

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL
Enhancing Accountability

REPORT

THE NATIONAL ASSEMBLY PAPERS LAID	
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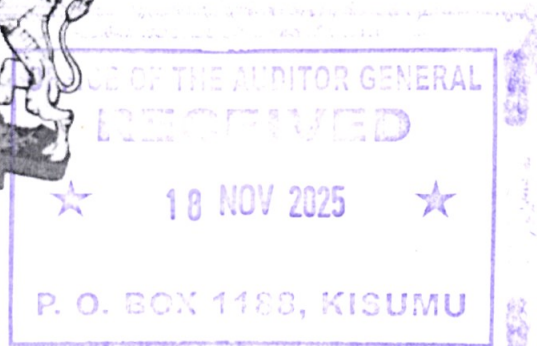
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THE AUDITOR-GENERAL

ON

**NATIONAL GOVERNMENT CONSTITUENCIES
DEVELOPMENT FUND – EMUHAYA
CONSTITUENCY**

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



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

EMUHAYA CONSTITUENCY

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
30th JUNE 2025

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

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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 realisation of the economic and social rights guaranteed under Article 43 of the Constitution;
- g) Provide mechanisms for the National Assembly to exercise oversight over the performance of exclusive national government functions at the constituency level as provided for under Article 95 of the Constitution;
- h) Authorize withdrawal of money from the Consolidated Fund as provided under Article 206(2)(c) of the Constitution;
- i) Provide mechanisms for supplementing infrastructure development at the constituency level in matters falling within the exclusive functions of the national government at that level in accordance with the Constitution;
- j) Provide a framework for citizens-led development to assist the national government in planning and prioritizing the use of its resources;
- k) Create a harmonious relationship between citizens and the national government and its officers in local development;
- l) Provide a platform for citizens' participation in service delivery;
- m) Build local accountability and transparency in the use of resources; and

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

Vision

Equitable Socio-economic development countrywide.

Mission

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

Core Values

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

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 Emuhaya Constituency’s day-to-day management is under the following key organs:

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

Fiduciary Management

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

No	Designation	Name
1.	AIE holder	Peter Maraya Adagi
2.	National Sub-County Accountant	Edgar Ulali Wafula
3.	Chairman NGCDFC	Enos Makanga
4.	Member NGCDFC	Samson Malika
5.	Member NG CDFC	Emily KhaoyaTuti(Deposit bank account)

(c) Fiduciary Oversight Arrangements

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

Emuhaya Ngcdf Building,
Opposite Dos office at Mulukhoro
Kisumu-Luanda –Busia Road.

(e) NGCDF Emuhaya Constituency Contacts

P.O. Box 67-50307 Luanda, Kenya
Telephone: (254) 725371259
E-mail: cdfemuhaya@ngcdf.go.ke
Website: www.ngcdf.go.ke

(f) Ngcdf Emuhaya Constituency bankers

1. Emuhaya National Government Constituency Development Fund

Account Number: 1120299846566
Equity Bank Luanda Branch
P.O. Box 34-50307
Luanda, Kenya

2. Emuhaya deposit account

A/c no. 1120285183006
Equity Bank Luanda Branch
P.O. Box 34-50307
Luanda, Kenya

KCB Bank Luanda Branch
P.O Box 129
Luanda

3. Project Management Committee accounts

Equity Bank Luanda Branch
P.O. Box 34-50307
Luanda, Kenya





(g) Independent auditor

Auditor general
Office of the auditor general
Anniversary towers, university way
P.o. box 30084
Gpo 00100
Nairobi, kenya



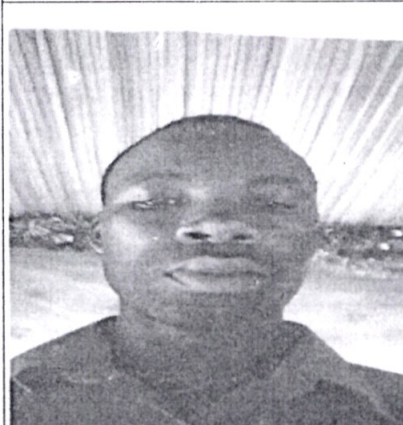
(h) Principal legal adviser

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



3. NGCDF Committee

NAME	Details
 Enos Makanga Marindi-Chairman	Date of Birth: 07-10-1969 Academic professional: Diploma in Education Work Experience: Retired teacher He joined Emuhaya constituency in November 2022 as the chairperson of NG-CDFC Emuhaya He is the current chairman
 Sophia mical Analo - Member	Date of Birth: 1981 Academic professional: Diploma in Human Resource management She joined Emuhaya constituency in November 2022 as the secretary of the NG-CDFC Emuhaya Work Experience: Business woman for the last 7 years. She is a member in the Ngcdf committee
 Kevin Etalia Ongaya - Member	Date of Birth: 17-08-1988 Academic professional: Diploma in Agro vet She joined Emuhaya constituency in November 2022 as the secretary of the NG-CDFC Emuhaya Work Experience: Self-employed (10 years)
 Miriam Nyarotso Ekambi - Member	Date of Birth: 15-04-1973 Academic professional – O- Level She joined Emuhaya constituency in November 2022 as the secretary of the NG-CDFC Emuhaya Work Experience: She has been a successful farmer for the past 15 years

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 <p>Emily KhaoyaTuti- Member</p>	<p>Date of Birth: 1988 Academic professional: Science laboratory technology She joined Emuhaya constituency in November 2022 as the secretary of the NG-CDFC Emuhaya</p> <p>Work Experience: She is Self employed</p>
 <p>Wellington Ekhuya Ingati – Member</p>	<p>Date of Birth: 1961 Academic professional: Primary Teacher Certificate She joined Emuhaya constituency in November 2022 as the secretary of the NG-CDFC Emuhaya</p> <p>Work Experience: He retired from teaching where he had practiced for over 15 years</p>
 <p>Samson Malika – Secretary</p>	<p>Date of Birth: 03-01-1985 Academic professional: Diploma in Education She joined Emuhaya constituency in November 2022 as the secretary of the NG-CDFC Emuhaya</p> <p>Work Experience: He has been practicing teaching in various schools for over 5 years</p>

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 <p>Josephine Ahono Omukhango - Member</p>	<p>Date of Birth: 119-12-1995 Academic professional: KCSE She joined Emuhaya constituency in November 2022 as the secretary of the NG-CDFC Emuhaya</p> <p>Work Experience: She has been a successful farmer for the past 8 years</p>
 <p>Fund Account Manager Mr. Joe Godwin</p>	<p>Date Of Birth 19/04/1991 Academic And Professional Qualifications B-com Work Experience Currently Fund Account Manager Emuhaya Ngcdf</p>

4. NG-CDFC Chairman's Report



Mr. Enos Makanga
Chairman – Emuhaya NG-CDF

I'm pleased to present an insightful analysis of Emuhaya NG-CDF's financial performance for the fiscal year 2024-2025, focusing on the variances between budgeted allocations and actual expenditures across key spending categories.

For **Compensation of Employees**, the budget of Kshs. 5,860,476 was underutilized, with actual spending at Kshs. 4, 455, 379, resulting in a 76% utilization rate and an underutilization of Kshs. 1,405,097. **Committee Expenses** had actual expenditures of Kshs. 3,698,600 against a budget of Kshs. 3,739,600 leading to a 98.90% utilization rate and an under-utilization of Kshs. 41,000. The **Use of Goods and Services** category saw a utilization rate of 96.62%, with actual spending of Kshs. 5,722,096 compared to the budget of Kshs. 5,922,533. **Transfers to Other Government Units** showed significant underutilization, with only Kshs. 73,276,901 spent out of a Kshs. 122,784,126 budget, resulting in a 83.72% utilization rate and an underutilization of Kshs. 49,507,225. **Other Grants and Transfers** had actual expenditures of Kshs. 63,911,678.00 against a budget of Kshs. 76,336,946 leading to 83.72% utilization rate and Kshs. 12,425,268 underutilized. The Lastly, **Other Payments** had a utilization rate of 80.95%, with Kshs. 6,800,000 spent against a budget of Kshs. 8,400,000 and an underutilization of Kshs. 1,600,000.

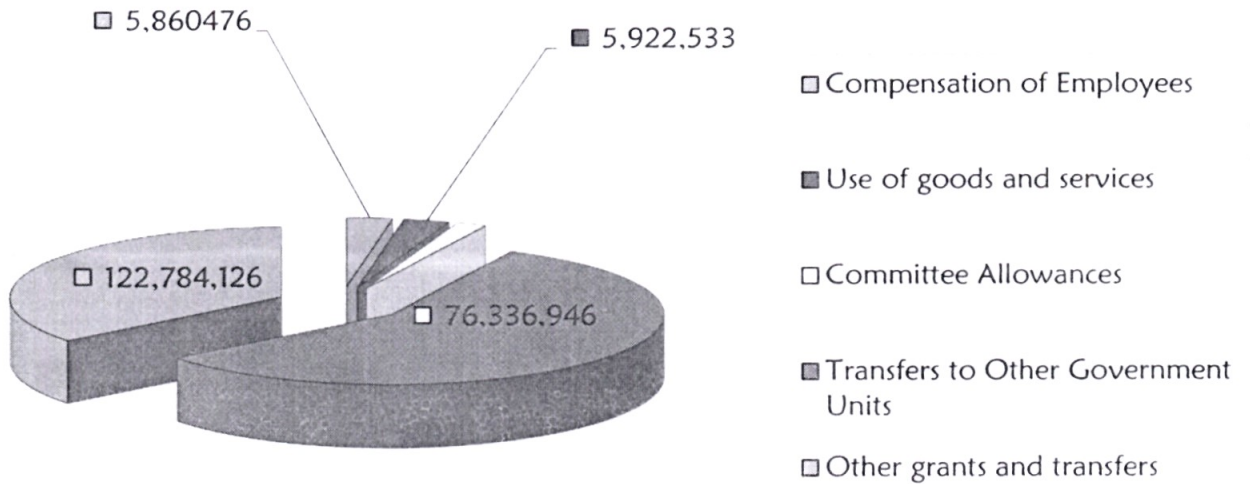
In Conclusion, The overall financial performance for the 2024-2025 fiscal year reveals areas of both strong budget adherence and opportunities for improvement. The significant underutilization in certain categories, particularly in **Transfers to Other Government Units** and **Acquisition of Assets**, is primarily due to delays in fund disbursements from the exchequer. These delays disrupt the planned execution of projects, resulting in lower-than-anticipated expenditures within the fiscal year. Moving forward, ensuring timely release of

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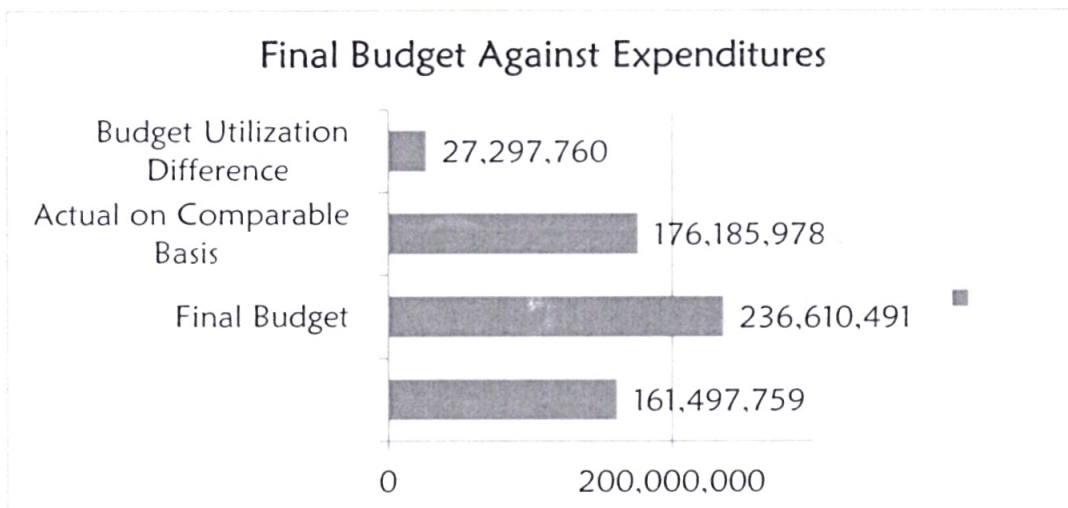
funds is critical for optimal budget utilization and the achievement of intended development goals.

