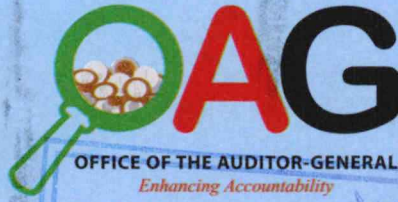


REPUBLIC OF KENYA



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| THE NATIONAL ASSEMBLY PAPERS LAID | |
| DATE: 26 NOV 2025 | DAY: Wed |
| TABLED BY: | Hon. Robert Pukize |
| BY: | Mado Atubo |

REPORT



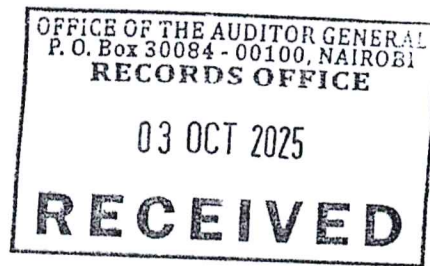
OF

THE AUDITOR-GENERAL

ON

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

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



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

LANGATA CONSTITUENCY

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
30th JUNE 2025**

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

| Table of Contents | Page |
|--|-------|
| 1. Acronyms and Definition of Key Terms | ii |
| 2. Key Constituency Information and Management | iii |
| 3. NGCDF Committee | viii |
| 4. NG-CDFC Chairman's Report | xi |
| 5. Statement Of Performance Against Predetermined Objectives for FY2024/2025 | xvii |
| 6. Governance Statement | xx |
| 7. Management Discussion and Analysis | xxix |
| 8. Environmental and Sustainability Reporting | xxxv |
| 9. Statement Of Management Responsibilities | xxxix |
| 10. Report Of the Independent Auditor on the NGCDF- Langata Constituency | xli |
| 11. Statement of Financial Performance for the Year Ended 30th June 2025 | 1 |
| 12. Statement Of Financial Position As At 30th June, 2025 | 2 |
| 13. Statement of Changes in Net Assets for the year ended 30 June 2025 | 4 |
| 14. Statement Of Cash Flows for The Year Ended 30th June 2025 | 5 |
| 15. Statement of Comparison of Budget and Actual Amounts for the Year ended 30 June 2025 | 6 |
| 16. Budget Execution by Sectors and Projects for The Year Ended 30 th June 2025 | 9 |
| 17. Notes to the Financial Statements | 18 |
| 18. Annexes | 56 |

1. Acronyms and Definition of Key Terms

A. Acronyms

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

B. Definition of Key Terms

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

Comparative Year- Means the prior period.

2. Key Constituency Information and Management

(a) Background information

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

Mandate

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

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

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

Vision

Equitable Socio-economic development countrywide.

Mission

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

Core Values

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

Functions of NG-CDF Committee

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

(b) Key Management

The NGCDF Langata 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 | Gumato Sharamo |
| 2. | National Sub-County Accountant | Lucas Okech |
| 3. | Chairman NGCDFC | Evanson Moturi Katei |
| 4. | Member NGCDFC | Zulekha Abdi |
| 5. | Member NG CDFC | Beatrice Nganyi |

(c) Fiduciary Oversight Arrangements

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

(d) NGCDF Langata Constituency Headquarters

P.O. Box 34833-00100
Langata NG-CDF office
Wilson Airport (DCC Compound)
Nairobi, KENYA.

(e) NGCDF Langata Constituency Contacts

P.O. Box 34833-00100
Telephone: (254)722920173
E-mail: cdflangata@ngcdf.go.ke
Website: www.langatangcdf.go.ke

(f) NGCDF Langata Constituency Bankers

1. Bank A. (Operations Account).
Bank Name: Equity bank
Branch: Nairobi west
Account Name: LANGATA NG – CDF
Account Number: 1280262114687
Address: 75104 Nairobi

2. Bank B. (Deposit account).
Bank Name: Equity bank
Branch: Nairobi west
Account Name: LANGATA NG – CDF DEPOSIT
Account Number: 1280285615224
Address: 75104 Nairobi

3. Bank C. (17 PMC Accounts)
Bank Name: Equity bank
Branch: Nairobi west
Address: 75104 Nairobi

(g) Independent Auditor





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






(h) Principal Legal Adviser

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

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

3. NGCDF Committee

| Name | Details |
|---|---|
|  | <p>Mr. Evanson Moturi Katei Langata NG-CDF Chairman has a Kenya Certificate of Secondary Education and a certificate in hotel management as well as electrical and electronics. He has served in Langata NG-CDF as a chairman for two years and is a businessman selling electrical and electronic goods. D.O.B: 18/08/1975</p> |
|  | <p>Sharon Otieno has a Degree in Commerce (Marketing) and is a realtor working with various organizations in renting apartments, land and property. D.O.B: 22/12/1992</p> |
|  | <p>Kevin Benard Ochieng is a Kenya Certificate of Secondary Education holder and is a businessman involved in travel agency organizing various travel for groups of people. D.O.B: 29/09/1994</p> |
|  | <p>Zulekha Abdi is a Diploma Holder in Community Health and Development holder and is a business lady previously worked as secretary with Telkom Kenya. D.O.B: 15/11/1963</p> |

| | |
|---|--|
|  | <p>Japheth Kakai a holder of a Certificate in Tailoring and Dressmaking Business, is a registered member with people living with disabilities currently in business. D.O.B: 01/01/1974</p> |
|  | <p>Beatrice Nganyi a holder of Kenya Certificate of Secondary Education has worked as a clinical officer and administration massager in various organizations and currently a small-scale fish trader. D.O.B: 16/06/1973</p> |
|  | <p>Fauzia Hussein is Bachelor of Arts in communications degree holder currently working as a communication manager with Orleans consulting. D.O.B: 20/07/1989</p> |
|  | <p>Michael Wanjohi a holder of Diploma in Community Development and Social Work Education and Kenya Certificate of Secondary Education. He is a businessman in the sale of various electrical and electronic goods. D.O.B: 20/10/1981</p> |
|  | <p>Walter Katanon has a master's degree in public policy and administration (MPPA) is the current DCC in Langata Subcounty. D.O.B: 25/08/1977</p> |

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



Gumato Sharamo has a bachelor's degree in commerce-finance UON, MBA-strategic management-UON and is a Certified Public Accountant. She has worked as a Fund Account Manager in various constituencies and is the current Fund Account Manager at Langata NG-CDF.
D.O.B: 13/03/1985

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

4. NG-CDFC Chairman's Report



Evanson Moturi - Langata NG-CDFC Chairman

As the Chairperson of the Langata National Government Constituencies Development Fund (NGCDF) Committee, I am pleased to present the financial report for FY 2024/2025. This report outlines the allocation, utilization, achievements, and audit outcomes for the year under review.

As NGCDF Committee we have strived to strengthen procurement oversight, enforce stringent financial controls, and actively involve our community members at every stage from identifying projects to monitoring implementation and sustaining outcomes. Our aim is also to maximize the impact of every allocated shilling, ensuring tangible improvements in education, through bursary for post primary and secondary levels and primary school infrastructure and security infrastructure.

Langata NG-CDF 2024/2025 Financial Year's approved allocation was Ksh. 179,512,454.47 which was a decrease in FY 2023/2024 allocation of Ksh. 238,464,822.00. The board had approved the total allocation to the constituency the 30th June 2025. However, only Ksh. 128,000,000 had been received of the total receivable for the financial year under review. Additionally, all the undisbursed funds for the financial year 2023/2024 had been sent by the end of the financial year 2024/2025.

Table 1.1: Showing allocation and disbursement comparison

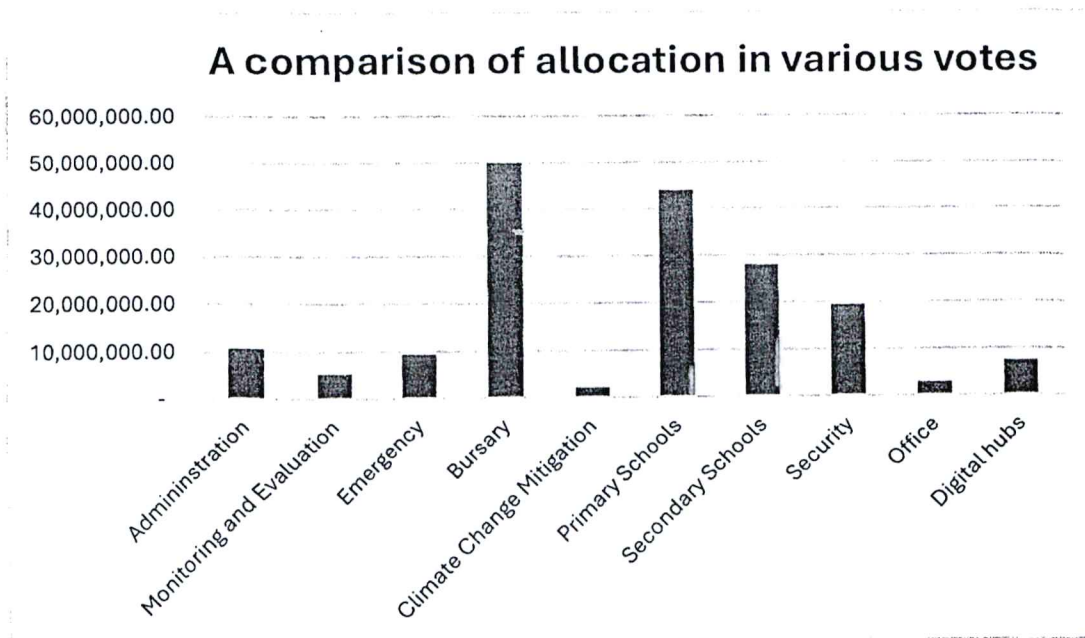
| Financial year | Allocation | Disbursement (within the financial year) |
|----------------|----------------|--|
| 2024/2025 | 179,512;454.47 | 226,464,822.00 |

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

| | | |
|--------------------|-----------------|----------------|
| 2023/2024 | 238,464,822.00 | 198,087,603.00 |
| Increase/ Decrease | (58,952,367.53) | 28,377,219.00 |

Langata NG-CDF allocated Kenya Shillings 50,000,000.00 to bursary and social security, which was a decrease from the previous financial year due to the lack of form one admission in the year 2025. Langata NG-CDF did not utilize the emergency allocation for the financial year. The committee sought for the reallocation of the emergency fund to various construction projects in primary schools in the constituency.

Below is an illustration of Langata NG-CDF’s 2024/2025 votes.



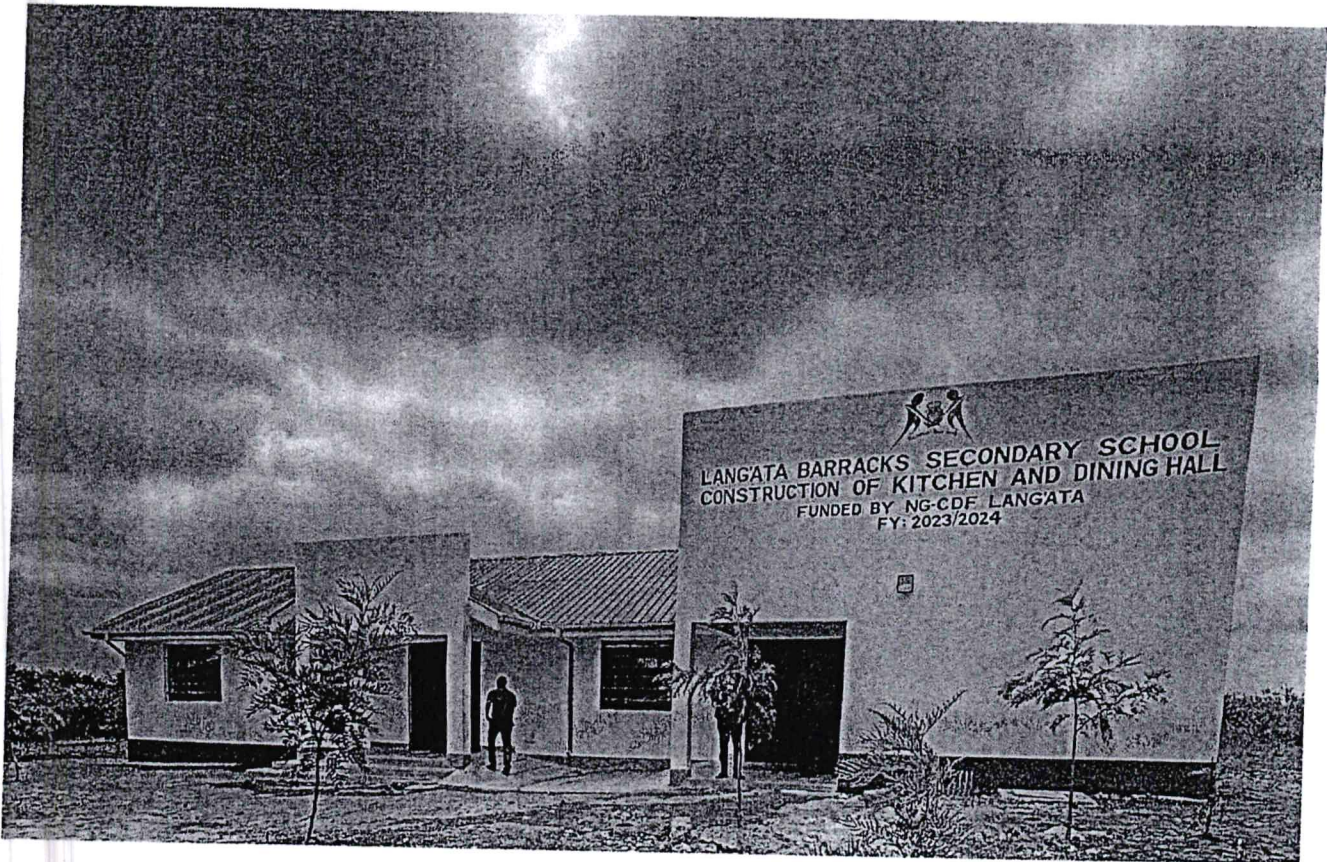
a) Budget performance

Having received a total of KShs. 128,000,000.00 with corresponding AIEs Langata NG-CDF was able to prioritize fully on bursary and other development projects in the constituency. The decision on how to prioritize was reached at because the bursary need for the constituency is very high at the beginning of the year.

