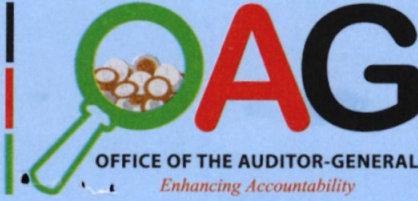


REPUBLIC OF KENYA



REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

PARLIAMENT
OF KENYA
LIBRARY

REPORT

DATE: 12 FEB 2026

DAY.

Tuesday

TABLED
BY:

*Hon George Mungai
Onbehalf of hon*

CLERK-AT
THE TABLE:

Kanola T

THE AUDITOR-GENERAL

ON

**NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND -
NDIA CONSTITUENCY**

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

Revised 30th June 2025



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

NDIA CONSTITUENCY

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
30th JUNE 2025

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

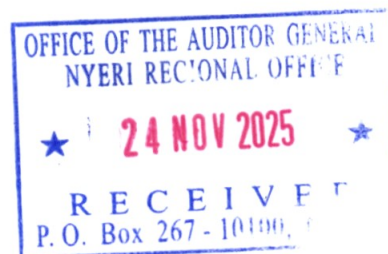


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1. Acronyms and Definition of Key Terms

A. Acronyms

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

B. Definition of Key Terms

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

Comparative Year- Means the prior period.

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

2. Key Constituency Information and Management

(a) Background information

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

Mandate

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

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

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

Vision

Equitable Socio-economic development countrywide.

Mission

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

Core Values

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

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 NDIA 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	Timothy Njichi
2.	National Sub-County Accountant	Joyce Kinyua
3.	Chairman NGCDFC	Beatrice mwangi
4.	Member NGCDFC	Francis Ngure

(c) Fiduciary Oversight Arrangements

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

NG NDIA CDF Building/House/Plaza
 Baricho/Kerugoya Avenue/Road/Highway
 BARICHO KENYA.

(e) NGCDF NDIA Constituency Contacts

P.O. Box 70-10302
 Telephone: (254) 703362365
 E-mail: tnjichi@ngcdf.go.ke
 Website: www.ndiangcdf.go.ke

(f) NGCDF NDIA Constituency Bankers

1. Bank A. (Operations Account).
 ACCOUNT NAME : *NG NDIA CDF*
 ACCOUNT NO : *0420294874971*
 Branch: Kagio
 P.O. Box 70 Baricho
2. Bank B. (Deposit account).
 ACCOUNT NAME: *NG NDIA CDF deposit account*
 ACCOUNT NO: *0420285508196*
 Branch: Kagio
 P.O. Box 70 Baricho

3. Bank C. (PMC Accounts) *Specify the constituency account banker details*

NO.	PMC ACCOUNT NAME	Account number	Bank	Branch
1	UPPER BARICHO MIXED SEC SCHOOL	0420266787617	EQUITY	Kagio
2	THUMAITA WEST SEC SCHOOL	0420294565079	EQUITY	Kagio
3	ST PHILLIP SEC SCHOOL	0420294755129	EQUITY	Kagio
4	ST MARY KIARAGANA SEC SCHOOL	0420278756063	EQUITY	Kagio
5	ST JOHN KARIMAINI GIRLS SEC SCH	0100262002796	EQUITY	Kagio
6	ST JOHN KINYAKIIRU SEC SCHOOL	0420273869110	EQUITY	Kagio ⁱⁱ
7	SAGANA SECONDARY SCHOOL	0420281231330	EQUITY	Kagio
8	MUKANGU SECONDARY SCHOOL	0420266784449	EQUITY	Kagio
9	KIINE MIXED DAY SEC SCH	0420169920862	EQUITY	Kagio
10	KIANJEGE WEST SEC SCHOOL	0420295186292	EQUITY	Kagio
11	KIBURU GIRLS SEC SCHOOL	0420266784068	EQUITY	Kagio
12	KIANGAI SEC SCHOOL	04200266785598	EQUITY	Kagio
13	KATHAKA MIXED SEC SCHOOL	0100291743177	EQUITY	Kagio
14	KARIMA SECONDARY SCHOOL	0420266795705	EQUITY	Kagio

