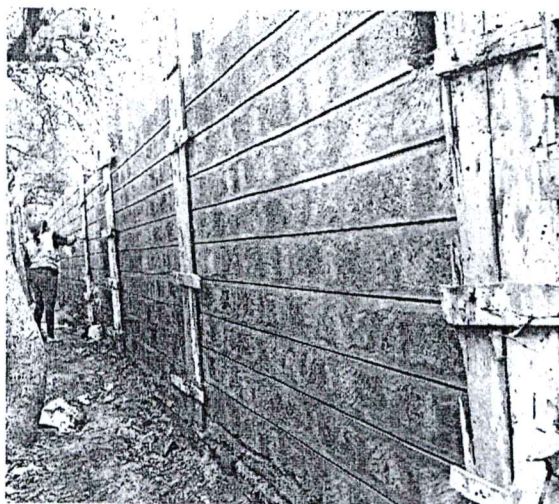


2. Renovation of OLM Girls Primary School





3. OLM Girls boundary wall



Renovation of OLM Girls Primary School

The impact of this projects is that it has increased the number of intake of students from 400 students to 700 students since it was in a bad state before the renovation. The school has

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helped the students since the school is in a better state hence conducive learning environment.

Emerging issues

Introduction Junior Secondary School under CBC Curriculum has led to more demands in terms of classrooms and other school infrastructure.

New Government directives on Higher Education Loan has brought high demands when it comes to Bursaries for tertiary institutions.

Challenges.

Late disbursement of funds by the board

Poor infrastructure in most of the primary schools

Solutions

NG-CDFC has initiated a program to renovate more classrooms as it is cost effective.

NG-CDFC has also initiated a better way of identifying needy student in bursary allocations. Those left out in selections are given a second chance of appealing at the office.

I wish to urge NG-CDF BOARD to continually increase funding to enable more projects uptake and to disburse funds on timely basis to avoid delay in fund disbursement

.....

Name Dickens Okode
Chairman NGCDF Committee

KAMUKUNJI NATIONAL GOVERNMENT
CONSTITUENCY DEVELOPMENT FUND
P.O. BOX 8403 - 00300, NAIROBI - KENYA
TEL: 020 - 261 6403

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

Introduction

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

The key development objectives of the *NGCDF Kamukunji Constituency 2023-2027* plan are to:

Key Result Area	Strategic Objective	Strategies
Improved Access to education services	1.1 To improve education/school infrastructure and facilities	Put up school infrastructures; Equipping of schools; Rehabilitation of school infrastructure
	1.2 To Increase support of the needy students	Financial support to bright and the needy students; Support schools activities
Youth Skills development	2.1 To enhance youth skill development	Support youth empowerment centers; Fund youth initiatives;
	2.2 To equip youth with working skills	Train youth on life support skills;
Peaceful and secure constituency	3.1 To enhance area security	Put up new security infrastructure; refurbish and equip chiefs' administration offices
Improved environment	4.1 To enhance environmental protection	Collaboration with environmental conservation stakeholders; Increase number of trees in the constituency
Accessible roads	5.1 To improve the condition of roads in the constituency	Roads upgrading through KURRA and county government
Institutional strengthening	7.1 To improve human working capacity	Staff and CDFCs training; Project management
Key Result Area	Strategic Objective	Strategies
		committees (PMCs) training; Provision of adequate office equipment and working tools
	To improve resource mobilization	Efficient and effective utilization of resources; Collaboration with other development partners; and creating other financial sources

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

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reasons of tracking progress and performance measurement. Below, we provide the progress on attaining the stated objectives:

Sector	Objective	Outcome	Indicator	Performance
Education	<i>To have all children of school going age attending school</i>	<i>Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions</i>	<i>number of usable physical infrastructure build in primary, secondary, and tertiary institutions number of bursary's beneficiaries at all levels</i>	<i>In FY 2024/2025 -we increased number of classrooms by 9 at st Teresas boys secondary school. - 6,000 students benefited from bursaries both in secondsry schools and tertiary institutions</i>
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	Increased security and reduced crime rate.	Construction of a storey building at Kiambiu Chief camp and community centre .
Climate change mitigation activities	Improve access to clean water and a more sustainable and conserved environment through natural resources conservation initiatives	Conserve the environment	Increase in sustainable environmental practices	Environment Projects were not implemented due to delay in disbursement from the board.
Emergency	Improve the mechanism used in handling disasters	Reduce loss of live and properties	No emergency occurrence in the constituency	There was no emergency occurrence in Kamukunji in the financial year 2024/2025

6. Governance Statement

a. 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 persons 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 gazettment 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.
- (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.

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(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.

Appointment of NG-CDFC

In accordance with section 43 sub sections (1),(2) of the National Government Constituencies Development Fund act, Kamukunji NG-CDF advertised for the post of NGCDFC detailing the necessary requirements where several applicants showed interest for the same by forwarding their applications.

Vetting of the submitted application letters was done critically by a select committee which was created for the purpose. Successful applicants were thereafter contacted for an interview session which was scheduled at a later date.

The interviews were conducted and in accordance with section 43(3) of the NGCDF Act, the names of the successfully selected individuals were forwarded to the board together with the names forwarded by the DCC and the constituency manager.

The selected members were gazetted and handing over from the previous committee was then smoothly done between the outgoing committee and the newly gazetted committee overseen by the Fund Account Manager and the Deputy County Commissioner. A comprehensive hand over report was then prepared by the Fund Account Manager on behalf of the outgoing committee.

List of NG CDFC members and category they represent

No	Committee Member	Category they represent
1.	Esther Wairimu Kinyua	Constituency Female Representative
2.	Elsie Adhiambo Ounga	Youth Female Representative
3.	Fredrick Muli	DCC
4.	Farah G Keinan	FAM
5.	Dickens Otieno Okode	Adult Male Representative
6.	Ann Muthoni Kuria	Female Adult Representative
7.	Rapheal Maini Kimilu	Coopted member
8.	Zeitun Mohamed Essman	PWD Representative
9.	Brian Makuba Ingalula	Youth Male Representative
10.	Ali Joram Juma	Constituency Male Representative

b. Removal of a committee member.

(1) A member of the Constituency Committee may be removed from office on any one or more of the following grounds—

- (a) lack of integrity;
- (b) gross misconduct;
- (c) embezzlement of public funds;
- (d) bringing the committee into disrepute through unbecoming personal public conduct;

- (e) Promoting unethical practices;
- (f) Causing disharmony within the committee.
- (g) Physical or mental infirmity.

(2) A decision to remove a member under subsection (13) 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.

