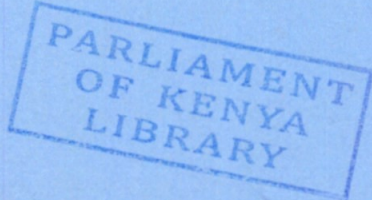
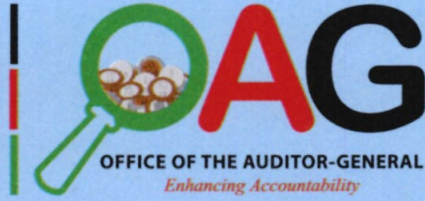


REPUBLIC OF KENYA



REPORT

OF

THE AUDITOR-GENERAL

THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 18 FEB 2026

DAY.
WED

TABLED BY: MAJORITY DEPT WHP
WON SILVANS OJORO
OJORO

ON

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

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



Revised 30th June 2025



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

LURAMBI CONSTITUENCY

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30th JUNE 2025

Transitional International Public Sector Accounting Standards (IPSAS) Financial Statements

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

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1. Acronyms and Definition of Key Terms

A. Acronyms

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

B. Definition of Key Terms

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

Comparative Year- Means the prior period.

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

2. Key Constituency Information and Management

(a) Background information

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

Mandate

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

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

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

Vision

Equitable Socio-economic development countrywide.

Mission

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

Core Values

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

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

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 Lurambi 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	Winston A. Lihanda
2.	National Sub-County Accountant	Emmanuel Shikuku
3.	Chairman NGCDFC	Matias Job Shichere
4.	Member NGCDFC	Atemba Christine Otiende
5.	Member NG CDFC	John Anyela Aswani

(c) Fiduciary Oversight Arrangements

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

P.O. Box 2680 - 50100
LURAMBI NGCDF Building
Kisumu-Kakamega Highway
KAKAMEGA, KENYA

(e) Lurambi Constituency NGCDF Contacts

Telephone: (254) 0722771917
E-mail: cdflurambi@ngcdf.go.ke
Website: www.ngcdf.go.ke

(f) NGCDF Lurambi Constituency Bankers

1. Operations Account
Equity Bank
Kakamega Branch
P.O Box 2512-50100
Kakamega
2. Deposit Account
Equity Bank
Kakamega Branch
P.O Box 2512-50100
Kakamega
3. Project Management Committee Accounts
Equity Bank
Kakamega Branch
P.O Box 2512-50100
Kakamega
4. Project Management Committee Account
Kenya Commercial Bank
Kakamega Branch
Kakamega

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

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





(h) Principal Legal Adviser

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

3. NGCDF Committee

Name	Details
 Matias Job Shichele Chairman	Date of Birth: 24 th July,1963. 2011-2014: Certificate in County Governance Work Experience: 1994-1997, Store Keeper at Kakamega Nursing Home Prior to his appointment as chairperson in December 2022, and he Worked as the Mayor of Kakamega Town under municipal. He was reappointed to in May 2025 to serve in the same position
 Atemba Christine Otiende Secretary	Date of Birth: 00.00.1956. 1996-2000: Certificate of Headteachers and Zonal Inspectors Work Experience: 2000-2009, District Education Officer. She was reappointed to in May 2025 to serve in the same position as the secretary
 Idris Luvare Mohamed Member	Date of Birth: 00.00.1969. 2015-2018: Certificate in Islam Work Experience: 2018 to date, Imam at Kakamega Jamia Mosque He was reappointed to in May 2025 to serve in the same position as the member
 Albert Wambia Nangabo Member	Date of Birth: 3 rd October, 1992. 2021-2024: Diploma in Catering and Accommodation Work Experience: 2024 to date, Intern at Ministry of Labour and Social Protection He was reappointed to in May 2025 to serve in the same position as the member
 	Date of Birth: 12 th November, 1982 1997-2000: Kenya Certificate Secondary Education Work Experience: to date she practices poultry farming She was reappointed to in May 2025 to serve in the same position as the member

National Government Constituencies Development Fund (NGCDF)
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<p>Getray Awinja Sikwa Member</p>	
	<p>Date of Birth: 27th March, 1996 2015-2017: Diploma in Public Relations 2022-to date: Butere Level 4 Hospital as Clerk She was reappointed to in May 2025 to serve in the same position as the member</p>
<p>Nancy Ondisa Member</p>	
	<p>Date of Birth: 00.00.1970 1990-1993: Kenya Certificate Secondary Education Work Experience: to date He practices poultry farming He was reappointed to in May 2025 to serve in the same position as the member</p>
<p>Manoa Ashono Ingosi Member</p>	
	<p>Date of Birth: 28th December, 1951. 1974-1978: Trained as a p1 teacher 1978-2006: Primary School Teacher in various institutions Was formerly appointed by the NGCDF Board as a coopted member for a period of 2 years in December, 2022. He was reappointed in May, 2025.</p>
<p>John Anyela Aswani Member</p>	
	<p>Date of Birth: 24th December, 1985. 2005-2009: Degree in Economics at University of Nairobi 2011-to date: Appointed as Fund Account Manager at NGCDF Board. Reported in March, 2025 at the current station - Lurambi Constituency</p>
<p>Winston A. Lihanda Fund Account Manager</p>	

National Government Constituencies Development Fund (NGCDF)
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Christine W. Chacha
Deputy County Commissioner

Date of Birth: 30th April, 1974.
2005-2009: Degree in Commerce at Rajasthan Vidyapeeth
2007-2024: Appointed as District Officer.
2024 – to date: Appointed as Deputy County Commissioner
Reported in July, 2024 at the current station – Kakamega Central
as the Deputy County Commissioner

4. NG-CDFC Chairman's Report



MR. MATIAS JOB SHICILE – NG-CDFC CHAIRPERSON

I am delighted to present our annual financial report for the FY 2024/2025. This year we have witnessed high performance in the overall management of the fund, we have equally allocated enough funds to some of the projects that had been earlier initiated for completion. We continue to boost of a committed and qualified team that has adapted to the challenges facing the fund thus demonstrating our ability to deliver substantial, sustained value for money to our constituents.

BUDGET PERFORMANCE

Budget Allocation by Project Category

NAME OF PROJECT	AMOUNT expensed (KSHS)
Employee costs	5,860,476
Committee expenses	3,899,150
Use of Goods and Services	4,787,391
Other Government Units Actual expenditure	50,605,529
Other Grants and Transfers Actual expenditure	68,624,320
Depreciation and amortization expense	4,162,813
Digital Hubs Expenses Actual expenditure	-
	137,939,679

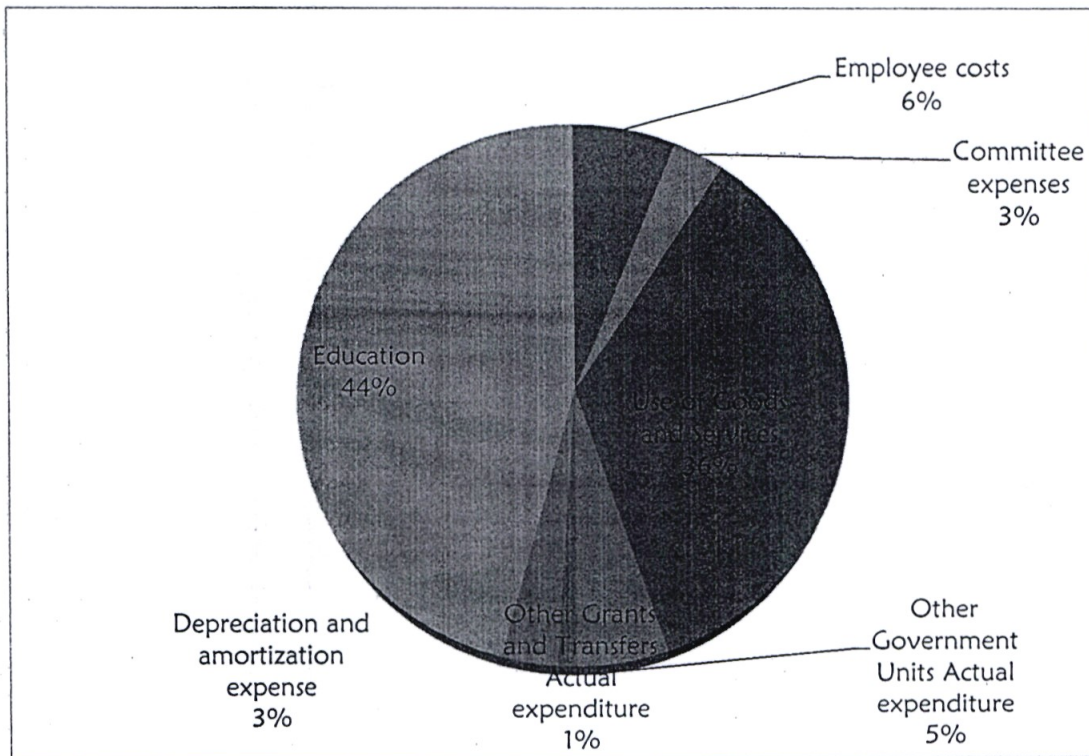


Fig 1: Budget allocation for 2024/2025 per sector.

Financial report

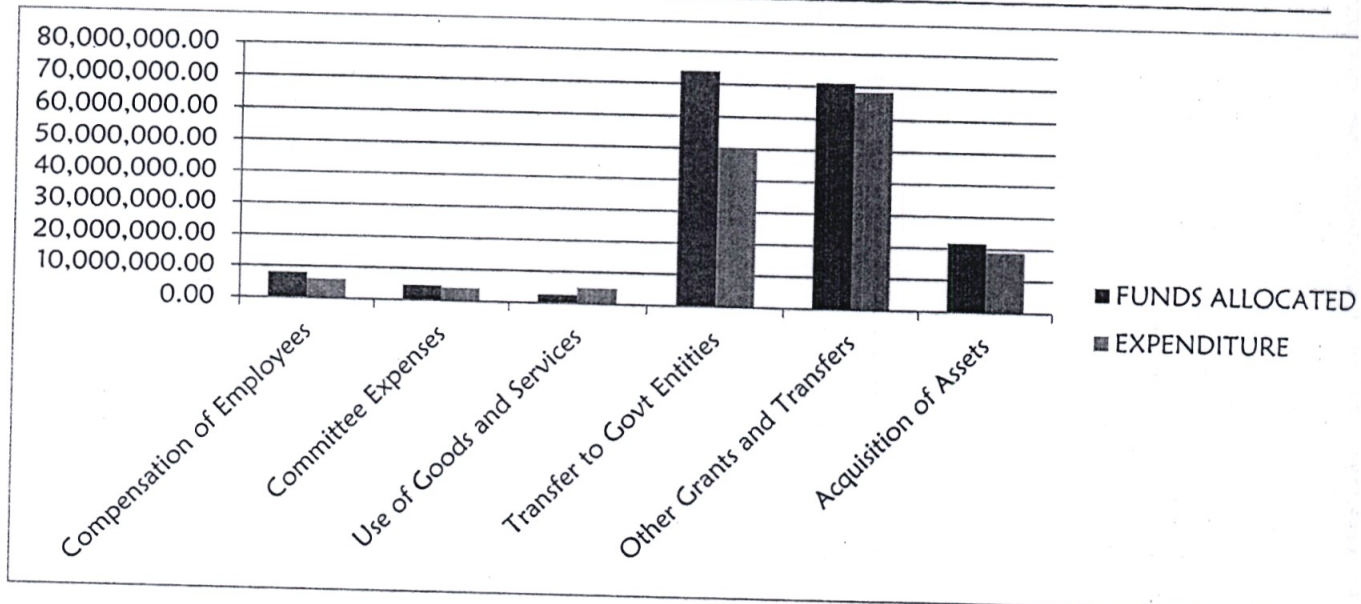
For the financial year 2024/2025, Lurambi Constituency was allocated a total of Kshs. 188,426,052. During the year, the constituency received Kshs. 188,056,234 out of the total allocation.