The performance is hereby summarised as shown below:

2024 – 2025 Financial Year Budget



Original Budget	161,497,759
Final Budget	236,610,491
Actual on Comparable Basis	176,185,978
Budget Utilization Difference	27,297,760



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Expenses	Final budget	Actual expenditure	Budget utilization difference
Employee costs	5,860,476	4,816,679	1,043,797
Committee expenses	3,739,600	3,698,600	41,000
Use of Goods and Services	5,922,533	5,722,096	200,437
Other Government Units Certified Works	124,368,581	42,882,265	81,486,317
Other Grants and Transfers	88,319,300	76,978,486	11,340,814
Digital Hubs Expenses	-	-	-
Acquisition of assets	-	-	-
Other payments	8,400,000	6,800,000	1,600,000

From the above analysis the performance of Emuhaya NG-CDF has been commendable given the circumstances and this was as a result of team work among the NG-CDFC and other stakeholders.

The construction of additional classrooms reduced the challenges that the various schools were facing more so the Junior Secondary schools
Bursaries issued to over 11,000 students across the constituency enabled the needy students to learn without interruptions

Rural Electrification project enabled connectivity of electricity to large number of homes thus making their economic activities effective and efficient.

ACHIEVEMENTS DURING FINANCIAL YEAR 2024-2025

During the financial year 2024-2025, Emuhaya Ngcdf received Kshs 176,185,978 which was spend under various Vote heads i.e. Compensation to employees, payment of bursary to over 10,100 students both in secondary, special needs and tertiary, climate change, emergency projects, secondary projects and security projects. Top of the achievements, the below pictorials demonstrate the achievements



ILUNGU PRIMARY SCHOOL - Construction of 6 door Pit Latrine at Kshs 600,000



ESSUNZA PRIMARY SCHOOL- construction of a storey block consisting of 7 classrooms

administration blocks (waiting room and 4 offices)-Roofing, fitting of doors, windows, glazing, plaster, external render ,flooring, electrification and painting at kshs. 16,463,738



EMUSIRE PRIMARY SCHOOL –Construction of 6 door Pit Latrine at Kshs 600,000

Emerging issues related to Emuhaya NG - CDF

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

1. Restructuring of the Education Funding

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

2. Junior Secondary School

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

3. Inflation Rates

With the current economic position where the rate of exchange of Kenyan shillings to dollar continues to rise, there has been an increase in the cost of construction

materials. Hence those projects that were submitted to the board before inflation may not be completed with the original budgeted cost necessitating need for variations and additional funding.

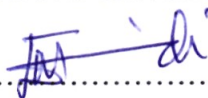
IMPLEMENTATION CHALLENGES AND SOLUTIONS

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

Challenges and way forward

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

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



.....
Name: Enos Makanga
Chairman NGCDF Committee

5. Statement of Performance Against Predetermined Objectives for FY 2024/25

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 Emuhaya Constituency 2023-2027 plan are to:

- a) Education – The constituency will continue lobbying for increased interventions from the ministry of education, well-wishers and development partners and continue with community sensitization in areas with low enrolment/retention/transition rates to keep pupils/students in school.
- b) To ease Security – The constituency leadership will hold sensitization forums to ensure cohesiveness among communities residing in the constituency; construct offices to accommodate patrol bases and police/AP posts; construct administrators' offices (DCC, ACCs, Chiefs and Ass. Chiefs)
- c) Towards improving un-employment rates, efforts will be made to promote agri-business initiatives and value addition; empower the youth through skills and capacity transfer; promote recreational activities including games and sports and develop the capacity of women and youth through training on entrepreneurship, leadership and management. Efforts will be made to sensitize the youth on the importance of acquiring life skills, hence improving enrolment rates in tertiary institutions and at the same time lobby for the introduction of Middle-level colleges in Emuhaya.
- d) To improve agricultural productivity. Concerted efforts will be made towards promoting farming and consumption of traditional food crops; promoting proper farming methods and crop management; enhance value addition and processing industries :lobbying for revitalization of extension services; enhancing collaboration with stake holders; encouraging use of alternative inputs; improving infrastructure and market access; promoting adoption of proper farming methods ;promoting co-operative and marketing and societies and encouraging agro forestry to increase land under trees cover.
- e) On environmental sustainability, the constituency will organize tree planting days.

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

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(SMART) and converted into development outcomes. Attendant indicators were identified for reasons of tracking progress and performance measurement. Below, we provide the progress on attaining the stated objectives:

Sector	Objective	Outcome	Indicator	Performance
Education	To have all children of school going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	Number of usable physical infrastructure build in primary, secondary, and tertiary institutions Number of bursary's beneficiaries at all levels	In FY 2024/25 -we Constructed 18 Classrooms in primary schools for example Isanda primary, ikumu primary, Emmukunzi primary, Ebututi primary and Ebbitsi primary among others, 2 classes in Secondary schools for example Esikhuyu secondary and renovated 11 classrooms in primary schools i.e Ebucheli primary and Ebusiratsi Cog primary school and among others. - During the year, 10,100 students benefitted from bursary for tertiary, secondary and special schools. Secondary school students who benefitted totalled to 6,000(Boys 2,560 and girls 4,100) while in tertiary institutions 5,017 benefitted from the fund i.e Male 2850 and Female 2,167.
Security	To ensure all Ass. Chiefs, chiefs and the Ass. County Commissioners' have an office	Access to quality services Reduced crime rate	number of usable physical infrastructure build at the locational levels Number of crimes reported	-Emuhaya NG- CDFC has constructed 1 Assistant Chiefs' offices and purchased land for construction of Esirulo police post. As a result of building the assi

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	To have modern police stations and posts at the Constituency			
Environment	To have health and clean environment and water catchment	Access to good health and sanitation	Number of Indigenous trees planted Number of sanitary facilities constructed	During the financial year 2024-2025, Emuhaya constituency has constructed 4 sanitation facilities.
Emergency	Catering for any unforeseen occurrences in the Constituency	Preparedness to unforeseen occurrences	Number of unforeseen occurrences in the constituency	Emuhaya NGCDF has spent Kshs. 4,750,000 on emergency fund the year under review. The funds were used to build toilets in primary schools for example Esalwa primary, Emurembe primary, Mukhungu primary and Emmukunzi primary school among others.

6. Governance Statement

Introduction

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

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

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

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

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

Appointment of National Government Constituency Development Fund Committee

(1) There is established a National Government Constituency Development Fund Committee for every constituency.

(2) Each Constituency Committee shall comprise of—

- (a) the national government official responsible for co-ordination of national government functions;
- (b) two men each nominated in accordance with subsection (3), one of whom shall be a youth at the date of appointment;
- (c) Two women nominated in accordance with subsection (3). one of whom shall be a youth at the date of appointment;

- (d) one person with disability nominated by a registered group representing persons with disabilities in the constituency in accordance with subsection (3);
- (e) two persons nominated by the constituency office established under Regulations made pursuant to the Parliamentary Service Act;
- (f) The officer of the Board seconded to the Constituency Committee by the Board who shall be an ex officio member without a vote.
- (g) One member co-opted by the Board in accordance with Regulations made by the Board.

(3) The seven persons referred to in subsection (2)(b), (c), (d) and (e) shall be selected in such manner and shall have such qualifications as the Board may, by Regulations, prescribe.

(4) The names of the persons selected under subsection (3) shall be submitted by the Board to the National Assembly for approval before appointment and gazettelement by the Board.

(5) The Regulations made under subsection (3) shall be submitted to the National Assembly for approval before publication by the Board.

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

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

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

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

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

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

Process of Formation of the NGCDF Committee

To facilitate this, the selection panel invited interested and qualified members of the public for appointment to the NG-CDF committee. The panel invited the public through

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advertisement publicized in churches, public offices notice boards at the chiefs and assistant Chiefs offices and other public areas in the constituency.

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

NO	NAME	CATEGORY	WARD
1.	Sophia Mical Analo	Female (Adult)	West
2.	Enos Makanga	Male(Adult)	North East

Nominee of the Body representing Persons with Disability

NO	NAME	NOMINATING ORGANIZATION	NATURE OF PHYSICAL IMPAIREMENT	WARD
1.	Wellington Ekhuya	Emuhaya Special SHG	Ambulatory	Central

C0-opted member

NO	NAME	CATEGORY	OCCUPATION	WARD
1.	Emily Khaoya	Female	business	Central

Nominee of the Constituency Office

NO	NAME	CATEGORY	OCCUPATION	WARD
1.	Samson Malika	Male	Teacher	Central

The list of the selected and recommended members was forwarded to the NG-CDF Board is as below.

Name	Category	Statutory Provision Under Ng-Cdf
Makanga Enos Marindi	Male Adult Representative	Appointment, Pursuant To Sect. 43(2)(B)
Samson Malika	Male Adult Representative	Appointment, Pursuant To Sect. 43(2)(B)
Ongaya Kelvin Etalia	Female Youth Representative	Appointment, Pursuant To Sect. 43(2)(C)
Miriam Nyarotso Ekambi	Female Adult Representative	Appointment, Pursuant To Sect. 43(2)(C)
Wellington Ekhuya	Representative Of Persons Living With Disabilities	Appointment, Pursuant To Sect. 43(2)(D)
Emily Khaoya	Male Youth Representative	Appointment, Pursuant To Sect. 43(2)(E)
Josephine Ahono	Female Adult Representative	Appointment, Pursuant To Sect. 43(2)(E)

The above committee was gazetted on 21stMay 2025 by the Chief Executive Officer of the Board via Gazette Notice Vol. CXXVII-No. 98

The members took over the office on the first meeting on 14th June 2025 and went through the process electing the chairperson and the secretary of the committee. The following members were elected.

- | | | |
|----------------|-------------------|-----------------|
| 1. Chairperson | -Ms. Enos Makanga | ID No. 11237918 |
| 2. Secretary | -Mr.Samson Malika | ID No. 24701726 |

During its first meeting, a Constituency Committee established Sub-Committees necessary for the proper performance of its functions in accordance with the guidelines issued by the Board. The two sub-committee are as follows:

- i. Bursary Sub Committee
- ii. Monitoring and evaluation Sub Committee

The following were appointed to the different committee

a. Bursary committee

1. Miriam Ekambi - Chair
2. Emily Khaoya - secretary
3. Wellington Ekhuyu - member

b. Monitoring and evaluation Sub Committee

1. Josphine Ahono - Member
2. Sophia Mical Analo - chair
3. Kevin Ongaya - Member

The chairperson and the secretary are members of all the committees. The DCC is the member of the complaints committee, while representative from the ministry of education office is also co-opted to be in the Bursary committee.

The NG-CDF tenure

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.

Roles and functions of NG-CDFC

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

- Convene public meetings in every ward in the constituency to deliberate to on development matters.
- Deliberate on project proposals and any other projects considers beneficial to constituency.
- List of projects to be submitted in accordance with the Act to be submitted to the to the Board and ensure that all proposed projects that are approved for funding meet the requirements of section 24 of the Act.

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

Removal of NG-CDFC Members

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

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

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

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

Handing over

The handing over of office by the outgoing NG-CDF Committee to the incoming committee was carried out smoothly on 25th June 2025.