(3) A vacancy arising as a result of the removal of a member under subsection (13) shall be filled in the manner set out in subsection (10) and minutes of the meeting shall indicate the fact of the removal or appointment of a member. *In Kamukunji NG-CDF, There was no committee who was removed under the above reasons.*

c. The NG-CDF Committee roles are as follows

1. Participate in ward meetings, collect data on projects and Consider projects submitted from various wards in accordance with the Act, approve for funding those projects, make the project proposal to be submitted to the NG-CDF Board
2. Ensure timely and efficient disbursement of funds to projects.
3. Ensure efficient management of the Fund.
4. Co-ordinate the implementation of projects
5. Receive and address complaints that may arise within the constituency
6. Encourage best practices in the implementation of projects.
7. Employ NG-CDF Staff
8. Perform such other duties as the Board may deem necessary from time to time for the proper management of the Fund.

d. Induction, and training of NG-CDFC Members

The training of the New NG-CDFC members is coordinated by the region office through the regional coordinator and the fund's manager. The facilitators are from different departments of the NG-CDF Board and other experts from other ministries.

e. The objectives of training NG-CDF Committee are a

1. To carry out training of all the NG-CDF committee members
2. To impart knowledge to the participants who in turn will execute the NG-CDF mandate on behalf of the board.
3. To ensure smooth running of the NG-CDF offices across the Nairobi Region.

Expectations from NG-CDF Committee

- To see changes in the constituencies i.e. transformation of operations at the constituencies.
- To exchange of ideas with members from other constituencies.
- To understand the roles of the NG-CDF Committee.
- To learn and understand the procurement process.
- To get a clarification on the legal status of NG-CDF.
- To find out how people living with Disability helped.
- Share best practices for bench-marking purposes.

f. NO OF MEETINGS HELD

***National Government Constituencies Development Fund (NGCDF)
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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.

In the financial year, Kamukunji NGCDFC minutes held were 20 in number as per the regulations on the National Government Constituencies Development Fund Act

Committee meetings attendance register 2024/2025

N o	Committee Member	16 th & 25 th July 2024	7 th Aug 2024	27 th Sept 2024	7 th & 28 th Oct 2024	14 th & 27 th Nov 2024	18 th Dec 2024	13 th & 27 th Jan 2025	20 th Feb 2025	10 th & 26 th Mar 2025	9 th & 24 th Apr 2025	5 th & 28 th May 2025	4 th & 25 th Jun 2025
	Dickens Otieno Okode	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓
	Esther Wairimu Kinyua	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓
	Brian Makuba Ingalula	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓
	Ali Joram Juma	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓
	Elsie Adhiambo Ounga	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓
	Farah Gabane Keinan	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓
	Rapheal Maini Kimilu	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓
	Ann Muthoni Kuria	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓
	Zeitun Mohamed Essman	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓
	James G.Kamau	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓

g. Ethics & Conduct

Members of NGCDFC are required to observe the following ethical issues

- Confidentiality - the NGCDFC members have a responsibility to ensure confidentiality unless in situations required by law.
- 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.
- Leadership - NGCDFC members should promote leadership in the constituency.

During the financial year 2022/2023 members of NGCDFC Kamukunji adhered to the stipulated ethical issues

h. Members' remuneration

NG-CDFC members are not entitled to payment of salary. However, the chairperson of NGCDFC is entitled to an allowance seven thousand per meeting and all other members an allowance of five thousand 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.

i. Disclose policy on conflict of interest

A member who has an interest in any contract, or other matter present at a meeting shall at the meeting and as soon as reasonably practicable after the commencement, disclose the fact thereof and shall not take part in the consideration or discussion of, or vote on, any questions with respect to the contract or other matter, or be counted in the quorum of the meeting during consideration of the matter. A disclosure of interest made shall be recorded in the minutes of the meeting at which it is made. In the financial year 2022/2023 no member of NGCDFC Kamukunji contravened conflict of interest policy.

j. Risk Management

Risk management has been integrated in the constituency operations through the following: training of the NGCDF staff in their respective technical areas of service to ensure they carry out their roles efficiently, training of the NGCDFCs and the PMCs to equip them with additional knowledge to carry out their duties efficiently within their mandates and regulations, the Fund account manager avails himself with all the support and required resources to ensure that the identified risk does not hamper with the delivery of service.

Some of the risk mitigation strategies that NGCDFC Kamukunji has implemented include the following: Implementing audit findings and recommendations, adherence and compliance with NGCDF act 2015 and other laws and regulations to ensure an effective and efficient control system, ensuring that NGCDFC members are actively engaged in the projects implementations and overall fund utilization in the constituency, ensuring that the staff responsible for statutory deductions are well aware of the due dates of remittance, allocating insurance fund in the constituency budget, preparation of procurement plan, budget and Monitoring & evaluation plan for the financial year. Conducting public participation within the prescribed time lines to ensure the constituents are involved in project identification.

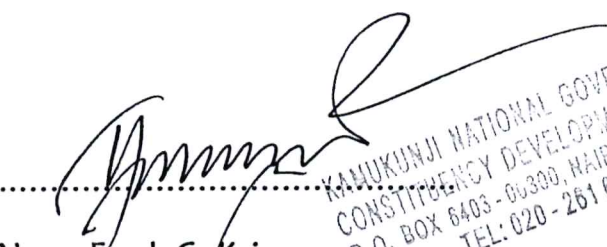
7. Management Discussion and Analysis

Being the accounting Officer in charge of NGCDF-Kamukunji Constituency my responsibility is to maintain adequate financial management arrangements and ensuring that they continue to be effective throughout the reporting period, maintaining proper accounting records which disclose with reasonable accuracy of the financial position of the constituency and safeguarding the assets of the entity.

The operations and financial performance of the constituency has been good for the past five years since we have been receiving our funds as proposed with one major challenge being late disbursement of funds which delays the completion of the projects planned within the specific financial period. We have managed to fund major schools and improve their standards hence ensuring conducive learning environment which have brought greater impact to the society. More enrollment of students have been noted within the past five years due to the improvement of the standards of the schools within the constituency.

The funding of security projects within the period have brought a greater impact in the society having reduction in the crime rates and increased security within the constituency.

We have always tried to comply with statutory requirement but if we fail to receive funds on time we sometimes have a challenge and fail to meet the deadline.


Name Farah G. Keinan
Fund Account Manager

KAMUKUNJI NATIONAL GOVERNMENT
CONSTITUENCY DEVELOPMENT FUND
P.O. BOX 6403 - 00300, NAIROBI - KENYA
TEL: 020 - 261 6403

8. Environmental and Sustainability Reporting

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

1. Sustainability strategy and profile -

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

- a. **Education and Training:** Kamukunji 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, reafforestation, grassroots sensitization, and tree seedling production.

2. Environmental performance

Kamukunji Environment Sustainability guidelines have been developed to;

1. Ensure that the Kamukunji NGCDF establishes systems of environmental impact assessment, environmental audit, monitoring and reporting of the environmental activities undertaken at the Constituency levels.
2. Ensure that the Constituencies continue to priorities and improve environmental sustainability projects.
3. Encourage Community participation in identification, protection and conservation of environment.
4. Improve on planning and utilisation of allocation for environmental sustainability funds in all constituencies
5. Ensure proper mechanisms of monitoring and reporting of the environmental activities

3. Employee welfare

We invest in providing the best working environment for our employees. Kamukunji 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. Kamukunji constituency invests in capacity-building programs for employees. These include courses on technical competencies relevant to each employee and continuous sensitization on cross-cutting issues.