b) Key achievements

i) Langata Barracks Secondary School

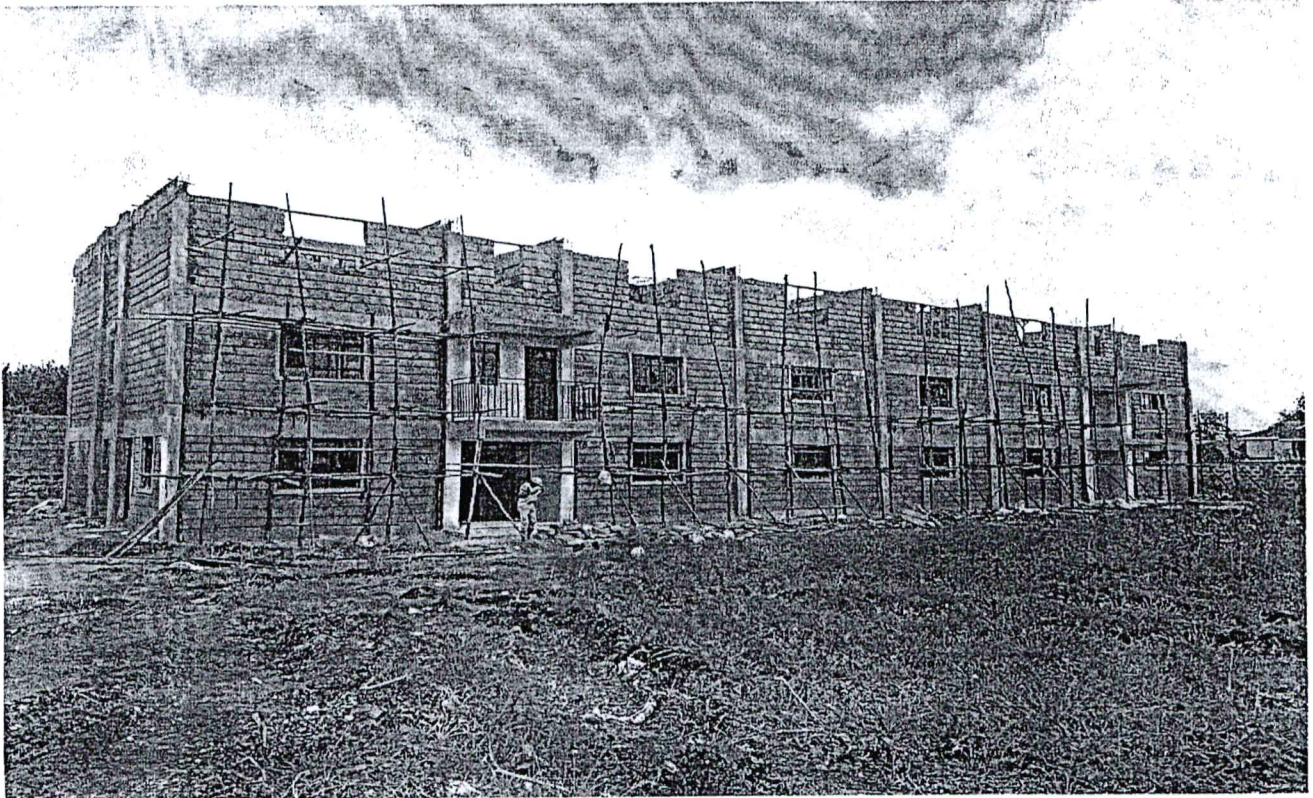
Langata NG-CDF constructed a modern Kitchen at Langata Barracks Secondary School fully equipped with energy saving jikos. The institution was previously using a makeshift kitchen which did not meet the hygiene standards.



Completed Modern Kitchen with dining hall at Langata Barracks Secondary School

ii) Karen C Girls Secondary School

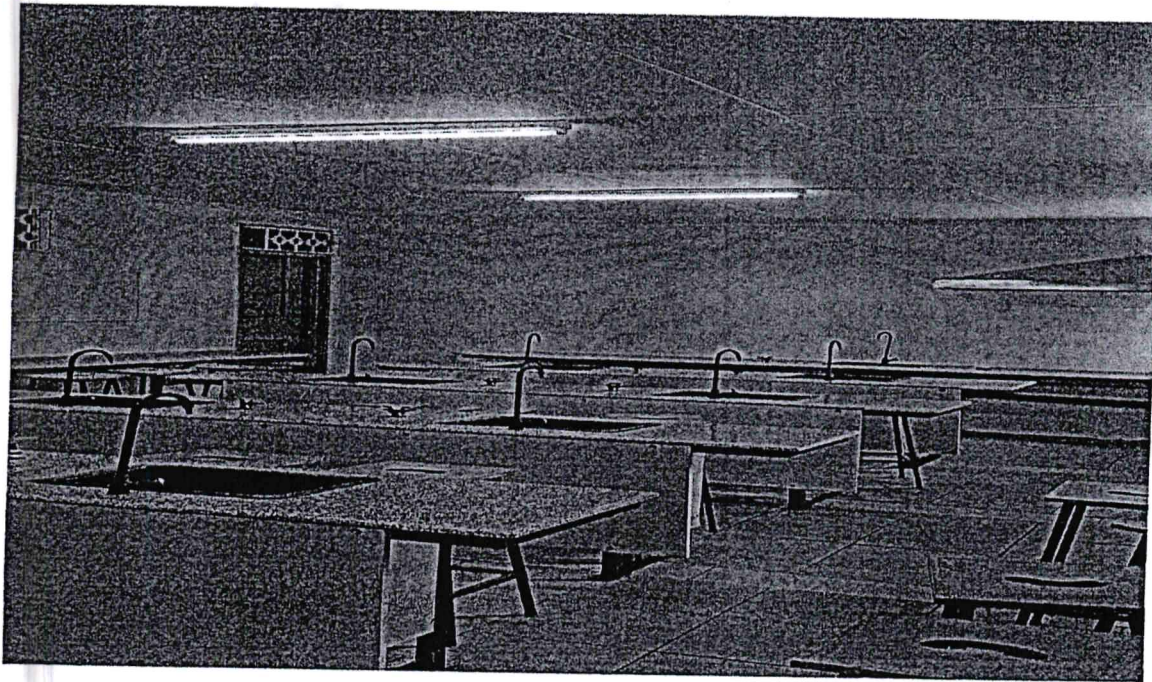
The school has an enrollment of approximately 400 students from form one to four, all of whom are boarders in the school. However, the current dormitory that should accommodate 150 students has been squeezed in order to accommodate more students. Additionally, the institution also converted some classrooms to be dormitories to accommodate the growing number of students in the school. Langata NG-CDF, therefore, saw the need in the school and initiated the construction of a 400-student capacity dormitory which will ease the congestion.



Ongoing construction of Dormitory at Karen C Girls Secondary School

iii) Conversion of classrooms to Laboratory

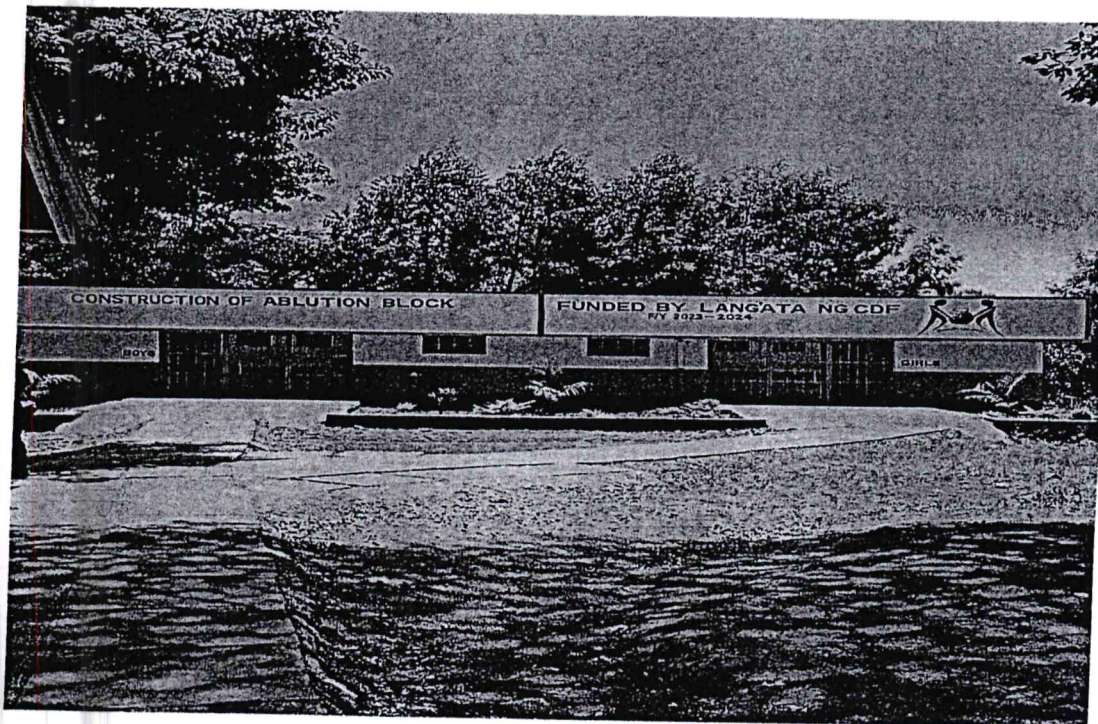
With the introduction of Competence Based Curriculum, primary schools in the constituency had a need to have science laboratories in their facilities to ensure comprehensive education for the learners. Langata NG-CDF was able to convert available classrooms into Laboratories in 10 Primary schools in the constituency.



Completed laboratory

iv) Karen C Primary School

Langata NG-CDF constructed a toilet block with septic tank. The institution was using previously using pit latrines which were in deplorable conditions.



Completed 26-door toilet block at Karen C Primary School.

c) Emerging issues.

Information on NG-CDF Act 2015 across and within the constituents, is still patchy. There's a need for continuous sensitization of NG-CDFCs and PMCs on the guiding laws on the fund, such as but not limited to; NGCDF Act and its Regulations, PFM Act, Public Procurement Act, e-GP, EMCA, Anti-Corruption and Economic Crimes Act.

The committee has realized the need to partner with other developing partners to achieve the goals set within five years.

d) Implementation challenges

- Delay in funds disbursements from the board causing a delay in the implementation timelines of the approved projects.
- The proof of landownership for setting up facilities is a huge challenge in Nairobi noting that majority of available land for development does not have certificates of ownership.
- There is limited funding against many competing needs.
- High Number of vulnerable populations in the constituency. The fund, however, ensures that continuous public participation and engagement with the public and various institutions in the constituency to prioritize on the most pressing needs as they arise.

Conclusion

Co-operation from all stakeholders and proper planning of the fund will lead to better management and delivery of timely projects to the expectations of our constituents.


.....
Name: Evanson Moturi Katei
Chairman NGCDF Committee

5. Statement Of Performance Against Predetermined Objectives for FY 2024/2025

Introduction

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

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

- a) *To improve bursary allocations to students in secondary and tertiary schools as well as increase sponsorship for short-term skill-based courses,*
- b) *To improve infrastructure throughout the constituency by renovating and equipping existing buildings, classrooms and administrative blocks,*
- c) *Improve constituency capacity by skill development, improving the work environment through cooperation, collaboration and partnerships with the national and county governments and other development partners,*
- d) *To improve social health protection through NHIF,*
- e) *Improve Water, sanitation and environment,*
- f) *Improve safety and security,*
- g) *Improve digital economy.*

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 | <p><i>To have all children of school going age attending school</i></p> <p><i>To ease congestion in accommodation facilities in the institutions.</i></p> | <p><i>Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions</i></p> | <p><i>Number of usable physical infrastructures built in primary, secondary, and tertiary institutions.</i></p> <p><i>Number of bursary's beneficiaries at all levels</i></p> | <p><i>In FY 2024/2025 -we increased number of classrooms/dormitories/laboratories. All public primary schools in the constituency had a classroom converted into a laboratory. The fund additionally did renovation of classrooms in various institutions such as</i></p> |

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

| | | | | |
|---|---|---|---|--|
| | | | | <i>Madaraka Primary and Highrise Primary making them usable to the students. Langata NG-CDF additionally is doing construction of – 400 capacity dormitory at Karen C Girls Secondary School. Bursary beneficiaries at all levels were as per the attached schedules</i> |
| <i>Security</i> | <i>Equip, facilitate and enhance capacity of provincial administration and other security organs in order to improve service delivery</i> | <i>Develop and enhance provincial administration and other security organs infrastructure to enhance service delivery</i> | <i>Number of usable physical infrastructure built in locations, sub locations and police stations</i> | <i>Langata NG-CDF initiated the construction of police houses at Langata DCC compound.</i> |
| <i>Climate change mitigation activities</i> | <i>To promote environmental protection and conservation</i> | <i>Supporting planting of trees in public institutions and places</i> | <i>Planting of indigenous trees in various locations</i> | <i>The fund installed water tanks and planted 800 trees, 200 in each at Kongoni Mixed Secondary School, Langata TVC, Uhuru Gardens Primary School and Ngei Primary School</i> |
| <i>Emergency</i> | <i>Institutionalizing the disaster risk reduction (DRR) strategy</i> | <i>Management of emergencies and disasters</i> | <i>0 % utilization of the emergency vote. Risks were identified and mitigated in advance.</i> | <i>100% of the 2024/2025 emergency vote earmarked for reallocation.</i> |
| <i>Others</i> | <i>ICT hub</i> | <i>Financing towards digital hubs</i> | <i>Refurbishment of an existing building into an ICT Hub</i> | <i>Langata NG-CDF allocated funds for the ICT but funds were yet to be received from</i> |

| | | | | |
|--|--|--|----------------------------------|---|
| | | | <i>(Mugumoini Chiefs office)</i> | <i>the board for the implementation of the project.</i> |
|--|--|--|----------------------------------|---|

6. Governance Statement

National Government Constituency Development Fund Committee

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

(2) Each Constituency Committee shall comprise of—

- (a) the national government official responsible for co-ordination of national government functions;
- (b) two men each nominated in accordance with subsection (3), one of whom shall be a youth at the date of appointment;
- (c) Two women nominated in accordance with subsection (3), one of whom shall be a youth at the date of appointment;
- (d) one persons with disability nominated by a registered group representing persons with disabilities in the constituency in accordance with subsection (3);
- (e) two persons nominated by the constituency office established under Regulations made pursuant to the Parliamentary Service Act;
- (f) The officer of the Board seconded to the Constituency Committee by the Board who shall be an ex officio member without a vote.
- (g) One member co-opted by the Board in accordance with Regulations made by the Board.