Training of NG-CDFC Members

In the financial year 2024/2025 the NGCDF Board organized training of NGCDFC members. During the training, critical areas such as Strategic Planning & Performance Contracting Rationale for Strategic Planning & PC at NG-CDF, Complaints handling mechanism, Conduct of meetings and minute writing, Minutes files , Effective Communication and ICT Solutions,

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Brand Management, Project Cycle Management in NG-CDF operations , Technical aspects of Project Planning and Management, Architectural plan, Bill of Quantities description, interpretation and utilization in Project , Technical aspects of Project Planning and Management, Monitoring and Evaluation of NG-CDF Projects, Taxation in NG-CDF operations , Public Finance Management in NG-CDF Operations, Role of the committee in financial management. This enabled the committee to acquire knowledge and skills to ensure effective and efficient management of NG-CDF Emuhaya.

Number of Meetings Held

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

N O.	NG- CDFC COMMI TTEE MEMBER S	3rd July 2024	15 th Aug 2024	11 th Oct 2024	15 TH Oct 2024	24 th Nov 2024	04 th Dec 2024	09 TH Jan 2025	06 TH Feb 2025	07 th April 2025	19 th May 2025	26 th June 2025
1	Enos makanga -Chair	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
2	Kevin Ongaya- member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
3	Miriam Ekambi- member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
4	Josephin e Ahono- member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
5	Sophia Analo- member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
6	Samson Malika- secretary	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
7	Wellingt on	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

	Ekhuya-member											
8	Emily Khaoya-member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
9	Monica Ithatwa-DCC	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
10	Peter Maraya Adagi-Fam	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

Ethics & Conduct

Members of NGCDFC are required to observe the following ethical issues

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

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

Members Remuneration

NG-CDFC members are not entitled to payment of salary. However, the chairperson of NG-CDFC is entitled to an allowance Ksh. 7,000 per meeting and all other members an allowance of Ksh. 5,000 per sitting. All NGCDFC members should adhere to general ethics and code of conduct as stipulated in the NGCDF Act.

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

Disclose policy on conflict of interest

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

Risk management

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

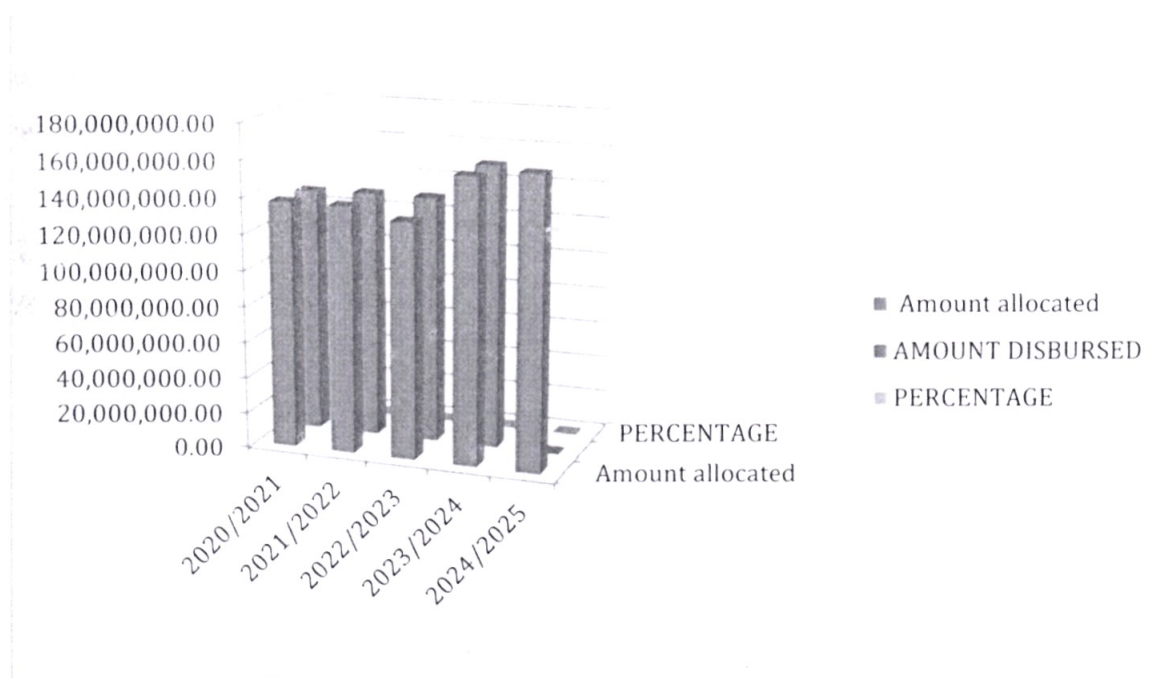
Some of the risk mitigation strategies that NGCDFC Emuhaya has implemented include the following: Implementing audit findings and recommendations, adherence and compliance with NGCDF act 2015 and other laws and regulations to ensure an effective and efficient control system, ensuring that NGCDFC members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

7. Management Discussion and Analysis

The National Government Constituency Development Fund has been instrumental in Kenya's development. As it has allocated billions of shillings to various constituencies since its inception. Here's an overview of Emuhaya NG-CDF operational and financial performance over the past five years.

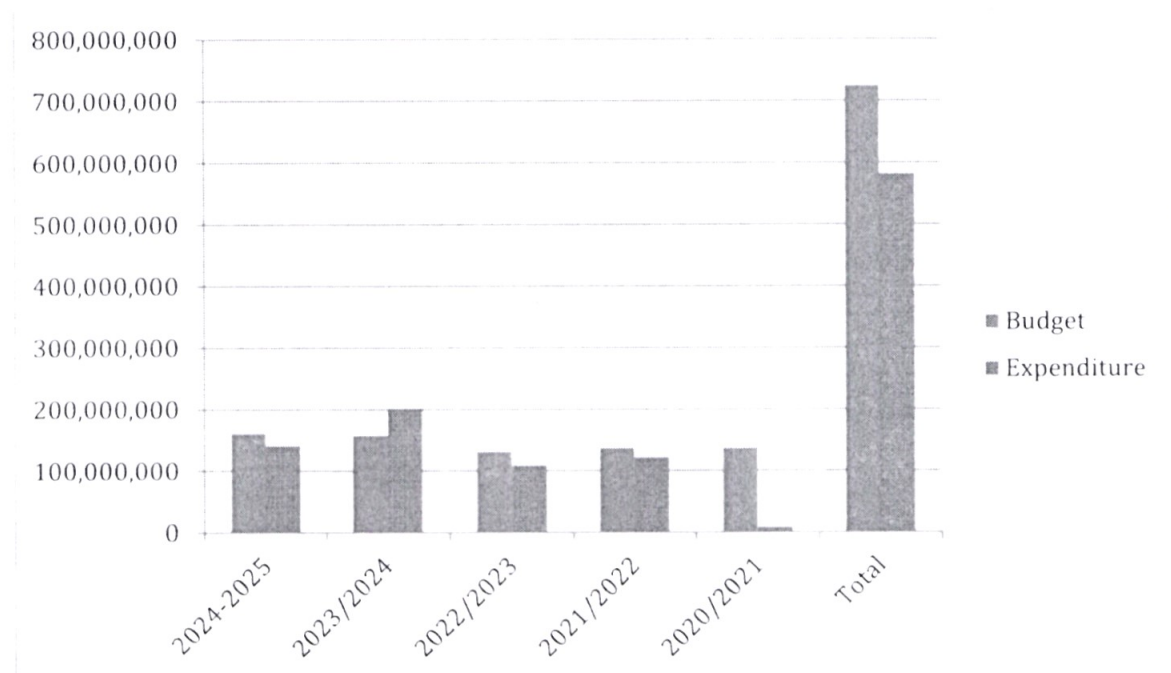
Figure 1. Emuhaya NG-CDF Financial Performance

Financial Year	Amount allocated	AMOUNT DISBURSED	PERCENTAGE
2020/2021	137,088,879	136,088,879	98%
2021/2022	137,088,879	137,088,879	100%
2022/2023	131,342,462	137,088,879	100%
2023/2024	157,825,629	137,088,879	100%
2024/2025	161,497,759	135,000,000	84%



The below table further illustrates the expenditure performance of Emuhaya NG-CDF in the past five years:

Financial Year	Budget	Expenditure
2024-2025	161,497,759	140,898,125
2023/2024	157,825,629	201,772,964
2022/2023	131,342,462	108,995,569
2021/2022	137,088,879	121,973,187
2020/2021	137,088,879	8,506,828
	373,928,749	227,467,084



Based on the above information for the last two financial years; the key consumer of the resources is Education sector with an average of 91.3% of the entire allocation and secondly the security sector with average of 8.7%. This is an indicator that the Fund has put more efforts in improving the academic standards of Emuhaya constituency through both the infrastructure and bursaries to needy students studying in various institutions.

Further from the above analysis, it is important to note that the Fund has been able to serve the rural communities and be able to improve on the living standards of the people, poverty eradication being one of its key objectives. The management advocates for more resource allocation to further improve on its mandate.

Sector Performance

Over the reporting period, the Emuhaya NG-CDF focused its interventions in key sectors as outlined below:

Education Sector

- Over 78 classrooms constructed or rehabilitated across primary and secondary schools.
- More than 28,000 students benefited from bursaries over five years.
- New science laboratories constructed in line with CBC requirements.

Security Sector

- Construction of Hobuyaya sub county police headquarter improved safety and police welfare.
- Additional support to administrative offices such as Embali police post.

ICT and Digital Empowerment

- Digital Innovation: Initial implementation of a Constituency Digital Hub, expected to promote access to internet and online jobs.

Operational Performance:

Emuhaya NG-CDF has implemented various projects across the constituency, focusing on education, security, and infrastructure development.

The fund has been instrumental in

- a. Education: Funding schools, classrooms and bursaries
- b. Security: Constructing National Government Administration offices, chief's/assistant chief's offices and police offices.
- c. Infrastructure Development: Supporting various infrastructural projects.
- d. Climate Change Mitigation: Enhancing conservation and restoration of forests in the constituency.

The Key projects implemented or On-going.

1. Essunza primary school

Background information of Essunza primary school

Essunza primary school is an old school situated in Central ward. It is a school with a rapidly growing population. It has a small piece of land thus to save on space, Emuhaya NG-CDF built a storey building for classrooms.

Activities done

- i. Construction to completion of one storey building consisting of eight classrooms.

Anticipated Project Impact

1. The project has led to improved learning environment to learners.



Compliance with statutory requirements

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

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

2. Emuhaya Sub county Police Headquarters

Background information of Emuhaya Sub county Police Headquarters

Emuhaya Sub county Police Headquarters has been working as a sub county police headquarters since its initiation in 2024 December when it was completed.

Location

This project is situated at Hobuyaya, in Central, Emusire Sub-location, Central bunyore Ward.