The committee has a safety policy in compliance with the Occupational Safety and Health Act of 2007 (OSHA) and has ensured the work environment is conducive to everybody's movement and accessibility within the office, including PWDs. The Constituency has also

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

4. Marketplace practices-

Kamukunji 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.

5. Community Engagements-

Kamukunji 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

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

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

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

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

Public Awareness

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

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

.....
Name Farah G. Keinan
Fund Account Manager.

KAMUKUNJI NATIONAL GOVERNMENT
CONSTITUENCY DEVELOPMENT FUND
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TEL: 020 - 261 6403

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-Kamukunji 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-Kamukunji 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- Kamukunji 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.

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

The Accounting Officer in charge of the NGCDF Kamukunji 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- Kamukunji Constituency financial statements were approved and signed by the Accounting Officer on _____ 2025.



.....
Name: Dickens Okode

Chairman – NGCDF Committee



.....
Name: Farah G. Keinan

Fund Account Manager

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CONSTITUENCY DEVELOPMENT FUND
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HEADQUARTERS
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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - KAMUKUNJI 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.
- 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 financial statements of National Government Constituencies Development Fund - Kamukunji Constituency set out on pages 1 to 66,

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

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

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the National Government Constituencies Development Fund - Kamukunji 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) and comply with the Public Finance Management Act, 2012 and the National Government Constituencies Development Fund Act, 2015, (Amended 2023).

Basis for Qualified Opinion

Inaccuracies in the Financial Statements

Review of the financial statements revealed the following inconsistencies;

- i. The Chairman's report reflects the budget utilization percentages which are at variance with utilization percentages as indicted in the statement of comparison of budget and actual amounts as shown below;

Item	Chairman's Report	Statement of Comparison of Budget and Actual Amounts
Compensation of Employees	99.36%	100%
Committee Expenses	10.41%	12.42%
Use of Goods and Services	52.43%	81.49%
Transfer to Other Government Units	61.04%	97.24%
Other Grants and Transfers	48.75%	58.69%

- ii. The statement of changes in net assets reflects funds balance as at 1 July, 2025 instead of the year 2024. Further, adjustments on recognition of assets and liabilities of Kshs.52,558,279 and Kshs.546,250 respectively, did not have an elaborate Note to the financial statements describing what the amounts relate to.
- iii. The statement of cash flows reflects other Government units certified works and other grants and transfers amounts of Kshs.123,000,178 and Kshs.54,477,133 respectively, while the statement of comparison of budget and actual amounts reflects amounts of Kshs.118,922,958 and Kshs.58,554,353 resulting to unreconciled variances of Kshs.4,078,220 and Kshs.4,077,220 respectively.
- iv. The statement of financial performance reflects compensation of employees amounts of Kshs.5,753,975 while the budget execution by sectors and projects

reflects amounts of Kshs.4,574,073 resulting to unexplained variances of Kshs.1,179,902.

- v. Note 30 to the financial statements reflects cash generated from operations amount of Kshs.16,158,766 against a recasted amount was Kshs.29,797,918.
- vi. Annex 1 on summary of assets register indicates assets totalling Kshs.2,864,541 which have not been disclosed in the statement of financial position and on Note 23 to the financial statements.
- vii. Annex 2 to the financial statements reflects Project Management Committee (PMC) bank balances totalling Kshs.225,150 against a recasted amount of Kshs.206,375.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amount reflects a final revenue budget of Kshs.232,553,639 against actual revenue of Kshs.202,111,684 resulting in budget under-funding of Kshs.30,441,955 equivalent to 13% of the approved budget.

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

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

In the prior years' audit reports, several issues were raised under the Report on Financial Statements, Lawfulness and Effectiveness in Use of Public Resources, and Effectiveness

of Internal Controls, Risk Management and Governance, respectively. Review of the status during audit of the National Government Constituencies Development Fund – Kamukunji Constituency in 2024/2025 revealed that the following matters remained unresolved.

	Financial Year	Audit Issue
1	2023/2024	Inaccuracies in Cash and Cash Equivalents
2	2023/2024	Unsupported and Unutilized Project Management Committee Balances
3	2023/2024	Inaccuracies in the Compensation of Employees
4	2023/2024	Variance in Budget Balances for Implementation Status
5	2023/2024	Misclassification of Expenditure
6	2023/2024	Failure to Make Gratuity Provision for Contract Employees
7	2023/2024	Project Allocation and Incomplete Implementation Status

Other Information

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

In connection with my audit on the National Government Constituencies Development Fund - Kamukunji Constituency 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 and 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. Presentation and Disclosures of the Financial Statements

Page vii on NGCDF Committee lacks description of each member's date of birth, key academic and professional qualifications, and work experience.

In the circumstances, the annual reports and financial statements were not prepared in accordance with prescribed Public Sector Accounting Standards Board reporting template.

2. Irregularities in Management of Bursaries

2.1 Lack of Criteria for Award of Bursaries

The statement of financial performance reflects other grants and transfers totalling Kshs.54,477,133 which includes bursary disbursed to secondary schools of Kshs.36,244,201 as disclosed in Note 14 to the financial statements. However, the expenditure was not supported by the specific criteria used for awarding the bursary, vetting committee appointment letters and vetting committee minutes. Further, the beneficiaries of the bursaries reportedly received varying amounts of Ksh.4,000, Kshs.5,000, Kshs.10,000 and in some instances full scholarships, however, there were no minutes or documents provided in support of the basis and the approval of the varying amounts. The lack of adequate supporting records limits verification of eligibility and undermines transparency and accountability to the public.

2.2 Anomalies in Disbursement of Bursary

The statement of financial performance reflects other grants and transfers totalling Kshs.54,477,133 which includes bursary disbursed to secondary schools of Kshs.36,244,201 as disclosed in Note 14 to the financial statements. Review of sampled records provided for audit totalling Kshs.31,000,000 paid to various secondary schools, revealed that, the data lacked student admission numbers and the only unique identifier was the Identification Number (National ID numbers). Further, analysis of the ID numbers revealed that a total of Kshs.2,042,000 was paid to students who shared at least one ID number per two students and in other cases one ID number per four students.

In the circumstances, Management was in breach of the law and it was not possible to ascertain whether bursary totalling Kshs.36,244,201 were expended in line with approved allocations for the year under review.

3. Failure to Return Unutilized Project Management Committee Balances

Annex 2 to the financial statements reflects Project Management Committee unutilized fund balances totalling Kshs.255,150 as at 30 June, 2025 which were not transferred to the Constituency Fund account contrary to the National Government Constituency Development Fund Act, 2015, Section 12(8) which requires all unutilized funds of the Project Management Committee to be returned to the Constituency account.