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

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

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

(6) The first meeting of the Constituency Committee shall be convened within one hundred and twenty days of the commencement of a new term of Parliament or the date of the holding

of a by-election, by the national government official at the constituency or in his or her absence, by an officer of the Board seconded to the constituency.

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

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

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

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

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

(12) A member of the NG-CDF Committee may be removed from office on any one or more of the following grounds—

- (a) lack of integrity;
- (b) gross misconduct;
- (c) embezzlement of public funds;
- (d) bringing the committee into disrepute through unbecoming personal public conduct;
- (e) Promoting unethical practices;
- (f) Causing disharmony within the committee.
- (g) Physical or mental infirmity.

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

(14) A vacancy arising as a result of the removal of a member under subsection (13) shall be filled in the manner set out in subsection (10) and minutes of the meeting shall indicate the fact of the removal or appointment of a member.

The functions of a Constituency NG-CDF Committee shall be to –

- a) Build the capacity of project management committees and Committee and sensitize the Community on the operations of the Fund;
- b) Consider all project proposals from all wards in the Constituency and any other projects which a Constituency Committee considers beneficial to the Constituency;
- c) Ensure that all proposed projects that are approved for funding meet the requirements of section 24 of the Act;
- d) Ensure that project proposals submitted to the Board include detailed budget proposals, procurement plans and work plans;
- e) In approving a project and before submitting the project to the Board for consideration, satisfy itself and make a declaration to the effect that such project (works and services) fall within the functions of the National Government under the Constitution;
- f) Consult with relevant government departments to ensure that cost estimates for projects are realistic;
- g) In considering joint projects, ensure that the participating constituencies enter into negotiations for effective implementation of such projects;
- h) Subject to the provisions of the Act and these Regulations, enter into a memorandum of understanding with collaborating partners, detailing all aspects of funding and implementation, before respective constituencies approve such a project for joint funding;
- i) Rank projects proposals in order of priority while ensuring that on-going projects take precedence;
- j) Ensure that all projects receive adequate funding and are completed within three years;
- k) Where a project involves purchase of a parcel of land or a building, ensure that the ownership thereof is duly verified and ownership documents authenticated with relevant government agencies;

- l) (l) ensure that projects proposed for funding fulfil the requirements provided in the Act and relevant circulars issued by the Board;
- m) Monitor the implementation of projects in accordance with the monitoring and evaluation framework prescribed by the Board;
- n) Ensure that project reports are prepared and submitted to the Board;
- o) Ensure formation of project management committees, opening of project accounts, project implementation and closure of projects;
- p) Ensure that the principles of public finance as provided for under Chapter Twelve of the Constitution and the Public Finance Management legislation are observed in the management of the Fund;
- q) Submit financial statements to the Board within sixty days of the end of the financial year to enable the Board comply with section 39(4) of the Act;
- r) Collaborate with the officer of the Board seconded to the Constituency in the management of the Fund, including the keeping of proper records and maintenance of books of account in accordance with section 38(b) of the Act;
- s) Recommend to the Board the removal of a committee member in accordance with section 43(13) and (14) of the Act;
- t) Submit to the Board the report stipulated in section 5(5) of the Act, which report shall contain-
 - i) A list of all the new projects commenced during the financial year and their completion status; and
 - ii) A list of all projects approved, funded and commenced during previous financial years, and their completion status;
- u) Enter into performance contracting with the Board on an annual basis;
- v) In exercising its discretion under section 32 of the Act, be guided by the principles of governance enshrined in Article 10 of the Constitution;
- w) Receive returns from project management committees in accordance with regulation 15;

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

- x) Maintain a database of project management committees and reports from the respective committees;
- y) Ensure that the reports referred to in paragraph (x) are received before funding is released for each phase of the project being implemented;
- z) Record the names of all the signatories of the accounts of a project management committee as communicated to a Constituency Committee by the project management committee upon assumption of office;
- aa) Receive and address all complaints concerning the implementation of projects and collectively respond to audit queries concerning the Fund at the Constituency level;
- bb) Ensure that the committee does not enter into commitments for which funding has not been allocated;
- cc) Ensure projects are labelled in accordance with the guidelines issued by the Board; and
- dd) Perform any other function assigned to it by the Board.

Langata NG-CDF committee members are as follows Gazetted under the Kenya Gazette Number Vol. CXXVII—No. 98

| <u>No.</u> | <u>Name</u> | <u>Ward</u> | <u>Category</u> | <u>Gazettement date</u> |
|------------|---------------------------|-------------|---|----------------------------|
| 1 | Walter Katanon | N/A | DCC | |
| 2 | Gumato Sharamo | N/A | FOO | |
| 3 | Evanson Moturi Katei | Mugumuini | Chairperson/ Male Adult Representative | 21 st May, 2025 |
| 4 | Sharon Adhiambo Otieno | Karen | Female youth/ Secretary | 21 st May, 2025 |
| 5 | Kevin Benard Ochieng | Mugumuini | Male Youth representative | 21 st May, 2025 |
| 6 | Zulekha Abdi Karshe | South C | Female Adult representative | 21 st May, 2025 |
| 7 | Japheth Kakai Kitela | Higrise | Member representing PWD | 21 st May, 2025 |

| | | | | |
|----|----------------------------|--------------|-----------------------------|----------------------------|
| 8 | Michael Kabiari Wanjohi | Highrise | Male adult representative | 21 st May, 2025 |
| 9 | Beatrice Nganyi Atieno | Nairobi West | Female adult representative | 21 st May, 2025 |
| 10 | Fauzia Hussein | South C | Co-opted member | 9 th June, 2025 |

Removal of NG-CDFC Members

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

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

A decision to remove a member under subsection (13) is made through a resolution of at least five members of the Committee and the member sought to be removed shall be given a fair hearing before the resolution is made. Langata the NGCDFC has not found any member to have contravened the laid down regulations and law to warrant removal.

Induction, and training of NG-CDFC Members

Considering the late gazettelement of constituency committees, induction could not be achieved within the Financial Year under review. However, capacity building was done in July 2024 and June 2025 for the NG-CDFC staff.

Number of meetings held

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

The constituency shall meet at least six times a year but the committee shall not hold more than 24 meetings in the same financial year including subcommittee meetings. During the financial year 2024/2025, the Langata NG-CDFC held 12 meetings as listed below.

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

| S/No. | NAME | 24/7/24- Main | 4/9/24-Main | 2/10/24-Main | 2/10/24-HR | 22/10/24- Main | 22/11/24- Main | 13/1/25- Main | 6/2/25- main | 24/2/25- Main | 24/2/25-HR | 4/4/25-Main | 2/5/25 Main |
|-------|--|------------------|-------------|--------------|------------|-------------------|-------------------|------------------|-----------------|------------------|------------|-------------|----------------|
| 1 | Evanson Moturi - Chairperson | ✓ | ✓ | ✓ | | ✓ | ✓ | ✓ | ✓ | ✓ | | ✓ | ✓ |
| 2 | Sharon Otieno - Secretary | ✓ | ✓ | ✓ | | ✓ | ✓ | ✓ | ✓ | ✓ | | ✓ | ✓ |
| 3 | Zulekha Abd - Member | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 4 | Fauzia Hussein - Co-opted member | ✓ | ✓ | ✓ | | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 5 | Beatrice Nganyi - Member | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 6 | Michael Wanjohi - Member | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 7 | Japheth Kakai - PWD | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 8 | Kevin Ochieng - Member | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 9 | Gumato Sharamo - FAM | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 10 | Godfrey Kiprotich Tanui -DCC | ✓ | | | | | | | | | | | |
| 11 | Walter K. Katonon-DCC | | ✓ | | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | | ✓ | ✓ |

Conduct and Ethics of a Committee member

Chapter six of the Constitution on leadership and integrity requires state officers to be guided in their day-to-day conduct by principles of leadership and integrity which, among other requirements, include: Being objective and impartial in ensuring that decisions are not influenced by nepotism, favoritism, corruption or other improper motives. NGCDF Langata regularly trains its committee members on commitment to abide to this Chapter six of the constitution.

Ethics and code of conduct

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

Policy on Conflict of Interest

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

Remuneration

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

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:

- Identifying risks,
- Analyze risks,
- Prioritization of risk,
- A solution for implementation is sort
- Monitoring risk.

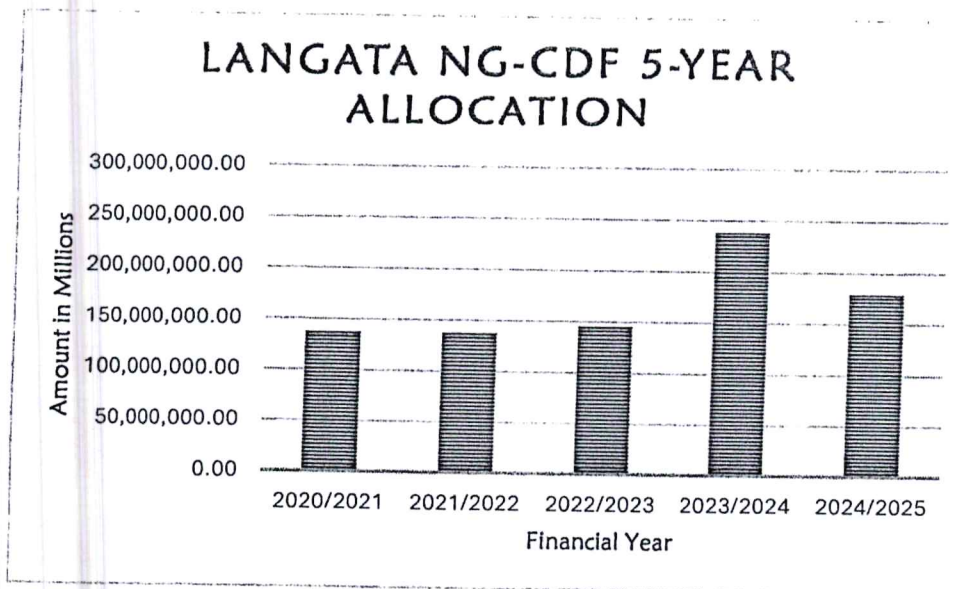
7. Management Discussion and Analysis

Overview

The Lang'ata NG-CDF has steadily enhanced access to quality education, strengthened security infrastructure and expanded critical public services over the past five years through targeted and equitable resource allocation. The total allocation over the five years (FY 2020/21-2024/25) was 774,206,625.78 KES, distributed as follows:

| S/NO | FINANCIAL YEAR | ALLOCATION |
|--------------|----------------|-----------------------|
| 1 | 2020/2021 | 137,155,879.31 |
| 2 | 2021/2022 | 137,088,879.00 |
| 3 | 2022/2023 | 145,087,603.00 |
| 4 | 2023/2024 | 238,464,822.00 |
| 5 | 2024/2025 | 179,512,454.47 |
| TOTAL | | 774,206,625.78 |

Note: All projects for FY 2024/2025 are currently ongoing at various stages of implementation.



Annual NG-CDF Allocation Trend (in Millions KES.)

There has been steady growth in annual allocations with a significant increase in FY 2023/2024 where Langata NG-CDF received a supplementary budget allocation of 58,823,529.00.

