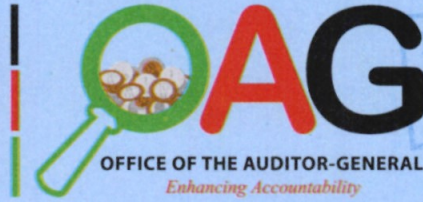


REPUBLIC OF KENYA



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OFFICE OF THE AUDITOR-GENERAL  
Enhancing Accountability

PARLIAMENT  
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**REPORT**

NATIONAL ASSEMBLY  
PAPERS LAID

DATE: 12 FEB 2026 DAY. *Tuesday*

TABLED	<i>Hon George Mungai</i>
OF:	<i>Debate on Com.</i>
CLERK-AT THE-TABLE:	<i>Kandla T.</i>

**THE AUDITOR-GENERAL**

**ON**

**NATIONAL GOVERNMENT  
CONSTITUENCIES DEVELOPMENT  
FUND – DAGORETTI SOUTH  
CONSTITUENCY**

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

22 AUG 2025



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NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

DAGORETTI SOUTH CONSTITUENCY

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED  
30<sup>th</sup> JUNE 2025

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



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## 1. Acronyms and Definition of Key Terms

### A. Acronyms

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

### B. Definition of Key Terms

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

**Comparative Year-** Means the prior period.

## 2. Key Constituency Information and Management

### (a) Background information

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

### Mandate

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

- a) Recognize the constituency as a platform for the identification, performance, and implementation of national government functions.
- b) Facilitate the performance and implementation of national government functions in all parts of the Republic pursuant to Article 6 (3) of the Constitution;
- c) Provide for the participation of the people in the determination and implementation of identified national government development projects at the constituency level pursuant to Article 10(2)(a) of the Constitution;
- d) Promote the national values of human dignity, equity, social justice, inclusiveness, equality, human rights, non-discrimination, and protection of the marginalized pursuant to Article 10(2)(b) of the Constitution;
- e) Provide for the sustainable development of all parts of the Republic pursuant to Article 10(2)(d) of the Constitution;
- f) Provide a legislative and policy framework pursuant to Article 21(2) of the Constitution for the progressive realization of the economic and social rights guaranteed under Article 43 of the Constitution;
- g) Provide mechanisms for the National Assembly to exercise oversight over the performance of exclusive national government functions at the constituency level as provided for under Article 95 of the Constitution;
- h) Authorize withdrawal of money from the Consolidated Fund as provided under Article 206(2)(c) of the Constitution;
- i) Provide mechanisms for supplementing infrastructure development at the constituency level in matters falling within the exclusive functions of the national government at that level in accordance with the Constitution;
- j) Provide a framework for citizens-led development to assist the national government in planning and prioritizing the use of its resources;
- k) Create a harmonious relationship between citizens and the national government and its officers in local development;
- l) Provide a platform for citizens' participation in service delivery;
- m) Build local accountability and transparency in the use of resources; and

- n) Provide for a public finance system that promotes an equitable society and in particular expenditure that promotes equitable development of the country by making special provisions for marginalized groups and areas pursuant to Article 201(b)(iii) of the Constitution.

**Vision**

Equitable Socio-economic development countrywide.

**Mission**

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

**Core Values**

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

### Functions of NG-CDF Committee

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

#### (b) Key Management

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

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

#### Fiduciary Management

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

No	Designation	Name
1.	AIE holder	Job Ngwili Tuta
2.	National Sub-County Accountant	Lucas Okech Opondo
3.	Chairman NGCDFC	Sylvester Onyango Omolo
4.	Member NGCDFC	Patrick Wambiri
5.	Member NG CDFC	Catherine Njoki Mwangi

#### (c) Fiduciary Oversight Arrangements

The Audit Committee of the NGCDF Board provides overall fiduciary oversight on the activities of the NGCDF Dagoretti South 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 Dagoretti South Constituency Headquarters

NG-CDF Office  
Naivasha Road,  
Nairobi, Kenya

(e) NGCDF Dagoretti South Constituency Contacts

P.O. Box 19879-00202  
Telephone: (254)  
E-mail: [cdfdagorettisouth@ngcdf.go.ke](mailto:cdfdagorettisouth@ngcdf.go.ke)  
Website: <https://dagoretti-south.ngcdf.go.ke>

(f) NGCDF Dagoretti South Constituency Bankers

1. Operations Account

Bank : Equity Bank  
Branch : Kawangware  
Account Name : Dagoretti South NG-CDF  
Account Number : 0630262089069  
P.O. Box : 27076-00100, Nairobi Kenya

2. Deposit account

Bank : Sidian Bank  
Branch : Kawangware  
Account Name : Dagoretti South NG-CDF  
Account Number : 01001710005414  
P.O. Box : 25363-00603, Nairobi, Kenya

3. PMC Accounts

Bank : Equity Bank  
Branch : Kawangware  
P.O. Box : 27076-00100, Nairobi Kenya





(g) Independent Auditor

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




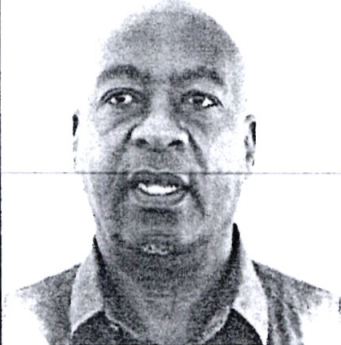
(h) Principal Legal Adviser

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

**3. NGCDF Committee**

Name	Details
 <p>Sylvester Onyango Omolo NGCDFC Chairperson.</p>	<p>Name: Sylvester Onyango Omolo Date of birth: 26/04/1967 Education qualification: Diploma in System Analysis Work experience: Director – Strategy and Operations Digital Finance Tellem Limited.</p>
 <p>Catherine Mwangi Njoki NGCDFC Secretary</p>	<p>Name: Catherine Mwangi Date of birth: 21/05/87 Education qualification: Diploma in Project management Work experience: Project Manager Consultant</p>
 <p>Mary Wambui Waichigio NGCDFC Member Representing Women.</p>	<p>Name: Mary wambui waichigo Date of birth: 19/02/1985 Education qualification: Certificate on Special Need Education, Kenya institute of special education Work experience: Business</p>
 <p>Josephine Mumbi Mwai NGCDFc Member Representing Female Youth.</p>	<p>Name: Josephine Mumbi Date of birth: 12/09/1994 Education qualification: KCSE Work experience: Business</p>

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

 <p>Fredrick Ndori NGCDFc Member Male Representative</p>	<p>Name: Fredrick Ndori Date of birth: 24/8/1984 Education qualification: Kenya Certificate of Secondary Education Work experience: Business</p>
 <p>Peter Atisa Nyachio NGCDFc Male Youth Representative</p>	<p>Name: Peter Nyachio Date of Birth: 11/9/1996 Education qualification: Diploma in purchasing and supplies chain management Work Experience: property manager wonder properties.</p>
 <p>Grace Wanjiku Maina NGCDFc Representative of People living with disability (PLWD)</p>	<p>Name: Grace Wanjiku Maina Date of Birth: 1976 Education qualification: Kenya Certificate of Secondary Education Work Experience: social worker at HCF and Director: Sweet Aroma Organization.</p>
 <p>Patrick Wambiri NGCDFc Co-opted Member Representative.</p>	<p>Name: Patrick wambiri Date of birth: 28/02/1970 Education qualification: Bachelors Degree in art &amp; Sciences Work Experience: Account clerk/ receptionist and various Businesses</p>

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



Job Ngwili Tuta  
 Fund Account Manager

Name: Job Ngwili Tuta  
 Date of birth: 29/09/1983  
 Education qualification: Bachelor's Degree  
 Work experience: Fund Account Manger



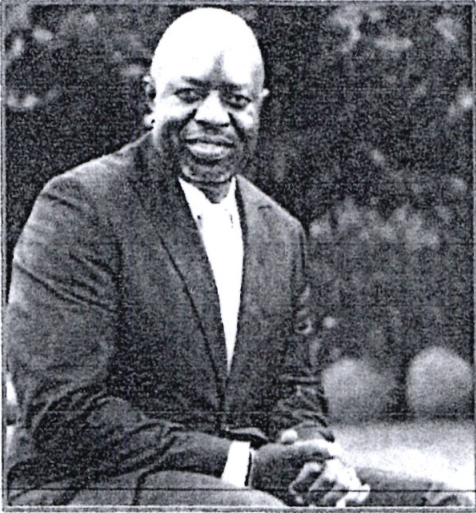
Ratemo  
 Deputy County Commissioner

Jared Name: Jared Ratemo  
 Date of birth:  
 Education qualification: Bachelor's Degree  
 Work experience: Deputy County Commissioner

**NG CDFC members who exited during the financial year**

Name	Position	Period Served
1. Geoffrey Moturi	Male Youth Representative	2022-2025

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



Sylvester O. Omolo, Chairperson,  
Dagoretti South NG-CDF

Dagoretti South constituency was carved from the former greater Dagoretti. It's in Nairobi County and its sub county is Dagoretti South Sub County with its offices based in Riruta Ward. It has five wards namely: - Mutu-ini, Uthiru/Ruthimitu, Waithaka and Riruta, Ngando Wards.

The constituency borders Kibra constituency, Kikuyu Constituency, Dagoretti North, Langata Constituency and Kabete Constituency. The main economic activities of the constituents are sale of animal products, real estate, entrepreneurial businesses, partly farming some of the wards.

The constituency has a population of persons as per the 2019 census is 297,000 persons and has an area of 25.3 square kilometers. The constituency has a peri-urban set up and is mostly cosmopolitan, but the major tribes are the Kikuyu and Luo speaking communities.

Most of the residents of the Constituency are poor and depend on day to day income generating activities for their livelihood.

I have the pleasure to present the Dagoretti South –NGCDF annual report and financial statements for the financial year 2024/2025. The people of Dagoretti South constituency are determined to participate effectively in domesticating objectives to envision the big 5 agendas in our development planning.

The constituents now have power to implement the formulation and implementation of development programs in the constituency for the works within the aspiration of the constitution of Kenya which makes public participation mandatory.

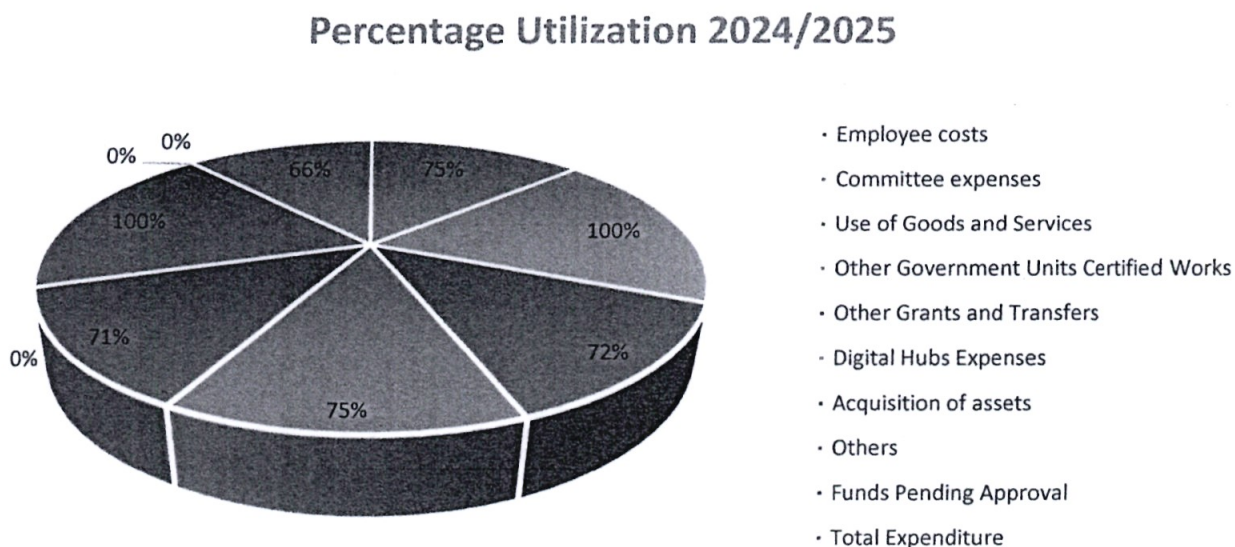
The utilization of the NG-CDF has always been carried out with fairness, transparency, openness and accountability.