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

4. Failure to Establish Sub-Committees

Review of records provided for audit revealed that the Fund did not constitute any sub-committees during the year under review. There was no evidence of minutes on committee formation, sub-committee work plans or reports tabled before the full committee, contrary to Regulation 7 of the National Government Constituencies Development Fund Regulations, 2016 which requires a Constituency Committee to establish two sub-committees necessary for the proper performance of its functions in accordance with the guidelines issued by the Board.

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

5. Failure by Management Committees to Submit Returns

The Fund disbursed Kshs.123,000,178 in relation to transfers to other Government units for use in various development activities across the Constituency. However, the following unsatisfactory matters were revealed during the audit;

- i. The Project Management Committees (PMC) did not maintain records of accounting and handing over, in relation to projects under implementation.
- ii. There were no Project Management Committees work plans approved by the Constituency Committee, indicating how the PMC intended to utilize the funds allocated, prior to release.
- iii. The Project Management Committee did not make quarterly reports to the Constituency Committee on the status of the project management committee accounts.

This was contrary to Regulation 15(1) of the National Government Constituency Development Regulations, 2016 which states that there shall be appointed a Project Management Committee for each project in a Constituency which shall—(a) implement projects in consultation with the relevant departments of Government; (b) maintain proper records of all minutes, accounting documents and other records in relation to projects being implemented; (c) open and maintain an independent bank account for each project; (d) prepare returns and file them with a Constituency Committee.

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

6. Failure to Prepare and Table Committee Meetings Annual Calendar

Review of records provided for audit for the financial year under review revealed that the Constituency Development Fund Committee did not prepare or table an annual calendar of meetings, contrary to Regulation 9 of the National Government Constituencies Development Fund Regulations, 2016, which state that: The Secretary shall, at the beginning of every financial year, in consultation with the Officer of the Board seconded to the Constituency, prepare and table before a Constituency Committee a schedule of the meetings to be held during the year.

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

7. Non-Compliance with Capacity Building Levy

The statement of financial performance reflects other Government units actual transfers amounting to Kshs.123,000,178. The amount was incurred in relation to various development projects that were carried out in various institutions. However, Management did not deduct 0.03% of contract sum contrary to Public Procurement Regulatory Authority (PPRA) Circular No. Ref: PPRA/6/5/VOL.II (224) dated 30 August, 2024, which provides that there shall be paid a levy by a supplier on all procurement contracts signed between the supplier and procuring entity, at the rate of zero-point zero three per centum (0.03%) of the value of the signed contract, exclusive of applicable taxes.

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

8. Lack of Project Implementation Status Report

Management did not provide for audit the project implementation status report as at 30 June, 2025 contrary to the Public Procurement and Asset Disposal Act, 2015, Section 152 which requires the head of the procurement function to prepare monthly progress reports of all procurement contracts of the procuring entity and submit them to the Accounting Officer. It was also not possible to ascertain the number of projects approved for implementation, how many were completed, in progress, not started or stalled.

In the circumstances, Management was in breach of the law and the effectiveness of projects' implementation management 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, except for the effects of the matter described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

Lack of Staff Establishment

Review of records provided for audit revealed that the Fund does not have an approved staff establishment detailing the number of positions, job titles, reporting structures and

approved salary scales, raising the question of whether the staff were engaged without a clear legal framework.

In the circumstances, the internal controls on staff management could not be confirmed.

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

Responsibilities of the Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with 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 ISSAIs requires 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

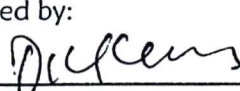
11 November, 2025

National Government Constituencies Development Fund (NGCDF)
KAMUKUNJI 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
		Kshs
Revenue from non-exchange transactions		
Transfers from the NGCDF Board	6	179,441,955
Grants/donations from other entities	7	-
Revenue from exchange transactions		
Finance income	8	-
Miscellaneous income	9	-
Total revenue		179,441,955
Expenses		
Employee costs	10	5,753,975
Committee expenses	11	328,000
Use of Goods and Services	12	2,702,245
Other Government Units Actual expenditure	13	123,000,178
Other Grants and Transfers Actual expenditure	14	54,477,133
Depreciation and amortization expense	15	-
Digital Hubs Actual expenditure	16	-
Total expenses		186,261,531
Other gains/(losses)		
Gain/Loss on Sale of Assets	17	-
Impairment loss	18	-
Surplus/(Deficit) for the year		(6,819,576)

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


Chairman NG-CDF
Committee
Name: Dickens Okode


National Sub-County
Accountant
Name: Cornelius K Omonyo
ICPAK M/No: 17636


Fund Account Manager
Name: Farah G. keinan

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

(Paragraph 79 of IPSAS 33 allows for the election by an MDA to present one statement of financial performance, one statement of cash flow, one statement of net assets and the statement of financial position, and an opening statement of financial position at the time of adoption of the accrual basis of accounting. In preparing this financial reporting template, this election has been made; therefore, there are no comparatives in the first year of transition.)

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

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

	Note	Period as at June 2025	Opening Statement 1st July 2024
		Kshs	Kshs
Assets			
Current Assets			
Cash And Cash Equivalents	19	17,030,055	871,289
Receivables from Exchange Transactions	20	-	-
Receivables from Non-Exchange Transactions	21	30,441,955	52,240,395
Prepayments	22	-	-
Total Current Assets		47,472,010	53,111,684
Non-Current Assets			
Property, Plant and Equipment	23	-	-
Intangible Assets	24	-	-
Right-of-use assets	25	-	-
Total Non- Current Assets		-	-
Total Assets (A)		47,472,010	53,111,684
Liabilities			
Current Liabilities			
Trade and Other Payables	26	-	-
Third-Party Deposits	27	-	-
Lease Liabilities	28	-	-
Gratuity provision	29	1,726,152	546,250
Total Current Liabilities		1,726,152	546,250
Non-Current Liabilities			
Lease Liabilities	28	-	-
Total Liabilities (B)		1,726,152	546,250
Net Assets (A-B)		45,745,858	52,565,434
Represented by:			
Revaluation Reserves		45,745,859	52,565,435
Accumulated Surplus			
Total Net Assets		45,745,859	52,565,435

The Constituency financial statements set out on pages 3 to 4 approved by NG CDFC on _____
2025 and signed by:

National Government Constituencies Development Fund (NGCDF)

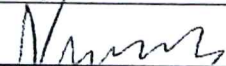
KAMUKUNJI Constituency

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



Chairman NG-CDF
Committee

Name: Dickens Okode



National Sub-County
Accountant

Name: Cornelius K Omonyo
ICPAK M/No: 17636



Fund Account Manager

Name: Farah G. Keinan

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

Description	Revaluation Reserves	Accumulated surplus/Deficit	Total
		Kshs	Kshs
Fund Balance as at 30 th June 2024	553,406		553,406
Adjustments			
Recognition of Assets	52,558,279		52,558,279
Recognition of Liabilities	546,250		546,250
As at July 1, 2025	52,565,435		52,565,435
Surplus/(Deficit) For the Period	(6,819,576)		(6,819,576)
Revaluation Gain/Loss	-	-	-
As at June 30, 2025 (2024/2025)	45,745,859	-	45,745,859

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.