Additionally, the following funds were available:

- Balance brought forward from the previous financial year: Kshs. 24,442,165
- Funds received from FY 2023/2024 allocation: Kshs. 32,056,234
- Project Management Committee (PMC) Savings: Kshs. 2,774,371

This brought the total available funds for the year to Ksh. 202,980,529. The total amount paid during the financial year was Kshs. 184,406,550, leaving a closing balance of Kshs. 18,573,979 to be carried forward. This was as per the cash book expenses. Actual expenditure was Kshs. 133,702,988.

National Government Constituencies Development Fund (NGCDF)
Lurambi Constituency
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The actual budget and Expenditure in the financial year 2024/2025

KEY ACHIEVEMENTS

Strong management and governance have been key components of our operational model. This has resulted into the following key achievements during the year:

1. Completion of key Flagship Projects: In this financial year, we allocated enough funds to complete a number of key flagship which are now complete handed over and in use.
2. We prioritized and disbursed over Kshs. 50,000,000(Fifty million). These funds have benefited over 15,000 needy and vulnerable students. This was a strong statement in line with the constituency strategic plan that has education as one of the major pillars for social economic transformation.

EMERGING ISSUES

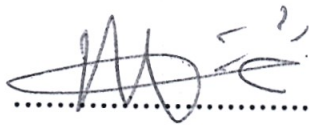
1. High demand of toiletries/latrines
2. Difficulty in accessing the projects due to poor roads as a result of the heavy rainfall and the wide area coverage
3. Community Expectations vs. Funding Limitations - Very high population hence increased need for infrastructural developments in both the education and security sectors
4. Increased Demand for Bursaries -
5. Inflation and Rising Project Costs
6. Delayed disbursement of funds by the National Government affect implementation of Projects as per the implementation schedule.

CHALLENGES

1. Lack of sufficient financial and technical knowledge among the PMCs
2. Hostility of the locals demanding for jobs at the sites

WAY FORWARD

1. Proper planning by the project implementers to ensure we share the scarce technical personnel
2. Use of our Clerk of Works who has the relevant expertise to guide the PMCs
3. Conducting capacity building to the PMCs
4. Allocation of bursary should be fully allocated as per the bursary statutory requirement of 40% of the total allocation.



MATIAS JOB SHICILE
CHAIRMAN NGCDF COMMITTEE

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

Introduction

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

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

1. To improve the teaching/learning environment through school infrastructure improvements.
2. To invest in community project that improve the condition and position of both men and women in the society
3. To sensitize the community on the proper use of available resources
4. To involve the community in decision making issues

Progress on the attainment of Strategic development objectives

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

Sector	Objective	Outcome	Indicator	Performance
Education	To have all children of school going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	number of usable physical infrastructure build in primary, secondary, and tertiary institutions number of bursary's beneficiaries at all levels	In FY 2024/25 we Completed 5 primary schools a one storey of 8 classrooms to completion namely; Mwiyege Primary School, Eshibeye Primary School, Kakamega Muslim Primary School, Shikoti Mixed Primary School and Ebwambwa

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				Primary School. Eshisiru Primary School is 85% to completion. Over 10,000 bursary applicants were In FY 2024/25 were awarded bursary at all levels.
Security	Equip, facilitate and enhance capacity of provincial administration and other security organs in order to improve service delivery	<ul style="list-style-type: none"> - Develop and enhance provincial administration and other security organs infrastructure to enhance service delivery - Improved security in the community 	<ul style="list-style-type: none"> - Number of new physical facilities for police officers - Number of new physical facilities for security administrators – DCC, ACCs, Chiefs etc. 	In the 2024/2025FY, we allocate funds for construction of 1 police station and 3 chiefs offices. However, the Police station was completed and in use while the funds for the 3 chiefs offices are yet to be received from the NGCDF Board.
Climate change mitigation activities	To keep the learners learning environment conducive	Increased number planting of 2000 tree seedlings at Kakamega Forest	<ul style="list-style-type: none"> - Number of community members sensitized - Number of tree seedlings planted - Estimated survival rate of seedlings after 6 months - Number of public institutions/sites involved 	In the 2024/2025FY, we allocated for sensitization of public on climate change and planting of 2000 tree seedlings at Kakamega forest and has not been approved by the NGCDF Board.
Emergency	To cater for emergency arising issues	Improved infrastructure 1 security institutions	Number of usable physical infrastructure build in primary	In the 2024/2025 FY we constructed 4 door pit latrines 2

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				door bathroom at Bukura Police Station
Others (Specify)				

6. Governance Statement

a. NG-CDFC process of appointment

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

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

1. 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

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

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

The current NGCDFC members were gazetted on 21st May, 2025.

The persons appointed are drawn from different groupings as follows:

- Male Adult – Matias Job Shicele - Chairman
- Male youth –Albert Wambia Nangabo - Member
- Female adult – Christine Atemba Otiende - Secretary
- Female youth – Nancy Ondisa – Member

- Male Adult – Idris Luvare Mohammed - Member
- Female adult - Getray Awinja Sikwa - Member
- PWD REP – Manoah Ashono Ingosi - Member
- Co-opted Member – John Ayiera Aswani - Member

b. NG-CDFC Tenure

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

c. The Role of the Constituency Committee

The CDFC plays a crucial role in managing the NGCDF at the constituency level. It identifies, approves, and monitors projects that align with national priorities and local needs. The committee ensures efficient fund management, timely project implementation, and transparent reporting. Additionally, the CDFC engages with the community to seek input and ensure compliance with relevant laws and regulations.

d. Removal of a member

The CDFC can remove a member for gross misconduct, incompetence, physical or mental incapacity, conflict of interest, conviction of a criminal offense, or absenteeism. The removal process involves a petition, notification, a hearing, and a decision by two-thirds of the members.

e. NG-CDFC Induction and training

A comprehensive training program for the National Government Constituencies Development Fund Committee (NGCDFC) members from the Western Region was held from 9th July, 2025 to 14th July, 2025 at Starbucks Hotel in Eldoret. This training aimed to equip committee members with the necessary knowledge and skills to perform their roles effectively.

Key Aspects of the Training:

- **Overview of the NGCDF Act:** Understanding the legal framework and the evolution of the NGCDF, including the roles and responsibilities of committee members.
- **Project Planning and Public Participation:** Emphasized effective planning, budgeting, and the importance of engaging the public in decision-making processes.

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- **Governance and Integrity:** Covered essential aspects of good governance, anti-corruption measures, and adherence to the Public Procurement and Asset Disposal Act 2015 and its regulations.
- **Risk Management and Audit:** Focused on identifying and managing risks within the NGCDF operations, with an emphasis on transparency and accountability.
- **Technical Aspects of Project Management:** Provided insights into the phases of project execution, from initiation to completion, including monitoring and evaluation.

This training was crucial in ensuring that all NGCDFC members are well-prepared to carry out their duties in alignment with national policies and standards.

f. **Number of meetings;**

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

In Lurambi Constituency, the NG-CDF Committee conducted 12 meetings and 6 sub-committee meetings.

No.	Name of committee member	Meetings held											
		11/07/24	24/08/24	06/09/24	04/10/24	11/11/24	30/12/24	10/01/25	05/02/25	06/03/25	30/04/25	16/05/25	29/06/25
1.	Matias Job Shicele - Chairman	√	√	√	√	√	√	√	√	√	√	√	√
2.	Albert Wambia Nangabo - Member	√	√	√	√	√	√	√	√	√	√	√	√
3.	Christine Atemba Otiende - Secretary	√	√	√	√	√	√	√	√	√	√	√	√
4.	Nancy Ondisa	√	√	√	√	√	√	√	√	√	√	√	√
5.	Manoah Ashono Ingosi - Member (PWD)	√	√	√	√	√	√	√	√	√	√	√	√
6.	John Ayiera Aswani - Member	√	√	√	√	√	√	√	√	√	√	√	√

National Government Constituencies Development Fund (NGCDF)
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7.	Idris Luvare Mohammed - Member	√	√	√	√	√	√	√	√	√	√	√	√	√
8.	Getray Awinja Sikwa Member	√	√	√	√	√	√	√	√	√	√	√	√	√
9.	Winston Ashihundu Lihanda - FAM									√	√	√	√	
10.	Christine W. Chacha - DCC	√	√	√	√	√	√	√	√	√	√	√	√	√

g. Remuneration Rates

As of the latest review on 25th October 2011, the remuneration rates for the National Government Constituencies Development Fund Committee (NGCDFC) were adjusted through a circular issued by the NGCDF Board (REF: CDF BOARD/MOP/Vol. III(30)I(30)), titled "Adjustment of Constituency Development Fund Committee Sitting Allowance." According to this circular, the sitting allowances for the NGCDFCs are as follows:

Members: KShs 5,000 per meeting

Chairman: KShs 7,000 per meeting

These rates remain the most current remuneration guidelines for the NGCDFCs.

h. Disclose the policy on conflict of interest

The NGCDFC has a strict conflict of interest policy that requires a member to disclose their interests, abstain from participation, and record conflicts. Non-compliance may result in disciplinary action, including removal from the committee. This policy ensures the integrity and transparency of the committee's operations.

i. Succession plan

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

j. Ethics and code of conduct

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

k. Risk Management

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

- Implementing the operational risk management framework.
- Conducting regular Risk and Control Self-Assessment.
- Monitoring and reporting operational risks.
- Recording and reporting incidents.
- Collecting, analyzing, and reporting Key Risk Indicators.
- Executing the crisis management plan in case of a crisis.
- Ensuring compliance with risk management policies and procedures.
- Implementing improvements to controls to reduce risks.