**Financial Year Budget**

In the year financial year 2024-2025, the constituency budget totaled to Ksh. 179,662,954.47 and the total expenditure amounted to Ksh. 127,822,185.25. From the aforementioned total budget, the constituency received Ksh. 128,000,000.00 and closed with a cashbook balance of Ksh. 29,878,180.83 which translated to a 71.15% utilization there were undisbursed funds from previous year which were utilized during the year 2024-2025 amounting to Kshs. 76,849,500 hence the total available funds for spending amounted to Kshs. 204,849,500

**Fig 1. Pie chart - Percentage of Utilization for FYR 2024/2025**

The below pie chart indicates percentage in utilization of funds by the management. It points towards a great in improvement in absorption of funds by the management in various sectors as compared to previous year.



Percentage of Utilization for FYR 2024/2025

Percentage Utilization 2023/2024

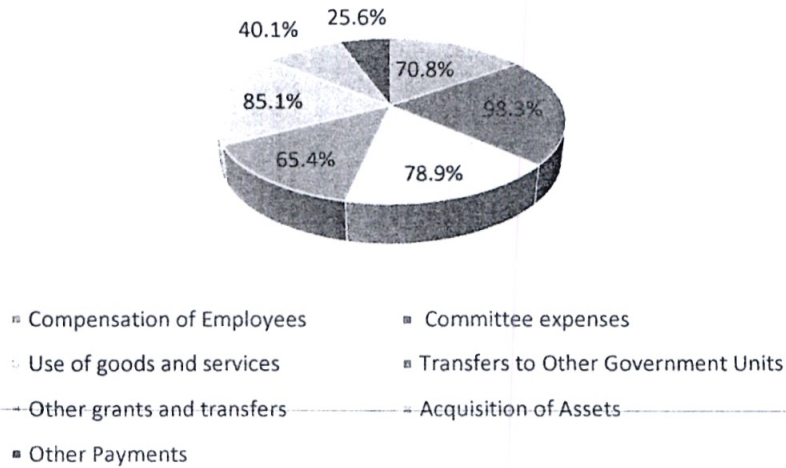
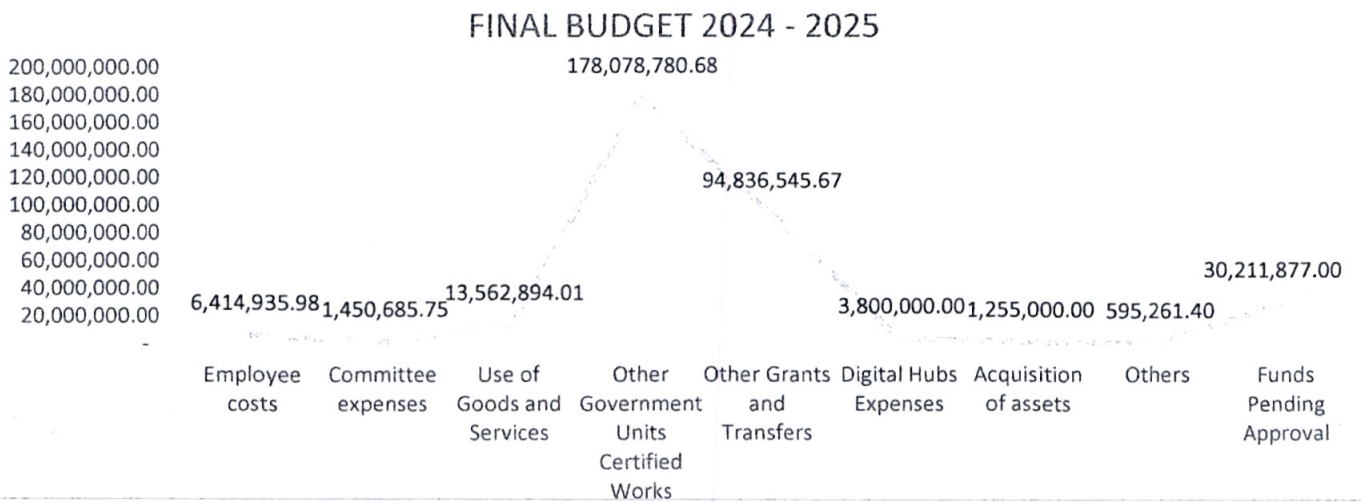


Fig 2. Line graph - Final Budget analysis for FYR 2024/2025



**Fig 3. Line graph - Final Budget utilization analysis for FYR 2024/2025**

Receipt/Expense Item	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	Explanation
<b>PAYMENTS</b>				
Employee costs	6,414,936	4,811,437	1,603,499	The balance will be absorbed in the next financial year.
Committee expenses	1,450,686	1,450,686	-	The Budget was fully utilized.
Use of Goods and Services	13,562,894	9,729,618	3,833,276	The balance consists of unpaid legal fees
Other Government Units Certified Works	178,078,781	133,663,444	44,415,337	Some of the project's implementation were on going were caused by late disbursements and others funds were not disbursed.
Other Grants and Transfers	94,836,546	67,031,675	27,804,871	Some of the project's implementation were on going were caused by late disbursements and others funds were not disbursed.
Digital Hubs Expenses	3,800,000	-	3,800,000	This projects funds had not been disbursed as at the end of the year.
Acquisition of assets	1,255,000	1,253,000	2,000	The balance will be absorbed in the next financial year.
Others	595,261	-	595,261	The balance will be absorbed in the next financial year.
Funds Pending Approval	30,211,877	-	30,211,877	The funds remain unutilized as they await approval.

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

*This year's mean aggregate was 66%.*

➤ *My committee ensured the full implementation of the following projects;*

NO.	PROJECT NAME	ACTIVITY
1.	Mutuini Primary School	Supply and Delivery of Science Lab Equipment
2.	Nembu Primary School	Supply and Delivery of Science Lab Equipment
3.	Ndurarua Primary School	Supply and Delivery of Science Lab Equipment
4.	Mukarara Primary School	Supply and Delivery of Science Lab Equipment
5.	Kagira Primary School	Supply and Delivery of Science Lab Equipment
6.	Kabiria Primary School	Supply and Delivery of Science Lab Equipment
7.	Kirigu Primary School	Construction of drainage
8.	Ndurarua Primary School	Construction of 4No classroom
9.	Kinyanjui Road Primary School	Construction of 4No classroom
10.	Riruta Satellite	Construction of 4No classroom
11.	Mutuini Pry School	Construction of 4No classroom
12.	Kirigu Pry School	Construction of 4No classroom
13.	Ndurarua Pry School	Construction of 4No classroom
14.	Kabiria Pry School	Construction of 4No classroom
15.	Dr. Muthiora Primary School	Construction of a resource center
16.	Kirigu Primary School	Supply and Delivery of Lockers and chairs
17.	Riruta Satelite Pri School	Supply and Delivery of Lockers and chairs
18.	Kinyanjui Road Primary School	Supply and Delivery of Lockers and chairs
19.	Kabiria Road Primary School	Supply and Delivery of Lockers and chairs
20.	Nduraua Primary School	Supply and Delivery of Lockers and chairs
21.	Mutuini Primary School	Supply and Delivery of Lockers and chairs
22.	Kinyanjui Road Primary School	Abating of the existing nuisance (Mould of Soil) within kinyanjui road Primary School.
23.	Ruthimitu Primary School	Supply and Delivery of Lockers and chairs
24.	Dr. Muthiora Primary School	Supply and Delivery of Lockers and chairs
25.	Gitiba Primary School	Supply and Delivery of Lockers and chairs
26.	Kagira Primary School	Supply and Delivery of Lockers and chairs
27.	Mukarara Primary School	Supply and Delivery of Lockers and chairs
28.	Nembu Primary School	Supply and Delivery of Lockers and chairs
29.	Gitiba Primary School	Supply and Delivery of Science Lab Equipment
30.	Kirigu Primary School	Supply and Delivery of Science Lab Equipment
31.	Ndurarua High School	Construction of 3 classroom
32.	Beth Mugo High School	Phase II Construction of 4 classroom
33.	Mukarara Mixed Secondary School	Supply and Delivery of Science Lab Equipment
34.	Riruta Satellite Secondary School	Supply and Delivery of Science Lab Equipment
35.	Riruta Satellite Mixed Secondary school	Purchase of 240 Tree seedlings
36.	Kirigu Primary School	Renovation of ablution block

In this financial year we were able to build classrooms, we supplied 160, 100 lockers and 160, 100 chairs to all public primary schools within the constituency. We also officially opened Lenana Primary School which currently has 2,500 pupils.



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

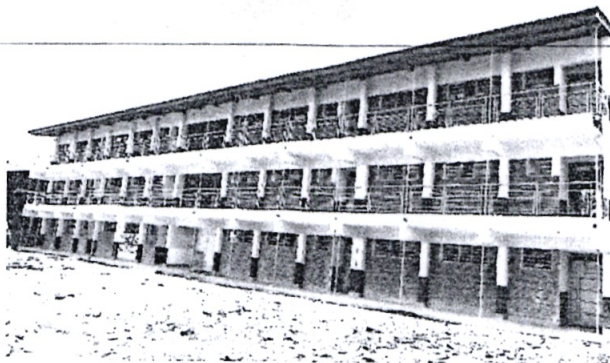
Delivery of Lockers & Chairs at Gitiba Primary School



Delivery of Lockers & Chairs at Mukarara Primary School



Supply and delivery of Lab Equipment in Kirigu and Gitiba Primary Schools



Construction of 4No. classrooms at Kinyanjui Rd Prm Sch



Construction of 4 classrooms at Riruta Satellite Prm Sch



*Construction of 4 classrooms at Kirigu Prm Sch*

*Climate Changes Activity: planting of Trees at Riruta Satellite Mixed Sec Sch*

*Construction of 4 classrooms at Kabiria Prm Sch*

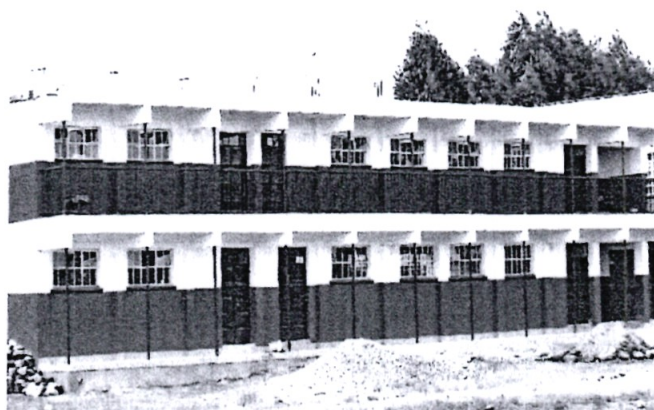
*Construction of 3 classrooms at Ndururua High Sch*



### Impact Stories of the Projects

Due to the increase in the number of enrollments in schools there has been a pressure in sanitary facilities and classrooms, the NG-CDF Dagoretti South has been able to ease the pressure by

renovating the previous dilapidated washrooms and classes to accommodate the highly increasing numbers of students and teaching and non-teaching staff. On the same note we have been able to provide desk having previously witnessed students suffering on cold floors for lack of desks and chairs to sit on. This has increased the students' performance, good learning environment and reduced spread of communal diseases among learners.



### Emerging Issue

- In the FY 2024-2025 the economic hardship led to inflation of construction materials making the initial budget of projects appear insufficient. This led Dagoretti South NGCDF to review the bills of quantities to match the escalated building materials costs.
- The high university fees and the hard-economic times has led to many students and parents seeking full sponsorships from the constituency bursary fund.
- The establishment of JSS has demanded the construction of additional classes and construction of special facilities such as science laboratories.

### Challenges

- Lack of sewer drainage/ laterals within the constituency brings the use of septic tanks which pushes the cost of building modern toilets high.

- Delays in deployment of teacher to the new schools, and the registration process of the school remains an issue that is yet to be concluded.

**Solutions**

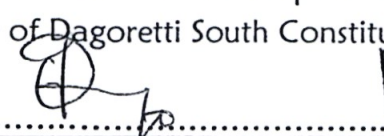
- The NG-CDF Dagoretti South is working with various government department including the area MCAs to prioritize Improvement and laying of sewer system in all the five wards of the constituency
- The NGCDF Dagoretti South is working with ministry of education and the sub- county education officer to ensure built schools are registered on time.