Activities done

3. Construction to completion of Emuhaya Sub county Police Headquarters

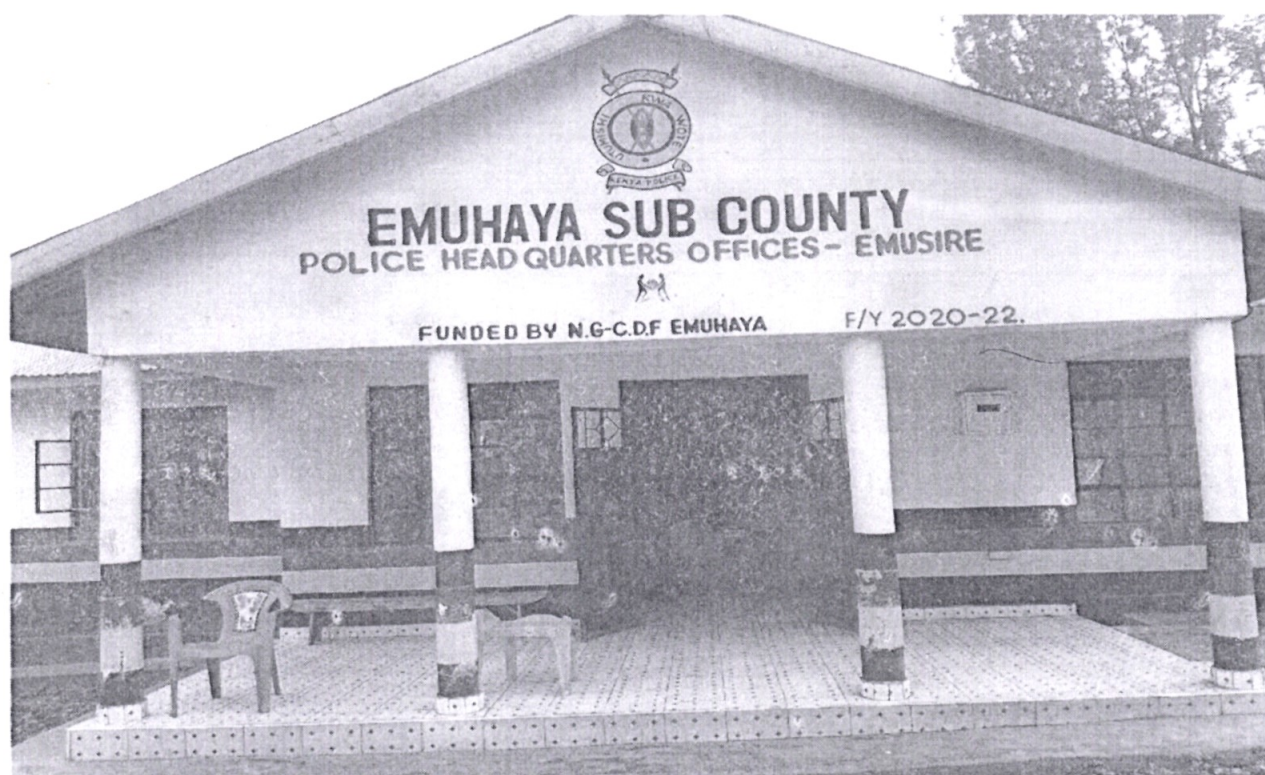
i. Summary of funding for the Administration Block Project:

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Financial Year	Amount Disbursed	Contract Sum (Kshs)	Project Start Date	Project Status
2022/2023	5,000,000	10,685,000	April 2023	Complete and handed over
2023/2024	5,685,000			

Anticipated Project Impact

1. Increased security of Luanda south ward within constituency
2. Improved economic Performance of within locality of the project



Major Risks facing the Fund

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

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

4. Institutional Challenges- NG-CDF faces institutional challenges that hinder effective utilization of funds, including inadequate monitoring and evaluation.

Fund's Review on Economy

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

- Funding Allocation- NG-CDF allocates funds directly to constituencies, supporting local development projects in education, infrastructure, and other essential services.
- Development projects: The fund has implemented various projects including construction of schools improving living standards and access to basic services.
- Economic Growth: By investing in local projects, NG-CDF contributes to economic growth, job creation, and poverty reduction in constituencies.

Future Development of the Fund

NG-CDF in Kenya is expected to continue focusing on key areas like education, infrastructure, and economic empowerment with a growing emphasis on digital literacy and sustainable development.

The fund will expand its reach through initiatives like constituency innovation hubs and digital hubs at the ward level to enhance access to online opportunities and improve efficiency through automation.

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

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

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



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Peter Maraya Adagi
Fund Account Manager

8. Environmental and Sustainability Reporting

Environmental issues, particularly climate change mitigation, have been prioritized as a key government agenda. The recent amendment to the NG-CDF Act 2022, which increased the allocation for climate change mitigation activities from 2% to 5%, ensures that this objective is met through the NG-CDF Fund. In the 2023-2024 financial year, Emuhaya NG-CDF allocated Kshs. 200,000 for tree planting initiatives in five institutions within the constituency.

1. Sustainability strategy and profile -

To ensure sustainability of Emuhaya NG CDF, the committee funds the following key sectors with the following sustainable priorities.

- a. **Education and Training:** Emuhaya NG-CDF 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 marginalised groups including girls and people living with disabilities.
- b. **Security Sector Support:** Among its key pillars; NGCDF has security as a priority area with intention to provide better working environment for the security providers within the constituency as well 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 the law enforcement agencies while collaborating with community in trust on matters of security.
- c. **Environment:** The Constituency acknowledges that all its operation has an impact on environment. Cognizant of the Sustainable development goals, the NG-CDF has allocated part of its budget on environment conservation through activities such as tree planting, water conservation, sensitization forums for agro-forestry as well as best practices to reduce soil erosion.
- d. **Sports:** The NG-CDF has taken sports as a key pillar of cohesion and integration. To sustain this pillar, the strategy taken is that of developing skills through sports with intention of identifying, nurturing talent and encouraging physical fitness among the constituents.

To attain this level of sustainability, we acknowledge challenges currently arising from the effects of Covid- 19 that have adversely affected the sporting activities and thereby limiting the potential benefits envisaged in using sports as development strategy within the constituency. On macro levels FY 21/22 has been a challenging year with limited funding towards these activities which may hamper the success of priority strategies undertaken.

2. Environmental performance

Environmental care is one of the main responsibilities Emuhaya NG CDF has taken care of. We undertake this by observing the following:

- Managing and disposing all wastes in acceptable manner.
- Complying with all relevant environmental legislation, regulation and accepted practice.
- Providing regular training to the CDFC and staff so that they can keep the environment safe.
- Monitoring and continuously improving environmental performance.
- Supporting the establishment of tree nurseries and purchasing seedling and their planting.
- Protecting the environment by striving to prevent and minimize our contribution to pollution of land, air, and water
- Developing our management processes to ensure that environmental factors are considered during planning and implementation

3. Employee welfare

We invest in providing the best working environment for our employees. Emuhaya 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 of 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 cover through a reliable insurance Scheme. Employees are encouraged and supported to continually build on their skills and knowledge. Emuhaya 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 policy on safety in compliance with Occupational Safety and Health Act of 2007, (OSHA) and has ensured the work environment is conducive for everybody in terms of movement and accessibility within the office. The Constituency has also put in place disaster mitigating measures including fire extinguishers and accessible escape routes in case of emergency.

4. Market place practices-

Emuhaya NGCDF 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 for purposes of uplifting them economically. Our ethical market practices ensure the fund get value for money on all goods and services procured.

We are also committed to healthy relations with our suppliers which is enhanced through organized sensitization forums that relate to 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 practice 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-

Emuhaya NGCDF 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 sports and community projects.

Public Participation in Project Identification and Implementation and Monitoring

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

Public participation is the process that directly engages the concerned stakeholders in decision-making and gives full consideration to public input in making that decision.

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

Public Awareness

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

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



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Peter Maraya Adagi
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 the Public Sector Accounting Standards Board of Kenya from time to time.

The Accounting Officer in charge of the NGCDF- Emuhaya 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, 2024. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) 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; (iv) safeguarding the assets of the entity; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

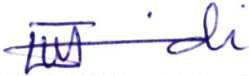
The Accounting Officer in charge of the NGCDF-Emuhaya Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (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, 2024, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF-Emuhaya 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 Emuhaya 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.

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Approval of the financial statements

The NGCDF- Emuhaya Constituency financial statements were approved and signed by the Accounting Officer on 18/11/ 2025.



.....
Name: Enos Makanga
Chairman – NGCDF Committee



.....
Name: Peter Maraya Adagi
Fund Account Manager

REPUBLIC OF KENYA

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NAIROBI

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

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying transitional IPSAS financial statements of Emuhaya NGCDF set out on pages 1 to 64, which comprise of the statement of financial position as at 30 June, 2025, and the statement of statement of financial performance, statement of statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a

summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

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

Basis for Qualified Opinion

Inaccuracies in the Financial Statements

Review of the annual report and financial statements revealed the following inaccuracies;

- i. The statement of financial performance reflects an amount of Kshs.84,345,147 and as disclosed in Note 14 to the financial statements includes an amount of Kshs.44,245,909 being bursary to secondary schools which differs with the supporting schedules amount of Kshs.43,936,678 by an unreconciled variance of Kshs.309,231.
- ii. The statement of financial position reflects cash and cash equivalents balance of Kshs.68,414,605. As disclosed in Note 19 to the financial statements, the PMC Account comparative amount is indicated as Kshs.27,246,752. However, this amount differs with the amount of Kshs.13,679,395 disclosed in the previous year. No reconciliation or prior year adjustment was made to record the increased amount of Kshs.13,567,357.

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

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

Emphasis of Matter

Budget Control and Performance

The summary statement of appropriation reflects final receipts budget and actual on a comparable basis of Kshs.236,610,489 and Kshs.176,185,978 respectively resulting

to an under-funding of Kshs.27,297,759 or 12% of the budget. Similarly, the Constituency expended Kshs.140,898,125 against an approved budget of Kshs.236,610,491 resulting to an under-expenditure of Kshs.95,712,365 or 32% of the budget.

The underfunding and underperformance 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 effects of the matter described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

Other Matter

Unresolved Prior Year Matters

In the audit report of the previous year, issues were raised under the Report on the Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources and Report on Effectiveness of Internal controls, Risk management and governance. However, the Management had not resolved the following issues as at 30 June, 2025.

- i. Missing acknowledgement letters for bursary payments.
- ii. Poor workmanship for completion of 4-door pit latrine at Mukhombe Primary School.

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 Chairman's Report, Statement of Performance against predetermined objectives, Management Team, Chairman's Statement, Report of the Chief Executive Officer, Governance Statement, Environmental and Sustainability Reporting, Report of the Directors, Statement of Management Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

The statement of financial performance reflects an amount of Kshs.84,345,147 transferred to other government units. This amount relates to amounts transferred to primary, secondary and tertiary institutions for development purposes. Review of records revealed the following unsatisfactory matters

1. Proposed Construction of Ebusiekwe Assistant Chiefs Office- Office not Fully Functional

Note 14 to the financial statements reflects an amount of Kshs.18,238,708 incurred on security projects, out of which Kshs.939,220 relates to payment for the proposed construction of Ebusiekwe Assistant Chiefs Office. Site visit conducted on 3 October, 2025 revealed that the Assistant Chief's office building was complete but not occupied. In addition, the office lacks essential facilities such as a pit latrine and fencing, making it not fully functional and secure for official use.

In the circumstances, value for money may not be achieved if the office remains not fully functional.

2. Missing Acknowledgment Letters for Bursary Payments

Note 14 to the financial statements further reflects an amount of Kshs.44,245,909 relating to bursary disbursed to secondary schools, Kshs.10,690,000 disbursed to tertiary institutions and Kshs.835,000 disbursed to special schools. Review of sampled bursary disbursement records maintained by the Emuhaya Constituency Development Fund revealed that two schools, namely; Mungoye Secondary School and Emanyinya Secondary School were issued with bursary of Kshs.310,000 and Kshs.1,880,000 respectively totalling to Kshs.2,190,000. However, these payments have not been supported by acknowledgement letters or receipts.

In the circumstances, it could not be confirmed if the money totaling to Kshs.2,190,000 was all disbursed and received by the institutions.

3. Poor Workmanship at Ebuyalu Secondary School

On 23 October, 2023, a contract was signed between Ebuyalu Secondary School and a construction company at a contract price of Kshs.19,916,933 for the construction of 1 floor storey building consisting of four classrooms, an administration block with

offices and a dining hall. The contract period was 90 weeks from the date of signing the contract.