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

	Notes	2024/2025
		Kshs
Cash flows from operating activities		
Receipts		
Transfers from the NGCDF Board		201,240,395
Transfers from domestic and foreign partners		-
Finance income		-
Miscellaneous income		-
Total Receipts		201,240,395
Payments		
Employee costs		4,574,073
Committee expenses		328,000
Use of Goods and Services		2,702,245
Other Government Units Certified Works		123,000,178
Other Grants and Transfers		54,477,133
Digital Hubs Expenses		-
Total Payments		185,081,629
Net Cash Flows from/ (used in) Operating Activities	28	16,158,766
Cash flows From Investing Activities		
Purchase of PPE		-
Purchase of Intangible assets		-
Proceeds From Sale of PPE		-
Net Cash Flows from Investing Activities		-
Net increase/(decrease) in cash & Cash equivalents		16,158,766
Cash Flows from Financing Activities		
Lease Payment		
Net Cash Flows from Financing Activities		16,158,766
Cash and cash equivalents at 1 July 2024	17	871,289
Cash and cash equivalents at 30 June 2025	17	17,030,055

(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)
KAMUKUNJI 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 (operational, deposit and PMCs C/Bk) and AIA	Previous Years' Outstanding disbursements	2024/2025	2024/2025		
Revenue							
Transfers From the NGCDF Board	179,441,955	871,289	52,240,395	232,553,639	202,111,684	30,441,955	86.91
Grants/donations from other entities	-	-	-	-	-	-	-
Finance income	-	-	-	-	-	-	-
Miscellaneous income	-	-	-	-	-	-	-
Totals	179,441,955	871,289	52,240,395	232,553,639	202,111,684	30,441,955	86.91
Expenses							
Employee costs	3,209,826	553,406	765,865	4,529,097	4,574,073	(44,976)	100.99
Committee expenses	2,640,000	-	-	2,640,000	328,000	2,312,000	12.42
Use of Goods and Services	3,315,950	-	-	3,315,950	2,702,245	613,705	81.49
Other Government Units Certified Works	70,500.000	317,884	51,474,530	122,292,414	118,922,958	3,369,456	97.24

National Government Constituencies Development Fund (NGCDF)

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Other Grants and Transfers	99,776,178	-	99,776,178	58,554,353	41,221,825	58.69
Digital Hubs Expenses	-	-	-	-	-	-
Others	-	-	-	-	-	-
Funds Pending Approval**	-	-	-	-	-	-
Total Expenditure	179,441,954	871,290	52,240,395	232,553,639	185,081,629	47,472,010
Surplus for the period	0	-	-	0	-	-

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

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Explanatory Notes.

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

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilization difference totals	47,472,010
Less undisbursed funds receivable from the Board as at period 30 th June 2025	30,441,955
Cash and Cash Equivalents at the end of the 30 th June 2025	17,030,055

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 _____ 2025 and signed by:


Fund Account Manager

Name: Farah G. Keinan


National Sub-County Accountant

Name: Cornelius K Omonyo
ICPAK M/No: 17636


Chairman NG-CDF Committee

Name: Dickens Okode

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

Programme/Su+A1:G64b-programme	Original Budget			Final Budget	Actual on	
					comparable basis	Budget utilization
		Adjustments				difference
		Opening Balance (operational, deposit and PMCs C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent						
1.1 Compensation of employees	3,209,826	553,405.56	765,865	4,529,097	4,574,073	(44,976)
1.2 Committee allowances	1,940,000	-	-	1,940,000	328,000	1,612,000
1.3 Use of goods and services	959,950	-	-	959,950	242,525	717,425
Sub-total	6,109,776	553,405.56	765,865	7,429,047	5,144,598	2,284,449
2.0 Monitoring and evaluation						
2.1 Capacity building	2,200,000		-	2,200,000	1,465,520	734,480
2.2 Committee allowances	700,000		-	700,000	581,800	118,200
2.3 Use of goods and services	156,000		-	156,000	412,400	(256,400)
Sub-total	3,056,000		-	3,056,000	2,459,720	596,280
4.0 Emergency				-		
unutilized	9,444,313.39		0	9,444,313	-	9,444,313
Sub-total	9,444,313		-	9,444,313		9,444,313
5.0 Bursary and Social Security				-		

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5.1 Primary Schools				-		-
5.2 Secondary Schools	39,229,822		0	39,229,822	36,244,201	2,985,621
5.3 Tertiary Institutions	29,529,330.00		0	29,529,330		29,529,330
5.4 special needs				-		-
5.5 Education Support Programmes				-		-
5.6 Social Security	3,000,000		-	3,000,000		3,000,000
Sub-total	71,759,152	-	-	71,759,152	36,244,201	35,514,951
7.0 Environment						
Zawadi primary school	70,000			70,000		70,000
OLM Primary School	70,000			70,000		70,000
Heshima Primary School	70,000			70,000		70,000
Muthurwa Primary School	70,000			70,000		70,000
				-		-
				-		-
Sub-total	280,000	-	-	280,000	-	280,000
8.0 Primary Schools Projects						
Zawadi Primary School			24,640,395	24,640,395	24,633,494	6,901
St Teresas Boys Primary school	18,000,000	39,870.00		18,039,870	18,037,409	2,461
New Kamukunji Primary school	26,000,000.00		-	26,000,000	-	26,000,000
Muthurwa Primary School		10,121.00	2,315,612.60	2,325,733.60	5,314,001.00	(2,988,267)

National Government Constituencies Development Fund (NGCDF)
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Easteligh Airport Primary School		1,379.00		1,379.00		1,379
Our lady of Mercy			24,518,522.40	24,518,522.40	28,010,046	(3,491,524)
Sub-total	52,500,000	51,370.00	51,474,530	104,025,900	75,994,950	23,335,444
9.0 Secondary Schools Projects (List all the Projects)						
				-		-
Kamukunji Secondary School	18,000,000.00	2,421.00	-	18,002,421	30,559,534	(12,557,113)
St. Teresas Boys sec School		37,528.00	-	37,528	11,525,188	(11,487,660)
Zawadi Mixed Secondary		226,565.01		226,565	225,000	1,565
New Kamukunji Secondary school	8,500,000.35			8,500,000	4,695,506	3,804,494
						-
Sub-total	26,500,000	266,514.01	-	26,766,514	47,005,228	(20,238,714)
10.0 Tertiary institutions Projects (List all the Projects)						
				-		-
				-		-
Sub-total	-	-	-	-	-	-
11.0 Security Projects						
				-		-
Kiambiu Chief camp and community centre PMC	18,292,712.73		-	18,292,713	18,232,932	59,781
				-		

National Government Constituencies Development Fund (NGCDF)
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Sub-total	18,292,713	-	-	18,292,713	18,232,932	59,781
12.0 Acquisition of assets						
12.1 Motor Vehicles (including motorbikes)			-	-		-
12.2 Purchase of furniture and fittings				-		-
12.2 Construction of CDF office				-		-
Sub-total	-	-	-	-	-	-
13.0 Others						
13.1 Strategic Plan			-	-		-
13.2 Innovation Hub			-	-		-
			-	-		-
Sub-total	-	-	-	-	-	-
Funds pending approval**				-		-
unapproved projects			-	-		-
AiA	-			-		-
Sub-total	-	-	-	-	-	-
Total	179,441,954	871,289.57	52,240,395	232,553,639	185,081,629	47,472,010

(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 Kamukunji Constituency principal activity is Kamukunji.