7. Management Discussion and Analysis

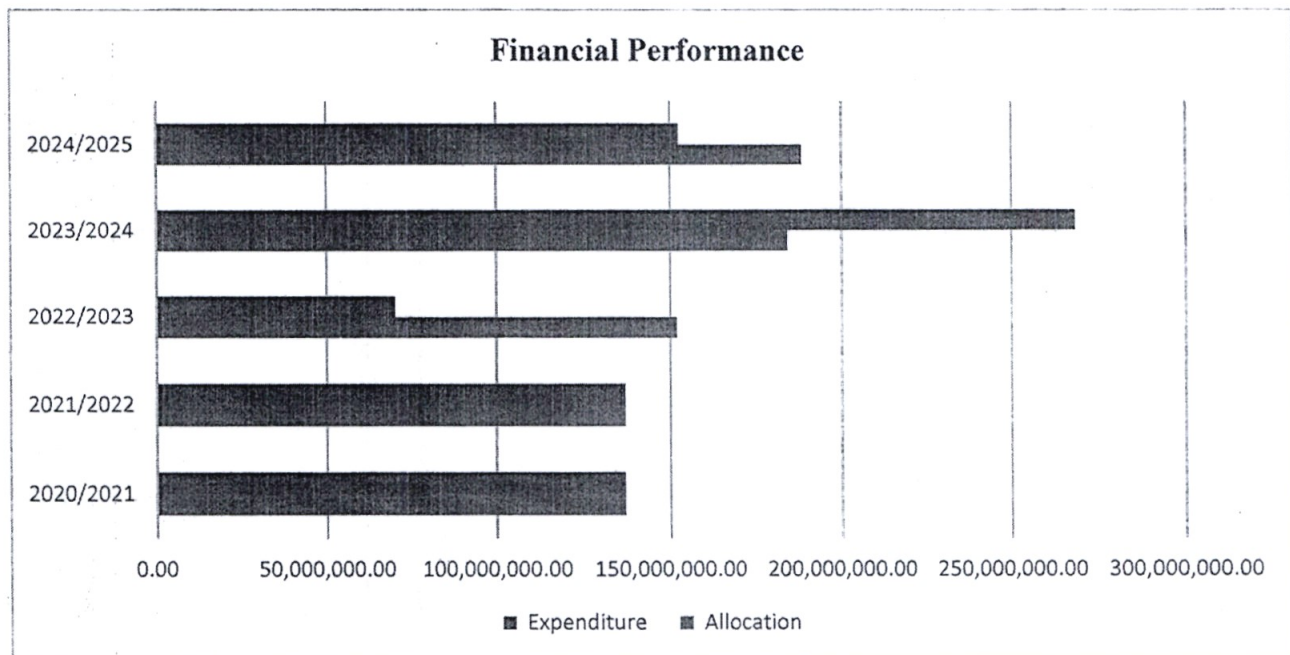
Financial Performance

Over the past five financial years, Lurambi NG-CDFC has steadily increased its annual allocation and improved its rate of fund absorption. The graph below illustrates allocation against actual expenditure from FY 2020/21 to FY 2024/25.

Summary Table

Financial Year	Allocation (Ksh.)	Expenditure (Ksh.)
2020/21	137,088,879	137,088,879
2021/22	137,088,879	137,088,879
2022/23	151,960,174	70,300,472
2023/24	184,129,904	268,653,269
2024/25	188,426,052	152,576,016

The graph below illustrates allocation vs. actual expenditure from FY 2019/20 to FY 2024/25.

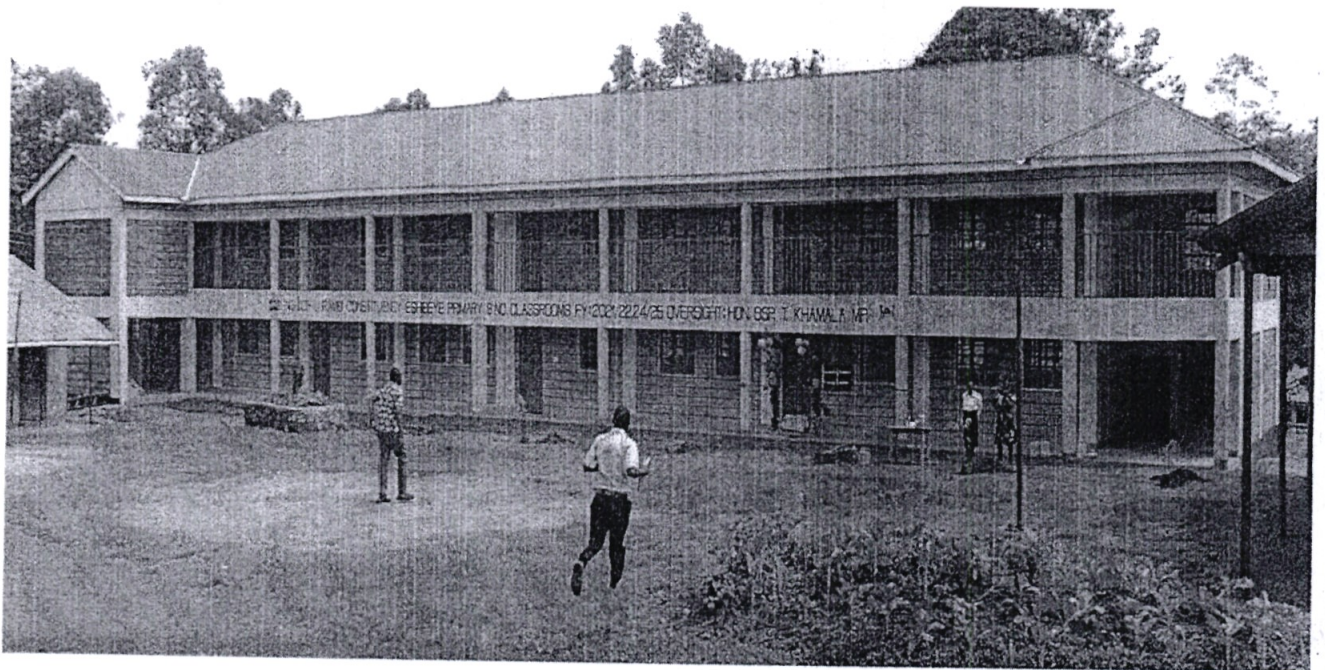


Key Projects – Implemented & Ongoing

1. Bursary & Education Support - Over Ksh. 150,000,000 disbursed over FY 2020-2025 across all education levels.
2. Classrooms Construction, Renovation & Emergency Response – Constructed over 200 classrooms and renovated over 10 classrooms, constructed 70 toilets, and addressed unsafe learning environments.
3. Security – Constructed over 3 Assistant chief's offices and 1 police station.
4. Tertiary Infrastructure – Construction and equipped of 2 lecture rooms and modern toiletries at KMTC Kakamega to completion.

Lurambi NG-CDF has consistently adhered to:

1. The NG-CDF Act, 2015;
2. Annual audits by the Auditor-General's Office, with two financial years (2022/2023 and 2023/2024) unresolved matters as of June 2025;
3. Adherence to Public Finance Management and Procurement laws;
4. Timely submission of financial statements and annual reports.



ESHIBEYE PRIMARY SCHOOL – COMPLETION OF 8NO. CLASSROOMS

Major Risks & Management Strategies

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

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

Material Arrears & Financial Obligations

There are no material arrears in statutory or contractual payments as of FY 2024/25. PMC savings and prudent fund management have ensured all obligations are met promptly except the accumulated KRA arrears of 2013.

Economic & Sectorial Context

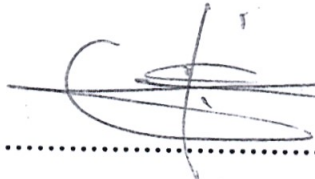
Despite inflationary pressures and agricultural challenges, local investments have improved community resilience. Continuous support to education and health sectors is delivering notable local returns, evident in school enrolment, infrastructure upgrades, and youth participation.

Future Outlook & Strategic Developments

- Optimized Bursary Scheme - Scaling bursaries to meet continued demand.
- ICT and Innovation Expansion - Increased budgets for training and hub infrastructure.
- Green Commitment - Target to plant 20,000 trees in upcoming financial year 2025/2026.

Conclusion

- Lurambi NG-CDF has demonstrated an absorption of 62.1% in FY 2024/25;
- A balanced project portfolio encompassing education, infrastructure, environment, and security
- Robust compliance and risk systems ensuring transparency and efficiency.
- Through ongoing stakeholder engagement and strategic prioritization, the Fund remains on track to meet its mandate and heighten impact in subsequent financial years.


.....
Mr. Winston A. Lihanda
Fund Account Manager



8. Environmental and Sustainability Reporting

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

1. Sustainability strategy and profile -

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

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

2. Environmental performance

- i. The Lurambi NG-CDF has been carrying out environmental conservation programmes annually in all public facilities within the Constituency
- ii. The Lurambi NG-CDF has also carried out sensitization and awareness on drug and substance abuse through youth training and engaging them in environmental conservation activities
- iii. The Lurambi NG-CDF has also engaged youth through various community initiatives and programmes as a way of sensitizing them on the importance of environmental conservation

3. Employee welfare

We invest in providing the best working environment for our employees. Lurambi constituency recruitment is guided by Employment Act, NGCDF Act, and other regulations as issued from time to time. In line with the law and regulations, the Constituency offers equal opportunity to all while adhering to the one-third gender rule and special groups. We also Recognize and appreciate our employees for exemplary performance. The reward and sanctions system is based on performance appraisal.

The constituency promotes a healthy lifestyle and provides all employees with health insurance coverage through a reliable insurance Scheme. Employees are encouraged and supported to build on their skills and knowledge continually. Lurambi constituency invests in capacity-building programs for employees. These include courses on technical competencies relevant to each employee and continuous sensitization on cross-cutting issues. The committee has a safety policy in compliance with the Occupational Safety and Health Act of 2007 (OSHA) and has ensured the work environment is conducive to everybody's movement and accessibility within the office, including PWDs. The Constituency has also put in place disaster-mitigating measures, including fire extinguishers and accessible escape routes in case of emergency.

4. Marketplace practices-

Lurambi Constituency is committed to fair and ethical market practices.

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

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

NGCDF has put in efforts to ensure:

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

5. Community Engagements-

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

Public Participation in Project Identification, Implementation, and Monitoring

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

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

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

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

Public Awareness

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

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

.....
Winstone A. Lihanda
Fund Account Manager.