**Recommendations**

- Following the training of ward bursary committee, this year we have we have ensured 98% of those vetted and awarded were the rightful beneficiaries of the bursaries. They have been trained on best practices of vetting following the criteria set to ensure standard vetting procedure.
- The NG - CDF relies fully on ministerial technical departments for support in areas of Bill of Quantities, technical design and supervision of projects, delays normally occur as the personnel involved are not under direct control of NG - CDFC. The NG - CDF Board should have its own technical experts to enhance efficiency in project implementation.

We humbly look forward to working very closely with the NG – CDF Board with a view to enhancing accountability and efficiency in project management

I wish to sincerely thank the Member of National Assembly Hon. John Kiarie, NGCDF Committee, NG-CDFC staff, Project Management Committees, the Sub County Accountant, and other stakeholders for the cooperation. Without them we could not achieve our mandate to the people of Dagoretti South Constituency.

  
.....  
Name *Sylvester O. Onak*  
Chairman NGCDF Committee

**CHAIRMAN**  
NG-CDF DAGORETTI SOUTH  
P. O. Box 19879 – 00202,  
KNH NAIROBI

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

Introduction

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

The key development objectives of the *NGCDF Dagoretti South Constituency 2024-2025 – 2028-2029 plan* are to:

1. Promote development in Education, Security, Environment and Sports sectors
2. Promote effective and efficient financial management and accountability systems
3. Promote timely disbursement of funds to PMCs
4. Enhance effective implementation of projects
5. Strengthen Dagoretti South NG-CDF Committee and Staff capacity and development
6. Promote authentic and inclusive Public Participation and involvement

Progress on the attainment of Strategic development objectives

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

Sector	Objective	Outcome	Indicator	Performance
Education	<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>Increased Number of classrooms in various primary schools' beneficiaries at all levels</i>	<i>In FY 2024/25 - we increased number of classrooms to 24 in Kirigu Primary School, Kabiria Primary School, Mutuini Primary school, Kinyanjui Rd Primary School, Ndurarua Primary School and Riruta</i>

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

				<i>Satellite Primary school. - The allocation for bursary was increased to 7,701 students in secondary schools.</i>
Climate change mitigation activities	To promote environmental sustainability	Develop a road map to improve the environment within the constituency.	Number of trees, landscaping	Planting trees in Riruta Secondary School and other 4 Secondaries
Emergency	Intervening where necessary in relation to unforeseen occurrences within the constituency	Stop gap measure that help in averting further disaster	Safety of students	The management managed to abate an existing nuisance (Mould of Soil) within Kinyanjui road Primary School playground.

## 6. Governance Statement

### Introduction

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

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

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

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

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

(5) The officer of the Board seconded to the Constituency shall within fourteen days of the first meeting of the selection panel invite applications from persons who qualify for appointment to a

Constituency Committee in accordance with guidelines issued by the Board.

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

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

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

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

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

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

1952 Kenya Subsidiary Legislation, 2016

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

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

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

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

In Dagoretti South, NGCDF is managed by a team of ten (10) NGCDFC members appointed in accordance with the NGCDF act 2015 as amended in 2022. The ten members comprise of seven gazetted members, a member co-opted by the NGCDF Board, the deputy County commissioner and an officer of the board at the constituency level who is an ex-officio member.

As a result of change of regime due to the elections carried out in August 2022, there had to be phased out the existing committee and a new one selected.

The gazetted members are appointed in accordance with the NGCDF Act 2015. They comprise of two female members one of whom must be a youth at the time of appointment and two male members one of whom must be a youth at the time of appointment and one member who is a person living with disabilities and two nominees of the Constituency office. Five members are selected by a selection panel chaired by the Deputy County Commissioner or his nominee and the Officer of the board is the secretary. The Officer of the board invites applications from persons who qualify for appointment within fourteen of the first meeting of the selection panel. The panel considers all applications and selects five applicants considering age, gender social interest and regional balance, the officer of the board submits the five qualified applicants to the board for appointment. The board co-opts one person to ensure equity in representation in the committee. Through the national assembly the constituency office nominates two persons of either gender to and forward he names to the officer of the board at the constituency. All the names of the seven appointees are presented to parliament for approval and subsequent gazettment.

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

Further the NG CDF regulations requires that one to serve as member of the NGCDF committee he or she must be (a) citizen of Kenya, (b) ordinarily resident voter of the constituency, (c) able to read and write and communicate in English and Kiswahili, (d) meet the chapter six of the constitution, (e) available to participate in the activities of the constituency (f) for youth nominee he or she must have attained age of 18 years but below age of 35yrs and (g) for

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

persons with disability nominee must be nominated by a registered group representing persons with disability within the constituency.

**Appointment of NGCDFC Members**

**The selection Panel**

The selection panel was appointed in the month of September 2022. This constituted four members as follows;

SNO	NAME	DESIGNATION
1	Solomon Muraguri Wangari	chairperson
2	Job Tuta	Secretary
3	Francis Njoroge Kimotho	member
4	Deborah Bubi	member

A notice was put to the members of public to apply for consideration as members of the National Government Constituencies Development Fund Committee for Dagoretti South Constituency. The notices were put on the 9<sup>th</sup> January 2025 at NG-CDF Board website, and the chief's offices within the various wards giving Nine days for responses.

NO	NAME	CATEGORY	WARD
1.	Sylvester Onyango Omolo	Male (Adult)	Ngando
2.	Fredrick Ndori	Male (Adult)	Riruta
3.	Peter Atisa Nyachio	Male (Youth)	Riruta
4.	Catherine Njoki Mwangi	Female (Adult)	Ngando
5.	Mary Wambui Waichigo	Female (Adult)	Mutuini
6.	Josephine Mumbi Mwai	Female (Youth)	Waithaka

**Nominee of the body representing persons with disability**

S/N	Name	Nature of physical Impairment	Ward
1.	Grace Maina	Physical – Uses wheelchair.	Uthiru/Ruthimitu

Upon further consultation with the panel members agreed to recommend for co-option by the NG-CDF Board as per section 43 subsection 2(g) as

S/N	Name	Gender	Ward
1.	Patrick Wambiri	Male	Ngando

The members went through the process of electing the chairperson and the secretary of the committee. The following members were elected.

1. Chairperson position – Sylvester Omolo

**2. Secretary position – Catherine Mwangi**

The term of office for the members of the Constituency Committee is two years and will be renewable but shall expire upon the appointment of a new Constituency Committee in the manner provided for in the Act.

The appointed committee members were gazetted through Gazette volume number Vol. CXXVII - 98 on 21<sup>st</sup> May, 2025.

The new committee held its first meeting on 17<sup>th</sup> June 2025.

Sno.	Name	Position
1	Sylvester Omolo	Chair person
2	Catherine Mwangi	secretary
3	Mary Wambui	member
4	Fred Ndori	member
5	Josephine Mumbi	member
6	Peter Atisa Nyachio	member
7	Grace Maina	member
8	Patrick Wambiri	member
9	Job Tuta	member
10	Jared Ratemo	member

**Removal of the NGCDF Committee Member**

The removal process of any member is imposed to the provisions of the NGCDF Act;

- (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.

**Roles and functions of the committee**

The responsibilities of the NGCDF Board Committee Includes:

1. Allocation of Funds to the projects considering bill of quantity estimates.
2. Assess projects before, during and after undertaken.
3. Prepare strategic plan for the constituency.
4. Coordinate and review reports from the NGCDF employees.
5. Employ staff needed to run specific roles at the NGCDF Office.

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

**Trainings**

In the financial year 2024/2025 our Board Committee and NG-CDFC staff had a chance to attend a training at Malindi to enhance their effectiveness to handle their responsibilities. These trainings are to equip them with needed skills and values to hold their responsibilities, effectively execute viable decision by teaching them the parameters of decision making. Capacity building to facilitate a responsible and an objective oriented committee to facilitate well defined goals in their development's meetings.

**Number of meetings**

According to NG-CDF Act, section 43(11), The Constituency Committee shall meet at least six times in a year but the committee shall not hold more than twenty-four meetings in the same financial year, including sub-committee meetings.

The NGCDF Committee has managed to have 12 meetings within the financial Year 2024/2025.

N O.	NG-CDFC COMMITTEE MEMBERS	12 <sup>th</sup> July 2024	10 <sup>th</sup> Sep 2024	25 <sup>th</sup> Oct 2024	18 <sup>th</sup> Nov 2024	16 <sup>TH</sup> Dec 2024	14 <sup>TH</sup> Jan 2025	3 <sup>RD</sup> Feb 2025	25 <sup>TH</sup> Feb 2025	28 <sup>th</sup> Mar 2025	25 <sup>th</sup> Apr 2025	16 <sup>th</sup> May 2025	17 <sup>th</sup> Jun 2025
1	Sylvester Omolo-Chairperson	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
2	Catherine Mwangi-Secretary	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
3	Mary Wambui-Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
4	Fred Ndori-Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
5	Josephine Mumbi-Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
5	Peter Atiso Nyachio Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

7	Grace Maina-PWD	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
8	Patrick Wambiri-Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
9	Job Tuta-FAM	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
10	Mr. Ratemo-DCC	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

#### **Disclose Policy on Conflict of Interest**

Conflict of interest has always been part of the agenda in their meetings but there has been not even one member who has raised any.

#### **Remuneration**

The Committee members do not have a defined monthly Salary, they receive a Kshs. 5,000/= allowance per sitting with Kshs. 7,000 for the Chairperson

#### **Ethics and Conduct**

To ensure that order and ethics are esteemed, there are aspects over-emphasized in the membership;

- a. Confidentiality
- b. Integrity.
- c. Willingness.
- d. Openness
- e. Transparency.

Members take oath into office before they begin their service.

#### **Risk Management.**

To ensure that all risks are managed well;

1. Through the risk management platform.
2. Project Management Committee oversees all the projects being undertaken.
3. Creation of a good working environment at the office for working.
4. Consideration of bill of quantities before allocation of finances.
5. Appropriate mechanism put up to facilitate effective bursary issuance.
6. Allocation of enough funds ongoing projects to prevent under-budgeting.
7. Constant and continuous assessment of NGCDF Projects.
8. There is well structured channel between the Board and the Constituency.

9. There is provision of inflation in the Bills of quantity.
10. There is well fitted security at the office, site where projects are undertaken and during assessment.
11. Continuous and constant capacity building of the employees, Board members and the stakeholders for the effectiveness.

#### COMMITTEE'S PENDING CIVIL SUITES

a) **Nairobi ELC 85 of 2020: Maestro Credit & 2 Others v Dagoretti South National Government Constituency Development Fund Committee & Others**

The Plaintiffs are claiming a declaration that they own the suit property Dagoretti/Riruta S.982 and Dagoretti/Riruta S. 1000 and that any rights claimed by the constituency, and the other defendants is null and void. The Plaintiffs are also seeking an order directing the constituency and the other Defendants to demolish any structures on the suit's properties. They are also seeking an order directing the Land Registrar to expunge all records reflecting any other person other than themselves as the owners of the land and further seeks an order directing us and the other defendants to vacate the suit properties through the police assistance. The plaintiffs are seeking damages for trespassing over the suit properties together with costs and interest. The claims are denied and a defense has been filed asserting our rights on the suit's property.

b) **Nairobi ELC No. 8 of 2015: Samuel Ngari Githinji v Dagoretti NGCDF & Another**

The plaintiff filed this case seeking a declaration that the road constructed by the constituency over Dagoretti Ruthimitu/958 was a violation of the Plaintiff's proprietary rights in the land and seeking damages for loss of future earnings. The Court delivered its judgment on 17th November 2017 in favor of the Plaintiff declaring the road construction on the Plaintiff's land and awarded the following to the Plaintiff: a. Kshs 12,000,000 being the value of the property with interest at court rates from the date of delivery of the judgment. Page 2 of 3 b. Kshs 7,000,000/- being general damages for trespass with interest at court rates from the date of judgment. c. The entire suit land to be compulsorily acquired for the benefit of the NGCDF in accordance with the provisions of the Land Act 2012. Costs of the suit awarded to the Plaintiff. The Plaintiff commenced execution proceedings by way of Garnishee. This process was found faulty by the ELC where the ELC held that NGCDF was a government body and execution should be done in accordance with the Government Proceedings Act. The Plaintiff ought therefore to commence fresh execution process in accordance with the law.

c) **Nairobi Court of Appeal Civil Application No. E052 OF 2021 Dagoretti South National Government Constituency Development Fund Committee v Samuel Githinji & The NGCDF Board**

This was an application dated 18th February 2021 under Rule 5 (b) seeking stay of execution of the judgment and decree in ELC 8 of 2015 pending hearing of Civil Appeal No. 18 of 2018 filed by the Board. The application was not successful as it was declined in the ruling delivered on 8th October 2021.