2. Statement of Compliance and Basis of Preparation

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

The financial statements have been prepared in accordance with the PFM Act, and International Public Sector Accounting Standards (IPSAS) or the entity has taken advantage of the transitional provisions under IPSAS 33 and therefore these 1st/ 2nd/ 3rd/ are transitional financial statements (entity to state the transitional provisions it has applied, and the steps being taken towards full compliance with IPSAS Accrual).

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

National Government Constituencies Development Fund (NGCDF)
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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.
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.
IPSAS 45: Property Plant	<i>Applicable 1st January 2025</i> The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets

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and Equipment	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.
IPSAS 46: Measurement	<i>Applicable 1st January 2025</i> The objective of this standard was to improve measurement guidance across IPSAS by: 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. The standard also introduces a public sector specific measurement bases called the current operational value.
IPSAS 47: Revenue	<i>Applicable 1st January 2026</i> This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.

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IPSAS 48: Transfer Expenses	<i>Applicable 1st January 2026</i> The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.
IPSAS 49: Retirement Benefit Plans	<i>Applicable 1st January 2026</i> The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<i>Applicable 1st January 2027</i> The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires: 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.

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

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

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

c) Property, plant and equipment

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

d) Leases

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

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

e) Intangible assets

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

f) Financial instruments

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

a) Financial assets

Classification of financial assets

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

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

Trade and other receivables

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

Fair value through surplus or deficit

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

Impairment

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

b) Financial liabilities

Classification

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

g) Inventories

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

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

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

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

h) Provisions

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

i) Social Benefits

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

j) Contingent liabilities

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

k) Contingent assets

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

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

l) Employee benefits

Retirement benefit plans

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

m) Foreign currency transactions

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

n) Related parties

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

o) Cash and Cash Equivalents

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

p) Comparative figures

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

q) Subsequent events

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

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

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

Useful lives and residual value

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

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

Provisions

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

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

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6. Transfers from the NGCDF Board

Description	2024/2025
	Kshs
NGCDFB Transfers (Allocation for the FY 24/25)	179,441,955
Total	179,441,955

7. Transfers from domestic and foreign partners

Description	2024/2025
	Kshs
Grants	-
Total	-

8. Finance income

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

(Provide a brief explanation for this revenue)

9. Miscellaneous income

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

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

	2024/2025
	Kshs
NG-CDFC Basic staff salaries	4,224,840
Personal allowances paid as part of salary	-
House Allowance	-
Transport Allowance	-
Leave allowance	70,000
Gratuity to contractual employees	1,179,902
Employer Contributions Compulsory national social security schemes	211,565
Employer Contributions Compulsory Housing levy	63,468
Employer contributions to National Industrial Training Authority	4,200
Other Specify	-
Total	5,753,975

11. Committee Expenses

	2024/2025
	Kshs
Sitting allowance	88,000
Other Committee expenses	240,000
Total	328,000

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

	2024/2025
	Kshs
Utilities, supplies and services	-
Communication, supplies and services	
Domestic travel and subsistence	581,800
Printing, advertising and information supplies & services	-
Office Rent	-
Training expenses	1,465,520
Hospitality supplies and services	-
Insurance costs	-
Specialized materials and services	-
Office and general supplies and services	229,000
Fuel, oil & lubricants	-
Bank charges	13,525
Routine maintenance – vehicles and other transport equipment	-
Routine maintenance – other assets	-
Strategic plan expenses	-
Other operating expenses	412,400
Total	2,702,245

13. Other Government Units Actual expenditure

Description	2024/2025
	Kshs
Primary Schools Actual expenditure	75,994,950
Secondary Schools Actual expenditure	47,005,228
Tertiary Institutions Actual expenditure	-
Total	123,000178

National Government Constituencies Development Fund (NGCDF)
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14. Other Grants and transfers Actual expenditure

	2024/2025
	Kshs
Bursary – secondary schools	36,244,201
Bursary – tertiary institutions	-
Bursary – special schools	-
Bursary - Education Support programmes	-
Social Security programmes (SHIF)	-
Security projects Actual expenditure	18,232,932
Climate change mitigation projects	-
Emergency projects Actual expenditure	-
Roads projects Actual expenditure	-
Others specify	-
Total	54,477,133

15. Depreciation and Amortization Expenses

Description	2024/2025
	Kshs
Property Plant and Equipment	-
Intangible Assets	-
Total	-

16. Digital Hubs Expenses

Description	2024/2025
	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.	2024/2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Bank Accounts (Cash Book Bank Balance)		
Equity Bank A/C No 0430262662557 Gikomba Branch	16,355,529	553,405.16
<i>Operations account pending closure (Indicate name & account no.)</i>	-	-
<i>Equity Bank, A/C No. 0430286532016 Gikomba Branch</i>	449,376	-
<i>Equity Bank, Gikomba Branch</i>	225,150	317,883.90
Total	17,030,055	871,289.00
Cash Balances		
Location 1	-	-
Location 2	-	-
Other Locations (<i>Specify</i>)	-	-
Total	-	-
<i>[Provide Cash Count Certificates for Each]</i>		

(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	30,441,955	52,240,395		
Outstanding imprest	-	-		
Total	30,441,955	52,240,395		
Ageing Analysis- Receivables from non-exchange transactions	2024/2025	% of the total	Opening Balance	% of the total
Less than 1 year	30,441,955	17%	-	-
Between 1-2 years	-	%	52,240,395	21.5%
Over 3 years	-	%	-	%
Total	-	%	-	%

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 2025	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-	-	-	-
As At 30 th June 2025	-	-	-	-	-	-	-	-
Depreciation And Impairment			-	-	-	-	-	-
Opening Depreciation		-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-	-	-
As At 30 th June 2025		-	-	-	-	-	-	-
Net Book Values								
Opening Bal as at 1 st July 2025	-	-	-	-	-	-	-	-
As At 30 th June 2025	-	-	-	-	-	-	-	-

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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 Kamukunji.

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	-	-	-
Office Equipment, Furniture, And Fittings	-	-	-
Total	-	-	-

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

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

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24. Intangible Assets

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

25. Right-of use assets

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

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

26. Trade and Other Payables

Description	2024/2025		Opening Statement 1 st July 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	1 st 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>Insert current FY</i>
	KShs
Retention as at 1 st July (A)	-
Retention held during the year (B)	-
Retention paid during the Year (C)	-
Closing Retention as at 30 th June D= A+B-C	-

Retentions aging analysis.