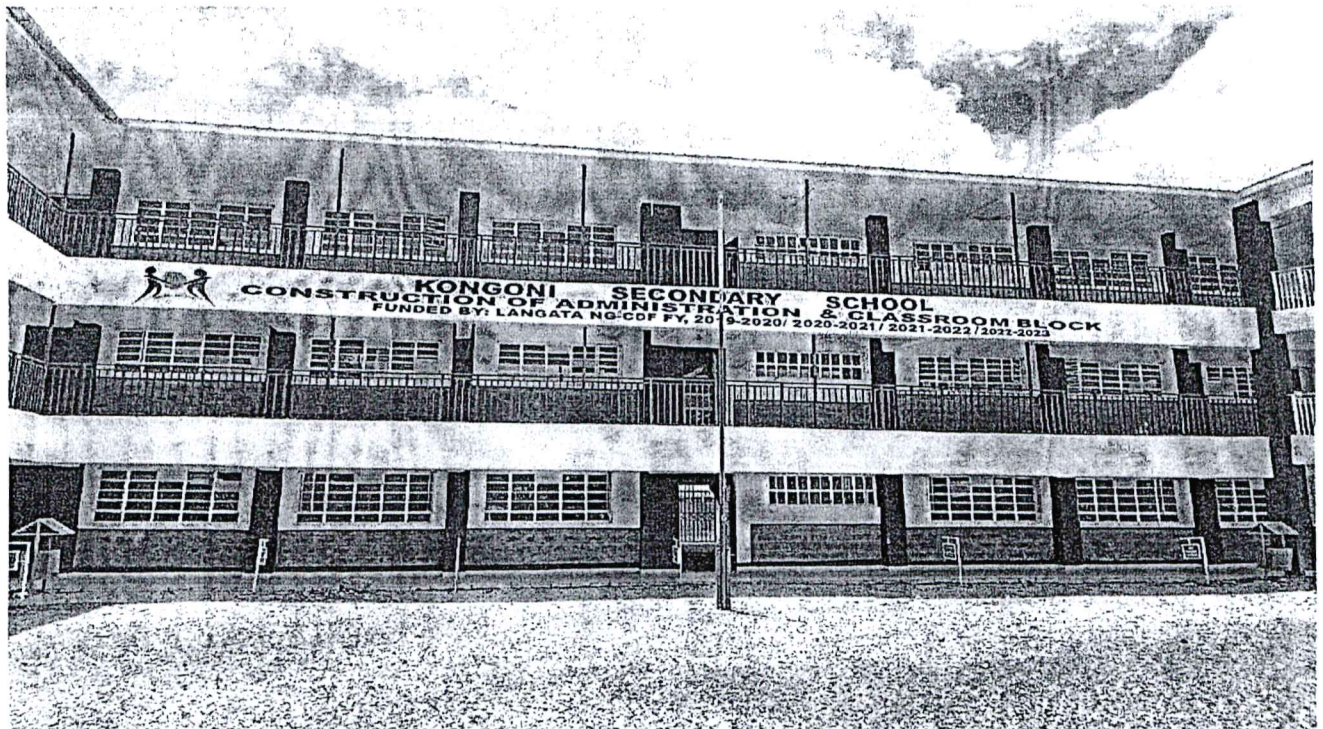
Key Projects Implemented

a. Education Sector

About 75% of total funds went into the education sector for Primary and secondary schools mainly; facelifting of primary and secondary schools, improving infrastructure and enhancing security of these learning institutions with a focus on:

- Construction and renovation of classrooms.
- Construction of school boundary walls (e.g., Karen C Girls, Langata Boys High school, Uhuru Gardens Primary School and Kongoni Primary school).
- Provision of sanitation infrastructure, including more than 30 toilet blocks.
- Supply of furniture, cabro paving, and rainwater harvesting to enhance conducive learning environments.
- Toilet blocks with PWD-friendly features in schools
- Development of ICT innovation in primary schools (Kongoni, Uhuru gardens, Langata West and St. Mary's Karen Primary school).

Example: Construction of two new day secondary schools; Kongoni mixed secondary school (111M KES) and Madaraka secondary school (30M KES) which is currently under construction.



Completed classrooms and Administration block at Kongoni Secondary School.

b. Security and Administration

Over 15 million KES was spent on security-related infrastructure. Significant improvement was made to support local law enforcement and administration:

- Renovation and furnishing of Langata police station.
- Renovation of Mugumoini chief's camp.
- Improvement of sanitation at Langata police station and Nairobi West prison through rehabilitation and equipping of boreholes.
- Improvement of police housing by construction of self contained police houses at the Langata DCC office compound.

Example: Langata Police Station received over 5M KES for facelifting and equipping of offices while Langata DCC office received 21.5 million for the construction of police houses and renovation of DDC's office as well as furnishing of the office.

c. Bursary Awards

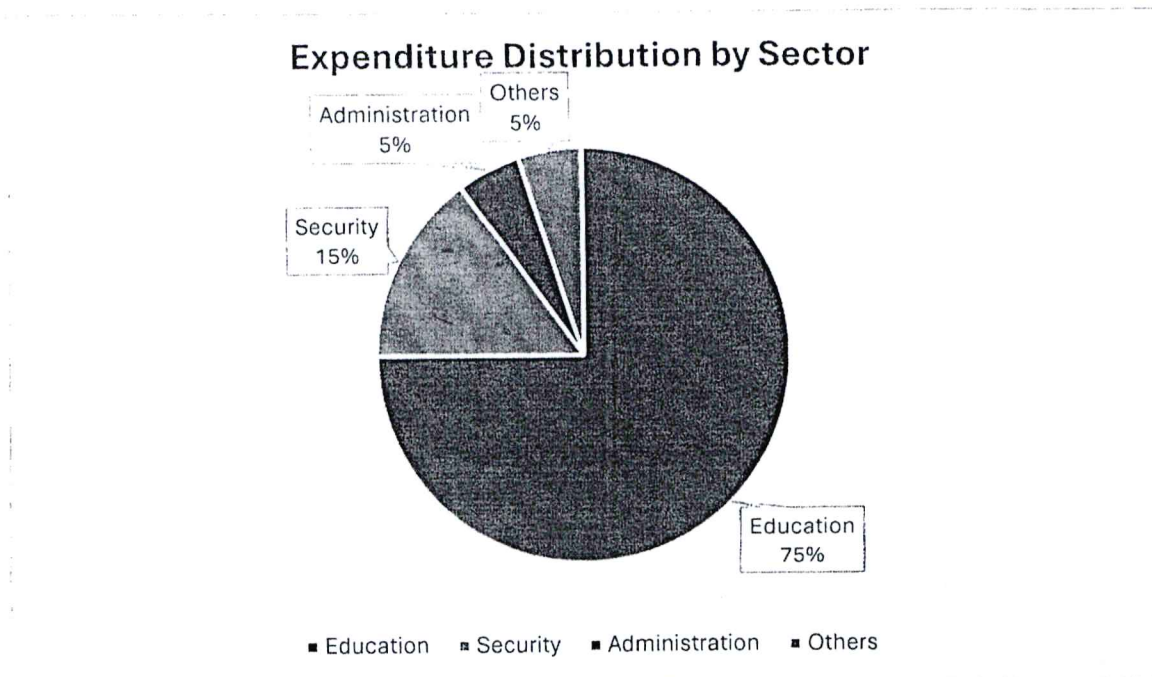
Lang'ata NG-CDF has consistently disbursed bursaries to needy students across both secondary and tertiary levels. Bursary issuance remains a key pillar annually, supporting:

- Orphans and vulnerable students.
- Students from low-income households.
- Learners with special needs.

Financial Performance Summary

The expenditure Distribution by Sector (%) was as follows:

- Education -75%
- Security -15%
- Administration - 5%
- Others (TVET, infrastructure, ICT Hubs, General infrastructure) - 5%



Allocation by Sector

Statutory Compliance and Governance

The Fund remains compliant with the National Government Constituencies Development Fund Act, Public Finance Management Act, and relevant procurement laws. All projects were implemented in adherence to PPRA regulations, environmental standards, and inclusive community participation.

Lang'ata NG-CDF has complied with all key statutory obligations, including:

- Annual audits by the Auditor General - All projects have undergone an audit by the Auditor General.
- Adherence to procurement laws and public participation – NG-CDF Lang'ata complies with the PPRA Act and community oversight.
- Timely bursary and project disbursement reports – Adherence to the bursary policy.
- Environmental assessments where applicable (e.g., for construction projects) - Construction includes eco-friendly toilets .
- Construction of kitchens with energy saving jikos
- Inclusivity - Toilets and classrooms built with PWD-accessible features.

Material Arrears in Obligations

No significant material arrears or statutory obligations were reported during the review period. All allocations were absorbed effectively.

Major Risks

| Risk Category | Description | Mitigation |
|-----------------------------|--|--|
| Delays in fund disbursement | Late disbursement from the National Treasury | Strategic planning and phased projects |
| Project cost escalation | Inflation and material cost increase | Value engineering and timely procurement |
| Political transition (2022) | General elections | Continuity ensured via oversight board |
| Natural Disasters | COVID-19 | Flexible project scheduling |
| Vandalism/Security Threats | Especially in boundary wall projects | Use of durable materials, police involvement |

Review of Economy and Sector

NG-CDF Lang'ata aligned with:

- Vision 2030 (Social Pillar) – by expanding access to quality basic education.
- Presidential Big Four Agenda – through support for technical education and ICT access.

Inflationary trends in FY 2022/23 raised project costs, but procurement optimization ensured value for money.

The education sector is undergoing transformational changes due to the CBC transition, leading to increased demand for science labs, modern kitchens, sanitary infrastructure, ICT and digital access.

The NG-CDF Lang'ata has aligned with national priorities by investing in:

- Junior Secondary infrastructure (labs, classrooms)
- TVET development (KES 10M for Lang'ata TVET)
- Energy-efficient institutional kitchens (17M for Langata Barracks Secondary Kitchen).

Future Outlook

The Fund's 2025 targets include:

- Complete 100% of ongoing FY 2024/25 projects by the end of Q3 2025/26.
- Enhance digital infrastructure (ICT hubs) to support youth employment.
- Enhance security and safety in schools through construction of boundary walls.
- Scale up bursary support, especially for students in TVET, KMTCs and universities.
- Fully equip Lang'ata TVET and entice youth through automatic bursary qualification.

The Fund's Long-Term Vision include:

- Every school to have at least 2 Science laboratories by 2027.
- Zero classroom deficit by 2026.
- Safe learning and living spaces for all public schools and security personnel.
- Have digital Empowerment ICT Hubs & Innovation Centers in every ward

Conclusion

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

The NG-CDF Lang'ata has effectively managed resources over the past five years, delivering impactful infrastructure and community projects. While FY 2024/2025 projects are currently in progress, the planning and implementation structures are in place to ensure timely completion. Accountability and community involvement remain central to success.

NG-CDF Lang'ata has also demonstrated strong financial stewardship and responsive development planning, significantly improving public service delivery in education and security. The Fund remains committed to community empowerment and equitable resource utilization, positioning itself as a model constituency for public investment and impact.

Going forward, the Fund is well-positioned to scale its impact through by adhering to chapter six of the Constitution of Kenya 2010.



.....
Gumato Sharamo
Fund Account Manager

8. Environmental and Sustainability Reporting

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

1. Sustainability strategy and profile -

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

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

NG-CDF has allocated part of its budget to climate change mitigation activities such as afforestation, reafforestation, grassroots sensitization, and tree seedling production.

2. Environmental performance

Langata NG-CDF aligns its environmental policy with the Sustainable development goals (SDGs), by ensuring the provision of clean water and sanitation in various schools. The Fund has facilitated the supply of water tanks in various institutions in the constituency as well as the planting of 800 indigenous trees. Additionally, Langata Constituency has constructed biodigesters in various institutions notably Karen C Girls Secondary School and Karen C Primary Schools.

The Fund has also been instrumental in Security projects such as construction of police houses with the Langata Subcounty Headquarters compound that give dignity to our police officers as they provide security within the constituency.

Shortcomings

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

3. Employee welfare

We invest in providing the best working environment for our employees. Langata 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. Langata 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-

Langata Constituency is committed to fair and ethical market practices.

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

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

NGCDF has put in efforts to ensure:

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

5. Community Engagements-

Langata 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

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

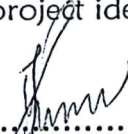
Public participation is a process that directly engages the concerned stakeholders in decision-making and fully considers public input.

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.

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


.....
Name: Gumato Sharamo
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-Langata 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-Langata 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 *Langata 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 in charge of the NGCDF- Langata Constituency further confirms the completeness of the accounting records maintained for the *constituency*, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

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

The Accounting Officer in charge of the NGCDF Langata Constituency confirms that the Langata *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 Langata *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- Langata Constituency financial statements were approved and signed by the Accounting Officer on 02/10/2025.

.....


Name: Evanson Moturi Katei
Chairman – NGCDF Committee

.....


Name: Gumato Sharamo
Fund Account Manager

REPUBLIC OF KENYA

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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – LANGATA 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 financial statements of National Government Constituencies Development Fund – Langata Constituency set out on pages 1 to 59,

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

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

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund – Langata Constituency as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012 and the National Government Constituencies Development Fund Act, 2015, (Amended 2023).

Basis for Qualified Opinion

Inaccuracies in the Financial Statements

Review of the financial statements presented for audit revealed the following inconsistencies:

1.1 Property, Plant and Equipment

The statement of financial performance reflects depreciation and amortization expenditure of Kshs.1,190,766 as disclosed in Note 15 to the financial statements. However, the depreciation charge for the year of Kshs.1.190,760 was based on the rate of 10% for buildings and not the recommended rate of 2% equivalent to Kshs.238,153. This resulted to overcharging of the depreciation for the year by Kshs.952,613. No explanation was provided for the anomaly.

1.2 Cash and Cash Equivalents

The statement of financial position reflects cash and cash equivalents comparative balance of Kshs.110,570,518 which as disclosed to the financial statements includes Project Management Committee (PMC) account balances totalling Kshs.77,209,160 as per Annex 2 to the financial statements. However, the prior year audited financial statements reflects a closing PMC balance of Kshs.48,709,187 resulting to an unexplained variance of Kshs.28,499,973.