- d) Nairobi Court of Appeal (Civil Application) Civil Appeal No. 18 of 2021 Dagoretti South National Government Constituency Development Fund Committee v Samuel Githinji & The NGCDF Board

This is an application dated 9th April 2021 made within the main appeal seeking leave for extension of time to substitute Samuel Githinji who died during proceedings with his legal representative. This application was not allowed by the Court in its ruling dated 18th February 2022 having held that there was an inordinate delay of 3 years in filing the application.

- e) Nairobi Court of Appeal Civil Application No. E114 OF 2021 Dagoretti South National Government Constituency Development Board v Samuel Githinji & The NGCDF Committee

This is an application dated 14th April 2021 made by the Board seeking to substitute Samuel Githinji with his Legal Representative in Civil Appeal 18 of 2018. The application is pending a hearing at the Court of Appeal.

- f) Nairobi Court of Appeal Civil Appeal No. 18 of 2021 Dagoretti South National Government Constituency Development Fund Board v Samuel Githinji & The NGCDF Committee

This is the main appeal made by the Board against the Judgment of the ELC Court in 8 of 2015. We filed a cross appeal against the judgment. Parties have filed their submissions and are waiting for directions on hearing of the appeal and the cross appeal.

- g) The total contingent liability is stands at Ksh. 20,129,552.

## 7. Management Discussion and Analysis

Dagoretti South was carved out from the larger Dagoretti Constituency during the 2012 electoral boundary review by the Independent Electoral and Boundaries Commission (IEBC).

The fund operates under the National Government Constituencies Development Fund Act, 2015 as amended in 2023, which succeeded the earlier CDF Act of 2003. This Act mandates that each constituency receives at least 2.5% of the national government's ordinary revenue.

Dagoretti South is one of the 17 constituencies in Nairobi County, comprising wards such as: Riruta, Uthiru/Ruthimitu, Mutuini, Waithaka and Ngando

In the past 5 years the constituency has received an allocation of Kshs. 137,367,724.14, Kshs. 137,088,879.31, Kshs.137,088,879.00, Kshs. 145,087,603.00, Kshs. 175,361,810.00 and Kshs. 179,662,954.47 in the financial years; 2019/2020, 2020/2021, 2021/2022, 2022/2023, 2023/2024, 2024/2025 respectively.

With these funds the management has been able to prudently allocate the funds the projects prioritized by the constituents through public participation forums, it has ensured that services and programs are delivered and implemented as planned and make a difference in the lives of the community, the management has strived to ensure that there is value for money and there are no wastages whatsoever.

The projects prioritised and implemented are finished on schedule and meet the quality standards.

**Key project implementation in the constituency in difference sectors include:**

Education Infrastructure and Bursaries

**Bursaries**

The Constituency has been able to award bursaries to the vulnerable and most needy students, the No. of applicants ranges between 8,500 to 10,000, this includes Secondary, Vocational, Universities and Special Schools. 99% of the applicants are awarded bursary each year this enhances equity and enable students to be maintained in school.



*2021/2022 Bursary cheque Disbursements*



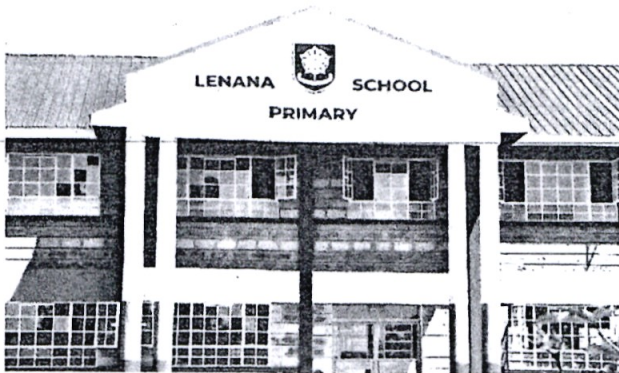
*2023/2024 Bursary cheque Disbursements*

## Infrastructure

### Primary Schools

The management has performed exceptionally well in the construction of new schools, additional classrooms, and the renovation of learning facilities, including classrooms and ablution blocks.

In partnership with the Ministry of Education, the Fund successfully established a public primary school in Ngando Ward—an area that previously had no such facility. As a result, residents no longer have to send their children to distant schools in neighbouring constituencies, significantly improving access to education within the community, the school currently has 3,000 learners



*The newly constructed Lenana School Primary*



*Handing over of the Lenana School Primary*

The Fund has also facilitated the procurement of lockers and chairs, staffroom furniture, science laboratory equipment, and the installation of CCTV cameras.



*Supply and delivery of Science lab equipment*



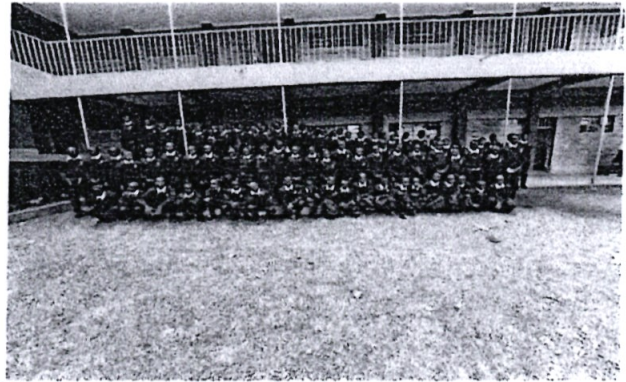
*Supply and Delivery of Staffroom furniture*

### Secondary Schools

Over the past five years, the NG-CDF Dagoretti South has successfully constructed five new secondary schools to completion and provided full scholarships to the learners enrolled in these institutions. This initiative has significantly contributed to the realization of the President's goal of achieving 100% transition from primary to secondary education. The schools, which primarily serve destitute and underprivileged children, currently have a combined student population of 700.



*Newly Constructed Mutuini Girls Sec Sch*



*Newly constructed Riruta Satellite Mixed Sec Sch*

### **Security**

The fund has been able to construct an ultra-modern police station in Riruta ward which was aimed at improving security in Dagoretti South Constituency, the fund has also been able to construct to completion 7 chief and assistance chief offices and two police posts, this has greatly enhanced the security in the area.

### **Risks**

1. Project delays: Construction and bursary disbursements risk being stalled due to late or partial fund release.
2. Planning uncertainty: Constituency Committees may face difficulty finalizing projects without clear timelines or confirmed funding.
3. Potential cost increases: Inflation (fuel, materials, logistics) may drive up construction costs, shortening the NG-CDF budget's reach.

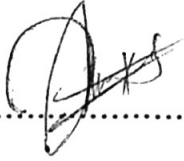
### **Review of the economy**

In early 2025, the Treasury delayed NG-CDF payments due to high fiscal demands. Between January and March, priorities like school capitation, public service salaries, and loan repayments (including KSh 10.6B to China) strained cash flow, delaying Constituency fund release. In April and May, staggered KSh 7B tranches were issued, but significant arrears remained. Lawmakers publicly decried the delays, demanding timely NG-CDF disbursements to prevent stalled community programs

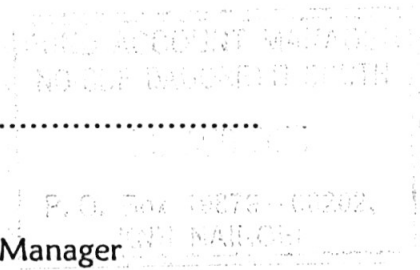
Budget adjustments for 2024-25 included a KSh 2.3 billion reduction in NG-CDF allocations, impacting planning and project rollout which is a blow to the fund.

### Challenges

The Fund is currently facing a legal suit that poses a significant threat to its operations. If the case is unsuccessful, it could result in a potential loss estimated at KSh 38,000,000, placing considerable strain on its resources.



Name  
Fund Account Manager



FUND ACCOUNT MANAGER  
NO. 001 DAGORETTI SOUTH  
P. O. Box 18076 - 00202,  
Nairobi

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

The NG-CDF has carried out interventions in several sectors which include education (infrastructure and bursary), security and environment as guided by the Act. In order to achieve its mandate, Dagoretti South NG- CDF committee prepared a five-year strategic plan to run from 2023 to 2027 to guide the constituency's development agenda. The 2023-2027 Strategic Plan for Dagoretti South Constituency is an integrated, five-year planning framework intended to align the constituency's development interventions along National and international frameworks: Sustainable development goals (SDGs), Vision 2030, Medium Term Plans (MTPS-IV) and the Kenya Kwanza 'bottom up' agenda. The development interventions are focused on all non-devolved functions of the national government, and specifically, Security, education, environment and talent development.

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

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

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

## 2. Environmental performance

Dagoretti South Constituency aligns its environmental policy with national frameworks to promote sustainable development and environmental conservation. The policy emphasizes the protection of natural resources, proper waste management, and active community participation in environmental stewardship.

### Evidence of Implementation

- Environmental assessments conducted before construction of CDF projects.
- Tree planting incorporated in school and community projects (e.g., 1,500 assorted trees supplied to Riruta Satellite Secondary School).
- Allocation of funds for environmental-related activities in the NG-CDF project proposals and budget lines.

### Achievements in Environmental Management

- **Tree Planting Campaigns:** Successful tree planting drives in schools for example PC Kinyanjui and Riruta Satellite. This contributes to the national tree restoration target.
- **Environmental Clubs in Schools:** Support and facilitation of school-based environmental clubs through bursary recipients' participation.

### Shortcomings

- Inconsistent monitoring of tree survival rates.
- Limited funding for long-term environmental infrastructure like composting sites or water harvesting systems.
- Low waste segregation and recycling infrastructure in densely populated areas.

## 3. Employee welfare

We invest in providing the best working environment for our employees. Dagoretti South 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. Dagoretti South 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-**

Dagoretti South Constituency is committed to fair and ethical market practices.

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

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

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 honoring contracts and respecting payment practices.
- c) Responsible marketing and advertisement
- d) Product stewardship by safeguarding consumer rights and interests.

#### **5. Community Engagements-**

Dagoretti South 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**

Dagoretti South 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.

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



.....  
Name: Job Tuta  
Fund Account Manager.

## 9. Statement of Management Responsibilities

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

The Accounting Officer in charge of the NGCDF-Dagoretti south 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-Dagoretti south 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- Dagoretti South Constituency further confirms the completeness of the accounting records maintained for the *constituency*, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

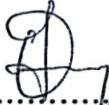
The Accounting Officer in charge of the NGCDF Dagoretti South Constituency confirms that the *constituency* has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were 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- Dagoretti South Constituency financial statements were approved and signed by the Accounting Officer on 19<sup>th</sup> August 2025.



.....  
Name: Sylvester O. Onyiah  
Chairman - NGCDF Committee



.....  
Name: Job Tuta  
Fund Account Manager

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# REPUBLIC OF KENYA

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

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### PREAMBLE

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

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

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

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

### REPORT ON THE FINANCIAL STATEMENTS

#### Qualified Opinion

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

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

on pages 1 to 59, which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

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

### **Basis for Qualified Opinion**

#### **1. Unsupported Adjustments in the Statement of Changes in Net Assets**

The statement of changes in net assets reflects assets and liabilities adjustment amounts of Kshs.81,223,994 and Kshs.1,174,413 respectively, which were not supported with approved journal entry vouchers. Further, an explanatory note was not included in the financial statements to disclose or explain the nature of the adjustments as required by IPSAS 3.

In the circumstances, the accuracy and completeness of the financial statements could not be confirmed.

#### **2. Lack of Land Ownership Documents**

Annex 1 to the financial statements on summary of asset register reflects land balance of Kshs.60,000,000. However, the basis on how the balance of Kshs.60,000,000 was determined was not provided. Further, there was no proof of valuation and size of the said parcel of land. In addition, the Fund did not provide ownership documents for the land as proof of ownership.