15	KAIRIINI SEC SCHOOL	0420265373488	EQUITY	Kagio
16	GACHARU SECONDARY SCHOOL	0100190224542	EQUITY	Kagio
17	GAKINDU SECONDARY SCHOOL	0420299865874	EQUITY	Kagio
18	GETUYA SECONDARY SCHOOL	0420266794147	EQUITY	Kagio
19	MUKUI SECONDARY SCHOOL	0040294937320	EQUITY	Kagio
20	GAKINDU PRIMARY SCHOOL	0420276348903	EQUITY	Kagio
21	GETUYA PRIMARY SCHOOL	0420161725557	EQUITY	Kagio
22	KABONGE PRIMARY SCHOOL	0420274064237	EQUITY	Kagio
23	GACHARU PRIMARY SCHOOL	0420296963408	EQUITY	Kagio
24	KINYAKIIRU PRIMARY SCHOOL	0420268555072	EQUITY	Kagio
25	KINYAKIIRU PRIMARY SCHOOL	0420291384590	EQUITY	Kagio
26	MUKUI PRIMARY SCHOOL	0420197501638	EQUITY	Kagio
27	KAHIRO PRIMARY SCHOOL	0420161717617	EQUITY	Kagio
28	NGUGUINI PRIMARY SCHOOL	0420277340130	EQUITY	Kagio
29	KIANGAI PRIMARY SCHOOL	0420278146485	EQUITY	Kagio
30	KATHAKA PRIMARY SCHOOL	0420274267239	EQUITY	Kagio
31	KIRIKO PRIMARY SCHOOL	0420162093306	EQUITY	Kagio
32	KIBIRIGWI PRIMARY SCHOOL	0420161715617	EQUITY	Kagio
33	MUKANGU PRIMARY SCHOOL	0420277407365	EQUITY	Kagio
34	THUNGURI PRIMARY SCHOOL	0420161797913	EQUITY	Kagio
35	THANJU PRIMARY SCHOOL	0420161489458	EQUITY	Kagio
36	KIANDANGAE PRIMARY SCHOOL	0420294485405	EQUITY	Kagio
37	UPPER BARICHO PRIMARY SCHOOL	0420177452068	EQUITY	Kagio
38	KIANWE PRIMARY SCHOOL	0420171063001	EQUITY	Kagio
39	KIBURU PRIMARY SCHOOL	0420269843400	EQUITY	Kagio
40	MATHIA PRIMARY SCHOOL	0420276317491	EQUITY	Kagio
41	KARIMA PRIMARY SCHOOL	0420276286785	EQUITY	Kagio
42	KARIMAINI PRIMARY SCHOOL	0420266785612	EQUITY	Kagio
43	KAHUHOINI PRIMARY SCHOOL	0420166794938	EQUITY	Kagio
44	NDIRITI PRIMARY SCHOOL	0420165364997	EQUITY	Kagio
45	KAIRIINI PRIMARY SCHOOL	0420196426205	EQUITY	Kagio
46	LOWER BARICHO PRIMARY SCHOOL	0420276195822	EQUITY	Kagio
47	SAGANA MUSLIM PRIMARY SCHOOL	0420274129049	EQUITY	Kagio
48	GITHUAINI PRIMARY SCHOOL	0420199920987	EQUITY	Kagio
49	GATHUTHIINI PRIMARY SCHOOL	0420190892785	EQUITY	Kagio
50	UPPER SAGANA PRIMARY SCHOOL	0420276253574	EQUITY	Kagio
51	LOWER SAGANA PRIMARY SCHOOL	0420177564808	EQUITY	Kagio
52	THUMAITA WEST PRIMARY SCHOOL	0420191370332	EQUITY	Kagio
53	KIINE PRIMARY SCHOOL	0420165044738	EQUITY	Kagio
54	KIANJEJE PRIMARY SCHOOL	0420276286218	EQUITY	Kagio
55	KAIRUNGU PRIMARY SCHOOL	0420294740792	EQUITY	Kagio
56	KIBIRIGWI SPECIAL SCHOOL	0420285481849	EQUITY	Kagio
57	GACHARU AP LINE	0420176775645	EQUITY	Kagio