In the year under review, an amount of Kshs.9,916,933 was transferred to the PMC account towards the project. As per the latest payment certificate (certificate number 5), the contractor had been paid an amount of Kshs.17,775,368. The balance being retention money.

During physical verification, the below anomalies were noted:

- i. Water stain patches were seen on various parts of the ceiling board, in different rooms. An indicator that the roof might be leaking.
- ii. Some sections of the soft board ceiling have started detaching from the roof at the joints.
- iii. Curtain rods of Kshs.132,000 are yet to be fixed.
- iv. Water tanks are yet to be installed and yet in the bills of quantities there was a provision of Kshs.150,000 for the same.
- v. Visible cracks were seen on some walls.
- vi. The project is yet to be handed over for use despite the contract period having elapsed. Completion deadline was 23 September, 2025.

In the circumstances, the public did not get value for the project that cost Kshs.19,916,933.

4. Incomplete Work at Bunyore Boys Secondary School

On 18 October, 2023, a contract was signed between Bunyore Boys Secondary School and an entity at a contract price of Kshs.18,185,842 for the construction of 1 floor storey building consisting of four classrooms, a twin laboratory and an administration block with offices. The contract period was 89 weeks from the date of signing the contract, resulting to the completion date to be 18 August, 2025. The completion period was later extended to 31 December, 2025.

The project was to be funded in three phases; 2022/23,2023/24 and 2024/25. In the year under review, an amount of Kshs.3,000,000 was transferred to the PMC account towards the project.

Review of the latest payment certificate number 9, as per the valuation summary; an amount of Kshs.840,000 was reported as works valued for the ceiling board. The quoted amount in the bills of quantities was Kshs.870,000, meaning that the contractor was to be paid or has been paid the whole quoted price plus an additional Kshs.30,000. However, during physical verification it was noted that the ceiling has not been fixed. No explanation was given as to support the valued works.

In the circumstances, value for money has not been received for the money paid.

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply in all material respects, with

the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the effects of the matter described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

Lack of Internal Audit Reports

In the year under review, there was no internal audit report provided for review. The audit did not confirm the audit annual work plan, audit reports processed and action taken by management to improve on internal control weaknesses. This is contrary to Reg 160.(1) of PFM (National Government) Regulation 2015, which requires Internal auditors to review and evaluate budgetary performance, financial management, transparency and accountability mechanisms and processes in national government entities, including Parliament and Judiciary; and have a duty to give reasonable assurance through the audit committee on the state of risk management, control and governance within the organization; and review the effectiveness of the financial and non-financial performance management systems of the entities. In the circumstances, lack of internal audit reports and tracking may lead to internal control weaknesses that may result to loss of public funds and poor governance.

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 Governances

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

Auditor-General's Responsibilities for the Audit

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

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

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

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


FCPA Nancy Gathungu, SBS
AUDITOR-GENERAL

Nairobi

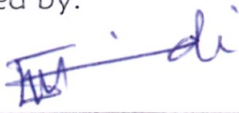
21 November, 2025

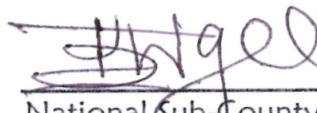
National Government Constituencies Development Fund (NGCDF)
 Emuhaya Constituency
 Annual Report and Financial Statements for The Year Ended June 30, 2025

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

	Note	Period ended June 2025
		Kshs
Revenue from non-exchange transactions		
Transfers from the NGCDF Board	6	161,497,759
Grants/donations from other entities	7	-
Revenue from exchange transactions		
Finance income	8	-
Miscellaneous income	9	-
Total revenue		161,497,759
Expenses		
Employee costs	10	5,521,717
Committee expenses	11	2,860,000
Use of Goods and Services	12	7,160,696
Other Government Units Actual expenditure	13	46,232,827
Other Grants and Transfers Actual expenditure	14	84,345,147
Depreciation and amortization expense	15	-
Digital Hubs Actual expenditure	16	-
Total expenses		146,120,387
Other gains/(losses)		
Gain/Loss on Sale of Assets	17	-
Impairment loss	18	-
Surplus/(Deficit) for the year		15,377,372

The Constituency financial statements were approved by the NGCDFC on 18/11 2025 and signed by:


 Chairman NG-CDF
 Committee


 National Sub-County
 Accountant


 Fund Account Manager

Name: Enos Makanga

Name: Edgar Ulali Wafula
 ICPAK M/No:

Name: Peter Maraya Adagi

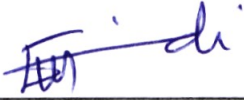
National Government Constituencies Development Fund (NGCDF)
Emuhaya Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025

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

	Note	Period as at June 2025 Kshs	Opening Statement 1st July 2024 Kshs
Assets			
Current Assets			
Cash And Cash Equivalents	19	68,414,605	33,126,752
Receivables from Exchange Transactions	20	-	-
Receivables from Non-Exchange Transactions	21	27,297,760	41,985,979
Prepayments	22	-	-
Total Current Assets		95,712,365	75,112,732
Non-Current Assets			
Property, Plant and Equipment	23	-	-
Intangible Assets	24	-	-
Right-of-use assets	25	-	-
Total Non- Current Assets		-	-
Total Assets (A)		95,712,365	75,112,732
Liabilities			
Current Liabilities			
Trade and Other Payables	26	-	-
Third-Party Deposits	27	5,517,224	1,000,000
Lease Liabilities	28	-	-
Gratuity provision	29	2,279,699	1,574,661
Total Current Liabilities		7,796,923	2,574,661
Non-Current Liabilities			
Lease Liabilities	28	-	-
Total Liabilities (B)		7,796,923	2,574,661
NetAssets (A-B)		87,915,442	72,538,071
Represented by:			
Revaluation Reserves		87,915,442	72,538,071
Accumulated Surplus			
Total Net Assets		87,915,442	72,538,071

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

The Constituency financial statements set out on pages 1 to 11 approved by NG CDFC on 15/11/2025 2025 and signed by:



Chairman NG-CDF
Committee
Name: Enos Makanga



National Sub-County
Accountant
Name: Edgar Ulali Wafula
ICPAK M/No:



Fund Account Manager
Name: Peter Maraya Adagi

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

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

Description	Reserves	Accumulated surplus/Deficit	Total
	Kshs	Kshs	Kshs
As at 30 th June 2024 (cash basis)	4,387,479	-	4,387,479
Adjustments: (to recognize assets and liabilities)	-	-	-
Add Assets	69,232,181	-	69,232,181
Less Liabilities	1,081,590	-	1,081,590
As at July 1, 2024	72,538,071	-	72,538,071
		-	
Surplus/(Deficit) For the Period	15,377,372	-	15,377,372
Revaluation Gain/Loss	-	-	-
As at 30 th June 2025	87,915,442	-	87,915,442

Note:

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

National Government Constituencies Development Fund (NGCDF)
Emuhaya 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	Period ended Jun-2025
		Kshs
Cash flows from operating activities		
Receipts		
Transfers from the NGCDF Board		176,185,978
Grants/donations from other entities		-
Finance income		-
Miscellaneous income		-
Total Receipts		176,185,978
Payments		
Employee costs		4,816,679
Committee expenses		2,860,000
Use of Goods and Services		7,160,696
Other Government Units Certified Works		42,882,265
Other Grants and Transfers		83,178,486
Digital Hubs Expenses		-
Total Payments		140,898,125
Net Cash Flows from/ (used in) Operating Activities	28	35,287,853
Cash flows From Investing Activities		
Purchase of PPE		-
Purchase of Intangible assets		-
Proceeds From Sale of PPE		-
Net Cash Flows from Investing Activities		-
Net increase/(decrease)in cash& Cash equivalents		35,287,853
Cash Flows from Financing Activities		
Lease payment		
Net Cash Flows from Financing Activities		35,287,853
Cash and cash equivalents at Period Start	19	33,126,752
Cash and cash equivalents at Period End	19	68,414,605

National Government Constituencies Development Fund (NGCDF)
 Emuhaya 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

mi	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilization
	Kshs	Kshs		Kshs	Kshs	Kshs	
	a	B		C=(a+b)	d	e=(c-d)	f=d/c*100
	<i>Period ended June 2025</i>	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements	<i>Period ended June 2025</i>	<i>Period ended June 2025</i>		
Revenue							
Transfers From the NGCDF Board	161,497,759	33,126,752	41,985,978	236,610,489	176,185,978	27,297,759	74%
Transfers from domestic and foreign partners	-	-	-	-	-	-	
Finance income	-	-	-	-	-	-	
Miscellaneous income	-	-	-	-	-	-	
Totals	161,497,759	33,126,752	41,985,978	236,610,489	176,185,978	27,297,759	
Expenses							
Employee costs	5,196,233	664,243	-	5,860,476	4,816,679	1,043,797	82%
Committee expenses	3,718,000	-	21,600	3,739,600	3,698,600	41,000	99%
Use of Goods and Services	5,620,565	7,430	294,538	5,922,533	5,722,096	200,437	97%
Other Government Units Certified Works	73,623,982	16,318,892	34,425,708	124,368,581	42,882,265	81,486,317	34%
Other Grants and Transfers	67,338,979	16,136,188	4,844,134	88,319,300	76,978,486	11,340,814	87%
Acquisition of assets							
Others	6,000,000	-	2,400,000	8,400,000	6,800,000	1,600,000	81%

National Government Constituencies Development Fund (NGCDF)
Emuhaya Constituency

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

mi	Original Budget		Adjustments		Final Budget Kshs C = (a+b)	Actual on comparable basis Kshs d	Budget utilization difference Kshs e = (c-d)	% of Utilization f = d/c*100
	Kshs a	Period ended June 2025	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements				
Digital Hubs Expenses								
Funds Pending Approval**								
AIA								
Total Expenditure	161,497,759		33,126,752	41,985,979	236,610,491	140,898,125	95,712,365	60%
Surplus for the period						35,287,853	(68,414,605)	

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

National Government Constituencies Development Fund (NGCDF)

Emuhaya Constituency

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

Explanatory Notes.

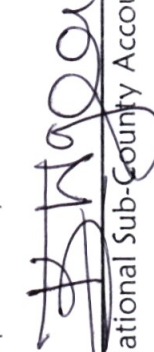
S/NO	ITEM	PERCENTAGE	REASON
1	Employee Costs	82%	This is as a result of unpaid gratuity monies
2	Other Government Units Certified Works	34%	This was as a result of late receipt of funds from the Ex chequer
4	Other Grants and Transfers	87%	This was as a result of late receipt of funds from the Ex chequer

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	95,712,365
Less undisbursed funds receivable from the Board as at 30 th June 2025	27,297,760
Cash and Cash Equivalents at the end of the 30 th June 2025	68,414,605

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 18/11 2025 and signed by:


 Fund Account Manager


 National Sub-County Accountant


 Chairman NG-CDF Committee

Name: Peter Maraya Adagi

Name: Edgar Ulali Wafula
 ICPAK M/No:

Name: Enos Makanga

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

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent						
1.1 Compensation of employees	5,196,233	664,243	-	5,860,476	4,816,679	1,043,797
1.2 Committee allowances	1,782,000	-	-	1,782,000	1,741,000	41,000
1.3 Use of goods and services	2,711,633	-	125,000	2,836,633	2,639,332	197,301
Sub-total	9,689,866	664,243	125,000	10,479,109	9,197,011	1,282,098
2.0 Monitoring and evaluation						
2.1 Capacity building	1,000,000		6,600	1,006,600	1,006,600	-
2.2 Committee allowances	936,000		15,000	951,000	951,000	-
2.3 Use of goods and services	2,908,933	7,430	169,538	3,085,901	3,082,764	3,137
Sub-total	4,844,933	7,430	191,138	5,043,501	5,040,364	3,137
3.0 Emergency						
unutilized	3,749,879	701,665		4,451,544	-	4,451,544
Mungoye primary school	1,400,000	1,043		1,401,043	1,396,138	4,905
Esalwa Primary school	600,000			600,000	595,520	4,480
Emurembe primary school	350,000	1,309		351,309	350,869	440