9. Statement Of Management Responsibilities

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

The Accounting Officer in charge of the NGCDF-Lurambi Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2025. This responsibility includes: Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; Designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; Safeguarding the assets of the entity; Selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the NGCDF-Lurambi Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Accrual Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *constituency's* financial statements give a true and fair view of the state of *entity's* transactions during the financial year ended June 30, 2025, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF- Lurambi Constituency further confirms the completeness of the accounting records maintained for the *constituency*, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

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The Accounting Officer in charge of the NGCDF Lurambi Constituency confirms that the *constituency* has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further, the Accounting Officer confirms that the *constituency's* financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

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

Approval of the financial statements

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


.....
Name: Mr. Matias Job Shichele
Chairman – NGCDF Committee


.....
Name: Mr. Winston A. Lihanda
Fund Account Manager

REPUBLIC OF KENYA

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E-mail: info@oagkenya.go.ke
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HEADQUARTERS
Anniversary Towers
Monrovia Street
P.O. Box 30084-00100
NAIROBI

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

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying transitional IPSAS financial statements of National Government Constituencies Development Fund - Lurambi Constituency set out on pages

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

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

Basis for Qualified Opinion

1. Inaccuracy of the Financial Statements

1.1 The Statement of Changes in Net Assets

The statement of changes in net assets reflects revaluation reserves balance of Kshs.182,237,385 as at 30 June, 2025. However, there was no evidence of occurrence of revaluation of assets. In addition, the fund balance brought forward of Kshs.14,826,296, adjustment to recognize assets balance of Kshs.167,526,252 and adjustment to recognize liabilities balance of Kshs.115,162 were erroneously disclosed under revaluation reserves instead of accumulated surplus/deficit as require by reporting template prescribe by the Public Sector Accounting Standards Board.

In the circumstances, the accuracy and completeness of the respective balances reflected in the statement of changes in net assets could not be confirmed.

1.2 The Statement of Cash Flows

The statement of cash flows reflects net cash flows from operating activities amounting to Kshs.54,473,246, while Note 19 to the financial statements on cash generated from operations reflects Kshs.54,843,064 resulting to unexplained variance of Kshs.369,818.

In the circumstances, the accuracy and completeness of the net cash flows from operating activities amounting to Kshs.54,473,246 could not be confirmed.

1.3 The Statement of Comparison of Budget and Actual Amounts

The statement of comparison of budget and actual amounts reflects actual amounts on comparable basis on committee expenses of Kshs.4,604,499 and use of goods and services of Kshs.4,082,042 which differ with statement of cash flow which discloses them as Kshs.3,899,150 and Kshs.4,787,391 respectively, both resulting to variance of Kshs.705,349. In addition, percentage utilization on total expenditure is reflected as 67% instead of recalculated 62%.

In the circumstances, the accuracy and completeness of the respective amounts reflected in the statement of comparison of budget and actual amounts could not be confirmed.

2. Unsupported Temporary Employees Costs

The statement of financial performance reflects employee cost totalling Kshs.5,860,476 out of which Kshs.1,299,258 related to temporary employees. Review of employee documents revealed there were no approved requisition documents to guide in determining the need for the casuals' recruitment and the time frame for which their services were required. Further, there were no documents presented for audit, to guide on the engagement criteria and the muster rolls for the casuals were not maintained.

In the circumstances, the accuracy and completeness of the temporary employees expenditure of Kshs.1,299,258 could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis amounts of Kshs.244,924,450 and Kshs.212,498,398 respectively, resulting in under-funding of Kshs.32,426,052 or 13% of the approved budget. Similarly, the Fund expended an amount of Kshs.152,576,016 against the budget of Kshs.244,924,449 resulting in under-expenditure of Kshs.92,348,434 or 38% of the approved budget.

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

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Unresolved Prior Year Matters

In the audit of the previous year, several issues were reported under Report on the Financial Statements, Emphasis of Matter, Report on Lawfulness and Effectiveness in the Use of Public Resources and Report of Effectiveness of Internal Controls, Risk Management and Governance, as detailed in **Appendix I**. The Management has indicated under progress on follow up of Auditor's Recommendations section of the financial statements that some issues have been resolved and other issues have not been resolved. However, no documentary evidence was provided for audit indicating how the issues were resolved and no satisfactory explanation was provided for the delay in resolving the other issues.

In the circumstances, the issues remain unresolved.

Other Information

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

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Non-Compliance with Law on Staff Ethnic Diversity

Review of the Fund staff payroll revealed that the six (6) employees, or 100 % were from the dominant ethnic community contrary to Section 7 of the National Cohesion and Integration Act, 2008 which provides that all public establishments shall seek to represent the diversity of the people of Kenya in employment of staff and ensure that not more than one third of its staff are from the same ethnic community.

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

2. Abandoned and Incomplete Office Building

The Fund constructed an office in Eshisiru Center at a cost of Kshs.14,054,595 in 2014. The building is complete but abandoned. Physical verification on 27 May, 2025 revealed that the building had not been occupied and was in dilapidated state.

In addition, the Fund started constructing another office building in Kakamega town. Review of documents provided for audit revealed that in 2023/2024 financial year the Fund allocated Kshs.5,800,000, while Kshs.14,274,001 and Kshs.13,099,612 were allocated in the financial year 2024/2025 for the project. However, the project is incomplete. Further, the project's file was not provided for audit review. Therefore, it was not possible to confirm contract price for the project, amount paid to date, project duration and the contract variations if any.

In the circumstances, the value for money on the funds used in the construction of the two Fund's offices could not be confirmed.

3. Stalled Primary Schools Projects

Review of the project implementation status revealed that the Management awarded contracts in 2020/2021 to local contractors for the construction of eight (8) classrooms stored buildings within three (3) primary schools as detailed below:

Project Name	Contract Start Date	Contract Period	Contract sum-Kshs	Amount paid-Kshs.	Project status
Shikoti Primary School	23 April, 2021	52 weeks	17,647,390	17,467,390	35 months late
Ebwambwa Primary School	29 November, 2020	52 weeks	16,755,054	16,755,074	41 months late
Mwiyala Primary School	15 March, 2021	52 weeks	17,802,800	17,802,800	47 months late

However, physical verification of the projects on 27 May, 2025 revealed that the three projects were incomplete with ceiling boards not fitted, floors not plastered and guard rails not fitted on first floor. Further, it was observed that the full amount of contract sums had been paid to the contractors.

In the circumstances, value for money realized in the construction of the buildings in the three schools could not be confirmed.

4. Failure to prepare and Submit Quarterly Financial Reports

During the year under review, the Management did not prepare and submit quarterly financial reports in accordance with Section 83(3) of the Public Finance management Act, 2012 which states that not later than fifteen days after the end of each quarter, the accounting officer shall submit the quarterly report to the cabinet Secretary responsible for the entity and The National Treasury.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Lack of Internal Audit Reports

During the year under review, the Fund did not maintain internal audit reports contrary to Section 73(1) of the Public Finance Management Act, 2012.

In the circumstances, the Fund risks having weak internal controls.

2. Inadequate Staffing

Review of the staff records and the organizational structure revealed that the Fund was lacking the services of Accounts Assistant, Security Officer and Driver who had resigned. There was no evidence of recruitment plan to fill the vacant positions.

In the circumstances, the quality-of-service delivery to the public and smooth running of operations of the Fund's Office could not be confirmed.

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

Responsibilities of the Management and those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

05 December, 2025

Appendix I

Unresolved Prior Year Matters

Reference No. of the Auditor-General's Report	Audit Issue
	Report on the Financial Statements
1	Unsupported Project Management Committee (PMC) Bank Balances
2	Unsupported Bursary Disbursements
3	Unconfirmed Cash and Cash Equivalents Balance
	Emphasis of Matter
	Budgetary Control and Performance
	Report on Lawfulness and Effectiveness in Use of Public Resources
	Stalled Primary Schools Projects
	Report on Effectiveness of Internal Controls, Risk Management and Governance
	Lack of Internal Audit Report

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

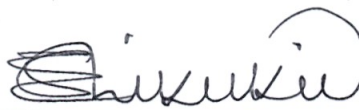
	Note	2024/2025
		Kshs
Revenue from non-exchange transactions		
Transfers from the NGCDF Board	6	188,426,052
Revenue from exchange transactions		
Miscellaneous income	7	120,000
Total revenue		188,546,052
Expenses		
Employee costs	8	5,860,476
Committee expenses	9	3,899,150
Use of Goods and Services	10	4,787,391
Other Government Units Actual expenditure	11	50,605,529
Other Grants and Transfers Actual expenditure	12	68,624,320
Depreciation and amortization expense	13	4,162,813
Total expenses		137,939,678
Other gains/(losses)		
Surplus/(Deficit) for the year		50,606,374

The Constituency financial statements were approved by the NGCDFC on 26/08/2025 and signed by:



Chairman NG-CDF Committee

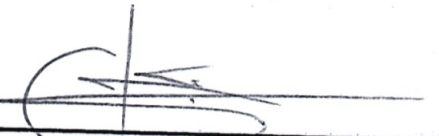
Name: Mr. Matias J. Shicele



National Sub-County
Accountant

Name: CPA Emmanuel Shikuku

ICPAK M/No: 9179



Fund Account Manager

Name: Mr. Winston A. Lihanda



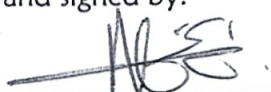
NATIONAL SUB-COUNTY TREASURY ACCOUNTANT
 KAKAMEGA CENTRAL
 P. O. Box 313-50100,
 KAKAMEGA

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

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

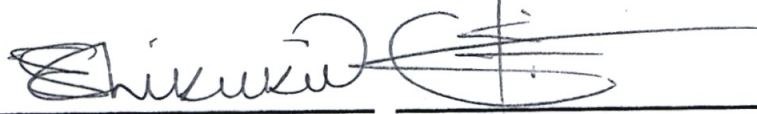
	Note	2024/2025	Opening Statement 1st July 2024 (Restated)
		Kshs	Kshs
Assets			
Current Assets			
Cash And Cash Equivalents	14	60,116,261	24,442,165
Receivables from Non-Exchange Transactions	15	32,426,052	32,056,233
Total Current Assets		92,542,313	56,498,398
Non-Current Assets			
Property, Plant and Equipment	16	141,110,042	126,473,705
Total Non- Current Assets		141,110,042	126,473,705
Total Assets (A)		233,652,356	182,972,103
Liabilities			
Current Liabilities			
Third Party Deposits	17	569,971	115,162
Gratuity Provision	18	608,443	619,556
Total Current Liabilities		1,178,413	734,718
Non-Current Liabilities			
Total Liabilities (B)		1,178,413	734,718
Net Assets (A-B)		232,473,942	182,237,385
Represented by:			
Revaluation Reserves		182,237,385	182,237,385
Accumulated Surplus		50,606,374	
Total Net Assets		232,843,759	182,237,385

The Constituency financial statements set out on pages 1 to 18 approved by NG CDFC on 26/08/2025 and signed by:



Chairman NG-CDF Committee

Name: Mr. Matias J. Shicele

National Sub-County Accountant

Name: CPA Emmanuel Shikuku
 ICPAK M/No: 9179

NATIONAL SUB-COUNTY TREASURY ACCOUNTANT
 KAKAMEGA CENTRAL
 P. O. Box 313-50100.
 KAKAMEGA

Fund Account Manager

Name: Mr. Winston A. Lihanda

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

Description	Revaluation Reserves	Accumulated surplus/Deficit	Total
		Kshs	Kshs
Fund Balance as at 30 th June 2024	14,826,296		14,826,296
Adjustments			
Recognition of Assets	167,526,252		167,526,252
Recognition of Liabilities	115,162		115,162
As at July 1, 2024	182,237,385		182,237,385
Surplus/(Deficit) For the Period	-	50,606,374	50,606,374
Revaluation Gain/Loss	-	-	-
As at June 30, 2025 (current year)	182,237,385	50,606,374	232,843,759

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.