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

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituencies Development Fund – Langata 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 a final budget and actual on comparable basis of Kshs.388,639,294 and Kshs.337,197,340 respectively, resulting to an under-funding of Kshs.51,441,954 or 13% of the budget. Similarly, the Fund spent Kshs.225,755,434 against actual receipts of Kshs.337,197,340 resulting to an under expenditure of Kshs.111,441,906 or 33% of the actual receipts.

The under-funding and under- expenditure of the planned activities 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 matters described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

Other Matter

Unresolved Prior Year Matters

In the prior years' audit reports, several issues were raised under the Report on Financial Statements and Report on Lawfulness and Effectiveness in Use of Public Resources respectively. Review of the status during audit of the National Government Constituencies Development Fund – Langata Constituency in 2024/2025 revealed that the following matters remained unresolved.

| No. | Financial Year | Audit Issues |
|------------|-----------------------|---|
| 1 | 2023/2024 | Unsupported Project Management Committee Balances |
| 2 | 2023/2024 | Irregular Payment to NHIF |
| 3 | 2023/2024 | Non-Compliance in Presentation and Disclosure in the Financial Statements |
| 4 | 2023/2024 | Unbalanced Budget |
| 5 | 2023/2024 | Irregular Procurement |
| 6 | 2023/2024 | Unsupported Emergency Projects |
| 7 | 2023/2024 | Lack of Land Ownership Documents |
| 8 | 2023/2024 | Unutilized Funds |

Other Information

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

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN 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. Lack of Framework Agreement with Service Providers

The statement of financial performance reflects use of goods and services amount of Kshs.5,989,318 as disclosed in Note 12 to the financial statements. However, review of various payment vouchers amounting to Kshs.544,200 as shown in the table below revealed that Management used low value cash purchases for hire of van, catering services and hire of public address system. This was above the recommended amount of Kshs.50,000 for low value items per year.

| No | Details | Amount (Kshs) |
|----|-----------------------------------|----------------|
| 1 | Hire of Van and Taxi Cab Expenses | 247,000 |
| 2 | Catering Services | 152,200 |
| 3 | Hire of Public Address System | 145,000 |
| | Total | 544,200 |

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

2. Employees Costs

2.1 Non-Compliance with Minimum Requirement on Employee Ethnic Balance

Review of the Fund employee records revealed that the dominant ethnic community employed constitutes 57% of the total population of seven (7) staff. This was contrary to Section 7(1) and (2) of the National Cohesion and Integration Act, 2008 which states that all public establishments shall seek to represent the diversity of the people of Kenya in the employment of staff, and no public establishment shall have more than one third of its staff from the same ethnic community.

2.2 Non-Adherence to Regularity and Integrity on Recruitment of Persons Living with Disabilities

Review of the Fund's Human Resource records revealed a total of seven (7) employees. However, there was no employee living with disability. This was contrary to Section 21(1) of the Persons with Disability Act, 2025; which requires that no employer shall discriminate against a person with disability in job application procedures, hiring, advancements and other terms, conditions and privileges of employment.

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

3. Field Verification of Langata NC-GCDF Projects

3.1 Proposed Construction of Police Houses at Langata DCC Phase 2

The Fund awarded a contract for Kshs.10,000,000 for construction of police houses at Langata DCC phase 2. However, the foreman on site did not have safety gear such as helmets and reflector jackets as required by Occupational Safety and Health Act.

3.2 Proposed Construction of Dormitory at Karen C Secondary School

The Fund awarded a contract vide tender number LNGT/NGCDF/Q034/2023/2024 of Kshs.13,974.720 for construction of a dormitory at Karen C Secondary School. However, a project sign board with details of project name, land reference number, name and contact details of the main contractors and subcontractors involved, name and contacts of the architects, engineers and other consultants and duration of the project had not been displayed on site as required by National Construction Authority. Further, the dormitory had no provision of ramp for Persons with Disability as required by Persons with Disabilities Act of 2003 which mandates accessibility features in public buildings including suitable ramps.

3.3 Proposed Construction of Modern Kitchen at Langata Barracks Secondary School

Review of records provided revealed that the kitchen had poor ventilation and the walls were already stained with smoke, an indication that the contractor had not provided for proper ventilation.

This was contrary to Section 27(1) of the National Government Constituencies Development Fund Regulations, 2016 which provides that the public procurement and disposal laws shall apply to any procurement by a Constituency Committee or Constituency Committees and project be in accordance with the provisions of the public procurement laws. (3) A Constituency Committee shall, in undertaking procurement activities, ensure that the process is fair, equitable, transparent, competitive and cost effective.

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

4. Failure to Tag Fund Assets

Physical verification of assets under the Fund, revealed that Management had not tagged all the assets in its possession which include chairs and desks. This omission increases the risk of theft or loss, particularly when the assets are used outside the office, as their movement and condition maynot be effectively monitored or tracked. This was contrary to Section 139(a) of the Public Finance Management, (National Government) Regulations, 2015, which requires that the Accounting Officer of a National Government entity shall take full responsibility and ensure that proper control systems exist for assets and that the responsibility of an Accounting Officer of a National Government entity on assets shall ensure that, preventative mechanisms are in place to eliminate theft, security threats, losses, wastage and misuse; (b) Movement and conditions of assets can be tracked.

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

5. Unbalanced Budget

The statement of comparison of budget and actual amounts reflects total budgeted revenue and expenditure of Kshs.388,639,294 and Kshs.388,558,294 respectively resulting to a variance of Kshs.81,000 which indicates an unbalances budget. This was contrary to Regulation 33(c) of the Public Finance Management (National Government) Regulations, 2015 which provides that 'unless provided otherwise in the Act, these Regulations or any other guidelines developed in furtherance of the Act or these Regulations that at all times during budget formulation and approval it must be ensured that the budget shall be balanced.

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, I confirm that nothing has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

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

Responsibilities of the Management and those Charged with Governance

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

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

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

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

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


Auditor-General's Responsibilities for the Audit

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi


14 November, 2025


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


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

| | Note | 2024/2025 |
|---|------|---------------------|
| | | Kshs |
| Revenue from non-exchange transactions | | |
| Transfers from the NGCDF Board | 6 | 179,441,954 |
| Transfers from domestic and foreign partners | 7 | - |
| Revenue from exchange transactions | | |
| Finance income | 8 | - |
| Miscellaneous income | 9 | 81,000 |
| Total revenue | | 179,522,954 |
| Expenses | | |
| Employee costs | 10 | 2,875,220 |
| Committee expenses | 11 | 2,044,000 |
| Use of Goods and Services | 12 | 5,989,318 |
| Other Government Units Actual expenditure | 13 | 141,204,260 |
| Other Grants and Transfers Actual expenditure | 14 | 66,551,400 |
| Depreciation and amortization expense | 15 | 1,190,766 |
| Digital Hubs Expenses Actual expenditure | 16 | - |
| Total expenses | | 219,854,964 |
| Other gains/(losses) | | |
| Gain/Loss on Sale of Assets | 17 | - |
| Impairment loss | 18 | - |
| Surplus/(Deficit) for the year | | (40,332,009) |

The Constituency financial statements were approved by the NGCDFC on 02/10/2025 and signed by:


 Chairman NG-CDF
 Committee
 Name: Evanson Moturi Katei


 National Sub-County
 Accountant
 Name: Lucas Okech
 ICPAK M/No: 17541


 Fund Account Manager
 Name: Gumato Sharamo


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

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

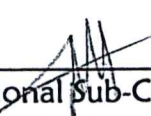
| | Note | 2024/2025 | Opening Statement 1st July 2024 |
|--|------|--------------------|---------------------------------|
| | | Kshs | Kshs |
| Assets | | | |
| Current Assets | | | |
| Cash And Cash Equivalents | 19 | 111,360,906 | 110,570,518 |
| Receivables from Exchange Transactions | 20 | - | - |
| Receivables from Non-Exchange Transactions | 21 | 51,441,954 | 98,464,822 |
| Prepayments | 22 | 560,473 | 231,066 |
| Total Current Assets | | 163,363,333 | 209,266,406 |
| Non-Current Assets | | | |
| Property, Plant and Equipment | 23 | 10,716,893 | - |
| Intangible Assets | 24 | - | - |
| Right-of-use assets | 25 | - | - |
| Total Non- Current Assets | | 10,716,893 | - |
| Total Assets (A) | | 174,080,226 | 209,266,406 |
| Liabilities | | | |
| Current Liabilities | | | |
| Trade and Other Payables | 26 | - | - |
| Third Party Deposits | 27 | 6,495,042 | 1,098,556 |
| Lease Liabilities | 28 | - | - |
| Gratuity Provision | 29 | 160,060 | 410,716 |
| Total Current Liabilities | | 6,655,102 | 1,509,272 |
| Non-Current Liabilities | | | |
| Lease Liabilities | 28 | - | - |
| Total Liabilities (B) | | 6,655,102 | 1,509,272 |
| Net Assets (A-B) | | 167,425,124 | 207,757,134 |
| Represented by: | | | |
| Revaluation Reserves | | 167,425,124 | 207,757,134 |
| Accumulated Surplus | | | |
| Total Net Assets | | 167,425,124 | 207,757,134 |

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


The Constituency financial statements set out on pages 1 to 17 approved by NG CDFC on 02/10/
2025 and signed by:



Chairman NG-CDF
Committee
Name: Evanson Moturi Katei



National Sub-County
Accountant
Name: Lucas Okech
ICPAK M/No: 17541



Fund Account Manager
Name: Gumato Sharamo

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 | | 33,361,358 | 33,361,358 |
| Adjustments | | | |
| Recognition of Assets | | 175,905,048 | 175,905,048 |
| Recognition of Liabilities | | 1,509,272 | 1,509,272 |
| As at July 1, 2025 | | 207,757,134 | 207,757,134 |
| | | | |
| Surplus/(Deficit) For the Period | | (40,332,009) | (40,332,009) |
| Revaluation Gain/Loss | | - | - |
| As at June 30, 2025 | | 167,425,124 | 167,425,124 |

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 adjustments should have an elaborate note describing what the amounts relate to. In such instances, a restatement of the opening balances needs to be done.

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

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

| | Notes | 2024/2025 |
|---|-----------|--------------------|
| | | Kshs |
| Cash flows from operating activities | | |
| Receipts | | |
| Transfers from the NGCDF Board | 6 | 226,464,822 |
| Transfers from domestic and foreign partners | | - |
| Finance income | | - |
| Miscellaneous income | 9 | 81,000 |
| Total Receipts | | 226,545,822 |
| Payments | | |
| Employee costs | | 3,125,876 |
| Committee expenses | | 2,044,000 |
| Use of Goods and Services | | 6,318,725 |
| Other Government Units Certified Works | | 136,132,256 |
| Other Grants and Transfers | | 66,226,918 |
| Digital Hubs Expenses | | - |
| Total Payments | | 213,847,775 |
| Net Cash Flows from/ (used in) Operating Activities | 30 | 12,698,047 |
| Cash Flows From Investing Activities | | |
| Purchase of PPE | | 11,907,659 |
| Purchase of Intangible assets | | - |
| Proceeds From Sale of PPE | | - |
| Net Cash Flows from Investing Activities | | 11,907,659 |
| Net increase/(decrease) in cash & Cash equivalents | | 790,388 |
| Cash Flows from Financing Activities | | |
| Lease Payment | | - |
| Net Cash Flows from Financing Activities | | 790,388 |
| Cash and cash equivalents at 1 July 2024 | 19 | 110,570,518 |
| Cash and cash equivalents at 30 June 2025 | 19 | 111,360,906 |

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

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 | | 0 |
| Revenue | | | | | | | |
| Transfers From the NGCDF Board | 179,441,954 | 110,651,518 | 98,464,822 | 388,558,294 | 337,116,340 | 51,441,954 | 86.8% |
| Transfers from domestic and foreign partners | - | - | - | - | - | - | |
| Finance income | - | - | - | - | - | - | |
| Miscellaneous income | - | 81,000 | - | 81,000 | 81,000 | - | 100.0% |
| Totals | 179,441,954 | 110,732,518 | 98,464,822 | 388,639,294 | 337,197,340 | 51,441,954 | 86.8% |
| Expenses | | | | | | | |
| Employee costs | 4,701,353 | 2,945,945 | 1,898,447 | 9,545,745 | 3,125,876 | 6,419,869 | 32.7% |
| Committee expenses | 3,099,000 | 1,368,632 | - | 4,467,632 | 2,044,000 | 2,423,632 | 45.8% |
| Use of Goods and Services | 7,944,430 | 3,480,801 | 1,073,184 | 12,498,415 | 6,318,725 | 6,179,690 | 50.6% |
| Other Government Units Certified Works | 91,500,000 | 90,795,930 | 81,616,304 | 263,912,234 | 145,916,387 | 117,995,847 | 55.3% |
| Other Grants and Transfers | 61,697,172 | 11,591,366 | 2,200,000 | 75,488,538 | 56,442,787 | 19,045,751 | 74.8% |
| Acquisition of Assets | 3,000,000 | 241,605 | 11,676,887 | 14,918,492 | 11,907,659 | 3,010,833 | 79.8% |
| Digital Hubs Expenses | 7,500,000 | - | - | 7,500,000 | - | 7,500,000 | 0.0% |

*National Government Constituencies Development Fund (NGCDF) Langata Constituency
Annual Report and Financial Statements for The Year Ended June 30, 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 | | |
| Funds Pending Approval** - (AiA) | - | 227,240 | - | 227,240 | - | 227,240 | 0.0% |
| Total Expenditure | 179,441,954 | 110,651,518 | 98,464,822 | 388,558,294 | 225,755,434 | 162,802,861 | 58.1% |
| Surplus for the period | | | | | | | |


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

Explanatory Notes.