	<i>Insert Current FY</i>	<i>% of the total</i>	<i>Insert Comparative FY</i>	<i>% of the total</i>
Less than 1 year	-	%	-	%
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>Insert Current FY</i>	<i>Opening Statement 1st July 2025</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 20XX</i>
	Kshs	Kshs
Gratuity at the beginning of the period (A)	546,250	-
Gratuity held during the period (B)	1,179,902	546,250.00
Gratuity paid during the period (C)	-	-
Total Gratuity provision as at period 30 th June 2025 D=(A+B-C)	1,726,152.00	546,250.00

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30. Cash Generated from Operations

	<i>Period ended June 2025</i>
	Kshs
Surplus for the period before tax	(6,819,576)
Adjusted for:	
Depreciation	-
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	(21,798,440)
Changes in deferred income	-
Changes in Third party deposits	-
Changes in gratuity provision	(1,179,902)
Changes in payments received in advance	-
Net cash flow from operating activities	16,158,766

(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	Pas t du e	Impaired
	Kshs	Kshs	Ks hs	Kshs
As at 30th June 2025				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	30,441,955	30,441,955	-	-
Bank balances	-	-	-	-
Total	30,441,955	30,441,955	-	-
As at 30 June 2024	-	-	-	-
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	52,240,395.00	52,240,395.00	-	-
Bank balances	-	-	-	-
Total	52,240,395.00	52,240,395.00	-	-

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

Financial Risk Management

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the Entity has 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 Kamukunji. The board of directors sets the Entity's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

ii) Liquidity risk management

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
As at 30th June 2025				
Trade payables	-	-	-	-
Current poportion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Gratuity Provision	-	-	1,179,902.00	1,179,902.00
Total	-	-	-	-
As at 30th June 2024	-	-	-	-
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	-	-	546,250.00	546,250.00
Total	-	-	1,726,152.00	1,726,152.00

iii) Market risk

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

a) Foreign currency risk

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

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2024/2025

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

Foreign currency sensitivity analysis

2024/2025

Description	In Kshs	Other currencies	Total
	Kshs	Kshs	Kshs
As at 30 th June (Current FY)			
Financial Assets	-	-	-
Investments	-	-	-
Cash	-	-	-
Debtors	-	-	-
Total Financial Assets	-	-	-
Financial Liabilities	-	-	-
Trade And Other Payables	-	-	-
Borrowings	-	-	-
Total Financial Liabilities	-	-	-
Net Foreign Currency Asset/(Liability)	-	-	-

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Financial Risk Management

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

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

b) Interest rate risk

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

Management of interest rate risk

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

Sensitivity analysis

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

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percentage point as a decrease/increase of Kshs Kamukunji (Current FY: Kshs Kamukunji). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs Kamukunji (Current FY – Kshs Kamukunji)

Fair value of financial assets and liabilities

a) Financial instruments measured at fair value.

Determination of fair value and fair values hierarchy

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

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

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

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

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Total	-	-	-	-
As at 30 th June (Previous FY)	-	-	-	-
Financial Assets	-	-	-	-
Quoted Equity Investments	-	-	-	-
Non- Financial Assets	-	-	-	-
Investment Property	-	-	-	-
Land And Buildings	-	-	-	-
Total	-	-	-	-

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

iv) Capital Risk Management

The objective of the Entity's capital risk management is to safeguard the Entity's ability to continue as a going concern. The Entity capital structure comprises of the following funds:

Description	2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Revaluation Reserve	45,745,859	52,565,435
Retained Earnings	-	-
Capital Reserve	-	-
Total Funds	45,745,859	52,565,435
Total Borrowings	-	-
Less: Cash and Bank Balances	-	-
Net Debt/(Excess Cash And Cash Equivalents)	-	-
Gearing	%	%

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32. Related Party Disclosures

	2024/2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Committee Members Remuneration		
Sitting allowance of committee Members during the year	328,000.00	-
Transaction with the NGCDF Board		
Transfers from the NGCDF Board during the year	201,240,395.00	-
Total	201,568,395.00	-

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

(Give details)

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Contingent Liabilities

Description	Insert Current FY	Opening Statement 1 st July 2025
	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 2025
	Kshs	Kshs
Authorised for	-	-
Authorised and Contracted for	-	-
Total	-	-

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

36. Events after the Reporting Period

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

37. Ultimate And Holding Entity

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

38. Currency

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

18. Annexes

Annex 1: Summary of Asset Register

Asset class	Historical cost/valuation brought forward (Kshs)	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) At Year End
Land	-	-	-	-
Buildings and structures	-	-	-	-
Transport equipment	-	-	-	-
Office equipment, furniture, and fittings	1,140,841	-	-	1,140,841
ICT Equipment and Other ICT Assets	1,723,700	-	-	1,723,700
Other Machinery and Equipment	-	-	-	-
Intangible assets	-	-	-	-
Total	2,864,541	-	-	2,864,541

(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
MUTHURWA PRIMARY PMC	Equity Bank	0430-271555683	11,731.41	10,120.41
ST THERESAS BOYS SEC PMC	Equity Bank	177-0284310457	2,340.00	37,528.00
ZAWADI PRIMARY SCHOOL PMC	Equity Bank	0430-266420617	90,155.00	-
OLM GIRLS PRIMARY SCHOOL PMC	Equity Bank	0430-179433396	8,476.90	-
EASTELIGH AIRPORT PRIMARY SCHOOL	Equity Bank	0430-266420447	1,379	1,379
ST. TERESA BOYS PRIMARY SCHOOL PMC	Equity Bank	177-0284310516	2,461.40	39,870
KAMUKUNJI SECONDARY SCHOOL PMC	Equity Bank	0430-266419870	22,887.08	2,421.08
NEW KAMUKUNJI SEC PMC	Equity Bank	177-0286453679	4,594.00	-
ZAWADI SEC SCHOOL PMC	Equity Bank	0430-271555683	1,565.01	226,565.01
KIAMBIU CHIEF CAMP AND COMMUNITY PMC	Equity Bank	177-0286453716	59,205.73	-
EASTLEIGH AIRPORT PRIMARY SCHOOL PMC	Equity Bank		1,579.00	-
Total			225,149.74	317,884

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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)
	Annex 3 to the financial statements reflects Project Management Committee unutilized bank account balances of Kshs.96,332,803 as at 30 June, 2024 which were not returned to the Constituency account contrary to Section 12(8) of the National Government Constituency Development Fund Act, 2015. The cash and cash equivalents balance of Kshs.553,406 may be understated by the	The Kshs 96,332,803 reported in the draft is not actual figures in the financial statements. During the period ending 30th June, 2024, PMC Balances amounts to Kshs 51,316,504.90 and not 96,332,803 as reported. Additionally, Unutilized project management committee bank balances could not be transferred back to the main account since projects were not complete and handed over as at 30th June, 2024	Unresolved	