In the circumstances, the valuation and ownership of the land could not be confirmed.

#### **3. Inaccuracies in Cash and Cash Equivalents**

The statement of financial position and as disclosed in Note 19 to the financial statements reflects comparative cash and cash equivalents balance of Kshs.73,693,526 which further includes Project Management Committee (PMC) account balance of Kshs.4,374,494. However, the prior year audited financial statements reflects a PMC balance of Kshs.4,238,180 resulting to an unreconciled variance of Kshs.136,314.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.60,603,178 could not be confirmed.

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

### **Emphasis of Matter**

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

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.330,205,980 and Kshs.278,543,026 respectively, resulting to a revenue shortfall of Kshs.51,662,954 or 16% of receipts. Similarly, the Fund spent Kshs.217,939,860 against actual receipts of Kshs.278,543,026 resulting to under-utilization of Kshs.60,603,166 or 22% of actual receipts.

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

My opinion is not modified in respect of this matter.

### **Key Audit Matters**

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

### **Other Matter**

#### **1. Delays in Disbursement of Funds to the Bank Account**

The statement of comparison of budget and actual amounts reflects approved budget allocation of Kshs.179,662,955 for the year under review. However, significant during the year under audit, an amount of Kshs.76,849,500 relating to the financial year 2023/2024 was received during the current year. Further, in the current year's approved budget allocation of Kshs.179,662,955 from the NGCDF Board, only Kshs.128,000,000 was received resulting to pending receivables balance of Kshs.51,662,955.

The delays affected the implementation of scheduled projects.

#### **2. Unresolved Prior Year Matters**

In the report of the previous year, several issues were raised under the Report on the Financial Statements - Disclaimer of Opinion. Review of the status during audit of the

National Government Constituencies Development Fund – Dagoretti South Constituency in 2024/2025 revealed that the following matters remained unresolved;

	<b>Financial Year</b>	<b>Audit Issue</b>
1	2023/2024	Unsupported Cash and Cash Equivalents
2	2023/2024	Unsupported Strategic Plan Over Expenditure
3	2023/2024	Unutilized Fund Balances
4	2023/2024	Non-Maintenance of PMC Cashbooks
5	2023/2024	Budgetary Control and Performance
6	2023/2024	Failure to Report on Emergency Utilization
7	2023/2024	Unsupported Receipts
8	2023/2024	Non-Compliance with Controls Over Issuance of Bursaries
9	2023/2024	Failure to Report on Emergency Utilization
10	2023/2024	Unsupported Fixed Assets
11	2023/2024	Non-Compliance with Bursary Allocation Requirements
12	2023/2024	Unaccounted Cash and Imprest Payments

### **Other Information**

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

In connection with my audit on the National Government Constituencies Development Fund - Dagoretti South 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, 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 USE OF PUBLIC RESOURCES**

#### **Conclusion**

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

## **Basis for Conclusion**

### **1. Lack of Appointment Letters for Bursary Vetting Committee**

The statement of financial performance and as disclosed in Note 14 to the financial statements reflects other grants and transfers actual expenditure amount of Kshs.67,031,675 which includes bursary disbursements to secondary schools, tertiary institutions and special schools, all totaling Kshs.62,746,086. The bursary awards were based on vetting conducted by a committee. However, the appointment letters for the vetting committee members were not provided for audit.

In the circumstances, it was not possible to determine whether the vetting was done by a properly constituted committee.

### **2. Non-Establishment of Mandatory Sub-Committees**

The statement of financial performance reflects committee expenses amount of Kshs.3,089,686 as disclosed in Note 11 to the financial statements. However, the NGCDF Committee did not establish the two (2) mandatory sub committees contrary to Section 7(6) 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, Management was in breach of the law.

### **3. Non-Remittance of Statutory Dues and Other Deductions**

Review of records provided for audit revealed that deductions including PAYE, Social Health Insurance Fund (SHIF), and NSSF all totalling Kshs.418,782 were not remitted within the timelines prescribed by law. Consequently, the Fund was penalized and charged Kshs.30,308 by NSSF for non-compliance with statutory deadlines.

In the circumstances, the Fund incurred avoidable expenses resulting from the penalties.

### **4. Unutilized Fund Balances**

Annex 2 to the financial statements reflects PMC bank balances of Kshs.29,683,973 as at 30 June, 2025. However, the balances for the completed projects were not returned to the Constituency account. This was contrary to Section 12(8) of the National Government Constituencies Development Fund Act, 2015 that require that all unutilized funds of the Project Management Committee shall be returned to the constituency account.

In the circumstances, Management was in breach of law.

## **5. Non-Compliance with the Public Procurement Capacity Building Levy Order of 2023**

During the financial year under review, the Fund and Project Management Committees carried out projects, however, Management did not include the mandatory 0.03% Public Procurement Capacity Building Levy as a separate line item in all procurement contracts for goods, works and services, local purchase orders (LPOs) and local service orders (LSOs) issued after 1 September, 2024. Therefore, the levy was not deducted for all contract awards, contrary to the Public Procurement Capacity Building Levy Order, 2023.

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

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

### **REPORT ON THE 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 effect of the matters described in the Basis for Conclusion on the 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**

##### **1. Inadequate Frequency of Internal Audits by NGCDF Board**

Review of documents provided for audit revealed that the Fund relies on internal auditors from the NGCDF Board for internal audit functions. However, these audits are conducted only once every three (3) years, which is not sufficient for effective internal control and risk management.

In the circumstances, the Fund did not benefit from the oversight role and advice from the internal audit function.

##### **2. Lack of Fixed Asset Register**

Annex 1 to the financial statements on summary of asset register reflects total assets historical cost brought forward balance of Kshs.86.369,255 in respect to land, buildings and structures, office equipment, furniture and fittings and ICT equipment and other ICT assets and a disclosure of some of the assets destroyed by fire valued at

Kshs.26,369,255. However, the Fund did not maintain a fixed asset register which shows a list of all its assets specifying the date of acquisition, names, serial numbers, location of the assets and condition of the assets. It was therefore not possible to verify the assets owned and acquired by the Fund.

In the circumstances, the accuracy and completeness of the summary of asset register in the financial statements could not be confirmed.

### **3. Failure to Acknowledge Receipts**

The statement of cash flows reflects transfers from the NGCDF Board amount of Kshs.204,849,500. However, no official receipts were issued to acknowledge the funds. This is a violation of financial record keeping requirements which could undermine the transparency of fund management.

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

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

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

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

  
FCPA Nancy Gathungu, CBS  
**AUDITOR-GENERAL**

**Nairobi**


**08 December, 2025**

*National Government Constituencies Development Fund (NGCDF)  
Dagoretti South 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	2024-2025
		Kshs
Revenue from non-exchange transactions		
Transfers from the NGCDF Board	6	179,662,955
Grants/donations from other entities	7	-
Revenue from exchange transactions		
Finance income	8	-
Miscellaneous income	9	-
<b>Total revenue</b>		<b>179,662,955</b>
<b>Expenses</b>		
Employee costs	10	5,852,461
Committee expenses	11	3,089,686
Use of Goods and Services	12	8,090,618
Other Government Units Actual expenditure	13	136,826,272
Other Grants and Transfers Actual expenditure	14	67,031,675
Depreciation and amortization expense	15	156,625
Digital Hubs Actual expenditure	16	-
<b>Total expenses</b>		<b>221,047,337</b>
<b>Other gains/(losses)</b>		
Gain/Loss on Sale of Assets	17	-
Impairment loss	18	-
<b>Surplus/(Deficit) for the year</b>		<b>(41,384,383)</b>

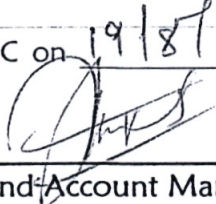
The Constituency financial statements were approved by the NGCDFC on 19/8/2025 and signed by:

  
Chairman NG-CDF  
Committee

Name: Sylvester Omolo

  
National Sub-County  
Accountant

Name: Lukas Okech  
ICPAK M/No:

  
Fund Account Manager

Name: Job Tuta

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

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

	Not e	Period as at June 2025	Opening Statement 1st July 2024
		Kshs	Kshs
<b>Assets</b>			
<b>Current Assets</b>			
Cash And Cash Equivalents	19	60,603,178	73,693,526
Receivables from Exchange Transactions	20	-	-
Receivables from Non-Exchange Transactions	21	51,662,955	76,849,500
Prepayments	22	-	-
<b>Total Current Assets</b>		<b>112,266,132</b>	<b>150,543,026</b>
<b>Non-Current Assets</b>			
Property, Plant and Equipment	23	1,096,375	-
Intangible Assets	24	-	-
Right-of-use assets	25	-	-
<b>Total Non- Current Assets</b>		<b>1,096,375</b>	<b>-</b>
<b>Total Assets (A)</b>		<b>113,362,507</b>	<b>150,543,026</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and Other Payables	26	-	-
Third-Party Deposits	27	4,337,254	1,174,414
Lease Liabilities	28	-	-
Gratuity provision	29	1,041,024	-
<b>Total Current Liabilities</b>		<b>5,378,278</b>	<b>1,174,414</b>
<b>Non-Current Liabilities</b>			
Lease Liabilities	28	-	-
<b>Total Liabilities (B)</b>		<b>5,378,278</b>	<b>1,174,414</b>
<b>Net Assets (A-B)</b>		<b>107,984,230</b>	<b>149,368,612</b>
<b>Represented by:</b>			
Revaluation Reserves		107,984,230	
Accumulated Surplus			149,368,613
<b>Total Net Assets</b>		<b>107,984,230</b>	<b>149,368,613</b>

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

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The Constituency financial statements set out on pages 1 to 16 were approved by NG CDFC on \_\_\_\_\_ 2025 and signed by:



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Chairman NG-CDF  
Committee  
Name: Sylvester Omolo



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National Sub-County  
Accountant  
Name: Lukas Okech  
ICPAK M/No:



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Fund Account Manager  
  
Name: Job Tuta

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

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

Description	Revaluation Reserves	Accumulated surplus/Deficit	Total
		Kshs	Kshs
As at 30 <sup>th</sup> June 2024 (cash basis)	-	69,319,032	69,319,032
Adjustments: (to recognize assets and liabilities)	-		
Add Assets	-	81,223,994	81,223,994
Less Liabilities	-	1,174,413	1,174,413
As at July 1, 2024	-	149,368,613	149,368,613
Surplus/(Deficit) For the Period	-	(41,384,383)	(41,384,383)
Revaluation Gain/Loss	-	-	-
As at 30 <sup>th</sup> June 2025 (current year)	-	107,984,230	107,984,230

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

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

	Notes	<i>Period ended 30<sup>th</sup> June 2025</i>
		Kshs
<b>Cash flows from operating activities</b>		
<b>Receipts</b>		
Transfers from the NGCDF Board	6	204,849,500
Grants/donations from other entities	7	-
Finance income	8	-
Miscellaneous income	9	-
<b>Total Receipts</b>		<b>204,849,500</b>
<b>Payments</b>		
Employee costs	10	4,811,437
Committee expenses	11	3,089,686
Use of Goods and Services	12	8,090,618
Other Government Units Certified Works	13	133,663,432
Other Grants and Transfers	14	67,031,675
Digital Hubs Expenses	16	-
<b>Total Payments</b>		<b>216,686,848</b>
<b>Net Cash Flows from/ (used in) Operating Activities</b>	<b>30</b>	<b>(11,837,348)</b>
<b>Cash flows From Investing Activities</b>		
Purchase of PPE	23	1,253,000
Purchase of Intangible assets	24	-
Proceeds from Sale of PPE	17	-
<b>Net Cash Flows from Investing Activities</b>		<b>1,253,000</b>
<b>Net increase/(decrease) in cash &amp; Cash equivalents</b>		<b>(13,090,348)</b>
<b>Cash Flows from Financing Activities</b>		
Lease payment	28	-
<b>Net Cash Flows from Financing Activities</b>		<b>(13,090,348)</b>
Cash and cash equivalents at Period Start	19	73,693,526
Cash and cash equivalents at Period End	19	60,603,178

*National Government Constituencies Development Fund (NGCDF)  
Dagoretti South 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

		Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilization
		Kshs		Kshs	Kshs	Kshs	
		b		C=(a+b)	d	e=(c-d)	f=d/c*100
		Opening Balance (operational , deposit and PMCs C/Bk) and AIA	Previous Years' Outstanding disbursements	2024-2025	2024-2025		
Revenue							
Transfers from the NGCDF Board	179,662,955	73,693,526	76,849,500	330,205,980	278,543,026	51,662,955	84%
Grants/donations from other entities		-	-	-	-	-	
Finance income		-	-	-		-	
Miscellaneous income		-	-	-		-	
<b>Totals</b>	<b>179,662,955</b>	<b>73,693,526</b>	<b>76,849,500</b>	<b>330,205,980</b>	<b>278,543,026</b>	<b>51,662,955</b>	<b>84%</b>
Expenses							

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

		Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilization
		Kshs		Kshs	Kshs	Kshs	
		b		C=(a+b)	d	e=(c-d)	f=d/c*100
Employee costs	4,086,287	2,328,649	-	6,414,936	4,811,437	1,603,499	75%
Committee expenses	1,450,686	-	-	1,450,686	1,450,686	-	100%
Use of Goods and Services	10,632,693	2,930,201	-	13,562,894	9,729,618	3,833,276	72%
Other Government Units Certified Works	38,803,951	62,425,330	76,849,500	178,078,781	133,663,444	44,415,337	75%
Other Grants and Transfers	90,677,461	4,159,085	-	94,836,546	67,031,675	27,804,871	71%
Digital Hubs Expenses	3,800,000	-	-	3,800,000	-	3,800,000	0%
Acquisition of assets	-	1,255,000	-	1,255,000	1,253,000	2,000	100%
Others	-	595,261	-	595,261	-	595,261	0%
Funds Pending Approval	30,211,877	-	-	30,211,877	-	30,211,877	0%
<b>Total Expenditure</b>	<b>179,662,955</b>	<b>73,693,526</b>	<b>76,849,500</b>	<b>330,205,980</b>	<b>217,939,860</b>	<b>112,266,121</b>	<b>66%</b>
Surplus for the period	-	-	-	-	60,603,166	(60,603,166)	

*National Government Constituencies Development Fund (NGCDF)  
Dagoretti South Constituency  
Annual Report and Financial Statements for The Year Ended June 30, 2025  
Explanatory Notes.*

*The Underutilization was as a result of unreceived funds from the NG-CDF Board as at the year end.*

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilization difference totals	112,266,121
Less: undisbursed funds receivable from the Board as at period June, 2025	51,662,955
Cash and Cash Equivalents at the end of the 30 <sup>th</sup> June 2025	60,603,166

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 19<sup>th</sup> August, 2025 and signed by:



\_\_\_\_\_  
Fund Account Manager

Name: Job Tuta



\_\_\_\_\_  
National Sub-County Accountant

Name: Lukas Okech  
ICPAK M/No:



\_\_\_\_\_  
Chairman NG-CDF Committee

Name: Sylvester Omolo

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

16. Budget Execution by Sectors and Projects For The Year Ended 30<sup>th</sup> June 2025

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (operational, deposit and PMCs C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent						
1.1 Compensation of employees	4,086,287	2,328,649	-	6,414,936	4,811,437	1,603,499
1.2 Committee allowances	421,000	-	-	421,000	421,000	-
1.3 Use of goods and services	6,272,490	1,436,061	-	7,708,551	5,432,482	2,276,069
Sub-total	10,779,777	3,764,710	-	14,544,487	10,664,919	3,879,568
2.0 Monitoring and evaluation						
2.1 Capacity building	1,905,000	-	-	1,905,000	1,605,000	300,000
2.2 Committee allowances	1,029,686	-	-	1,029,686	1,029,686	-
2.3 Use of goods and services	2,455,203	1,494,140	-	3,949,343	2,692,136	1,257,207
Sub-total	5,389,889	1,494,140	-	6,884,029	5,326,822	1,557,207
3.0 Emergency						
3.1 unutilized	9,444,313	629,586	-	10,073,899	3,934,745	6,139,154
Sub-total	9,444,313	629,586	-	10,073,899	3,934,745	6,139,154
4.0 Bursary and Social Security						
4.1 Primary Schools	-		-	-	-	-
4.2 Secondary Schools	43,012,755	2,950,000	-	45,962,755	45,802,086	160,669
4.3 Tertiary Institutions	16,000,000	219,499	-	16,219,499	16,144,000	75,499
4.4 special needs	800,000		-	800,000	800,000	-
4.5 Education Support Programmes	-		-	-	-	-

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget 2024-2025	Actual on comparable basis 2024-2025	Budget utilization difference 2024-2025
		Opening Balance (operational, deposit and PMCs C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
4.6 Social Security	5,187,245		-	5,187,245	-	5,187,245
Sub-total	65,000,000	3,169,499	-	68,169,499	62,746,086	5,423,413
5.0 Climate Change Mitigation						
5.1 Riruta Secondary School	-	360,000	-	360,000	350,844	9,156
5.2 Nembu Primary school	2,000,000	-	-	2,000,000	-	2,000,000
5.3 Ruthimitu Primary School	1,500,000	-	-	1,500,000	-	1,500,000
5.4 Kagira Primary School	1,000,000	-	-	1,000,000	-	1,000,000
5.5 Mutuini Primary School	1,000,000	-	-	1,000,000	-	1,000,000
5.6 Mutuini Girls Secondary School	1,000,000	-	-	1,000,000	-	1,000,000
5.7 Riruta Satellite Mixed Secondary School	1,500,000	-	-	1,500,000	-	1,500,000
5.8 Ndurarua Primary School	983,148	-	-	983,148	-	983,148
Sub-total	8,983,148	360,000	-	9,343,148	350,844	8,992,304
6.0 Primary Schools Projects						
6.1 Mutuini Primary School	-	4,654,348	-	4,654,348	4,465,283	189,065
6.2 Nembu Primary School	-	4,654,348	-	4,654,348	4,476,731	177,617
6.3 Nembu Primary School		79,981	-	79,981	-	79,981
6.4 Ndurarua Primary School	-	4,655,848	-	4,655,848	4,590,273	65,575
6.5 Mukarara Primary School	-	4,654,348	-	4,654,348	4,472,260	182,088
6.6 Kagira Primary School	-	4,654,348	-	4,654,348	4,458,481	195,867

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (operational, deposit and PMCs C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
6.7 Kabiria Primary School	-	4,654,348	-	4,654,348	4,471,376	182,972
6.8 Kirigu Primary School	-	2,215,117	-	2,215,117	2,213,565	1,552
6.9 Mutuini Primary School - CCTV Equipment	-	17,028	-	17,028	-	17,028
6.10 Kagira Primary School- CCTV Equipment	-	18,649	-	18,649	-	18,649
6.11 Ruthimitu Primary School- CCTV Equipment	-	15,209	-	15,209	-	15,209
6.12 Nembu Primary School- CCTV Equipment	-	17,028	-	17,028	-	17,028
6.13 Kabiria Primary School - Staffroom Furnitures	-	12,681	-	12,681	-	12,681
6.14 Mukarara Primary school - Staffroom furniture	-	12,681	-	12,681	-	12,681
6.15 Kirigu Primary School - Staffroom Furnitures	-	12,681	-	12,681	-	12,681
6.16 Nembu Primary School- Staffroom Furnitures	-	192,681	-	192,681	-	192,681
6.17 Ruthimitu Primary School- Staffroom Furnitures	-	12,681	-	12,681	-	12,681
6.18 Kagira Primary School- Renovation of ablution	-	608,946	-	608,946	-	608,946

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget 2024-2025	Actual on comparable basis 2024-2025	Budget utilization difference 2024-2025
		Opening Balance (operational, deposit and PMCs C/Blk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
6.19 Dr. Muthiora Primary School	-	-	9,739,883	9,739,883	6,371,065	3,368,818
6.20 Kinyanjui Road Primary School	-	3,408,800	9,704,706	13,113,506	12,967,385	146,121
6.21 Riruta Satellite	-		9,704,706	9,704,706	9,369,192	335,514
6.22 Mutuini Pry School	-		9,704,706	9,704,706	9,227,368	477,338
6.23 Kirigu Pry School	-		9,704,706	9,704,706	9,154,059	550,647
6.24 Ndurarua Pry School	-	1,455,295	17,990,794	19,446,089	18,601,365	844,724
6.25 Kabiria Pry School	-	630,111	10,300,000	10,930,111	9,919,610	1,010,501
6.26 Kirigu Primary School	-	1,120,000	-	1,120,000	1,052,800	67,200
6.27 Riruta Satelite pri School	-	1,056,000	-	1,056,000	1,052,800	3,200
6.28 Kinyanjui Road Primary School	-	1,056,000	-	1,056,000	1,052,800	3,200
6.29 Kabiria Road Primary School	-	1,056,000	-	1,056,000	1,052,915	3,085
6.30 Nduraua Primary School	-	1,056,000	-	1,056,000	1,052,800	3,200
6.31 Mutuini Primary School	-	1,056,000	-	1,056,000	1,052,800	3,200
6.32 Ruthimitu primary school	-	660,000	-	660,000	643,513	16,487
6.33 Dr. Muthiora primary school	-	541,200	-	541,200	524,228	16,972
6.34 Gitiba Primary School	-	660,000	-	660,000	648,513	11,487
6.35 Kagira Primary School	-	660,000	-	660,000	634,264	25,736
6.36 Mukarara Primary School	-	660,000	-	660,000	639,176	20,824
6.37 Nembu Primary School	-	660,000	-	660,000	634,264	25,736

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (operational, deposit and PMCs C/Blk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
6.38 Gitiba Primary School	4,701,000		-	4,701,000	4,619,938	81,062
6.39 Kirigu Primary School	4,701,000		-	4,701,000	-	4,701,000
6.40 Lenana School Primary	800,000		-	800,000	-	800,000
6.41 Lenana School	499,975		-	499,975	-	499,975
6.42 Kabiria Primary School	499,975		-	499,975	-	499,975
6.43 Ruthimitu Primary School	1,500,000		-	1,500,000	-	1,500,000
Sub-total	12,701,951	46,878,357	76,849,500	136,429,808	119,418,823	17,010,985
7.0 Secondary Schools Projects (List all the Projects)						
7.1 NGCDF Ruthimitu Mixed Secondary School		1,180,726	-	1,180,726	1,028,047	152,680
7.2 Mukarara Mixed Secondary School		470,419	-	470,419		470,419
7.3 Riruta Satellite Mixed Secondary School		774,515	-	774,515	773,146	1,369
7.4 Mutuini Girls High School- Construction of a Gate		5,180	-	5,180	-	5,180
7.5 Mukarara Mixed Sec School- Construction of a Gate		5,180	-	5,180	-	5,180
7.6 Ndurarua High School		6,110,952	-	6,110,952	5,710,625	400,327
7.7 Beth Mugo High School		7,000,000	-	7,000,000	6,732,803	267,197

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget 2024-2025	Actual on comparable basis 2024-2025	Budget utilization difference 2024-2025
		Opening Balance (operational, deposit and PMCs C/Blk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
7.8 Mukarara Mixed Secondary School	4,701,000		-	4,701,000	-	4,701,000
7.9 Riruta Satellite Secondary School	4,701,000		-	4,701,000	-	4,701,000
7.10 Riruta Satellite Mixed Day Secondary School	800,000		-	800,000	-	800,000
7.11 Mukarara Mixed Day Secondary School	800,000		-	800,000	-	800,000
7.12 Kagira Mixed Day Secondary School	800,000		-	800,000	-	800,000
7.13 Mutuini Girls Day Secondary School	800,000		-	800,000	-	800,000
7.14 Beth Mugo High School	9,000,000		-	9,000,000	-	9,000,000
7.15 Dagoretti High School	4,500,000		-	4,500,000	-	4,500,000
Sub-total	26,102,000	15,546,973	-	41,648,973	14,244,621	27,404,352
8.0 Tertiary institutions Projects (List all the Projects)						
	-	-	-	-	-	-
Sub-total	-	-	-	-	-	-
9.0 Security Projects						
9.1 Waithaka Police Station	7,250,000		-	7,250,000	-	7,250,000
Sub-total	7,250,000	-	-	7,250,000	-	7,250,000