58	KIANGAI ASSISTANT CHIEF OFFICE	0420177534824	EQUITY	Kagio
59	KIANGAI POLICE POST	0040197059718	EQUITY	Kagio
60	KIANGWACHI POLICE POST	0420161697114	EQUITY	Kagio
61	NGOKA ASSISTANT CHIEF OFFICE	0420182018967	EQUITY	Kagio
62	MURURIINI ASSISTANT CHIEFS OFFICE	04200281318618	EQUITY	Kagio
63	MURURIINI ADMINISTRATION POLICE	0420277503635	EQUITY	Kagio
64	KARITI POLICE POST	0420162267090	EQUITY	Kagio
65	BARICHO POLICE STATION	0420161541424	EQUITY	Kagio
66	SAGANA POLICE STATION	0420284313963	EQUITY	Kagio
67	KIBIRIGWI CHIEFS OFFICE	0420180801708	EQUITY	Kagio
68	KIBINGOTI ASS CHIEFS OFFICE	0040194142480	EQUITY	Kagio
69	MUKURE ASS CHIEF OFFICE	0420176803017	EQUITY	Kagio
70	MURAGARA POLICE POST	0100196895986	EQUITY	Kagio
71	SAGANA ASS CHIEF OFFICE	0420178451535	EQUITY	Kagio
72	KIRINYAGA WEST DCC OFFICE	0420282072877	EQUITY	Kagio
73	KIBINGOTI DOS OFFICE	0420161548616	EQUITY	Kagio
74	BARICHO AP POST	0100174322123	EQUITY	Kagio
75	NGUGUINI POLICE POST	0100191736654	EQUITY	Kagio
76	NDIRITI VOCATIONAL	0420178214072	EQUITY	Kagio



(g) Independent Auditor



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



(h) Principal Legal Adviser


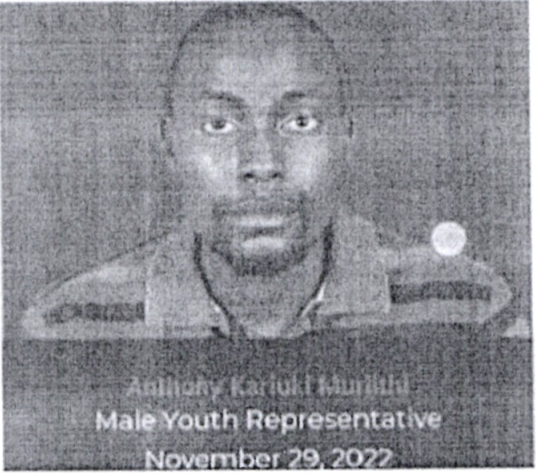
The Attorney General
 State Law Office
 Harambee Avenue
 P.O. Box 40112
 City Square 00200
 Nairobi, Kenya

3. NGCDF Committee

Name	Details
 <p data-bbox="169 719 679 920">Mrs. Beatrice Wangui Mwangi</p> <p data-bbox="129 1025 264 1066">Chairman</p>	<p data-bbox="740 365 1453 461">The Chairperson Mrs. Beatrice Mwangi was born on 10/05/1970. she is business person who holds a certificate in textile industry and also a farmer.</p>
<p data-bbox="129 1066 248 1106">Member</p>  <p data-bbox="185 1469 695 1671">Mr. Francis Ngure Mwangi</p> <p data-bbox="129 1688 145 1727">2</p>	<p data-bbox="740 1077 1382 1173">Mr. Francis Ngure was born on 16/01/1977. He holds a certificate in secondary education and diploma in theology.</p>
<p data-bbox="129 1805 264 1843">Member 3</p>	<p data-bbox="740 1738 1437 1843">Mr. Julius Kamau was born on 27/02/1979 .He holds a degree in bachelor of commerce . He runs his accounting businesses.</p>

 <p>Julius Kamau Mbiti Male Adult Representative</p>	
<p>Member 4</p>  <p>Linus Ndiritu Wambui Representative of persons living with Disability</p>	<p>Mr Linus Wambui was born on 31/12/1968 and has a certificate of primary school. He is an active member of Kirinyaga county for PWD group and also a farmer.</p>
<p>Member 5</p>	<p>Ms. Lucy wangepi born 30/05/1995. She holds a certificate in secondary education and a bachelors degree in mass communication. She is self employed.</p>