1. Mythology

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)
	amount of Kshs.96,332,803 of the project management committees bank account balances not returned to the Constituency Fund account. Further, the PMC bank account balances of Kshs.96,332,803 was not been supported by the bank statements, cash books and certificate of bank balances.			
	The statement of assets and liabilities and as disclosed in Note 11 to the financial statements reflects cash and cash equivalent balance of Kshs.553,406. Verification of the bank reconciliation statements revealed that, the cash and cash equivalent amount includes stale/unpresented	It's true the bank reconciliation statements reflected stale cheques amounting to Kshs.214,799 as at 30 June, 2024 . This matter was noted and since sometimes the bank clears stale cheques and therefore the committee decided that stale Bursary cheques should be	Unresolved	

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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)
	cheques totalling Kshs.214,799 which had not been reversed back in the cashbooks as at 30 June, 2024.	reversed in the Cashbook after Seven Months from the date of issue. The Cheques were reversed in the cashbook in month July, 2024 as per the attached cashbook extracts		
	The statement of receipts and payments and as disclosed in Note 4 to the financial statements reflects compensation of employee's balance of Kshs.3,073,010. Review of Note 4 to the financial statements revealed a nil balance for house allowance, commuter allowance and leave allowance.	It's true the financial statements revealed nil balance for House allowance, commuter allowance and leave allowance since we had incorporated the total figure of allowances in the basic staff salaries. However, we have corrected the error to reflect the correct number of allowances for each category as per the attached amended financial statements.	Unresolved	

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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)
		Further, the correct amount of Kshs.32,732 relating to employer contributions compulsory Housing Levy has been amended in the financial statements as attached.		
	Reported in the summary statement of appropriation under the adjustment's column is an amount of Kshs.93,587,603 as undisbursed funds received relating to previous year balances. However, supporting schedules provided for audit review reflects a balance of Kshs.96,332,803 resulting to an unreconciled variance of Kshs.2,745,200	The variances of Kshs 2,745,200 were corrected as indicated in the amended Financial Statement	Unresolved	

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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)
	Review of project implementation status as at 30 June, 2024 indicated that the management proposed to implement forty-five (45) projects with total allocation of Kshs.243,293,772, out of which, none of the project was completed during the year while twenty-two (22) projects worth Kshs.96,293,801 were on-going. The approved code list for the year 2023-2024 however, indicates that a total of forty-five (45) projects, worth Kshs.243,293,772 had been approved for implementation.	Its true the projects were still on-going as at the end of the financial year which was as a result of late disbursement of funds		
	The statement of receipts and payments and as disclosed in	This error is rectified as per the attached amended financial statements.	Unresolved	

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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)
	Note 5 to the financial statements reflects committee expenses amount of Kshs.2,343,800. Included in the balance is Kshs.500,000 relating to payment to facilitate public participation in identification of projects to be implemented. Audit of the payment voucher revealed the following anomalies: 1. The total payment related to hiring of chairs, purchase of stationery, provision of tents and hiring of PA Systems. The expense was charged under committee expense and not under use of goods.	Additionally, the ward report is attached together with CDFC Minutes for the public participation for audit reviews.		

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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)
	II. The NGCDF procured the goods and services using direct procurement. There was no explanation provided and justification as to why the NG CDF used direct procurement method. III. Stationery bought amounting to Kshs.85,000 were not received in the stores before being issued for use and there was no inspection and acceptance of the goods.			
	The statement of receipts and payments and as disclosed in Note 5 to the financial statements reflects committee expenses totalling	This was under statement error is rectified as per the attached amended financial statements. Additionally, the ward report is attached	Unresolved	

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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)
	Kshs.2,343,800. Payment vouchers no 13 provided for audit amounting to Kshs.464,000 related to surrender for imprest paid for 9 committee meetings held. However, the payment was not included in the ledgers although was traced in the cashbook	together with CDFC Minutes for the public participation for audit reviews		
	The statement of receipts and payments and as disclosed in Note 4 to the financial statements reflects compensation of employees' amount of Kshs.3,073,010. Review of the employees' records revealed that seven (7) employees were employed on contractual terms. However, it was noted	This was under-casting error and is rectified as per the attached amended financial statements. Additionally, the ward report is attached together with CDFC Minutes for the public participation for audit reviews	Unresolved	

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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)
	that provision for gratuity was not disclosed in the financial statements for the year under review casting doubts as to whether the Fund has made provisions for the same. A separate deposit account required for deposit of the provisions for gratuity has not been opened			
	The statement of receipts and payments and as disclosed Note 8 reflects other grants and transfers balance of Kshs.70,951,991 which includes bursary payments totaling to Kshs.68,607,631. Examination of bursary disbursement records revealed that bursary	The committee followed NGCDF Board Policy Guidelines in issuance of bursaries from indenfication to award. Attached is CDFC Bursary Committee Minutes together with NGCDF Board Policy Guidelines Circular for audit verifications.	Unresolved	

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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)
	criteria or policy had not been prepared to guide in the disbursement of bursaries.			
	The statement of receipts and payments and as disclosed in Note 5 to the financial statements reflects committee expenses amount of Kshs.2,343,800 included in the balance is Kshs.860,000 relating to surrendered of imprest for identification, vetting process and award of bursaries to needy students within the Constituency and Kshs.423,000 relating to payment to facilitate allowances for public participation for NG CDF members	The committee followed NGCDF Board Policy Guidelines in issuance of bursaries from indenfication to award. Attached is CDFC Bursary Committee Minutes together with NGCDF Board Policy Guidelines Circular for audit verifications.,	Unresolved	

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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)
	The statement of receipts and payments and as disclosed Note 8 reflects other grants and transfers balance of Kshs.70,951,991 which includes bursary payments totaling to Kshs.68,607,631. Examination of bursary disbursement records revealed that bursary criteria or policy had not been prepared to guide in the disbursement of bursaries	The committee followed NGCDF Board Policy Guidelines in issuance of bursaries from indenification to award. Attached is CDFC Bursary Committee Minutes together with NGCDF Board Policy Guidelines Circular for audit verifications.		
	The statement of receipts and payments and as disclosed in Note 5 to the financial statements reflects committee expenses amount of Kshs.2,343,800 included in the balance is Kshs.860,000	The committee followed NGCDF Board Policy Guidelines in issuance of bursaries from indenification to award. Attached is CDFC Bursary Committee Minutes together with NGCDF	Unresolved	

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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)
	relating to surrendered of imprest for identification, vetting process and award of bursaries to needy students within the Constituency and Kshs.423,000 relating to payment to facilitate allowances for public participation for NG CDF members	Board Policy Guidelines Circular for audit verifications.		
	The statement of receipts and payments and as disclosed in Note 4 to the financial statements reflects compensation of employees' amount of Kshs.3,073,010. Review of the staff employment records revealed that Kamukunji NGCDF has employed seven (7) officers. However, the	The staff establishment do exist as provided in the attached circular from the NGCDF Board	Unresolved	

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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)
	Management does not maintain a staff establishment showing the required number of staff and positions required to be filled.			

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Name Farah Keinan
Fund Account Manager.

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