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (operational, deposit and PMCs C/Blk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
10.0 Acquisition of assets				2024-2025	2024-2025	2024-2025
10.1 Motor Vehicles (including motorbikes)		-	-	-		-
10.2 Purchase of furniture and fittings		1,255,000	-	1,255,000	1,253,000	2,000
10.3 Construction of CDF office		-		-		-
Sub-total	-	1,255,000	-	1,255,000	1,253,000	2,000
11.0 Others						
11.1 Dagoretti Sub-County Education Office	-	360,001	-	360,001	-	360,001
11.2 NGCDF Dagoretti Sub-County District Hospital	-	39,783	-	39,783	-	39,783
11.3 NGCDF Waithaka Health center	-	15,181	-	15,181	-	15,181
11.4 Ngando Administrative Office	-	1,664	-	1,664	-	1,664
11.5 NGCDF office	-	145,299	-	145,299	-	145,299
11.6 Sports	-	33,335	-	33,335		33,335
Sub-total	-	595,261	-	595,261	-	595,261
12.0 Digital Hubs						

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget 2024-2025	Actual on comparable basis 2024-2025	Budget utilization difference 2024-2025
		Opening Balance (operational, deposit and PMCs C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
12.1 Dagoretti south Empowerment center	3,800,000	-	-	3,800,000	-	3,800,000
Sub-total	3,800,000	-	-	3,800,000	-	3,800,000
13.0 Funds pending approval				-		-
13.1 unapproved projects	30,211,877	-	-	30,211,877	-	30,211,877
14.0 AiA	-	-	-	-	-	-
Sub-total	30,211,877	-	-	30,211,877	-	30,211,877

## 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 Dagoretti South Constituency principal activity is to fund and support community-based development projects that fall under national government functions especially in the areas of education, security, environment, climate mitigation activities and ICT

### 2. Statement of Compliance and Basis of Preparation

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

The financial statements have been prepared in accordance with the Public Finance Management (PFM) Act and the International Public Sector Accounting Standards (IPSAS). The NG-CDF Dagoretti South has taken advantage of the transitional provisions under IPSAS 33 and adopted a phased approach. Accordingly, this is the first transitional financial statement. The NG-CDF Dagoretti South has recognized all financial assets, including cash and cash equivalents held in the operational account, deposit account, and PMC bank accounts; receivables (amounts due from the Board and other parties); prepayments; property, plant, and equipment (PPE); and intangible assets acquired during the financial year 2023/2024 up to the reporting date.

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

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

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the NG-CDF. The financial statements have been prepared in accordance with the PFM Act, the NGCDF Act, and International Public Sector Accounting

Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

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 1<sup>st</sup> 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 recognize, 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 1<sup>st</sup> 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 and Equipment	<i>Applicable 1<sup>st</sup> 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 and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognized as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under-maintenance of assets and distinguishing significant parts of infrastructure assets.

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	Impact: The property plant and equipment will be reported at their true market value.
IPSAS 46: Measurement	<p><i>Applicable 1<sup>st</sup> January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> <li>i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.</li> <li>ii. Clarifying transaction costs guidance to enhance consistency across IPSAS.</li> <li>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</li> </ul> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
IPSAS 47: Revenue	<p><i>Applicable 1<sup>st</sup> January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> <p><i>Impact: This standard will increase understandability to users of financial statement.</i></p>
IPSAS 48: Transfer Expenses	<p><i>Applicable 1<sup>st</sup> January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p>
IPSAS 49: Retirement Benefit Plans	<p><i>Applicable 1<sup>st</sup> January 2026</i></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p>
IPSAS 50:	<i>Applicable 1<sup>st</sup> January 2027</i>

<p>Exploration For &amp; Evaluation of Mineral Resources</p>	<p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ul style="list-style-type: none"> <li>i. Limited improvements to existing accounting practices for exploration and evaluation expenditures.</li> <li>ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26.</li> <li>iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.</li> </ul>
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*iii. Early adoption of standards*

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

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

**Transfers from other government entities**

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

ii) Revenue from exchange transactions

**Sale of goods**

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

**Interest income**

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

**Rental income**

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

**b) Budget information**

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

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

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

**c) Property, plant and equipment**

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

**d) Leases**

Finance leases are leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item to the *Entity*. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The *Entity* also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition.

Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit. An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the *Entity* will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

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

**e) Intangible assets**

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

**f) Financial instruments**

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. The entity does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements. 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**

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

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#### **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) did not exist as at the reporting period.

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#### **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 recognizes a social benefit as an expense for the social benefit scheme at the same time that it recognizes a liability. The liability for the social benefit scheme is measured at the best estimate of the cost (the social benefit payments) that the entity will incur in fulfilling the present obligations represented by the liability.

**j) Contingent liabilities**

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

**k) Contingent assets**

The Entity does not recognize a contingent asset but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Entity in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

**l) Employee benefits**

**Retirement benefit plans**

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

m) Foreign currency transactions

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

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n) Related parties

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

o) Cash and Cash Equivalents

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

p) Comparative figures

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

q) Subsequent events

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

**5. Significant Judgments and Sources of Estimation Uncertainty**

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

#### Estimates and assumptions.

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

#### Useful lives and residual value

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

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

#### Provisions

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

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6. Transfers from the NGCDF Board

Description	2024-2025
	Kshs
NGCDFB Transfers (Allocation for the FY)	179,662,955
Total	179,662,955

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	-

9. Miscellaneous income

	2024-2025
	Kshs
Rental Income	-
Income from sale of tenders	-
Hire of plant/equipment/facilities	-
Other Income Not Classified Elsewhere	-
Total	-

10. Employees cost

	<i>2024-2025</i>
	Kshs
NG-CDFC Basic staff salaries	2,623,078
Personal allowances paid as part of salary	-
House Allowance	713,375
Transport Allowance	338,000
Leave allowance	93,626
Gratuity to contractual employees	1,041,024
Employer Contributions Compulsory national social security schemes	184,976
Employer Contributions Compulsory Housing levy	54,578
Employer contributions to National Industrial Training Authority	4,550
Other Specify: Staff Medical Insurance	469,255
Casual Labor & Internship	330,000
<b>Total</b>	<b>5,852,461</b>

11. Committee Expenses

	<i>2024-2025</i>
	Kshs
Sitting allowance	1,450,686
Other Committee expenses	1,639,000
<b>Total</b>	<b>3,089,686</b>

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12. Use of Goods and services

	<i>2024-2025</i>
	Kshs
Utilities, supplies and services	223,300
Communication, supplies and services	370,000
Domestic travel and subsistence	469,600
Printing, advertising and information supplies & services	1,287,224
Office Rent	-
Training expenses	1,605,000
Hospitality supplies and services	637,308
Insurance costs	-
Specialized materials and services	-
Office and general supplies and services	3,159,186
Fuel, oil & lubricants	84,000
Bank Charges	5,000
Routine maintenance – vehicles and other transport equipment	-
Routine maintenance – other assets	250,000
Strategic plan expenses	-
Other operating expenses	-
<b>Total</b>	<b>8,090,618</b>

13. Other Government Units Actual expenditure

Description	<i>2024-2025</i>
	Kshs
Primary Schools Actual expenditure	123,003,287
Secondary Schools Actual Expenditure	13,822,997
Tertiary Institutions Actual Expenditure	-
<b>Total</b>	<b>136,826,284</b>

14. Other Grants and transfers Actual expenditure

	2024-2025
	Kshs
Bursary – secondary schools	45,802,086
Bursary – tertiary institutions	16,144,000
Bursary – special schools	800,000
Bursary - Education Support programmes	-
Social Security programmes (SHIF)	-
Security projects Actual Expenditure	-
Climate change mitigation projects	350,844
Emergency projects Actual Expenditure	3,934,745
Roads projects	-
Others specify - Purchase of NG-CDF Furniture	-
<b>Total</b>	<b>67,031,675</b>

15. Depreciation and Amortization Expenses

Description	2024-2025
	Kshs
Property Plant and Equipment	156,625
Intangible Assets	-
<b>Total</b>	<b>156,625</b>

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 (specify)	-
<b>Total</b>	<b>-</b>

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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 Asset	-

18. Impairment Loss

Description	2024-2025
	Kshs
Property, Plant and Equipment	-
Intangible Assets	-
Total Impairment Loss	-
Property, Plant and Equipment	-

19. Cash and Cash Equivalents

Name of Bank and Account No.	Period ended June 30th 2025	Opening Statement 1- July 2024
	Kshs	Kshs
Bank Accounts (Cash Book Bank Balance)		
Operations account: Equity Bank, 0630262089069.	29,878,181	69,319,032
Operations account pending closure: Nil	-	-
Deposit account: Sidian Bank: 01001710005414.	1,041,024	-
PMC's account: Equity Bank: Various accounts	29,683,962	4,374,494
Total	60,603,166	73,693,526
Cash Balances		
Location 1	-	-
Location 2	-	-
Other Locations ( <i>Specify</i> )	-	-
Total	-	-

20. Receivables from Exchange Transactions

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

i. Ageing Analysis for Receivables

Description	Period ended June 30th 2025		Opening Statement 1 <sup>st</sup> 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	30 <sup>th</sup> June 2025		Opening Statement 1 <sup>st</sup> July 2024	
	Kshs		Kshs	
Transfers from NGCDFB	51,662,955		76,849,500	
Outstanding imprest	-		-	
Total	51,662,955		76,849,500	
Ageing Analysis- Receivables from non-exchange transactions	Insert	% of the	Opening	% of the
	Current FY	total	Balance	total
Less than 1 year	51,662,955	100%	76,849,500	100%
Between 1-2 years	-	%	-	%
Over 3 years	-	%	-	%
Total	51,662,955		76,849,500	

22. Prepayments

Description	30 <sup>th</sup> June 2025		Opening Statement 1 <sup>st</sup> 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
<b>Depreciation Rate</b>		10%	25.00%	12.50%	30.00%			
<b>Cost</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
<b>Opening Bal as 1<sup>st</sup> July 2024</b>	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	1,253,000
Disposals	-	-	-	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-	-	-	-
<b>As At 30th Sep/Dec/Mar/Jun 2025</b>	-	-	-	1,253,000	-	-	-	1,253,000
<b>Depreciation and Impairment</b>								
Opening bal accumulated depreciation 1st July 2024	-	-	-	-	-	-	-	-
Depreciation	-	-	-	156,625	-	-	-	156,625
Disposals	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-	-	-
<b>As At 30 Sep/Dec/Mar/Jun 2025</b>	-	-	-	156,625	-	-	-	156,625
<b>Net Book Values</b>								
<b>Opening Bal as at 1<sup>st</sup> July 2024</b>	-	-	-	-	-	-	-	-
<b>Depreciation Rate</b>	-	-	-	1,096,375	-	-	-	1,096,375

**Valuation**

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

**23 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	-	-	-
<b>Total</b>	-	-	-

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	-	-
<b>Total</b>	-	-

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24. Intangible Assets

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

25. Right-of use assets

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

**26. Trade and Other Payables**

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

27. Third-Party deposits

	<i>Period ended June 2025</i>	<i>Opening Statement 1st July 2024</i>
	Kshs	Kshs
Retention as at start of the period (A)	1,174,414	1,174,414
Retention held during the period (B)	8,625,153	-
Retention paid during the period (C)	5,462,312	-
Closing Retention as at period 30 June, 2025 D= A+B-C	4,337,254	1,174,414

Retentions aging analysis.