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
		Kshs	Kshs			
Mukhungu primary school	600.000	2.463		602.463	593.687	8,775
Emmukunzi primary school	600.000			600.000	-	600,000
Mulukhoru IDs office	600.000			600.000	599,828	172
Mulukhoru Assistant chief office	600.000			600.000	599,487	513
Sub-total	8,499,879	706,480	-	9,206,359	4,135,529	5,070,830
4.0 Bursary and Social Security						
4.1 Primary Schools	-	-	-	-	-	-
4.2 Secondary Schools	45,212,250		499,268	45,711,518	44,245,909	1,465,609
4.3 Tertiary Institutions	10,626,850	67,964		10,694,814	10,690,000	4,814
4.4 Special schools	800,000	35,000		835,000	835,000	-
4.5 Social Security	-	-	-	-	-	-
Sub-total	56,639,100	102,964	499,268	57,241,332	55,770,909	1,470,423
5.0 Climate Change Mitigation						
5.1 Ebuyalu Primary school	100,000			100,000	-	100,000
5.2 Esirulo police post	100,000			100,000	-	100,000
5.1 Esibakala Secondary school		100,000		100,000	-	100,000
5.2 Assebu Primary school		100,000		100,000	-	100,000

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
		Kshs	Kshs			
5.3 Musirili Primary school		100.000		100.000	-	100.000
5.4 Ebungwe High School		100.000		100.000	-	100.000
5.5 Esibila Boys secondary school		200.000		200.000	-	200.000
5.1 Ebuyalu Primary school	100.000			100.000	-	100.000
Sub-total	200.000	600.000	-	800.000	-	800.000
6.0 Primary Schools Projects (List all the Projects)						
8.1 Essunza Primary school	6,463,738	515,243	-	6,978,981	3,334,880	3,644,101
8.2 Emanyinya Primary school	5,000,000	7,240	3,156,513	8,163,753	-	8,163,753
8.3 Esirulo primary school	8,000,009	670,432	700,000	9,370,441	1,365,100	8,005,341
8.4 Ebulondi primary school	1,050,000	174	-	1,050,174	-	1,050,174
8.5 Ebucheli primary school	1,500,000	363	-	1,500,363	-	1,500,363
8.6 Ebukhaya primary school	1,050,000	405	2,000,000	3,050,405	1,405,512	1,644,893
8.7 Assebu primary school	1,050,000	3,273	1,000,000	2,053,273	544,138	1,509,135
8.8 Esibuye primary school	5,000,000	2,395	-	5,002,395	651	5,001,744
8.9 Ebusiratsi Church of God primary school	2,100,000	73,111	-	2,173,111	66,498	2,106,613
8.10 Ilungu primary school	1,050,000	14,210	-	1,064,210	-	1,064,210

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
		Kshs	Kshs			
8.11 Ebusiloli primary school	1,050,000			1,050,000		1,050,000
8.12 Ebukanga primary school	5,000,000	2,882,876	2,000,000	9,882,876	3,626,923	6,255,952
8.13 Itumbu Primary school	5,000,000	-	-	5,000,000		5,000,000
8.14 Emwatsi primary school	700,000	620	-	700,620	126	700,494
8.15 Esikhuyu primary school	1,750,000	1,191	1,000,000	2,751,191	997,975	1,753,217
8.16 Esibila primary school	700,000	1,047	-	701,047	-	701,047
8.17 Esibakala primary school	1,000,000	6,364	-	1,006,364	-	1,006,364
8.4 Ebukhuliti Primary school	-	-	1,000,000	1,000,000	-	1,000,000
8.5 Essumba Primary school	-	13,995	1,000,000	1,013,995	917,841	96,154
8.6 Emmukunzi Primary school	-	2,651	1,000,000	1,002,651	751,316	251,335
8.7 Ebukobelo Primary school	-	2,819	1,000,000	1,002,819	904,725	98,094
8.8 Ebututi primary school	-	2,693	1,000,000	1,002,693	903,999	98,694
8.10 Emanyinya Primary school	-	-	5,000,000	5,000,000	-	5,000,000
8.12 Salvation Army Emuhondo special school for the Deaf	-	-	1,000,000	1,000,000	-	1,000,000
8.13 Elusi Primary school	-	-	1,000,000	1,000,000	-	1,000,000
8.14 Emmabwi primary school	-	1,275	1,700,000	1,701,275	1,507,380	193,895

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
		Kshs	Kshs			
8.17 Ebbitsi Primary school	-	5.701	1,000.000	1,005.701	813.999	191.702
8.18 Mundichiri Primary school	-	4.585	1,000.000	1,004.585	905.227	99.358
8.19 Isanda Primary school	-	2.470	1,239.733	1,242.203	-	1,242.203
8.21 Essaba Primary school	-	51	1,000.000	1,000.051	-	1,000.051
8.23 Ematsuli Primary school	-	1.692	1,000.000	1,001.692	885.620	116.072
8.24 Ikumu primary school	-	2.773	1,239.733	1,242.506	888.831	353.675
8.26 Ebukoolo Primary school	-	26.287	2,000.000	2,026.287	816.207	1,210.080
8.36 Ebusioya Primary school	-	-	700.000	700.000	-	700.000
8.39 Musirili primary school	-	1,477.493	575.500	2,052.993	1,824.449	228.544
8.40 Esalwa primary	-	2,114	-	2,114	-	2,114
8.41 Eluhobe primary school	-	1,791	-	1,791	1,191	600
8.43 Ikalikha primary school	-	304.548	-	304.548	301.578	2,970
8.45 Msiakhupa primary school	-	222.726	-	222.726	219.801	2,925
8.46 Muchula primary school	-	51.203	64.229	115.432	48.538	66.894
8.47 Ebumbuya primary school	-	3.877	-	3.877	180	3,697
8.48 Eluyeka primary school	-	358.483	-	358.483	353.390	5,093
8.49 Esinaka primary school	-	198.661	-	198.661	198.630	31
8.50 Ebuyalu primary school	-	52.726	-	52.726	1,191	51,535

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Programme/Sub programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
		Kshs	Kshs			
8.51 Elununi primary school	-	34,666	-	34,666	31,443	3,223
8.52 Ebulamba primary school	-	12,352	-	12,352	-	12,352
8.53 Kilingili primary school		23,776		23,776	-	23,776
8.54 Emusire primary school		965		965	126	839
8.55 Mwitukho primary school		8,891		8,891	467	8,425
Sub-total	47,463,747	7,000,207	33,375,708	87,839,662	23,617,930	64,221,732
7.0 Secondary Schools Projects (List all the Projects)						
9.1 Ebungwe secondary school	1,888,470	324,485		2,212,955		2,212,955
9.2 Bunyore Boys secondary school	8,064,332	2,052,971	-	10,117,303	2,034,317	8,082,986
9.3 Ebuyalu Secondary school	9,916,933	820,023	-	10,736,956	8,926,391	1,810,565
9.4 Kilingili secondary school	2,000,000	64,162	1,050,000	3,114,162	836,422	2,277,740
9.5 Emmukunzi Secondary school	1,000,000			1,000,000		1,000,000
9.6 Esibakala secondary school		1,141,421	-	1,141,421	890,315	251,106
9.7 Esibila Boys secondary school		923,991	-	923,991	369,237	554,754

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
		Kshs	Kshs			
9.8 Esikhuyu Secondary school		1,002,853	-	1,002,853	998,458	4,395
9.12 Emanyinya secondary school		9,554	-	9,554	100	9,454
9.13 Mwituha secondary school		4,927	-	4,927	-	4,927
9.14 Essaba secondary school		131	-	131		131
9.15 Ebukhaya secondary school		55,039	-	55,039	1,191	53,848
9.16 Mungoye secondary school		646,427		646,427	588,286	58,142
9.17 Ebukoolo secondary school		1,209		1,209	-	1,209
Sub-total	22,869,735	7,047,193	1,050,000	30,966,928	14,644,717	16,322,211
8.0 Tertiary institutions Projects (List all the Projects)						
10.1 Bunyore Teachers Training college	3,290,500	2,220,577	-	5,511,077	4,619,618	891,459
10.2 Ebungwe TTC		50,914	-	50,914		50,914
Sub-total	3,290,500	2,271,491	-	5,561,991	4,619,618	942,373

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
		Kshs	Kshs			
9.0 Security Projects						
11.1 Ebusubi Assistant chiefs office	800.000	-	-	800.000	-	800.000
11.2 Mwichio police post	600.000	-	-	600.000	-	600.000
11.3 Ebukoolo police post	600.000	60	-	600.060	-	600.060
11.4 Emuhaya Magistrate court	-	12,524,079	213	12,524,292	13,451,339	(927,047)
11.5 Ebusiekwe Assistant chiefs office	-	-	1,000,000	1,000,000	895,298	104,702
11.6 Emakunda chiefs office	-	-	700,000	700,000	603,786	96,214
11.8 Echichibulu chiefs office	-	-	800,000	800,000	-	800,000
11.9 Esirulo Police post	-	-	1,000,000	1,000,000	-	1,000,000
11.10 Emuhaya sub-county police service	-	526,957	1,271	528,228	519,015	9,213
11.11 Emuhaya Administration centre	-	702,973	143,382	846,355	648,619	197,736
11.12 Ebusubi Assistant chief's office	-	-	700,000	700,000	-	700,000
11.13 Emuhaya dcc office	-	601,800	-	601,800	599,100	2,700
11.14 Ematsuli ap camp	-	141,438	-	141,438	139,938	1,501

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
		Kshs	Kshs			
11.15 Esibakala assistant chief	-	1,000	-	1,000	-	1,000
11.16 Emurembe ap camp	-	131,456	-	131,456	120,353	11,104
11.17 Ipali ap camp/assistant chief office	-	96,980	-	96,980	94,600	2,380
Sub-total	2,000,000	14,726,744	4,344,866	21,071,609	17,072,047	3,999,562
10.0 Acquisition of assets						
10.1 Motor Vehicles (including motorbikes)	-	-	-	-	-	-
10.2 Construction of CDF office	-	-	-	-	-	-
10.3 Purchase of furniture and equipment	-	-	-	-	-	-
10.4 Purchase of computers	-	-	-	-	-	-
10.5 Purchase of land	-	-	-	-	-	-
Sub-total	-	-	-	-	-	-
11.0 Digital Hubs	-	-	-	-	-	-
(Itemize as per the code list)						
Sub total						
12.0 Others						

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
		Kshs	Kshs			
13.1 Rural Electrification and Renewable Energy Corporation	3,000,000	-	-	3,000,000	3,000,000	-
13.2 Rural Electrification and Renewable Energy Corporation	3,000,000	-	-	3,000,000	3,000,000	-
13.3 Emuhaya Strategic plan			2,000,000	2,000,000	600,000	1,400,000
13.4 Constituency Innovation Hub.			200,000	200,000	200,000	-
13.5 EmuhayaNgcdf office			200,000	200,000		200,000
Sub-total	6,000,000	-	2,400,000	8,400,000	6,800,000	1,600,000
13.0 Funds pending approval**						
13.1 Unapproved projects						
13.2 AIA						
13.3						
Sub-total						
Total	161,497,759	33,126,752	41,985,979	236,610,490	140,898,125	95,712,365

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

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 Emuhaya Constituency principal activity is to fund and implement grassroots development projects in education, security, and Bursary grant to needy and vulnerable students.

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared in accordance with the Public Finance Management (PFM) Act and the International Public Sector Accounting Standards (IPSAS). The NG-CDF Emuhaya 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 Emuhaya 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.