The constituency was yet to receive Ksh. 51,441,954 from the board for the financial year. Additionally, some of the funds were received in the last month of the last quarter of the financial year therefore the prioritized funds for the projects were in the procurement stage and early stages of implementation hence the funds were yet to be utilized at the end of the financial year. The under utilization of funds was therefore caused by the late disbursement of funds to the constituency.

| Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities | |
|---|-------------|
| Description | Amount |
| Budget utilisation difference totals | 162,802,861 |
| Less undisbursed funds receivable from the Board as at 30 th June 2024 | 51,441,954 |
| Cash and Cash Equivalents at the end of the 30 th June 2025 | 111,360,906 |

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 02/10/2025 and signed by:


 Fund Account Manager

Name: Gumato Sharamo


 National Sub-County Accountant

Name: Lucas Okech
 ICPAK M/No: 17541


 Chairman NG-CDF Committee

Name: Evanson Moturi Katei

16. Budget Execution by Sectors and Projects for The Year Ended 30th June 2025

| Programme/Sub-programme | Original Budget | Adjustments | | Final Budget | Actual on comparable basis | Budget utilization difference |
|---|-------------------|--------------------------------|--|-------------------|----------------------------|-------------------------------|
| | | Opening Balance (C/Bk) and AIA | Previous Years Outstanding Disbursements | | | |
| | | Kshs | Kshs | | | |
| 1.0 Administration and Recurrent | | | | | | |
| 1.1 Compensation of employees | 4,701,353 | 2,945,945 | 1,898,447 | 9,545,745 | 3,125,876 | 6,419,869 |
| 1.2 Committee allowances | 1,778,000 | 1,160,632 | | 2,938,632 | 1,387,000 | 1,551,632 |
| 1.3 Use of goods and services | 3,880,056 | 2,397,603 | 720,556 | 6,998,215 | 3,531,425 | 3,466,791 |
| Sub-total | 10,359,409 | 6,504,180 | 2,619,003 | 19,482,592 | 8,044,301 | 11,438,291 |
| Sub-total | | | | | | |
| 2.0 Monitoring and evaluation | | | | | | |
| 2.1 Capacity building | 2,140,000 | 642,611 | 207,000 | 2,989,611 | 1,634,800 | 1,354,811 |
| 2.2 Committee allowances | 1,321,000 | 208,000 | | 1,529,000 | 657,000 | 872,000 |
| 2.3 Use of goods and services | 1,924,374 | 440,587 | 145,628 | 2,510,588 | 1,152,500 | 1,358,088 |
| Sub-total | 5,385,374 | 1,291,198 | 352,628 | 7,029,199 | 3,444,300 | 3,584,899 |
| Sub-total | | | | | | |
| 3.0 Emergency | | | | | | |
| 3.1 Unutilized | 9,444,313 | | | 9,444,313 | | 9,444,313 |
| 3.2 Ngei Primary School | | 1,500,000 | | 1,500,000 | 1,418,017 | 81,983 |
| Sub-total | 9,444,313 | 1,500,000 | - | 10,944,313 | 1,418,017 | 9,526,296 |
| 4.0 Bursary and Social Security | | | | | | |

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

| Programme/Sub-programme | Original Budget | Adjustments | | Final Budget | Actual on comparable basis | Budget utilization difference |
|--|-------------------|-------------------------------|--|-------------------|----------------------------|-------------------------------|
| | | Opening Balance (G/B) and AIA | Previous Years Outstanding Disbursements | | | |
| | Kshs | Kshs | Kshs | Kshs | Kshs | Kshs |
| 4.1 Primary Schools | | | | | | |
| 4.2 Secondary Schools | 30,000,000 | 5,838 | | 30,005,838 | 30,005,000 | 838 |
| 4.3 Tertiary Institutions | 19,000,000 | 5,159,220 | | 24,159,220 | 22,159,750 | 1,999,470 |
| 4.4 Special Needs | 1,000,000 | 195,000 | | 1,195,000 | 1,195,000 | - |
| 4.5 Education Support Programmes | | | | - | | - |
| 4.6 Social Security | | 4,720,000 | | 4,720,000 | | 4,720,000 |
| Sub-total | 50,000,000 | 10,080,058 | - | 60,080,058 | 53,359,750 | 6,720,308 |
| 5.0 Climate Change Mitigation | | | | | | |
| 5.1 St Mary's Primary School | 602,859 | | | 602,859 | | 602,859 |
| 5.2 Langata Barracks Primary School | 550,000 | | | 550,000 | | 550,000 |
| 5.3 Ngei Primary School | 550,000 | | | 550,000 | | 550,000 |
| 5.4 Langata Barracks Secondary School | 550,000 | | | 550,000 | | 550,000 |
| 5.5 Uhuru Gardens Primary School | | | 550,000 | 550,000 | 416,255 | 133,745 |
| 5.6 Ngei Primary School | | | 550,000 | 550,000 | 416,255 | 133,745 |
| 5.7 Kongoni Secondary School | | | 550,000 | 550,000 | 416,255 | 133,745 |
| 5.8 Langata Technical and Vocational College | | | 550,000 | 550,000 | 416,255 | 133,745 |
| 5.9 Environment Activities | | 793 | | 793 | | 793 |

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

| Programme/Sub-programme | Original Budget | Adjustments | | Final Budget | Actual on comparable basis | Budget utilization difference |
|---|------------------|--------------------------------|---|------------------|----------------------------|-------------------------------|
| | | Opening Balance (C/Bk) and AIA | Previous Years' Outstanding Disbursements | | | |
| | | Kshs | Kshs | | | |
| Sub-total | 2,252,859 | 793 | 2,200,000 | 4,453,652 | 1,665,020 | 2,788,632 |
| 6.0 Primary Schools Projects (List all the Projects) | | | | | | |
| 6.1 Karen C Primary School - Cabro | 7,000,000 | | | 7,000,000 | | 7,000,000 |
| 6.2 Ngong Forest Primary School - Toilet and Septic | 7,000,000 | | | 7,000,000 | | 7,000,000 |
| 6.3 Madaraka Primary School - Cabro | 5,000,000 | | | 5,000,000 | | 5,000,000 |
| 6.4 Uhuru Gardens Primary School - Cabro | 4,000,000 | | | 4,000,000 | | 4,000,000 |
| 6.5 Langata West Primary School - Classrooms | 3,000,000 | | 2,000,000 | 5,000,000 | | 5,000,000 |
| 6.6 Kongoni Primary School- Classrooms | 5,000,000 | | | 5,000,000 | | 5,000,000 |
| 6.7 Highrise Primary School - Bus | 8,000,000 | | | 8,000,000 | | 8,000,000 |
| 6.8 Highrise Primary School - Classrooms | 5,000,000 | | | 5,000,000 | | 5,000,000 |
| 6.9 Highrise Primary School - Toilet Block | | 8,281,498 | | 8,281,498 | 7,715,340 | 566,158 |
| 6.10 Highrise Primary School - Rehabilitation of Classroom | | 771,952 | 6,823,529 | 7,595,481 | 7,027,175 | 568,306 |
| 6.11 Highrise Primary School - Lockers and chairs | | 1,400,000 | | 1,400,000 | 1,398,575 | 1,425 |

Annual Report and Financial Statements for The Year Ended June 30, 2023

| Programme/Sub-programme | Original Budget | Adjustments | | Final Budget | Actual on comparable basis | Budget utilization difference |
|--|-----------------|--------------------------------|--|--------------|----------------------------|-------------------------------|
| | | Opening Balance (G/BK) and AIA | Previous Years Outstanding Disbursements | | | |
| | Kshs | Kshs | Kshs | Kshs | Kshs | Kshs |
| 6.12 Highrise Primary School - Conversion of Classroom to lab | | | 2,000,000 | 2,000,000 | 1,896,807 | 103,193 |
| 6.13 Uhuru Gardens Primary School - Renovations of Admin Block | | | 3,400,000 | 3,400,000 | 3,086,460 | 313,540 |
| 6.14 Uhuru Gardens Primary School- Conversion | | | 2,000,000 | 2,000,000 | 1,946,395 | 53,605 |
| 6.15 Uhuru Gardens Primary School - supply of student lockers | | 1,401,839 | | 1,401,839 | 1,399,575 | 2,264 |
| 6.16 Langata Road Primary School - classrooms | | 1,157,318 | | 1,157,318 | 1,157,318 | - |
| 6.17 Langata Road Primary School - Lockers and Chairs | | 22,425 | | 22,425 | - | 22,425 |
| 6.18 Langata Road Primary School - Conversion | | | 2,000,000 | 2,000,000 | 1,597,895 | 402,105 |
| 6.19 Madaraka Primary School - Conversion of classroom to Lab | | - | 2,000,000 | 2,000,000 | 1,703,071 | 296,929 |
| 6.20 Madaraka Primary School - Lockers and chairs | | 22,425 | | 22,425 | - | 22,425 |
| 6.21 Madaraka Primary School - Renovation of classrooms | | 4,000,000 | | 4,000,000 | 3,753,398 | 246,602 |
| 6.22 Madaraka Primary School - Construction of Admin Block | | 4,500,000 | | 4,500,000 | 4,369,667 | 130,333 |
| 6.23 Karen C Primary School - Conversion | | - | 2,000,000 | 2,000,000 | 1,947,779 | 52,221 |

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

| Programme/Sub-programme | Original Budget | Adjustments | | Final Budget | Actual on comparable basis | Budget utilization difference |
|---|-----------------|--------------------------------|---|--------------|----------------------------|-------------------------------|
| | | Opening Balance (C/Bk) and AIA | Previous Years' Outstanding Disbursements | | | |
| | | Kshs | Kshs | | | |
| 6.24 Karen C Primary School - Lockers and Chairs | | 19,324 | | 19,324 | - | 19,324 |
| 6.25 Karen C Primary School - Toilet Block | | 8,000,000 | | 8,000,000 | 7,731,000 | 269,000 |
| 6.26 Kongoni Primary School - Perimeter Wall | | 790,000 | | 790,000 | 748,452 | 41,548 |
| 6.27 Kongoni Primary School - Lockers and Chairs | | 22,425 | | 22,425 | - | 22,425 |
| 6.28 Kongoni Primary School - Conversion | | | 2,000,000 | 2,000,000 | 1,828,612 | 171,388 |
| 6.29 Ngong Forest Primary School - Conversion | | | 2,000,000 | 2,000,000 | 1,881,875 | 118,125 |
| 6.30 Ngong Forest Primary School - Lockers and Chairs | | 19,324 | | 19,324 | - | 19,324 |
| 6.31 St. Mary's Karen - Conversion | | | 2,000,000 | 2,000,000 | 1,895,967 | 104,033 |
| 6.32 St. Mary'S Karen - Lockers and Chairs | | 27,063 | | 27,063 | - | 27,063 |
| 6.33 Ngei Primary School - Conversion | | | 2,000,000 | 2,000,000 | 1,996,591 | 3,409 |
| 6.34 Ngei Primary School - Lockers | | 1,400,000 | | 1,400,000 | 1,398,575 | 1,425 |
| 6.35 Langata Barracks Primary - Renovation | | 4,000,000 | | 4,000,000 | 3,851,127 | 148,873 |
| 6.36 Langata Barracks Primary - Conversion | | | 2,000,000 | 2,000,000 | 1,946,414 | 53,586 |

| Programme/Sub-programme | Original Budget | Adjustments | | Final Budget | Actual on comparable basis | Budget utilization difference |
|---|-------------------|--------------------------------|---|--------------------|----------------------------|-------------------------------|
| | | Opening Balance (C/Bk) and AIA | Previous Year Outstanding Disbursements | | | |
| | Kshs | Kshs | Kshs | Kshs | Kshs | Kshs |
| 6.37 Langata Barracks Primary - Lockers | | 1,400,000 | | 1,400,000 | 1,399,575 | 425 |
| 6.38 Langata West Primary School - 4 Classrooms | | 8,558,966 | | 8,558,966 | 7,781,982 | 776,984 |
| 6.39 Langata West Primary School - Lockers and Chairs | | 19,324 | | 19,324 | - | 19,324 |
| Sub-total | 44,000,000 | 45,813,883 | 32,223,529 | 122,037,412 | 71,459,625 | 50,577,787 |
| 7.0 Secondary Schools Projects (List all the Projects) | | | | | | |
| 7.1 Karen C Girls Secondary School - Dormitory Phase 3 | 12,000,000 | | | 12,000,000 | | 12,000,000 |
| 7.2 Langata High School - Construction of Classrooms | 8,000,000 | | | 8,000,000 | | 8,000,000 |
| 7.3 Kongoni Secondary School - School Bus | 8,000,000 | | | 8,000,000 | | 8,000,000 |
| 7.4 Karen C Secondary School - Biodigester | | 1,500,000 | | 1,500,000 | 1,456,494 | 43,506 |
| 7.5 Karen C Secondary - Library works | | 587,336 | | 587,336 | 488,336 | 99,000 |
| 7.6 Karen C Secondary - Omitted Library works | | | 3,333,809 | 3,333,809 | 3,132,720 | 201,089 |
| 7.7 Karen C Secondary School - Dormitory Phase 2 | | | 14,000,000 | 14,000,000 | 12,382,984 | 1,617,016 |
| 7.8 Karen C Secondary - Dormitory phase 1 | | 17,000,000 | | 17,000,000 | 15,667,922 | 1,332,078 |