	<i>Period ended June 2025</i>	<i>% of the total</i>	<i>Opening Statement 1st July 2024</i>	<i>% of the total</i>
Less than 1 year	4,337,254	100%	1,174,414	100%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total	4,337,254		1,174,414	

28. Lease Liabilities

<i>Description</i>	<i>30<sup>th</sup> June 2025</i>	<i>Opening Statement 1st July 2024</i>
	Kshs	Kshs
Balance at the beginning of the period	-	-
Discount interest on lease liability	-	-
Paid during the period	-	-
At end of the period	-	-

**Maturity Analysis**

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

**Analysed as:**

Description	Amount
Current	-
Non- Current	-
Total	-

**29. Gratuity Provision**

Description	<i>Period ended June 2025</i>	<i>Opening Statement 1st July 2024</i>
	Kshs	Kshs
Gratuity at the beginning of the period (A)	-	-
Gratuity held during the period (B)	1,041,024	-
Gratuity paid during the period (C)	-	-
Total Gratuity provision D=(A+B-C)	1,041,024	-

### 30. Cash Generated from Operations

	<i>Period ended June 2025</i>
	Kshs
Surplus for the period before tax	(41,384,383)
Adjusted for:	
Depreciation	156,625
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	(25,186,546)
Changes in deferred income	-
Changes in Third party deposits	(3,162,840)
Changes in gratuity provision	(1,041,024)
Changes in payments received in advance	-
Net cash flow from operating activities	(11,837,348)

### 31. Financial Risk Management

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

**i) Credit risk**

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

**Financial Risk Management**

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

Description	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
<b>As at 30<sup>th</sup> June 2025</b>				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	51,662,955	51,662,955	-	-
Bank balances	60,603,178	60,603,178	-	-
<b>Total</b>	<b>112,266,133</b>	<b>112,266,133</b>	<b>-</b>	<b>-</b>
<b>As at 30 June 2024</b>				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	76,849,500	76,849,500	-	-
Bank balances	73,693,526	73,693,526	-	-
<b>Total</b>	<b>150,543,026</b>	<b>150,543,026</b>	<b>-</b>	<b>-</b>

### Financial Risk Management

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the Entity has recognized in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The Entity does not have significant concentration of credit risk on amounts. The board of directors sets the Entity's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

#### ii) Liquidity risk management

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
<b>As at 30<sup>th</sup> June 2025</b>				
Trade payables	-	-	-	-
Current proportion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Gratuity Provision	-	-	1,041,024	1,041,024
<b>Total</b>	-	-	1,041,024	1,041,024
<b>As at 30<sup>th</sup> June 2024</b>				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Employee benefit obligation	-	-	-	-
<b>Total</b>	-	-	-	-

**iii) Market risk**

The *Entity* has put in place an internal audit function to assist it in assessing the risk faced by the *Entity* on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls. Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the *Entity's* income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing 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 recognized assets and liabilities by projecting for expected sales proceeds and matching the same with expected payments.

**b) Interest rate risk**

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

**Management of interest rate risk**

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

**Sensitivity analysis**

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

statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as a decrease/increase of Kshs 0 (Current FY: Kshs 0). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs 0 (Current FY – Kshs 0)

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

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

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

**iv) Capital Risk Management**

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

Description	30th June, 2025	Opening Statement 1 <sup>st</sup> July 2024
	Kshs	Kshs
Revaluation Reserve	107,984,230	149,368,613
Retained Earnings	-	-
Capital Reserve	-	-
<b>Total Funds</b>	<b>107,984,230</b>	<b>149,368,613</b>
Total Borrowings	-	-
Less: Cash and Bank Balances	60,603,178	73,693,526
Net Debt/ (Excess Cash and Cash Equivalentents)	47,381,052	75,675,087
<b>Gearing</b>	<b>44%</b>	<b>51%</b>

32. Related Party Disclosures

	30th June, 2025	Opening Statement 1 <sup>st</sup> July 2024
	Kshs	Kshs
Committee Members Remuneration		
Sitting allowance of committee Members during the year	1,450,686	1,438,157
Transaction with the NGCDF Board		
Transfers from the NGCDF Board during the year	204,849,500	222,163,325
<b>Total</b>	<b>206,300,186</b>	<b>223,601,482</b>

33. Segment Information

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

34. Contingent Assets and Contingent Liabilities

Contingent Assets

Description	30th June, 2025	Opening Statement 1 <sup>st</sup> July 2024
	Kshs	Kshs
Contingent Assets		
Insurance Reimbursements	-	-
Assets Arising from Determination of Court Cases	-	-
Reimbursable Indemnities and Guarantees	-	-
Receivables from Other Government Entities	-	-
Others (Specify)	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**Contingent Liabilities**

Description	30 <sup>th</sup> June, 2025	1 <sup>st</sup> July 2024
	Kshs	Kshs
Contingent Liabilities	-	-
Court Case: Samuel Ngari Githinji v Dagoretti NGCDF & Another	20,129,552	20,129,552
Bank Guarantees in Favour of Subsidiary	-	-
Contingent Liabilities arising from Contracts Including PPPs	-	-
Others (Specify)	-	-
<b>Total</b>	<b>20,129,552</b>	<b>20,129,552</b>

**35. Capital Commitments**

Capital Commitments	30 <sup>th</sup> June, 2025	1 <sup>st</sup> July 2024
	Kshs	Kshs
Authorized for	-	-
Authorized and Contracted for	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

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

**38. Currency**

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

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18. Annexes  
 Annex 1: Summary of Asset Register

Asset class	Historical Cost/valuation cost balance brought forward (Kshs)	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) At Year End
Land	60,000,000	-	-	60,000,000
Buildings and structures	19,363,125	-	-	19,363,125
Transport equipment	-	-	-	-
Office equipment, furniture, and fittings	3,119,746	1,253,000	-	4,372,746
ICT Equipment and Other ICT Assets	2,633,384	-	-	2,633,384
Other Machinery and Equipment	-	-	-	-
Intangible assets	-	-	-	-
<b>Total</b>	<b>85,116,255</b>	<b>1,253,000</b>	<b>-</b>	<b>86,369,255</b>

Note: All the Assets got destroyed by a fire caused by angry protestors who were protesting the Nationwide Finance Bill 2024

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**Annex 2 –PMC Bank Balances as at 30<sup>th</sup> June 2025**

PMC	Bank	Account number	Bank Balance 30th June 2025	Opening Statement 1 <sup>st</sup> July 2024
NG-CDF NDURARUA PRIMARY SCHOOL	EQUITY - KAWANGWARE	0630277835497	912,010	1,500
KINYANJUI ROAD PRIMARY SCHOOL	EQUITY - KAWANGWARE	0630279349625	214,576	-
NGCDF RIRUTA SATELLITE PRIMARY SCHOOL	EQUITY - KAWANGWARE	0630278468492	338,714	-
KABIRIA PRIMARY SCHOOL PMC	EQUITY - KAWANGWARE	0630263922102	1,196,558	630,111
NG-CDF NEMBU PRIMARY SCHOOL	EQUITY - KAWANGWARE	0630277833692	283,334	79,981
NG-CDF MUKARARA PRIMARY SCHOOL	EQUITY - KAWANGWARE	0630278213134	202,912	-
NG-CDF RUTHIMITU PRIMARY SCHOOL	EQUITY - KAWANGWARE	0630277813241	16,487	-
KAGIRA PRIMARY SCHOOL – PMC ACCOUNT	EQUITY - KAWANGWARE	0630270014472	221,603	-
NG-CDF KAGIRA PRIMARY SCHOOL	EQUITY - KAWANGWARE	0630278350909	608,946	608,946
KIRIGU PRIMARY SCHOOL-PMC	EQUITY - KAWANGWARE	0630262662908	10,320,399	-
NG-CDF MUTUINI PRIMARY SCHOOL	EQUITY - KAWANGWARE	0630278347562	669,603	-

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NGCDF GITIBA PRIMARY SCHOOL	EQUITY - KAWANGWARE	0630278262378	92,549	-
NG-CDF DR. MUTHIORA PRIMARY SCHOOL	EQUITY - KAWANGWARE	0630277808978	3,385,790	-
NG-CDF RIRUTA SATELLITE MIXED SECONDARY SCHOOL-PMC	EQUITY - KAWANGWARE	1800282433464	4,711,525	774,515
NG-CDF BETH MUGO HIGH SCHOOL	EQUITY - KAWANGWARE	1800283485218	110,952	110,952
MUKARARA MIXED SECONDARY SCHOOL PMC	EQUITY - KAWANGWARE	1800280851815	5,171,419	470,419
NG-CDF RUTHIMITU MIXED SECONDARY SCHOOL PROJECT ACCOUNT	EQUITY - KAWANGWARE	0630278546966	152,679	1,180,726
NGCDF OFFICE	EQUITY - KAWANGWARE	0630278625680	139,037	139,037
MUTUINI GIRLS HIGH SCHOOL GATE PROJECT PMC ACCOUNT	EQUITY - KAWANGWARE	0630285051994	5,180	5,180
MUKARARA MIXED SECONDARY SCHOOL GATE PROJECT PMC ACCOUNT	EQUITY - KAWANGWARE	0630285051554	5,180	5,180
NG-CDF NDURARUA HIGH SCHOOL	EQUITY - KAWANGWARE	0630285417463	289,375	-
NG-CDF BETH MUGO HIGH SCHOOL	EQUITY - KAWANGWARE	0630285415727	267,197	-
NG-CDF NEMBU PRIMARY SCHOOL FURNITURE PMC ACCOUNT	EQUITY - KAWANGWARE	0630285416222	192,681	192,681
NG-CDF KABIRIA PRIMARY SCHOOL FURNITURE PMC ACCOUNT	EQUITY - KAWANGWARE	0630285417720	12,681	12,681
NG-CDF MUKARARA PRIMARY SCHOOL FURNITURE PMC ACCOUNT	EQUITY - KAWANGWARE	0630285447865	12,681	12,681

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NG-CDF KIRIGU PRIMARY SCHOOL FURNITURE PMC ACCOUNT	EQUITY - KAWANGWARE	0630285447853	12,681	12,681
NG-CDF RUTHIMITU PRIMARY SCHOOL FURNITURE PMC ACCOUNT	EQUITY - KAWANGWARE	0630285416984	12,681	12,681
NG-CDF MUTUINI PRIMARY SCHOOL CCTV PMC ACCOUNT	EQUITY - KAWANGWARE	0630285416066	17,028	17,028
NG-CDF NEMBU PRIMARY SCHOOL CCTV PMC ACCOUNT	EQUITY - KAWANGWARE	0630285416185	17,028	17,028
NG-CDF KAGIRA PRIMARY SCHOOL CCTV PMC ACCOUNT	EQUITY - KAWANGWARE	0630285416662	18,649	18,649
NG-CDF RUTHIMITU PRIMARY SCHOOL CCTV PMC ACCOUNT	EQUITY - KAWANGWARE	0630285416903	15,209	15,209
NGCDF WAITHAKA HEALTH CENTRE	EQUITY - KAWANGWARE	0630278996737	15,181	15,181
NGCDF DAGORETTI SUB-COUNTY DISTRICT HOSPITAL	EQUITY - KAWANGWARE	0630278996748	39,783	39,783
NGANDO ADMINISTRATIVE OFFICE PMC	EQUITY - KAWANGWARE	01800280851465	1,664	1,664
<b>TOTAL</b>			<b><u>29,683,973</u></b>	<b><u>4,374,494</u></b>

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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)
OAG-DS-2023/2024-1	Unsupported cash and cash equivalent	The management has taken note of all the observations and wishes to respond as follows:  Last year, our offices were set on fire by a group of angry youths protesting against the Finance Bill. At the time of the incident, an internal audit was underway, and all relevant documents including payment vouchers had been	Unresolved	Awaiting DEFAC
OAG-DS-2023/2024-2	Unsupported strategic plan over expenditure		Unresolved	Awaiting DEFAC
OAG-DS-2023/2024-3	Unutilized fund balance		Unresolved	Awaiting DEFAC
OAG-DS-2023/2024-4	Non- Maintenance of PMC Cashbooks		Unresolved	Awaiting DEFAC
OAG-DS-2023/2024-5	Failure to report on emergency utilization		Unresolved	Awaiting DEFAC
OAG-DS-2023/2024-6	Unsupported receipts.		Unresolved	Awaiting DEFAC
OAG-DS-2023/2024-7	Non- compliance with controls over issuance of bursaries.		Unresolved	Awaiting DEFAC
OAG-DS-2023/2024-8	Unsupported fixed assets		Unresolved	Awaiting DEFAC

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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)
OAG-DS-2023/2024-9	Non- Compliance with bursary allocation.	assembled in the boardroom for review.	Unresolved	Awaiting DEFAC
OAG-DS-2023/2024-10	Unaccounted cash and imprest payment.	Unfortunately, although all supporting documents had been properly filed, including PMC cashbooks and imprest surrenders, they were all destroyed in the fire.	Unresolved	Awaiting DEFAC



Name *Job Tuta*  
Fund Account Manager.

FUND ACCOUNT MANAGER  
NGCDF DAGORETTI SOUTH  
19 APR 2025  
P. O. Box 19870 - 00202,  
KENYA NAIROBI



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