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

	Notes	2024/2025
		Kshs
Cash flows from operating activities		
Receipts		
Transfers from the NGCDF Board		188,056,233
Transfers from domestic and foreign partners		-
Finance income		-
Miscellaneous income		120,000
Total Receipts		188,176,233
Payments		
Employee costs		5,860,476
Committee expenses		3,899,150
Use of Goods and Services		4,787,391
Other Government Units Certified Works		50,605,529
Other Grants and Transfers		68,624,320
Working capital adjustments		(73,878)
Total Payments		133,702,988
Net Cash Flows from/ (used in) Operating Activities	19	54,473,246
Cash flows From Investing Activities		
Purchase of PPE		18,799,150
Purchase of Intangible assets		-
Proceeds From Sale of PPE		-
Net Cash Flows from Investing Activities		18,799,150
Cash Flows from Financing Activities		
Lease Payment		
Net Cash Flows from Financing Activities		
Net increase/(decrease) in cash & Cash equivalents		35,674,096
Cash and cash equivalents at 1 July 2024	14	24,442,165
Cash and cash equivalents at 30 June 2025		60,116,261

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

National Government Constituencies Development Fund (NGCDF)
Lurambi Constituency
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15. Statement of Comparison of Budget and Actual Amounts for the Year ended 30 June 2025

	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilization
	Kshs	Kshs		Kshs	Kshs	Kshs	
	A	b		C=(a+b)	d	e=(c-d)	f=d/c*100
	2024/2025	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements	2024/2025	2024/2025		
Revenue							
Transfers From the NGCDF Board	188,426,052	24,442,165	32,056,233	244,924,450	212,498,398	32,426,052	87%
Transfers from domestic and foreign partners	-	-	-	-	-	-	
Finance income	-	-	-	-	-	-	
Miscellaneous income	-	-	-	-	-	-	
Totals	188,426,052	24,442,165	32,056,233	244,924,450	212,498,398	32,426,052	87%
Expenses							
Employee costs	7,964,598	637,666	-	8,602,264	5,860,476	2,741,788	68%
Committee expenses	4,606,199	10,300	-	4,616,499	4,604,499	12,000	100%
Use of Goods and Services	2,532,966	40,165	-	2,573,131	4,082,042	(1,508,911)	159%
Other Government Units Certified Works	74,806,148	11,770,685	25,756,233	112,333,065	50,605,529	61,727,536	45%
Other Grants and Transfers	76,916,529	11,983,349	500,000	89,399,878	68,624,320	20,775,558	77 %
Digital Hubs Expenses	21,599,612	-	5,800,000	27,399,612	18,799,150	8,600,462	69%
Funds Pending Approval**	-	-	-	-	-	-	-
Total Expenditure	188,426,052	24,442,164	32,056,233	244,924,449	152,576,016	92,348,434	67 %

National Government Constituencies Development Fund (NGCDF)
Lurambi Constituency
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	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilization
	Kshs	Kshs		Kshs	Kshs	Kshs	
	A	b		C=(a+b)	d	e=(c-d)	f=d/c*100
	2024/2025	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements	2024/2025	2024/2025		
Surplus for the period	-	-	-	-	59,922,383	(59,922,382)	

***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)
Lurambi Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025**

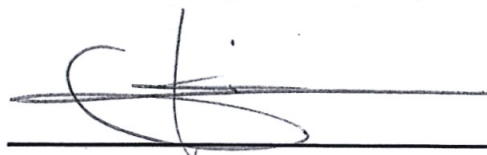
Explanatory Notes.

The underutilization for Digital hubs expenses, Other Government Units Certified Works and Other Grants and Transfers is due to late exchequer releases.

Over expenditure on Goods and Services is due to under budget it and over budgeting of staff compensation. This was caused by lacking of renewing of staff contracts which ended in December, 2024. This will be rectified in our next budget of 2025/2026 FY. Funds pending approval have not been approved by the Board. These funds are for environment and one primary school.

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilization difference totals	92,348,434
Less undisbursed funds receivable from the Board as at period 30th June, 2025	32,426,052
Rental income (AIA)	120,000
Working capital adjustment	73,878
Cash and Cash Equivalents at the end of the 30 th June 2025	60,116,260

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 11/11 2025 and signed by:



Fund Account Manager

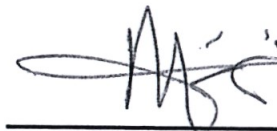
Name: Mr. Winston A. Lihanda



National Sub-County Accountant

Name: CPA Emmamuel Shikuku

ICPAK M/No: 9179



Chairman NG-CDF Committee

Name: Mr. Matias Job Shichele



KAKAMEGA CENTRAL
 KAKAMEGA
 BOX 313-50100
 KAKAMEGA
 KAKAMEGA CENTRAL
 KAKAMEGA
 BOX 313-50100

National Government Constituencies Development Fund (NGCDF)

Lurambi Constituency

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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 (operational, deposit and PMCs C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent						
1.1 Compensation of employees	7,964,598	637,666		8,602,264	5,860,476	2,741,788
1.2 Committee allowances	1,248,000	10,300		1,258,300	1,258,300	-
1.3 Use of goods and services	1,962,966	24,020		1,986,986	3,495,897	(1,508,911)
Sub-total	11,175,564	671,986	-	11,847,550	10,614,673	1,232,877
2.0 Monitoring and evaluation						
2.1 Capacity building	2,082,199			2,082,199	2,070,199	12,000
2.2 Committee allowances	1,276,000			1,276,000	1,276,000	-
2.3 Use of goods and services	570,000	16,145		586,145	586,145	(0)
Sub-total	3,928,199	16,145	-	3,944,344	3,932,344	12,000
4.0 Emergency						
4.1 Bukura Police Station	1,000,000	-		1,000,000	1,000,000	-
unutilized	8,916,529	102,167		9,018,696		9,018,696
Sub-total	9,916,529	102,167	-	10,018,696	1,000,000	9,018,696
5.0 Bursary and Social Security						
5.1 Primary Schools				-		-
5.2 Secondary Schools	30,000,000	7,494,836		37,494,836	51,744,870	(14,250,034)
5.3 Tertiary Institutions	4,000,000	4,386,346		28,386,346	12,871,700	15,514,646

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5.4 special needs	1,000,000			1,000,000	510,000	490,000
5.5 Education Support Programmes				-		-
5.6 Social Security				-		-
Sub-total	55,000,000	11,881,182	-	66,881,182	65,126,570	1,754,612
7.0 Environment						
Kilimo primary school,	1,000,000.00			1,000,000		1,000,000
Kakamega Forest	5,000,000.00			5,000,000		5,000,000
Sub-total	6,000,000	-	-	6,000,000	-	6,000,000
8.0 Primary Schools Projects						
EBUHAYI PRIMARY SCHOOL	-	1,051	-	1,051	-	1,051
MATIOLI PARIMARY SCHOOL	-	3,948	-	3,948	-	3,948
SHIYUNZU PRIMARY SCHOOL	-	3,880	-	3,880	-	3,880
KAKAMEGA PRIMARY SCHOOL	-	310,387	-	310,387	-	310,387
SHISASARI PRIMARY SCHOOL	-	9,908	-	9,908	-	9,908
EMASERA PRIMARY SCHOOL	-	6,181	-	6,181	-	6,181
EMULUNDU PRIMARY SCHOOL	-	338	-	338	-	338
ESHIBEYE PRIMARY SCHOOL	-	56	-	56	-	56
EMUKANGU PRIMARY SCHOOL	-	656	-	656	-	656
EBUNG'AYA PRIMARY SCHOOL	-	928	-	928	-	928
ST. LAWRENCE ICHINA PRIMARY SCHOOL	-	2,967	-	2,967	-	2,967
NYAYO TEA ZONE PRIMARY SCHOOL	-	1,092	-	1,092	-	1,092
LYANUNGU PRIMARY SCHOOL	-	278	-	278	-	278
EBWAMBWA PRIMARY SCHOOL	-	66	-	66	-	66
LURAMBI PRIMARY SCHOOL	-	95	-	95	-	95
SHITAHU PRIMARY SCHOOL	-	1,021	-	1,021	-	1,021
AMALEMBA PRIMARY SCHOOL	-	444	-	444	-	444
SHITAHU PRIMARY SCHOOL	-	1,404	-	1,404	-	1,404
HIRUMBI PRIMARY SCHOOL	-	19	-	19	-	19
MUSAA PRIMARY SCHOOL	-	1,237	-	1,237	-	1,237
SHIVAKALA PRIMARY SCHOOL	-	16,213	-	16,213	-	16,213