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

| Programme/Sub-programme | Original Budget | Adjustments | | Final Budget | Actual on comparable basis | Budget utilization difference |
|---|-------------------|--------------------------------|--|--------------------|----------------------------|-------------------------------|
| | | Opening Balance (C/Bk) and AIA | Previous Years Outstanding Disbursements | | | |
| | | Kshs | Kshs | | | |
| 7.9 Langata Barracks Secondary School - Lockers and Chairs | | 966,000 | | 966,000 | 965,310 | 690 |
| 7.10 Langata Barracks Secondary School - Modern Kitchen | | 7,500,000 | | 7,500,000 | 5,389,546 | 2,110,454 |
| 7.11 Jalang'o Secondary School - Construction of Admin Block and Classrooms | | | 30,000,000 | 30,000,000 | 17,568,426 | 12,431,574 |
| 7.12 Kongoni Secondary School - Gatehouse, gate and cabro works | | 6,500,000 | | 6,500,000 | 5,847,920 | 652,080 |
| 7.13 Kongoni Secondary School - Completion of Admin Block and Classrooms | | 478,787 | | 478,787 | - | 478,787 |
| Sub-total | 28,000,000 | 34,532,123 | 47,333,809 | 109,865,932 | 62,899,658 | 46,966,274 |
| 8.0 Tertiary institutions Projects (List all the Projects) | | | | | | |
| 8.1 Langata Technical and Vocational College - Toilet Block | | 172,289 | | 172,289 | - | 172,289 |
| 8.2 Langata Technical and Vocational College - Borehole | | 2,335,100 | | 2,335,100 | 1,772,973 | 562,127 |
| Sub-total | - | 2,507,389 | - | 2,507,389 | 1,772,973 | 734,416 |
| 9.0 Security Projects | | | | | | |
| 9.1 Karen Chiefs Office | 5,000,000 | | | 5,000,000 | | 5,000,000 |
| 9.2 Langata DCC's Office - Houses | 10,000,000 | 7,941,034 | 2,058,966 | 20,000,000 | 9,784,131 | 10,215,869 |

Annual Report and Financial Statements for The Year Ended June 30, 2023

| Programme/sub-programme | Original Budget Kshs | Adjustments | | Final Budget Kshs | Actual on comparable basis Kshs | Budget utilization difference Kshs |
|--|-------------------------|--|--|----------------------|------------------------------------|---------------------------------------|
| | | Opening Balance (C/BK) and AIA Kshs | Previous Years Outstanding Disbursements Kshs | | | |
| 9.3 Langata DCC's Office - Furniture | 1,500,000 | | | 1,500,000 | | 1,500,000 |
| 9.4 Mugumoini Chiefs Office | 3,000,000 | | | 3,000,000 | | 3,000,000 |
| 9.5 Langata Police Station | | 1,500 | | 1,500 | | 1,500 |
| Sub-total | 19,500,000 | 7,942,534 | 2,058,966 | 29,501,500 | 9,784,131 | 19,717,369 |
| 10.0 Acquisition of assets | | | | | | |
| 10.1 Motor Vehicles (including motorbikes) | | | | - | | - |
| 10.2 Purchase of furniture and fittings | 3,000,000 | | | 3,000,000 | | 3,000,000 |
| 10.3 Construction of CDF office | | 241,605 | 11,676,887 | 11,918,492 | 11,907,659 | 10,833 |
| Sub-total | | | | | | |
| 11.0 Digital Hubs | | | | | | |
| 11.1 ICT Hub - Mugumoini Chiefs Office | 7,500,000 | | | 7,500,000 | | 7,500,000 |
| Sub-total | 7,500,000 | - | - | 7,500,000 | - | 7,500,000 |
| 12.0 Others | | | | | | |
| 12.1 Sports | | 98 | | 98 | | 98 |
| 13.2 Langata NG-CDFC Strategic Plan | | 10,416 | | 10,416 | | 10,416 |
| Sub-total | - | 10,514 | - | 10,514 | - | 10,514 |
| 13.0 Funds pending approval** | | | | | | |

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

| Programme/Sub-programme | Original Budget | Adjustments | | Final Budget | Actual on comparable basis | Budget utilization difference |
|--------------------------|-----------------|--------------------------------|---|--------------|----------------------------|-------------------------------|
| | | Opening Balance (C/Bk) and AIA | Previous Years' Outstanding Disbursements | | | |
| | Kshs | Kshs | Kshs | Kshs | Kshs | Kshs |
| 13.1 Unapproved projects | | - | | - | | - |
| 13.2 AiA | | 227,240 | | 227,240 | | 227,240 |
| Sub-total | | 227,240 | - | 227,240 | - | 227,240 |
| Total | 179,441,954 | 110,651,518 | 98,464,822 | 388,558,294 | 225,755,434 | 162,802,861 |

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

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 Langata 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 Langata 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.

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

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

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

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

3. Adoption of New and Revised Standards

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

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

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

| Standard | Effective date and impact |
|--|---|
| IPSAS 43: Leases | <i>Applicable 1st January 2025</i> The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities. |
| IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations | <i>Applicable 1st January 2025</i> The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance. |
| IPSAS 45: Property Plant | <i>Applicable 1st January 2025</i> The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets |

| | |
|----------------------------------|--|
| <p>and Equipment</p> | <p>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>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>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 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>IPSAS 48: Transfer Expenses</p> | <p><i>Applicable 1st January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p> |
| <p>IPSAS 49: Retirement Benefit Plans</p> | <p><i>Applicable 1st January 2026</i></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p> |
| <p>IPSAS 50: Exploration For & Evaluation of Mineral Resources</p> | <p><i>Applicable 1st January 2027</i></p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ul style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized. |

iii. Early adoption of standards

The Langata NG-CDF did not early – adopt any new or amended standards in the financial year or *the entity adopted the following standards early .*

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Sale of goods

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

Interest income

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

Rental income

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

b) Budget information

The original budget was approved by Parliament on 25 June 2024 for the period 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 *Langata NG-CDF*. 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 *Langata NG-CDF* 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 *Langata NG-CDF* 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 *Langata NG-CDF*. 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 Langata NG-CDF does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements.* A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

a) Financial assets

Classification of financial assets

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

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

Trade and other receivables

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

Fair value through surplus or deficit

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

Impairment

The entity assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The entity recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL) did not exist in the reporting period.

b) Financial liabilities

Classification

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

g) Inventories

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

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

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

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

h) Provisions

Provisions are recognized when the *Langata NG-CDF* 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 *Langata NG-CDF* expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement

i) Social Benefits

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

j) Contingent liabilities

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

k) Contingent assets

The Entity does not recognize a contingent asset but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future

events not wholly within the control of the Entity in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

l) Employee benefits

Retirement benefit plans

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

m) Foreign currency transactions

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

n) Related parties

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

o) Cash and Cash Equivalents

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

p) Comparative figures

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

q) Subsequent events

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

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

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

Useful lives and residual value

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

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

Provisions

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

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

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

6. Transfers from the NGCDF Board

| Description | 2024/2025 |
|--|--------------------|
| | Kshs |
| NGCDFB Transfers (Allocation for the FY) | 179,441,954 |
| Total | 179,441,954 |

7. Transfers from domestic and foreign partners

| Description | 2024/2025 |
|--------------|-----------|
| | Kshs |
| Grants | |
| Total | |

8. Finance income

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

(Provide a brief explanation for this revenue)

9. Miscellaneous income

| | 2024/2025 |
|--|---------------|
| | Kshs |
| Rental Income | - |
| Income from sale of tenders | - |
| Hire of NG-CDF Hall | 81,000 |
| Other Income Not Classified Elsewhere <i>(specify)</i> | - |
| Total | 81,000 |

10. Employees cost

| | 2024/2025 |
|--|------------------|
| | Kshs |
| NG-CDFC Basic staff salaries | 2,010,226 |
| Personal allowances paid as part of salary | - |
| House Allowance | 241,200 |
| Transport Allowance | 128,550 |
| Leave allowance | - |
| Gratuity to contractual employees | 319,777 |
| Employer Contributions Compulsory national social security schemes | 135,468 |
| Employer Contributions Compulsory Housing levy | 35,649 |
| Employer contributions to National Industrial Training Authority | 4,350 |
| Other Specify | - |
| Total | 2,875,220 |

11. Committee Expenses

| | 2024/2025 |
|--------------------------|------------------|
| | Kshs |
| Sitting allowance | 1,391,000 |
| Other Committee expenses | 653,000 |
| Total | 2,044,000 |

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

12. Use of Goods and services

| | <i>2024/2025</i> |
|--|------------------|
| | Kshs |
| Utilities, supplies and services | 53,170 |
| Communication, supplies and services | - |
| Domestic travel and subsistence | 1,374,200 |
| Printing, advertising and information supplies & services | 863,750 |
| Office Rent | - |
| Training expenses | 1,634,800 |
| Hospitality supplies and services | - |
| Insurance costs | 345,750 |
| Specialized materials and services | - |
| Office and general supplies and services | 1,698,000 |
| Fuel, oil & lubricants | - |
| Bank charges | 19,648 |
| Routine maintenance – vehicles and other transport equipment | - |
| Routine maintenance – other assets | - |
| Strategic plan expenses | - |
| Other operating expenses | - |
| Total | 5,989,318 |

13. Other Government Units Actual expenditure

| Description | <i>2024/2025</i> |
|--|--------------------|
| | Kshs |
| Primary Schools Actual expenditure | 73,018,830 |
| Secondary Schools Actual expenditure | 66,226,412 |
| Tertiary Institutions Actual expenditure | 1,959,018 |
| Total | 141,204,260 |

14. Other Grants and transfers Actual expenditure

| | 2024/2025 |
|--|-------------------|
| | Kshs |
| Bursary – secondary schools | 30,005,000 |
| Bursary – tertiary institutions | 22,159,750 |
| Bursary – special schools | 1,195,000 |
| Bursary - Education Support programmes | - |
| Social Security programmes (SHIF) | - |
| Security projects Actual expenditure | 10,000,000 |
| Climate change mitigation projects | 1,699,000 |
| Emergency projects Actual expenditure | 1,492,650 |
| Roads projects Actual expenditure | - |
| Others specify | - |
| Total | 66,551,400 |

15. Depreciation and Amortization Expenses

| Description | 2024/2025 |
|------------------------------|------------------|
| | Kshs |
| Property Plant and Equipment | 1,190,766 |
| Intangible Assets | - |
| Total | 1,190,766 |

16. Digital Hubs Expenses

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

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

17. Gain/loss on Sale of Assets

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

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

18. Impairment Loss

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

(Provide brief explanation on assets impairment loss)

19. Cash and Cash Equivalents

| Name Of Bank and Account No. | 2024/2025 FY | Opening Statement 1 July 2024 |
|--|--------------------|----------------------------------|
| | Kshs | Kshs |
| Bank Accounts (Cash Book Bank Balance) | | |
| <i>Equity Bank Limited, Account No. 1280262114687 (Operations account)</i> | 86,089,537 | 33,361,358 |
| <i>Operations account pending closure (Indicate name & account no.)</i> | - | - |
| <i>Equity Bank Limited, account No. 1280285615224 (Deposit account)</i> | 160,060 | - |
| <i>Equity Bank Limited, account No. (PMC's account)</i> | 25,111,309 | 77,209,160 |
| Total | 111,360,906 | 110,570,518 |
| Cash Balances | | |
| Location 1 | - | - |
| Location 2 | - | - |
| Other Locations <i>(Specify)</i> | - | - |
| Total | - | - |
| <i>[Provide Cash Count Certificates for Each]</i> | | |

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

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

20. Receivables from Exchange Transactions

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

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

i. Ageing Analysis for Receivables

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

21. Receivables from Non-Exchange Transactions

| Description | 2024/2025 | | Opening Statement 1 July 2024 | |
|--|-------------------|-----------------------|----------------------------------|-----------------------|
| | Kshs | | Kshs | |
| Transfers from NGCDFB | 51,441,954 | | 98,464,822 | |
| Outstanding imprest | - | | - | |
| Total | 51,441,954 | | 98,464,822 | |
| Ageing Analysis- Receivables from non-exchange transactions | 2024/2025 | % of the total | Opening Balance | % of the total |
| Less than 1 year | 51,441,954 | 100% | 98,464,822 | 100% |
| Between 1-2 years | | % | | % |
| Over 3 years | - | % | - | % |
| Total | - | % | - | % |

22. Prepayments

| Description | 2024/2025 | | Opening Statement 1 July 2024 | |
|-----------------------------|----------------|--|----------------------------------|--|
| | Kshs | | Kshs | |
| Prepaid Rent | - | | - | |
| Prepaid Insurance | 560,473 | | 231,066 | |
| Prepaid Electricity Costs | - | | - | |
| Other Prepayments (Specify) | - | | - | |
| Total | 560,473 | | 231,066 | |

23. Property, Plant and Equipment

| | Land | Buildings | Motor vehicles | Furniture and fittings | Computers & ICT Equipment | Other Assets (specify) | Capital Work in progress | Total |
|---|------|------------|----------------|------------------------|---------------------------|------------------------|--------------------------|------------|
| Depreciation Rate(specify) | | 2% | 25% | 12.5% | 30% | % | | |
| Cost | Kshs | Kshs | Kshs | Kshs | Kshs | Kshs | Kshs | Kshs |
| Opening Bal as 1 st July 2024 | - | - | - | - | - | - | - | - |
| Additions | - | 11,907,659 | - | - | - | - | - | 11,907,659 |
| Disposals | - | - | - | - | - | - | - | - |
| Transfer/Adjustments | - | - | - | - | - | - | - | - |
| As At 30 th June 2025 | - | 11,907,659 | - | - | - | - | - | 11,907,659 |
| Depreciation And Impairment | | | | | | | | |
| Opening Depreciation | - | - | - | - | - | - | - | - |
| Depreciation | - | 1,190,766 | - | - | - | - | - | 1,190,766 |
| Disposals | - | - | - | - | - | - | - | - |
| Impairment | - | - | - | - | - | - | - | - |
| Transfer/Adjustment | - | - | - | - | - | - | - | - |
| As At 30 th June 2025 | - | 1,190,766 | - | - | - | - | - | 1,190,766 |
| Net Book Values | | | | | | | | |
| Opening Bal as at 1 st July 2024 | - | - | - | - | - | - | - | - |
| As At 30 th June 2025 | - | 10,716,893 | - | - | - | - | - | 10,716,893 |

Valuation

Land and buildings/ Equipment (be specific) were valued by in line with the National Assets and Liabilities Management Policy and Guidelines (Issued 30th June 2020). These amounts were adopted on 1st July 2024.