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3. Adoption of New and Revised Standards

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

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

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

Standard	Effective date and impact:
IPSAS 43: Leases	<p>Applicable 1st January 2025</p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p> <p><i>Not Applicable</i></p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p>Applicable 1st January 2025</p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p> <p><i>Not Applicable</i></p>
IPSAS 45: Property Plant and Equipment	<p>Applicable 1st January 2025</p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under-maintenance of assets and distinguishing significant parts of infrastructure assets.</p>

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	<i>Not Applicable</i>
IPSAS 46: Measurement	<p>Applicable 1st January 2025</p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS. iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p><i>Not Applicable</i></p>
IPSAS 47: Revenue	<p>Applicable 1st January 2026</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>Not Applicable</i></p>
IPSAS 48: Transfer Expenses	<p>Applicable 1st January 2026</p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p> <p><i>Not Applicable</i></p>
IPSAS 49: Retirement Benefit Plans	<p>Applicable 1st January 2026</p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p> <p><i>Not Applicable</i></p>
IPSAS 50:	Applicable 1 st January 2027

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

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

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Sale of goods

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

Interest income

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

Rental income

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

b) Budget information

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

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

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

c) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the Entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are

recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

d) Leases

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

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

e) Intangible assets

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

f) Financial instruments

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

a) Financial assets

Classification of financial assets

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

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

Trade and other receivables

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

Fair value through surplus or deficit

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

Impairment

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

b) Financial liabilities

Classification

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

g) Inventories

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

Raw materials: purchase cost using the weighted average cost method.

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

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost. Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Entity.

h) Provisions

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

i) Social Benefits

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

j) Contingent liabilities

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

k) Contingent assets

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

l) Employee benefits

Retirement benefit plans

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

m) Foreign currency transactions

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

n) **Related parties**

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

o) **Cash and Cash Equivalents**

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

p) **Comparative figures**

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

q) **Subsequent events**

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 20xx

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

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

Useful lives and residual value

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

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a) The condition of the asset is based on the assessment of experts employed by the Entity. The nature of the asset, its susceptibility and adaptability to changes in technology and processes.

b) The nature of the processes in which the asset is deployed.

c) Availability of funding to replace the asset.

d) Changes in the market in relation to the asset

Provisions

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

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

6. Transfers from the NGCDF Board

Description	2024-2025
	Kshs
NGCDFB Transfers (Allocation for the FY)	161,497,759
Total	161,497,759

7. Transfers from domestic and foreign partners

Description	2024-2025
	Kshs
Grants	-
Total	-

8. Finance income

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

(Provide a brief explanation for this revenue)

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9. Miscellaneous income

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

10. Employees cost

	2024-2025
	Kshs
NG-CDFC Basic staff salaries	3,963,516
Personal allowances paid as part of salary	-
House Allowance	-
Transport Allowance	-
Leave allowance	-
Gratuity to contractual employees	1,066,338
Employer Contributions Compulsory national social security schemes	392,884
Employer Contributions Compulsory Housing levy	98,979
Employer contributions to National Industrial Training Authority	7,400
Other Specify	-
Total	5,521,717

11. Committee Expenses

	2024-2025
	Kshs
Sitting allowance	1,932,000
Other Committee expenses	928,000
Total	2,860,000

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12. Use of Goods and services

	2024-2025
	Kshs
Utilities, supplies and services	1,506,400
Communication, supplies and services	362,200
Domestic travel and subsistence	740,700
Printing, advertising and information supplies & services	1,278,016
Office Rent	-
Training expenses	1,006,600
Hospitality supplies and services	389,200
Insurance costs	-
Specialized materials and services	-
Office and general supplies and services	893,866
Fuel, oil & lubricants	150,000
Bank charges	33,714
Routine maintenance – vehicles and other transport equipment	-
Routine maintenance – other assets	-
Strategic plan expenses	600,000
Other operating expenses	200,000
Total	7,160,696

13. Other Government Units Actual expenditure

Description	2024-2025
	Kshs
Primary Schools Actual expenditure	24,531,290
Secondary Schools Actual expenditure	16,552,869
Tertiary Institutions Actual expenditure	5,148,668
Total	46,232,827

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14. Other Grants and transfers Actual expenditure

	2024-2025
	Kshs
Bursary – secondary schools	44,245,909
Bursary – tertiary institutions	10,690,000
Bursary – special schools	835,000
Bursary - Education Support programmes	-
Social Security programmes (SHIF)	-
Security projects Actual expenditure	18,238,708
Climate change mitigation projects	-
Emergency projects Actual expenditure	4,135,529
Roads projects Actual expenditure	-
Others specify	6,200,000
Total	83,345,147

15. Depreciation and Amortization Expenses

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

16. Digital Hubs Expenses

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

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17. Gain/loss on Sale of Assets

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

18. Impairment Loss

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

(Provide brief explanation on assets impairment loss)

19. Cash and Cash Equivalents

Name Of Bank and Account No.	Period ended June 2025	Opening Statement 1st July 2024
	Kshs	Kshs
Bank Accounts (Cash Book Bank Balance)		
Equity Bank, Account No.1120299846566 (Operations account)	22,366,861	5,880,550
Operations account pending closure (Indicate name & account no.)	-	-
Equity Bank, account No. (Deposit account)	1,213,361	-
Name of Bank, account No. (PMC's account)	44,834,383	27,246,202
Total	68,414,605	33,126,752
Cash Balances		
Location 1	-	-
Other Locations (Specify)	-	-
Total	-	-

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20. Receivables from Exchange Transactions

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

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

i. Ageing Analysis for Receivables

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

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21. Receivables from Non-Exchange Transactions

Description	Period ended June 2025		Opening Statement 1 st July 2024		
	Kshs		Kshs		
Transfers from NGCDFB	27,297,760		41,985,979		
Outstanding imprest	-		-		
Total	27,297,760		41,985,979		
Ageing Analysis- Receivables from non-exchange transactions	2024-2025	% of the total	Opening Balance	% of the total	
	Less than 1 year	27,297,760	100%	-	%
	Between 1-2 years	-	%	-	%
	Over 3 years	-	%	-	%
	Total	27,297,760	100%	-	%

22. Prepayments

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

23. Property, Plant and Equipment

	Land	Buildings	Motor vehicles	Furniture and fittings	Computers & ICT Equipment	Other Assets (specify)	Capital Work in progress	Total
Depreciation Rate(specify)		2%	25%	12.5%	30%	x%		
Cost	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs

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Opening Bal as 1 st July 2024	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-	-	-	-
As At 30 th June 2025	-	-	-	-	-	-	-	-
Depreciation And Impairment								
Opening Depreciation	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-	-	-
As At 30 th June 2025		-	-	-	-	-	-	-
Net Book Values								
Opening Bal as at 1 st July 2024	-	-	-	-	-	-	-	-
As At 30 th June 2025	-	-	-	-	-	-	-	-

Valuation

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

22 b) Property, Plant and Equipment at Cost

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

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

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

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

24. Intangible Assets

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

25. Right-of use assets

Description	Buildings	Plant	Equipment	Total
	Kshs	Kshs	Kshs	Kshs
Cost				
As At 1 July (Comparative period)	-	-	-	-
Additions	-	-	-	-
As At 30 June 20xx (Comparative Period)	-	-	-	-
Additions	-	-	-	-
As At 30 June 20xx (Current FY)	-	-	-	-

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Accumulated Depreciation				
As At 1 July 20xx (Comparative period)	-	-	-	-
Charge for the period	-	-	-	-
As At 30 June 20xx (Comparative period))	-	-	-	-
Charge for the period	-	-	-	-
As At 30 June 20xx (Current FY)	-	-	-	-
Carrying Amount				
As At 30 June 20xx (Current FY)	-	-	-	-
As At 30 June 20xx. (Comparative Period)	-	-	-	-

26. Trade and Other Payables

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

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27. Third-Party deposits

	<i>Period ended June 2025</i>	<i>Opening Statement 1st July 2024</i>
	Kshs	Kshs
Retention as at start of the period (A)	1,000,000	1,000,000.00
Retention held during the period (B)	5,032,256	-
Retention paid during the period (C)	515,032	-
Closing Retention as at period xx, D= A+B-C	5,517,224	1,000,000

Retentions aging analysis.

	2024-2025	% of the total	Insert Comparative FY	% of the total
Less than 1 year	5,517,224	100%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total	5,517,224		-	

28. Lease Liabilities

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

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Maturity Analysis

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

Analysed as:

Description	Amount
Current	-
Non- Current	-
Total	-

29. Gratuity Provision

Description	Period ended June 2025	Opening Statement 1st July 2024
	Kshs	Kshs
Gratuity at the beginning of the period (A)	1,574,661	1,574,661
Gratuity held during the period (B)	1,066,338	-
Gratuity paid during the period (C)	361,300	-
Total Gratuity provision as at period 2025 D=(A+B-C)	2,279,699	1,574,661

30. Cash Generated from Operations

	Period ended June 2025
	Kshs
Surplus for the period before tax	15,377,372
Adjusted for:	
Depreciation	-
Non-cash grants received	-
Contributed assets	-
Impairment	-
Gains and losses on disposal of assets	-
Contribution to provisions	-
Contribution to impairment allowance	-
Working capital adjustments	
Changes in inventory	-
Changes in receivables	(14,688,219)
Changes in deferred income	-
Changes in Third party deposits	(4,517,224)
Changes in gratuity provision	(705,038)
Changes in payments received in advance	-
Net cash flow from operating activities	35,287,853

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

31. Financial Risk Management

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

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i) Credit risk

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

Financial Risk Management

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

Description	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
As at 30th June 2025				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions owing	27,297,760	27,297,760	-	-
Bank balances	22,366,861	22,366,861	-	-
Total	49,664,621	49,664,621	-	-
As at 30 June 2024				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	41,985,979	41,985,979	-	-
Bank balances	5,580,550	5,580,550	-	-
Total	47,566,529	47,566,529	-	-

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

Financial Risk Management

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

ii) Liquidity risk management

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
As at 30 th June 2025				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Retention Provisions	-	-	-	-
Deferred income	-	-	-	-
Gratuity Provision	-	-	2,279,699	2,279,699
Total	-	-	2,279,699	2,279,699
As at 30 th June 2024				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Retention Provisions	-	-	1,000,000	1,000,000
Deferred income	-	-	-	-
Gratuity Provision	-	-	1,574,661	1,574,661
Employee benefit obligation	-	-	-	-
Total	-	-	2,574,661	2,574,661

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iii) Market risk

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

a) Foreign currency risk

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

Current FY

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

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Foreign currency sensitivity analysis

Current FY

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

Financial Risk Management

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

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

b) Interest rate risk

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

Management of interest rate risk

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

Sensitivity analysis

The Entity analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year. Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as a decrease/increase of Kshs xxx (Current FY: Kshs xxx). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs xxx (Current FY – Kshs xxx)

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Fair value of financial assets and liabilities

a) Financial instruments measured at fair value.