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

EMUSALA PRIMARY SCHOOL	-	1,681	-	1,681	-	1,681
SHIKOTI BOARDING PRIMARY SCHOOL	-	112	-	112	-	112
MATIOLI PRIMARY SCHOOL	-	60	-	60	-	60
ESOKONE PRIMARY SCHOOL	-	1,248	-	1,248	-	1,248
EMATSAYI PRIMARY SCHOOL	-	71	-	71	-	71
MWIYALA MIXED SECONDARY SCHOOL	-	84,618	-	84,618	-	84,618
MWIYALA PRIMARY SCHOOL	-	6,954	-	6,954	-	6,954
LYANUNGU PRIMARY SCHOOL	-	4,874	-	4,874	-	4,874
ROSTERMAN PARIMARY SCHOOL	-	1,025,362	-	1,025,362	-	1,025,362
ELUKHO PRIMARY SCHOOL	-	433	-	433	-	433
KAKAMEGA TOWNSHIP PRIMARY SCHOOL	-	5,691	-	5,691	-	5,691
EBWAMBWAP PRIMARY SCHOOL	-	4,767	-	4,767	-	4,767
EMULELE PRIMARY SCHOOL	-	1,630	-	1,630	-	1,630
EBUCHIRA PRIMARY SCHOOL	-	715	-	715	-	715
ESHIBEYE PRIMARY SCHOOL	-	6,873	-	6,873	-	6,873
ESHISIRU PRIMARY SCHOOL	-	993	-	993	-	993
EKAPWONJE PRIMARY SCHOOL	-	24	-	24	-	24
SHIKOTI MIXED PRIMARY SCHOOL	-	261,371	-	261,371	-	261,371
Kilimo primary school,	-	97,741	-	97,741	-	97,741
ELUKHO PRIMARY SCHOOL	-	1,112	-	1,112	-	1,112
BISHOP SULUMETI GIRLS	-	120	-	120	-	120
BUKHULUNYA PRIMARY SCHOOL	-	3	-	3	-	3
ELUKHO SECONDARY SCHOOL	-	723	-	723	-	723
IKONYERO PRIMARY SCHOOL	-	75,152	-	75,152	-	75,152
KAKAMEGA MUSLIM PRIMARY SCHOOL	-	455	-	455	-	455
EMATIETIE PRIMARY SCHOOL	-	10,358	-	10,358	-	10,358
CHIEF MUTSEMBI PRIMARY SCHOOL	-	165,725	-	165,725	-	165,725

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DAISY SPECIAL SCHOOL	-	28,430	-	28,430	-	28,430
EMASERA COMMUNITY SCHOOL	-	248	-	248	-	248
EMMACHEMBE PRIMARY SCHOOL	-	1,318	-	1,318	-	1,318
EMMACHEMBE PRIMARY SCHOOL	-	390	-	390	-	390
EMUKABA PRIMARY SCHOOL	-	414	-	414	-	414
EMULUNDU PRIMARY SCHOOL	-	09,584	-	109,584	-	109,584
EMURUMBA PRIMARY SCHOOL	-	838	-	838	-	838
EMURUMBA PRIMARY SCHOOL	-	550	-	550	-	550
ESHIAMBOKO PRIMARY SCHOOL	-	9,005	-	9,005	-	9,005
ESHIANDUKUSI PRIMARY SCHOOL	-	159,102	-	159,102	-	159,102
INDANGALASIA PRIMARY SCHOOL	-	22,228	-	22,228	-	22,228
INDANGALASIA PRIMARY SCHOOL	-	14,040	-	14,040	-	14,040
MARABA PRIMARY SCHOOL	-	6,855	-	6,855	-	6,855
MUNGULU PRIMARY SCHOOL	-	1,318	-	1,318	-	1,318
NABONGO PRIMARY SCHOOL	-	981	-	981	-	981
SHISANGO PRIMARY SCHOOL	-	35,472	-	35,472	-	35,472
SHISASARI PRIMARY SCHOOL	-	1,006	-	1,006	-	1,006
SHIVAKALA PRIMARY SCHOOL	-	48,665	-	48,665	-	48,665
ESHILIBO PRIMARY SCHOOL	-	1,887	-	1,887	-	1,887
KAKAMEGA PRIMARY SCHOOL	-	18,402	-	18,402	-	18,402
MARABA PRIMARY SCHOOL	-	3,855	-	3,855	-	3,855
HIRUMBI PRIMARY SCHOOL	-	48,767	-	48,767	-	48,767
EMUKANGU KAG PRIMARY SCHOOL	-	429	-	429	-	429
ESOKONE PRIMARY SCHOOL	-	32,235	-	32,235	-	32,235
EMMACHEMBE PRIMARY SCHOOL	-	16,238	-	16,238	-	16,238
SHITAHO COMMUNITY PRIMARY SCHOOL	-	4,624	-	4,624	-	4,624
NABONGO PRIMARY SCHOOL	-	3,980	-	3,980	-	3,980
ST. PETER'S EBUHAYI PRIMARY SCHOOL	-	690	-	690	-	690
EBUCHINGA PRIMARY SCHOOL	-	81,515	-	81,515	-	81,515

National Government Constituencies Development Fund (NGCDF)

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KAKAMEGA SCHOOL FOR THE DEAF	-	270	-	270	-	270
DAISY SPECIAL SCHOOL	-	1,315	-	1,315	-	1,315
SHISASARI PRIMARY SCHOOL	-	367,702	-	367,702	-	367,702
EBWAMBWA PRIMARY SCHOOL	3,453,842	809	-	3,454,651	3,220,660	233,991
MWIYENGA PRIMARY SCHOOL	1,979,424	829	-	1,980,253	1,840,853	139,401
EMUKANGU KAG PRIMARY SCHOOL	10,553,665	406,050	-	10,959,715	-	10,959,715
KAKAMEGA MUSLIM PRIMARY SCHOOL	1,496,400	101,857	-	1,598,257	-	1,598,257
ST. BASIL LURAMBI PRIMARY SCHOOL	-	1,000	-	1,000	-	1,000
ST. LAWRENCE ICHINA PRIMARY SCHOOL	-	790	-	790	-	790
TOLANDO AGENCIES LTD (KAKAMEGA PRIMARY SCHOOL)	-	-	-	-	2,100,000	(2,100,000)
EMURUMBA PRIMARY SCHOOL	-	2,000,000	-	2,000,000	1,999,000	1,000
EMATETIE PRIMARY SCHOOL	2,200,000	34,754	-	2,234,754	-	2,234,754
MUSAA PRIMARY SCHOOL	-	1,101,791	-	1,101,791	1,044,050	57,741
ESHISIRU PRIMARY SCHOOL	8,497,354	4,700,000	11,752,666	24,950,020	16,451,732	8,498,288
IKONYERO PRIMARY SCHOOL	-	4,377	-	4,377	-	4,377
MWIYALA PRIMARY SCHOOL	-	1,427	-	1,427	-	1,427
KILIMO DEB PRIMARY SCHOOL	0.00	-	4,700,000	4,700,000	4,681,495	18,505
ELUKHO PRIMARY SCHOOL	0.00	-	2,400,000	2,400,000	2,208,921	191,079
Nabongo Primary School	3,000,000.00	-	-	3,000,000	-	3,000,000
Matende Primary School	2,993,728.00	-	-	2,993,728	2,354,026	639,702
Ebuchinga Primary School	2,000,478.00	-	-	2,000,478	-	2,000,478
Emusanda Primary School	4,000,000.00	-	-	4,000,000	-	4,000,000
Ebung'aya Primary School	3,000,000.00	-	-	3,000,000	-	3,000,000
Elufafwa Primary School	600,000.00	-	-	600,000	-	600,000
Shikoti Mixed Primary School	3,138,902.00	-	-	3,138,902	2,952,742	186,160
Eshibeye Primary School	2,983,694.00	182,027	-	3,165,721	-	3,165,721
Sub-total	9,897,487	11,679,099	18,852,666	80,429,252	38,853,479	41,575,773

National Government Constituencies Development Fund (NGCDF)
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9.0 Secondary Schools Projects (List all the Projects)						
Shieywe Secondary School	1,979,424.00	51,068	-	2,030,492	-	2,030,492
KAKAMEGA MUSLIM SECONDARY SCHOOL	0.00	17,443	-	17,443	-	17,443
St. Titus Emasera Secondary School	1,100,000.00	23,075	-	1,123,075	-	1,123,075
Matende Girls Secondary School	2,895,740.60	-	3,053,567	5,949,308	1,799,475	4,149,833
St. Luke's Shisango Girls Secondary School	4,000,000.00	-	3,850,000	7,850,000	-	7,850,000
St. Thomas Eshisiru Secondary School	9,955,000.00	-	-	9,955,000	9,952,575	2,425
St. Patrick's Ikonyero Secondary School	1,978,496.00	-	-	1,978,496	-	1,978,496
St. Francis Xavier Shikoti Mixed Secondary School	3,000,000.00	-	-	3,000,000	-	3,000,000
Sub-total	24,908,661	91,586	6,903,567	31,903,814	11,752,050	20,151,764
10.0 Tertiary institutions Projects (List all the Projects)						
				-		-
Sub-total	-	-	-	-	-	-
11.0 Security Projects						
Matioli Police Post	0.00	-	500,000	500,000	498,575	1,425
Matioli Chief's Office	1,000,000.00	-	-	1,000,000	-	1,000,000
Bukura Police Station	2,000,000.00	-	-	2,000,000	1,999,175	825
Lurambi Chiefs Camp	1,000,000.00	-	-	1,000,000	-	1,000,000
Indangalasia Chief's Office	1,000,000.00	-	-	1,000,000	-	1,000,000
Shibuli Chief's Office	1,000,000.00	-	-	1,000,000	-	1,000,000
Sub-total	6,000,000	-	500,000	6,500,000	2,497,750	4,002,250
12.0 Acquisition of assets						
12.1 Lurambi Motor Vehicle	8,500,000		-	8,500,000	8,500,000	-
12.2 Purchase of furniture and fittings	-			-		-
12.2 Lurambi NGCDF office	13,099,612	-	5,800,000	18,899,612	10,299,150	8,600,462

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Sub-total	21,599,612	-	5,800,000	27,399,612	18,799,150	8,600,462
13.0 Others						
		-	-	-		-
Sub-total	-	-	-	-	-	-
Funds pending approval**						
unapproved projects		-				
AiA	-					
Sub-total	-	-	-	-	-	-
Total	188,426,052	24,442,164	32,056,233	244,924,449	152,576,016	92,348,434

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

17. Notes to the Financial Statements

1. General information

The National Government Constituencies Development Fund (NG-CDF) formerly Constituencies Development Fund (CDF), is established by and derives its authority and accountability from the NG-CDF Act 2015 (amended 2023). The NG-CDF is wholly owned by the Government of Kenya and is domiciled in Kenya. The NG-CDF Lurambi Constituency principal activity is to facilitate equitable and sustainable development at the grassroots level through the financing of community-prioritized projects, including education, security, infrastructure and environmental conservation, in line with National Government Constituencies Development Fund goals and local needs.

2. Statement of Compliance and Basis of Preparation

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

The financial statements have been prepared in accordance with the Public Finance Management (PFM) Act and the International Public Sector Accounting Standards (IPSAS). The NG-CDF Lurambi 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 Lurambi has recognized all financial assets, including cash and cash equivalents held in the operational account, deposit account, and PMC bank accounts; receivables (amounts due from the Board and other parties); prepayments; property, plant, and equipment (PPE); and intangible assets acquired during the financial year 2023/2024 up to the reporting date.