23 b) Property, Plant and Equipment at Cost

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

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

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

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

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

24. Intangible Assets

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

25. Right-of use assets

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

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

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

26. Trade and Other Payables

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

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

27. Third-Party deposits

| | <i>Period ended June 2025</i> | <i>Opening Statement 1st July 2024</i> |
|---|-----------------------------------|--|
| | Kshs | Kshs |
| Retention as at start of the period (A) | 1,098,556 | 1,098,556 |
| Retention held during the period (B) | 8,099,811 | - |
| Retention paid during the period (C) | 2,703,325 | - |
| Closing Retention as at period June 2025, D= A+B-C | 6,495,042 | 1,098,556 |

Retentions aging analysis.

| | <i>2024/2025</i> | <i>% of the total</i> | <i>2023/2024</i> | <i>% of the total</i> |
|------------------|------------------|---------------------------|------------------|---------------------------|
| Less than 1 year | 5,884,822.00 | 90.60% | - | % |
| 1-2 years | 610,220 | 9.40% | - | % |
| 2-3 years | - | % | - | % |
| Over 3 years | - | % | - | % |
| Total | 6,495,042 | | - | |

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

28. Lease Liabilities

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

Maturity Analysis

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

Analysed as:

| Description | Amount |
|--------------|--------|
| Current | - |
| Non- Current | - |
| Total | - |

29. Gratuity Provision

| Description | Period ended June 2025 | Opening Statement 1st July 2024 |
|--|---------------------------|---------------------------------------|
| | Kshs | Kshs |
| Gratuity at the beginning of the period (A) | 410,716 | 410,716 |
| Gratuity held during the period (B) | 319,777 | - |
| Gratuity paid during the period (C) | 570,433 | - |
| Total Gratuity provision as at period 30th June 2025 D=(A+B-C) | 160,060 | 410,716 |

30. Cash Generated from Operations

| | 2024/2025 |
|--|-------------------|
| | Kshs |
| Surplus/Deficit for the year | (40,411,059) |
| Adjusted for: | |
| Depreciation | 1,190,766 |
| Non-cash grants received | - |
| Contributed assets | - |
| Impairment | - |
| Gains and losses on disposal of assets | - |
| Contribution to provisions | - |
| Contribution to impairment allowance | - |
| Working capital adjustments | |
| Changes in prepayments | (329,406) |
| Changes in receivables | (47,022,868) |
| Changes in deferred income | - |
| Changes in Third party deposits | (5,396,486) |
| Changes in gratuity provision | 250,656 |
| Changes in payments received in advance | - |
| Net cash flow from operating activities | 12,698,047 |

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

31. Financial Risk Management

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

i) Credit risk

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

Financial Risk Management

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

| Description | Total amount | Fully performing | Past due | Impaired |
|---|--------------------|--------------------|----------|----------|
| | Kshs | Kshs | Kshs | Kshs |
| As at 30th June 2025 (Current FY) | | | | |
| Receivables from exchange transactions | - | - | - | - |
| Receivables from non-exchange transactions | 51,441,954 | 51,441,954 | - | - |
| Bank balances | 111,360,906 | 111,360,906 | - | - |
| Total | 162,802,860 | 162,802,860 | - | - |
| As at 30 June 2024 (Previous FY) | | | | |
| Receivables from exchange transactions | - | - | - | - |
| Receivables from non-exchange transactions | 98,464,822 | 98,464,822 | - | - |
| Bank balances | 110,651,518 | 110,651,518 | - | - |
| Total | 209,116,340 | 209,116,340 | - | - |

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

Financial Risk Management

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the Entity has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The Entity has no significant concentration of credit risk on amounts. The board of directors sets the Entity's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

ii) Liquidity risk management

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

| Description | Less than 1 month | Between 1-3 months | Over 5 months | Total |
|--|-------------------|--------------------|---------------|---------|
| | Kshs | Kshs | Kshs | Kshs |
| As at 30th June 2025 (Current FY) | | | | |
| Trade payables | - | - | - | - |
| Current proportion of borrowings | - | - | - | - |
| Provisions | - | - | - | - |
| Deferred income | - | - | - | - |
| Gratuity Provision | - | - | 160,060 | 160,060 |
| Total | - | - | 160,060 | 160,060 |
| As at 30th June 2024 (Previous FY) | | | | |
| Trade payables | - | - | - | - |
| Current portion of borrowings | - | - | - | - |

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

iii) Market risk

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

a) Foreign currency risk

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

b) Interest rate risk

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

Management of interest rate risk

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

Sensitivity analysis

The Entity analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year. Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as a decrease/increase of Kshs 0 (Current FY: Kshs 0). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs 0 (Current FY – Kshs 0)

Fair value of financial assets and liabilities

a) Financial instruments measured at fair value.

Determination of fair value and fair values hierarchy

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

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges.

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

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

| Description | Level 1 | Level 2 | Level 3 | Total |
|--|---------|---------|---------|-------|
| | Kshs | Kshs | Kshs | Kshs |
| As at 30 June 2025 | | | | |
| Financial Assets | | | | |
| Quoted Equity Investments | - | - | - | - |
| Non- Financial Assets | | | | |
| Investment Property | - | - | - | - |
| Land And Buildings | - | - | - | - |
| Total | - | - | - | - |
| As at 30th June 2024 | | | | |
| Financial Assets | | | | |
| Quoted Equity Investments | - | - | - | - |
| Non- Financial Assets | | | | |
| Investment Property | - | - | - | - |
| Land And Buildings | - | - | - | - |
| Total | - | - | - | - |

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

iv) Capital Risk Management

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

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

| Description | 2024/2025 FY | <i>Opening Statement 1st July 2024</i> |
|--|--------------------|---|
| | Kshs | Kshs |
| Revaluation Reserve | 167,425,124 | 207,757,134 |
| Retained Earnings | - | - |
| Capital Reserve | - | - |
| Total Funds | 167,425,124 | 207,757,134 |
| Total Borrowings | - | - |
| Less: Cash and Bank Balances | (111,360,906) | (110,570,518) |
| Net Debt/(Excess Cash And Cash Equivalent) | 56,064,218 | 97,186,616 |
| Gearing | 33.49% | 46.78% |

32. Related Party Disclosures

| | 2024/2025 FY | Opening Statement 1 st July 2024 |
|--|--------------------|---|
| | Kshs | Kshs |
| Committee Members Remuneration | | |
| Sitting allowance of committee Members during the year | 2,044,000 | 2,770,000 |
| | | |
| Transaction with the NGCDF Board | | |
| Transfers from the NGCDF Board during the year | 226,464,822 | 198,087,603 |
| Total | 228,508,822 | 200,857,603 |

33. Segment Information

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

34. Contingent Assets and Contingent Liabilities

Contingent Assets

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

(Give details)

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

Contingent Liabilities

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

35. Capital Commitments

| 2024/2025 | 2024/2025 FY | Opening Statement 1 st July 2024 |
|-------------------------------|--------------|---|
| | Kshs | Kshs |
| Authorized for | - | - |
| Authorized and contracted for | - | - |
| Total | - | - |

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

36. Events after the Reporting Period

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

37. Ultimate And Holding Entity

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

38. Currency

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

18. Annexes

Annex 1: Summary of Asset Register

| Asset class | Historical Cost/Valuation cost balance brought forward (Kshs) | Additions during the year (Kshs) | Disposals during the year (Kshs) | Historical Cost (Kshs) At Year End |
|---|---|----------------------------------|----------------------------------|------------------------------------|
| Land | - | - | - | - |
| Buildings and structures | 12,117,703 | 11,907,659 | - | 24,025,363 |
| Transport equipment | - | - | - | - |
| Office equipment, furniture, and fittings | 2,382,941 | - | - | 2,382,941 |
| ICT Equipment and Other ICT Assets | 362,320 | - | - | 362,320 |
| Other Machinery and Equipment | 2,268,119 | - | - | 2,268,119 |
| Intangible assets | - | - | - | - |
| Total | 17,131,083 | 11,907,659 | - | 29,039,742 |

(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)

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

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

| PMC | Bank | Account number | Bank Balance 2024/2025 | Bank Balance 2023/2024 |
|--|--------|----------------|---------------------------|---------------------------|
| Joash Olum Highrise Primary School | Equity | 1280270915693 | 1,239,081 | 8,281,498 |
| Kongoni Secondary School | Equity | 1280280787748 | 1,264,612 | 6,978,787 |
| Langata Technical and Vocational College | Equity | 1280284453939 | 868,161 | 2,207,389 |
| Uhuru Gardens Primary School | Equity | 1280284658354 | 503,154 | 1,839 |
| Langata West Primary School | Equity | 120284662663 | 796,308 | 8,578,290 |
| Karen C Secondary School | Equity | 1280284662708 | 3,292,689 | 17,587,336 |
| Ngong Forest Primary School | Equity | 1280284674323 | 137,449 | 19,324 |
| Madaraka Primary School | Equity | 1280284658214 | 696,289 | 8,522,425 |
| Langata Road Primary School | Equity | 1280284660172 | 424,530 | 22,425 |
| Kongoni Primary School | Equity | 1280284665192 | 235,361 | 22,425 |
| Karen C Primary School | Equity | 1280284674172 | 340,545 | 8,019,324 |
| St. Mary's Karen Primary School | Equity | 1280284756883 | 131,096 | 27,063 |
| Ngei Primary School | Equity | 1280285286127 | 220,562 | 1,500,000 |
| Langata Barracks Primary - PMC | Equity | 1280285618146 | 202,884 | - |
| Langata DCC Compound | Equity | 1280285571866 | 215,869 | 7,941,034 |
| Langata Barracks Secondary School - PMC | Equity | 1280285995816 | 2,111,144 | 7,500,000 |
| Madaraka Secondary School (Jalango') PMC | Equity | 1280286309486 | 12,431,574 | - |
| Total | | | 25,111,309 | 77,209,159 |

Annex 3: Progress On Follow Up of Auditor Recommendations

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

| Reference No. on the external audit Report | Issue/ Observations from Auditor | Management comments | Status (Resolved/ Not Resolved) | Timeframe (Put a date when you expect the issue to be resolved) |
|--|---|---|---------------------------------|---|
| OAG-LA-2023/2024-1 | Unsupported Project Management Committee Balances | The management provided all the PMC bank account statements. | Not Resolved | Awaiting DEFAC |
| OAG-LA-2023/2024-2 | Irregular Payment to NHIF | The management has taken note of the same and resolved to ensure that none of the sitting members of the NG-CDF board are beneficiaries of the payment. Additionally, the management put in place a subcommittee and came up with forms and application process for identification of needy and vulnerable people in the constituency | Not Resolved | Awaiting DEFAC |
| OAG-LA-2023/2024-3 | Non – compliance in presentation and disclosure in the financial statements | The management has taken note of the same and all financial statements have been dully signed by the chairman. | Not Resolved | Awaiting DEFAC |
| OAG-LA-2023/2024-4 | Unbalanced Budget | The difference occurred due to savings from PMC accounts and collections from hire of NG-CDF hall. The approval for the | Not Resolved | Awaiting DEFAC |

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

| Reference No. on the external audit Report | Issue/ Observations from Auditor | Management comments | Status: (Resolved / Not Resolved) | Timeframe: (Put a date when you expect the issue to be resolved) |
|--|----------------------------------|---|-----------------------------------|--|
| | | utilization of the funds was received and actioned accordingly. | | |
| OAG-LA-2023/2024-5 | Irregular procurement | The management ensures that all the procurement for goods and services in the constituency follows the stipulated guidelines of the Public Procurement and Oversight Authority | Not Resolved | Awaiting DEFAC |
| OAG-LA-2023/2024-6 | Unsupported Emergency projects | The management ensures that a report on emergency is reported to the board within 30 days of occurrence of the emergency. | Not Resolved | Awaiting DEFAC |
| OAG-LA-2023/2024-7 | Lack of ownership documents | Majority of the Land within Nairobi county is owned land ownership certificates. These, however, are mainly unavailable despite the land being legally owned. | Not Resolved | Awaiting DEFAC |
| OAG-LA-2023/2024-8 | Unutilized Funds | There is a continuous delay in funds disbursement from the Board which significantly affects the implementation of projects, hence low utilization of funds. The management however ensures that all the funds are fully utilized in the subsequent years upon receipt of the funds | Not Resolved | Awaiting DEFAC |



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Name: Gumato Sharamo
Fund Account Manager.