Determination of fair value and fair values hierarchy

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

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

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

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

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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	Insert Current FY	Opening Statement 1 st July 2024
	Kshs	Kshs
Revaluation Reserve	-	-
Retained Earnings	87,915,442	-
Capital Reserve	-	-
Total Funds	-	-
Total Borrowings	-	-
Less: Cash and Bank Balances	68,414,605	-
Net Debt/(Excess Cash And Cash Equivalents)	19,500,837	-
Gearing	%	%

32. Related Party Disclosures

	2024-2025	Opening Statement 1 st July 2025
	Kshs	Kshs
Committee Members Remuneration		
Sitting allowance of committee Members during the year	1,932,000	928,000
ee		
Transaction with the NGCDF Board		
Transfers from the NGCDF Board during the year	176,185,978	176,185,978
Total	176,185,978	176,185,978

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33. Segment Information

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

34. Contingent Assets and Contingent Liabilities

Contingent Assets

Description	Insert Current FY	Opening Statement 1 st July 20xx
	Kshs	Kshs
Contingent Assets	N/A	
Insurance Reimbursements	-	-
Assets Arising from Determination Of Court Cases	-	-
Reimbursable Indemnities and Guarantees	-	-
Receivables From Other Government Entities	-	-
Others (Specify)	-	-
Total	-	-

Contingent Liabilities

Description	Insert Current FY	Opening Statement 1 st July 20xx
	Kshs	Kshs
Contingent Liabilities	-	-
Court Case xx against the Entity	-	-
Bank Guarantees in Favour of Subsidiary	-	-
Contingent Liabilities arising from Contracts Including PPPs	-	-
Others (Specify)	-	-
Total	-	-

35. Capital Commitments

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Capital Commitments	Insert Current FY	Opening Statement 1 st July 20xx
	Kshs	Kshs
Authorised for	N/A	N/A
Authorised and Contracted for	N/A	N/A
Total	N/A	N/A

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

36. Events after the Reporting Period

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

37. Ultimate And Holding Entity

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

38. Currency

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

18. Annexes

Annex 1: Summary of Asset Register

Asset class	Historical Cost/valuation cost balance brought forward (Kshs)	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2025
Land	2,300,000	-	-	2,300,000
Buildings and structures	41,293,933	-	-	41,293,933
Transport equipment	7,005,545	-	-	7,005,545
Office equipment, furniture, and fittings	1,816,038	-	-	1,816,038

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Asset class	Historical Cost/valuation cost balance brought forward (Kshs)	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2025
ICT Equipment and Other ICT Assets	2,076,739	-	-	2,076,739
Other Machinery and Equipment	-	-	-	-
Intangible assets	-	-	-	-
Total	41,293,933	-	-	41,293,933

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

PMC BANK ACCOUNTS	BANK	ACCOUNT NO.	Bank Balance 2024-2025	Bank Balance 2023-2024
Assebu primary school	Equity	1120261593871	459,135.	9,554
Bunyore boys secondary school	Equity	1120278923260	3,018,654	8,891
Bunyorettc	Equity	1120279795764	678,962	2,114
Ebbitsi primary school	Equity	1120264527719	191,702	174
Ebucheli Primary school	Equity	1120261493763	1,500,363	670,432
Ebukobelo primary school	Equity	1120277565087	98,094	1,791
EbukooloAp camp	Equity	1120266296005	-	4,585
Ebukoolo primary school	Equity	1120261493629	1,210,080	1,309
Ebulamba primary school	Equity	1120298729815	12,352	14,210
Ebungangwe high school	Equity	1120264795411	2,212,955	5,701
Ebungangwe TTC	Equity	1120298825577	50,914	73,111
Ebusiekwe assistant chiefs office	Equity	1120285923140	104,702	23,776
Ebusiratsi cog primary school	Equity	1120297543435	2,106,613	60

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Ebututi primary school	Equity	1120261526036	98,694	
Ebuyalu secondary school	Equity	1120279988221	1,810,565	
Elusi primary school	Equity	1120285379272	1,000,000	304,548
Eluyeka primary school	Equity	1120280264321	5,093	141,438
Emakunda chiefs office	Equity	1120286062119	96,214	12,524,078
Emanyinya primary school	Equity	1120269039022	5,007,240	702,973
Ematsuliap camp	Equity	1120279403238	1,501	4,748
Emuhaya administrative centre	Equity	1120284879016	54,354	965
Emuhaya dcc office	Equity	1120284393633	2,700	51
Emuhaya Magistrate	Equity	1120285185355	72,739	1,047
Emuhayasubcounty police hq	Equity	1120284537284	7,942	2,470
Emurembeap camp	Equity	1120280076735	11,104	6,364
Esibakala assistant chief	Equity	1120284505776	1,000	131
Esibakala secondary school	Equity	1120278948793	1,106	526,957
Esibila boys secondary school	Equity	1120279027725	304,754	891,421
Esikhuyu secondary school	Equity	1120280431805	4,395	601,800
Esinaka primary school	Equity	1120279290163	-	1,000
Essaba secondary school	Equity	1120261600376	131	131,456

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Ikumu primary school	Equity	1120299438211	113,943	
Ipaliap camp/assistant chief office	Equity	1120279679457	2,380	222,726
Kilingili secondary school	Equity	1120262014245	277,740	51,203
Mukhungu primary school	Equity	1120281256350	8,775	3,877
Mulukhoru Assistant chief office	Equity	1120286393217	513	358,483
Mulukhoru IDs office	Equity	1120286393217	172	2,463
Mungoye primary school	Equity	1120270719075	4,905	
Mungoye secondary school	Equity	1120262677491	58,142	
Musirili primary school	Equity	1120280815890	228,544	673,991
Mwituha secondary school	Equity	1120263402646	4,748	2,853
Salvation army Emuhondo special school	Equity	1120286468262	1,000,000	232,734
Ebumbuya primary school	Equity	1120280645330	-	198,661
Ikalikha primary school	Equity	1120279795780	-	50,914
Ilungu primary school	Equity	1120260535254	-	8,080
Msiakhupa primary school	Equity	1120280724801	-	820,023
Ebukanga primary school	Kcb	1128430533	1,255,952	55,039
Ebukhaya primary school	Kcb	1135727392	594,893	179
Ebukhaya secondary school	Kcb	1132346576	53,848	52,726

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Ebulondi primary school	Kcb	1128437627	174	
Ebuyalu primary school	Kcb	1137362308	51,535	2,651
Eluhobe primary school	Kcb	1134640811	600	620
Elununi primary school	Kcb	1156281598	3,223	515,243
Emanyinya secondary school	Kcb	1110607695	9,454	2,882,876
Ematsuli primary school	Kcb	1172327785	116,072	34,666
Emmabwi primary school	Kcb	1128414120	193,895	1,275
Emmukunzi primary school	Kcb	1128102463	851,335	96,980
Emurembe primary school	Kcb	1128390361	440	12,352
Emusire primary school	Kcb	1129105326	839	
Emwatsi primary school	Kcb	1128789264	494	363
Esalwa Primary school	Kcb	1128768704	6,594	1,477,493
Esibakala primary school	Kcb	1128917890	6,364	
Esibila primary school	Kcb	1128440121	1,047	
Esibuye primary school	Kcb	1127963317	5,001,744	1,209
Esikhuyu primary school	Kcb	1112950036	3,217	3,273
Esirulo primary school	Kcb	1110441711	8,005,341	2,052,971
Essaba primary school	Kcb	1128504030	51	26,287

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Essumba primary school	Kcb	1110582633	96,154	1,043
Essunza primary school	Kcb	1135400210	3,644,101	7,240
Isanda primary school	Kcb	1133081444	1,002,470	2,693
Muchula primary school	Kcb	1132448646	2,665	2,774
Mundichiri primary school	Kcb	1135268096	99,358	2,819
Mwituko primary school	Kcb	1137443227	8,425	405
St peters itumbu secondary school	Kcb	1133420842	179	13,995
Ebukhuliti primary school	Equity		1,000,000	2,396
Esirulo police post	Equity		1,000,000	1,191
Esirulo primary school		1128504030		1,692
Essaba primary school		1110582633		646,427
Essumba primary school		1135400210		64,162
GRAND TOTAL			44,834,383	27,246,202

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)
1.	<p>Unsupported Project Management committee Bank balances.</p> <p>Note 19.4 to the financial statements reflect Project Management Committee bank balances of Kshs.13, 679,395. However, the balances have not been supported with</p> <p>In the circumstances, the Project Management Committee bank balances amountin9 to Kshs.13,679,395 could not be confirmed.</p>	<p>The balances have been supported by bank statements.</p>	Resolved	
2.	<p>Missing Acknowledgement Letters for Bursary Payments</p> <p>The statement of receipts and payments and as disclosed in Note 8 to the financial statements reflects an amount of Kshs. 101,753,918 relating to other grants and</p>	<p>The acknowledgement letters will be followed from the institutions and will be</p>	Unresolved	December 2025

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>transfers. This amount includes allocations for bursaries to secondary schools, tertiary institutions, and special schools, totaling Kshs.48,141,652, Kshs.10,923,650, and Kshs.765,000 respectively. However, upon reviewing a sample of 62 payments, it was noted that 12 of the institutions had not provided receipts or acknowledgment letters for bursaries issued amounting to Kshs.3,505,400</p>	<p>availed for verification.</p>		
1.	<p>Ongoing works after Expiry of the Contract The construction of Emuhaya Magistrate's Court building was undertaken by a local Construction company at a contract sum of 21,327,916. The contract had a start date of 25 March, 2024 for a period of 6 months ending 25 September, 2024. Physical</p>	<p>This was occasion by late receipt of funds; however extension of contract was sought by the contractor and formalized.</p>	Unresolved	2 months

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>verification on the Court conducted on 11 December 2024. Revealed that although the contract period had lapsed, there were pending works which had not been completed, including flooring and paint works for all the structures. Inquiry and review of the contract file revealed that no requisition or approval for extension of the contract period was made by the contractor or the project manager.</p>			
2.	<p>Incomplete Construction of a classroom at Mukhungu Primary school As previously reported, Management awarded a local contractor a construction contract for two (2) No. classrooms to completion at Mukhungu primary school in the financial year 2019/2020. A follow up carried out in</p>	<p>The class will be completed within a good time since the contractor has resumed site.</p>	Unresolved	2 months

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	the month of December, 2024 revealed that one (1) class room had not been completed and occupied.			
3.	Project Completed but not in Use The Emuhaya Sub-County Police Headquarters construction was completed by construction company at a contract sum of Kshs.1.792,258. Further review of the documentation revealed that as per the work plan, the works started on 19 February, 2024 and ended on 12 May, 2024. However, during our site visit for verification of the project status, we noted that the project had not yet been officially handed over to the final end users	The project has since been occupied and put in use.	Resolved	
4.	Poor workmanship for completion of a 4 door pit latrines at Mukhombe primary school Physical verification of the project at Mukhombe Primary School which	This was noted and the contractor was warned and advised to do	Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>entailed the Construction to completion of a 4 door pit latrines with urinal and 1 chamber to accommodate persons with disability at a contract sum of Kshs.374,545 It was noted that the workmanship of the contractor was not satisfactory. A considerable part of the bricks and cement around one of the door frames had fallen off and may pose risk to the user of the facility if they are left to deteriorate further. Additionally, the contract agreement, certificate of completion and handing over certificate were not provided for our audit review:</p>	<p>quality work which has been done accordingly</p>		
5.	<p>Installation of a 10,000 litre water tanks at Ikalikha primary school and installation of a 5,000 litre water tanks at Ematsuli Ap camp</p>	<p>The contractor was advised to brand the project which has since</p>	Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>During the year under review there were activities approved for the purchase and installation of a 10,000-litre water tank at an amount of kshs. 149,105 and a 5,000-litre water tank at an amount of kshs. 100,000. However, during our verification exercise we noted that both water tanks had been installed but none of them had been branded.</p> <p>In the circumstances, we could not confirm if the project was undertaken by the constituency development fund.</p>	<p>been branded as required</p>		
6.	<p>Construction of 6 Door pit latrines at Esibuye primary school.</p> <p>Physical verification of Esibuye Primary School to review the status of the project for the construction of 6 door pit Latrines. it was noted that the latrines had been constructed</p>	<p>The projects have since been branded as required and also the construction was fully finished.</p>	Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management Responses	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	However, the contract period has lapsed on 5 September, 2024 yet as at the time of our visit on 11 December, 2024, the project had not yet been branded or handed over and therefore they were still not in use.			

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Name: Peter Maraya Adagi
 Fund Account Manager.