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

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

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

3. Adoption of New and Revised Standards

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

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

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

Standard	Effective date and impact:
IPSAS 43: Leases	<p><i>Applicable 1st January 2025</i></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 recognize, measure and present information on right of use assets and lease liabilities.</p> <p>Not applicable</p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1st January 2025</i></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>Not applicable</p>

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<p>IPSAS 45: Property Plant and Equipment</p>	<p><i>Applicable 1st January 2025</i></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognized as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p> <p>Not Applicable</p>
<p>IPSAS 46: Measurement</p>	<p><i>Applicable 1st January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS. iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p>Not Applicable</p>
<p>IPSAS 47: Revenue</p>	<p><i>Applicable 1st January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue</p>

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

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*

Not Applicable

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 18th 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).

b) Financial liabilities

Classification

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

f) Inventories

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

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

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

the sale, exchange, or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the *Entity*.

g) 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

h) 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.

i) 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.

j) 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.

k) 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.

l) 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.

m) 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.

n) 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.

o) Comparative figures

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

p) Subsequent events

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

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

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

Useful lives and residual value

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

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

Provisions

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

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6. Transfers from the NGCDF Board

Description	2024/2025
	Kshs
NGCDFB Transfers (Allocation for the FY)	188,426,052
Total	188,426,052

7. Miscellaneous income

	2024/2025
	Kshs
Rental Income	120,000
Income from sale of tenders	-
Hire of plant/equipment/facilities	-
Other Income Not Classified Elsewhere (<i>specify</i>)	-
Total	120,000

8. Employees cost

	<i>2024/2025</i>
	Kshs
NG-CDFC Basic staff salaries	4,898,814
Personal allowances paid as part of salary	-
House Allowance	-
Transport Allowance	-
Leave allowance	-
Gratuity to contractual employees	688,487
Employer Contributions Compulsory national social security schemes	219,640
Employer Contributions Compulsory Housing levy	53,535
Employer contributions to National Industrial Training Authority	-
Other Specify	-
Total	5,860,476

9. Committee Expenses

	<i>2024/2025</i>
	Kshs
Sitting allowance	1,680,000
Other Committee expenses	2,219,150
Total	3,899,150

10. Use of Goods and services

	<i>2024/2025</i>
	Kshs
Utilities, supplies and services	450,000
Communication, supplies and services	230,000
Domestic travel and subsistence	500,000
Printing, advertising and information supplies & services	237,966
Office Rent	-
Training expenses	1,050,000

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Hospitality supplies and services	545,419
Insurance costs	-
Specialized materials and services	-
Office and general supplies and services	850,000
Fuel, oil & lubricants	-
Bank charges	100,000
Routine maintenance – vehicles and other transport equipment	-
Routine maintenance – other assets	-
Strategic plan expenses	-
Other operating expenses	824,006
Total	4,787,391

11. Other Government Units Actual expenditure

Description	2024/2025
	Kshs
Primary Schools Actual expenditure	38,853,479
Secondary Schools Actual expenditure	11,752,050
Tertiary Institutions Actual expenditure	-
Total	50,605,529

12. Other Grants and transfers Actual expenditure

	<i>2024/2025</i>
	Kshs
Bursary – secondary schools	51,744,870
Bursary – tertiary institutions	12,871,700
Bursary – special schools	510,000
Bursary - Education Support programmes	-
Social Security programmes (SHIF)	-
Security projects Actual expenditure	2,497,750
Climate change mitigation projects	-
Emergency projects Actual expenditure	1,000,000
Roads projects Actual expenditure	-
Others specify	-
Total	68,624,320

13. Depreciation and Amortization Expenses

Description	<i>2024/2025</i>
	Kshs
Property Plant and Equipment	4,162,813
Intangible Assets	-
Total	4,162,813

14. Cash and Cash Equivalents

Name Of Bank and Account No.	30 th June 2025	<i>Opening Statement 1st July 2024 (Restated)</i>
	Kshs	Kshs
Bank Accounts (Cash Book Bank Balance)		
<i>Equity Bank, 0500280062381. (Operations account)</i>	18,573,979	12,029,924
<i>Operations account pending closure (Indicate name & account no.)</i>	-	-
<i>Equity Bank, 0500285142398. (Deposit account)</i>	630,443	3,415,928
<i>Equity Bank and KCB (PMC accounts)</i>	40,911,839	8,996,313

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Total	60,116,261	24,442,165
Cash Balances		
Location 1	-	-
Location 2	-	-
Other Locations (<i>Specify</i>)	-	-
Total	-	-

Note: Reconciliation Equity Bank and KCB (PMC accounts)

Closing balance 30 th June 2024	Kshs. 8,814,286
Add: Eshibeye Primary School (Omitted last year 2023/2024)	Kshs. 182,027
Opening Balance (Restated)	Kshs. 8,996,313

15. Receivables from Non-Exchange Transactions

Description	2024/2025		Opening Statement 1 st July 2024	
	Kshs		Kshs	
Transfers from NGCDFB	32,426,052		32,056,234	
Outstanding imprest	-		-	
Total	32,426,052		32,056,234	
Ageing Analysis- Receivables from non-exchange transactions	2024/2025	% Of the total	Opening Balance	% Of the total
Less than 1 year	32,426,052	100%	-	-
Between 1-2 years		0%	32,056,234	100%
Over 3 years	-	0%	-	0%
Total	-	0%	-	0%

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16. 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)		10%	25%	12.5%	30%	x%		
Cost	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Opening Bal as 1 st July 2024	-	14,054,535	796,246	2,504,000	400,992	-	108,717,932	126,473,705
Additions	-	0	8,500,000	-	0	-	10,299,150	18,799,150
Disposals	-	-	-	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-	-	-	-
As At 30 th June 2025	-	14,054,535	9,296,246	2,504,000	400,992	-	119,017,082	145,272,855
Depreciation And Impairment						-		
Opening Depreciation		-	-	-	-	-	-	-
Depreciation	-	1,405,454	2,324,062	313,000	120,298	-	-	4,162,813
Disposals	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-	-	-
As At 30 th June 2025		1,405,454	2,324,062	313,000	120,298	-	-	4,162,813
Net Book Values						-		
Opening Bal as at 1 st July 2024	-	14,054,535	796,246	2,504,000	400,992	-	108,717,932	126,473,705
As At 30 th June 2025	-	12,649,082	6,972,185	2,191,000	280,694	-	119,017,082	141,110,042

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- NOTE:
- i) All assets are depreciated as shown in the table above on straight line basis.
 - ii) The opening balance for the building has changed because part of the initial cost is the office in town which is still ongoing
 - iii) The Digital hub which is on the NGCDF block in town which is ongoing, the current value expended during the year has been moved to work in progress.

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).

22 b) Property, Plant and Equipment at Cost

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

	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land	-	-	-
Buildings	14,054,535	1,405,454	12,649,082
Plant And Machinery	-	-	-
Motor Vehicles, Including Motorcycles	9,296,246	2,324,062	6,972,185
Computers And Related Equipment	400,992	120,298	280,694
Office Equipment, Furniture, And Fittings	2,504,000	313,000	2,191,000
WIP	119,017,082	-	119,017,082
Total	145,272,855	4,162,814	141,110,043

17. Third-Party deposits

	2024/2025	2023/2024
	KShs	Kshs
Retention as at 1 st July (A)	115,162	-
Retention held during the year (B)	454,809	115,162
Retention paid during the Year (C)	-	-
Closing Retention as at 30th June D= A+B-C	569,971	115,162

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Retentions aging analysis.

	2024/2025	% of the total	2023/2024	% of the total
Less than 1 year	454,809	59%	-	%
1-2 years	115,162	41%	115,162	100%
2-3 years	-	%	0	%
Over 3 years	0	%	0	%
Total	569,971	100%	115,162	100%

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

18. Gratuity Provision

Description	2024/2025	2023/2024
	Kshs	Kshs
Gratuity at the beginning of the year 1 st of July	619,556	-
Gratuity held during the year	688,487	619,556
Gratuity paid during the year	699,600	-
Total Gratuity Provision 30th June,2025 (A+B-C)	608,443	619,556

19. Cash Generated from Operations

	2024/2025
	Kshs
Surplus/Deficit for the year	50,606,374
Adjusted for:	
Depreciation	4,162,813
Impairment	-
Gains and losses on disposal of assets	-
Working capital adjustments	
Increase/decrease in receivables	(369,819)
Increase/decrease in Gratuity	(11,113)
Increase/decrease in Third Party Deposits	454,809
	-
Net cash flow from operating activities	54,843,064

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

20. Financial Risk Management

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

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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 (2024/2025)				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	32,426,052	32,426,052	-	-
Bank balances	60,116,261	60,116,261	-	-
Total	92,542,313	92,542,313	-	-
As at 30 June (2023/2024)				
Receivables from exchange transactions	32,056,233	32,056,233	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	24,442,165	24,442,165	-	-
Total	56,498,398	56,498,398	-	-

(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 recognized 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 2025. The board of directors sets the Entity's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

ii) Liquidity risk management

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
As at 30th June 2025				
Trade payables	-	-	-	-
Current proportion of borrowings	-	-	-	-
Provisions	-	-	569,971	454,809
Deferred income	-	-	-	-
Gratuity Provision	-	-	608,443	688,487
Total	-	-	1,178,414	1,143,296
As at 30th June 2024				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	934,618	934,618
Deferred income	-	-	-	-

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Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
Employee benefit obligation	-	-	-	-
Total	-	-	934,618	934,618

iii) 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	2024/2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Revaluation Reserve	182,352,547	-
Retained Earnings	50,121,394	57,313,782
Capital Reserve	-	-
Total Funds	232,473,942	57,313,782
Total Borrowings	-	-
Less: Cash and Bank Balances	60,116,261	24,442,165
Net Debt/(Excess Cash And Cash Equivalents)	172,357,680	32,871,617
Gearing	74%	57%

21. Related Party Disclosures

	2024/2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Committee Members Remuneration		
Sitting allowance of committee Members during the year	1,680,000	3,573,700
Transaction with the NGCDF Board		
Transfers from the NGCDF Board during the year	188,056,234	277,649,053
Total	189,736,234	281,222,753

22. Events after the Reporting Period

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

23. Ultimate And Holding Entity

The Lurambi 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.

24. Currency

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

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18. Annexes
Annex 1: Summary of Asset Register

Asset class	Historical Cost/valuation cost balance brought forward (Kshs)	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) At Year End
Land	-	-	-	-
Buildings and structures	14,054,535	-	-	14,054,535
Transport equipment	796,246	8,500,000	-	9,296,246
Office equipment, furniture, and fittings	2,504,000	-	-	2,504,000
ICT Equipment and Other ICT Assets	400,992	-	-	400,992
WIP	108,717,932	10,299,150	-	119,017,082
Intangible assets	-	-	-	-
Total	126,473,705	18,799,150	-	145,272,855

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

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

PMC	Bank	Account number	Bank Balance 2024/25 FY	Bank Balance 2023/24 FY
Daisy Special School	Equity	0500284865624	1,315	1,315
Shisasari Primary School	Equity	0500284592936	367,702	367,701
Ebwambwa Primary School	Equity	0500284592771	233,991	809
Mwiyenga Primary School	Equity	0500284592734	139,400	829
Emukangu KAG Primary School	Equity	0500284592975	10,959,715	406,050
Kakamega Muslim Primary School	Equity	0500284597632	1,598,257	101,857
St. Basil Lurambi Primary School	Equity	0500284592672	1,000	1,000
St. Lawrence Ichina Primary School	Equity	0500284391690	790	790
Emurumba Primary School	Equity	0500281721804	1,000	2,000,000
Ematetie Primary School	Equity	0500280179067	2,234,754	34,754
Musaa Primary School	Equity	0500279879425	57,741	1,101,791
Eshisiru Primary School	Equity	0500282194358	934	4,700,000
Ikonyero Primary School	KCB	1119286832	4,377	43,77
Mwiyala Primary School	Equity	0500284592833	1,427	1427
Kilimo DEB Primary School	Equity	0500285868653	18,505	0
Elukho Primary School	Equity	0500285481893	228,130	0
Eshibeye Primary School	Equity	0500280013035	3,165,721	182,027

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PMC	Bank	Account number	Bank Balance 2024/25 FY	Bank Balance 2023/24 FY
Emusanda Primary School	Equity	0500286526470	3,000,000	0
Shikoti Mixed Primary School	Equity	0500286489903	186,160	0
Matende Primary School	Equity	0500286493829	639,702	0
Ebuchinga Primary School	Equity	0500286548081	2,000,478	0
Ebung'aya Primary School	Equity	0500286573138	3,000,000	0
Nabongo Primary School	Equity	0500286548115	3,000,000	0
Shieywe Secondary School	Equity	0500284631199	2,030,492	51,068
Kakamega Muslim Secondary School	Equity	0500284597632	17,443	17,443
St. Titus Emasera Secondary School	Equity	0500282460977	23,075	23,075
Matende Girls Secondary School	Equity	0500285873295	3,096,265	0
St. Lukes Shisango Girls Secondary School	Equity	0500285481848	3,850,000	0
St. Thomas Aquinas Secondary School Eshisiru	Equity	0500286485611	2,425	0
Bukura Police Station	Equity	0500286490415	48,765	0
Matioli Chief's Office	Equity	0500286492049	1,000,000	0
Matioli Police Post	Equity	0500285982446	1,425	0
Lurambi NGCDF Office	Equity	0500285695007	850	0
Total			40,911,839	8,996,313

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Annex 3: Progress on Follow Up of Auditor Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
OAG/KRO/AUD/2023-2024/LURAMBI CDF/11	<p>1. Unsupported Project Management Committee Bank Balances</p> <p>Note 15.2 and Annex 4 to the financial statements reflects Project Management Committee (PMC) account balances amounting to Kshs.8,814,286 as at 30 June, 2024 in respect to one hundred and seventeen (117) bank accounts. However, the bank reconciliation statements, bank</p>	<p>It is true at the time of audit bank balance certificates, cashbooks, bank reconciliation statements, payment vouchers were not availed but they have now been availed for verification (Annex 1). We further confirm that out of 117 PMC bank balances, 100 of them were closed and balance returned back to the Constituency's main account before the closure of the year under review (Annex 2)</p>	Not Resolved	During the next audit exercise

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
	statements, cash books and confirmation certificates were not provided for audit review. In the circumstances, the accuracy and completeness of the PMC account balance of Kshs. 8,814,286 could not be confirmed.			
OAG/KRO/AUD/2023-2024/LURAMBI CDF/11	<p>2. Unsupported Bursary Disbursements</p> <p>The statement of receipts and payments and Note 7 to the financial statements reflect other grants and transfers of Kshs. 42,260,549 which includes Kshs. 16,343,824, Kshs. 9,414,000 and Kshs.</p>	The management confirms that the acknowledgement slips of Kshs. 576,000 were not availed at the time of audit but were later availed for verification (Annex 3)	Not Resolved	During the next audit exercise

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
	<p>300,000 respectively in respect to bursary payments to secondary schools, tertiary institutions and special schools respectively. However, bursary payments to various learning institutions amounting to Kshs. 576,000 were not supported by acknowledgement slips.</p> <p>In the circumstances, the accuracy and completeness of the bursary disbursements amounting to Kshs. 42,260,549 could not be confirmed.</p>			
OAG/KRO/AUD/2023-2024/LURAMBI CDF/11	3. Unconfirmed Cash and Cash Equivalents Balance	The management confirms that the stale cheques were replaced	Not Resolved	During the next audit exercise

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
	<p>The statement of assets and liabilities reflects cash and cash equivalents balance of Kshs. 15,445,852 as disclosed in Note 10 to the financial statements. However, review of bank reconciliation statements for the month of June, 2024 revealed that unpresented cheques totaling Kshs. 1,526,917 had become stale as at the time of audit in November, 2024 and no evidence of reversal of the cheques in the cash books was provided for audit review.</p>	<p>in the cash book (Annex 4).</p>		

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
	In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs. 15,445,852 could not be confirmed.			
OAG/KRO/AUD/2023-2024/LURAMBI CDF/11	<p>Empasis of matter Budgetary Control and Performance</p> <p>The summary statement of appropriation reflects final receipts budget and actual amounts on comparable basis of Kshs. 312,749,428 and Kshs. 280,693,194 respectively, resulting in under-funding of Kshs. 32,056,234 or 10% of the approved budget. Further, the Fund expended an</p>	<p>The Fund acknowledged the delay of funds from the NGCDF board. However, the remaining balance of Kshs. 32,056,234 was received in the month of July, 2024 and the projects have been implemented</p>	Not Resolved	During the next audit exercise

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
	<p>amount of Kshs. 265,866,898 against the budget of Kshs. 312,749,428 resulting in underutilization of Kshs. 46,882,530 or 15% of the approved budget.</p> <p>The under-funding and under-expenditure affected the planned activities and may have impacted negatively on service delivery to the public.</p>			
OAG/WES REG/LURAMBI CDF/2022-2023/20	<p>1. Unsupported Project Management Committee (PMC) Bank Account Balances</p> <p>Note 14.3 to the financial statements reflects Project Management</p>	<p>It is true the PMC bank accounts balances totaled to Kshs. 4,901,645 as at 30 June, 2023. We further confirm the availability of accounting records for the PMCs (Annex 1)</p>	<i>Resolved</i>	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
	<p>Committee (PMC) bank account balances totaling Kshs. 4,901,645 as disclosed in Annex 4. However, bank reconciliation statements and cash books were not provided to support the balances. In the circumstances, the accuracy and completeness of the Project Management Committee bank account balances of Kshs. 4,901,645 could not be confirmed.</p>			
<p>OAG/WES REG/LURAMBI CDF/2022-2023/20</p>	<p>2. Stale Cheques The statement of assets and liabilities reflects a balance of Kshs. 259,769 in respect of cash and cash equivalents and Note</p>	<p>We agree that the cheques totaling Kshs. 26,845 were stale as at 30 June, 2023 and had not been reversed in the cash book. However, the cheques</p>	<p><i>Resolved</i></p>	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
	<p>11 to the financial statements. However, the bank reconciliation statement for the month of June, 2023 reflects unrepresented cheques totaling Kshs. 1,948,884, out of which, cheques totaling Kshs. 26,845 had become stale as at 30 June, 2023. No explanation was provided on why the stale cheques had not been reversed in the cash book.</p> <p>In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs. 259,769 could not be confirmed.</p>	<p>have been reversed in the current cash book for 2023/2024 financial year (Annex 2)</p>		

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
OAG/WES REG/LURAMBI CDF/2022-2023/20	<p>3. Unsupported Project Management Committee (PMC) Bank Account Balances</p> <p>Note 14.3 to the financial statements reflects Project Management Committee (PMC) bank account balances totaling Kshs. 4,901,645 as disclosed in Annex 4. However, bank reconciliation statements and cash books were not provided to support the balances. In the circumstances, the accuracy and completeness of the Project Management Committee bank account balances of</p>	<p>It is true the PMC bank accounts balances totalled to Kshs. 4,901,645 as at 30 June, 2023. We further confirm the availability of accounting records for the PMCs (Annex 1)</p>	<i>Resolved</i>	

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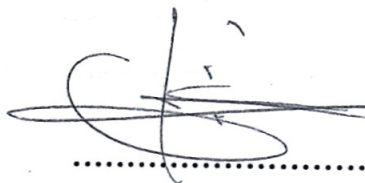
Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
	Kshs. 4,901,645 could not be confirmed.			
OAG/WES REG/LURAMBI CDF/2022-2023/20	<p>Budgetary Control and Performance</p> <p>The summary statement of appropriation reflects receipts budget and actual on comparable basis amounts of Kshs. 183,209,294 and Kshs. 70,560,241 respectively, resulting to under-funding of Kshs. 112,649,053 or 61 % of the budget. However, the Fund spent Kshs. 70,300,472 against actual receipts of Kshs. 70,560,241 resulting to under-performance of Kshs. 259,769.</p>	<p>The Fund acknowledged the delay of funds from the NGCDF board. However, the remaining balance of Kshs. 112,649,053 was received in the month of July, 2023 and the projects have been implemented</p>	<i>Resolved</i>	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
	The under-funding and under-performance affected the planned activities and may have negatively impacted on service delivery to the public.			
OAG/WES REG/LURAMBI CDF/2022-2023/20	<p>Other Matter</p> <p>Unresolved Prior Year Matter</p> <p>In the report for the previous year, several issues were raised in the Report on Financial Statements and report on Lawfulness and Effectiveness in Use of Public Resources. However, Management has indicated in the progress on follow up of the Auditor's</p>	It is true the support documents for receipts of Kshs. 12,000 were not availed at the time of audit but they have now been availed for verification	<i>Resolved</i>	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
	recommendations section of the financial statements that one issue has not resolved. No explanation was provided on the failure to resolve the issue as required by the Public Sector Accounting Standards Board templates			



Winston A. Lihanda
 Fund Account Manager.