 <p>Lucy Wangechi Muchoki Female Youth Representative</p>	
<p>Member 6</p>  <p>Mercy Wambui Karanja Female Adult Representative</p>	<p>She was born in 01 /09/1980.</p> <p>She holds a certificate in primary education, secondary education, certificate in basic computer packages and certificate in Christian religious studies.</p> <p>She is also a farmer.</p>
<p>Member 7</p>	<p>She was born on 25/05/1986</p>

 <p>Mrs. Alice Wanjira Kariithi</p>	<p>She holds a certificate in primary education, secondary education and a certificate in cosmetology.</p>
<p>Member</p>  <p>Anthony Kariuki Muriithi Male Youth Representative November 29, 2022</p>	<p>Mr. Anthony kariuki was born on 29/12/1994.</p> <p>He holds a certificate in primary education, secondary education and a degree in commerce.</p>

4. NG-CDFC Chairpersons Report



BEATRICE W. MWANGI

On behalf of the Constituents and the NG-CDF Ndia Office, it's my utmost honour and privilege to present the financial report for the year ended 30th June 2025.

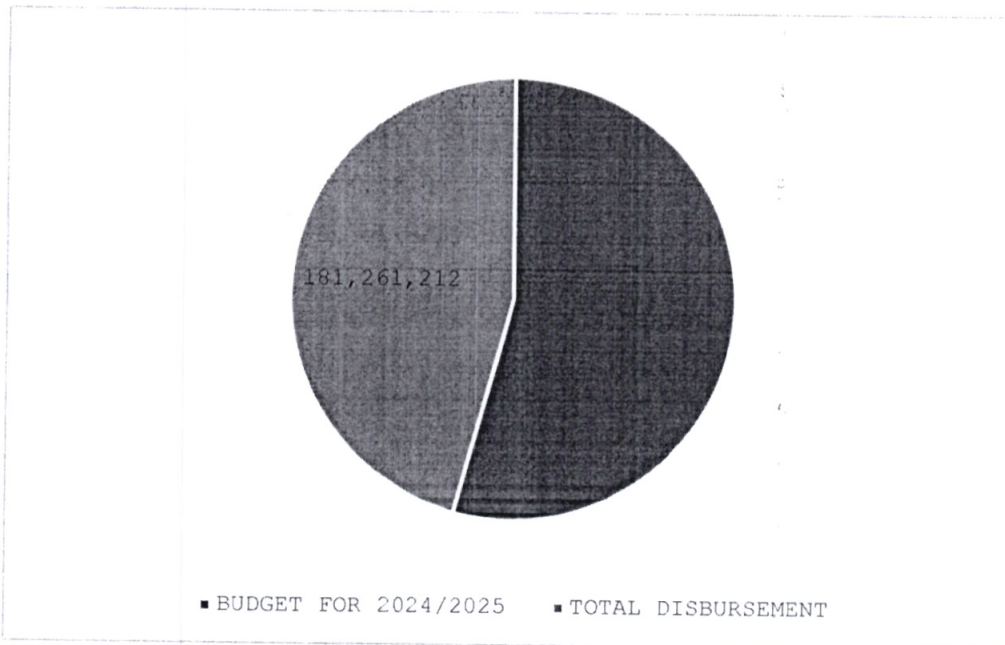
During the financial year 2024/2025 the management had an original budget of ksh 161,497,759, the balance brought forward from the previous year (2023/2024) amounting to ksh 8,022,995. However, the management received ksh 181,261,212 which was part of allocation for the financial year 2024/2025 ksh 128,000,000 plus balance of ksh 44,682,012 for financial year 2023/2024 and ksh 8,579,200 for financial year 2022/2023 from the NG CDF Board. As at the closure of this financial year ksh 33,497,759 which was part of the original budget for 2024/2025 was not yet received. There was also ksh 42,475,978 which was the opening balance of the amount in PMC,s account and ksh 639,160 which was the opening balance in deposit account this making a total budget of ksh 265,793,976 out of which ksh 164,453,696 was spent on various projects and other administrative costs which translate to 61.9% of the total budget.

During this financial year we managed to buy a 46-52-seater semi luxury bus of Hino make for ST Michael Mukui Secondary School among many other projects.

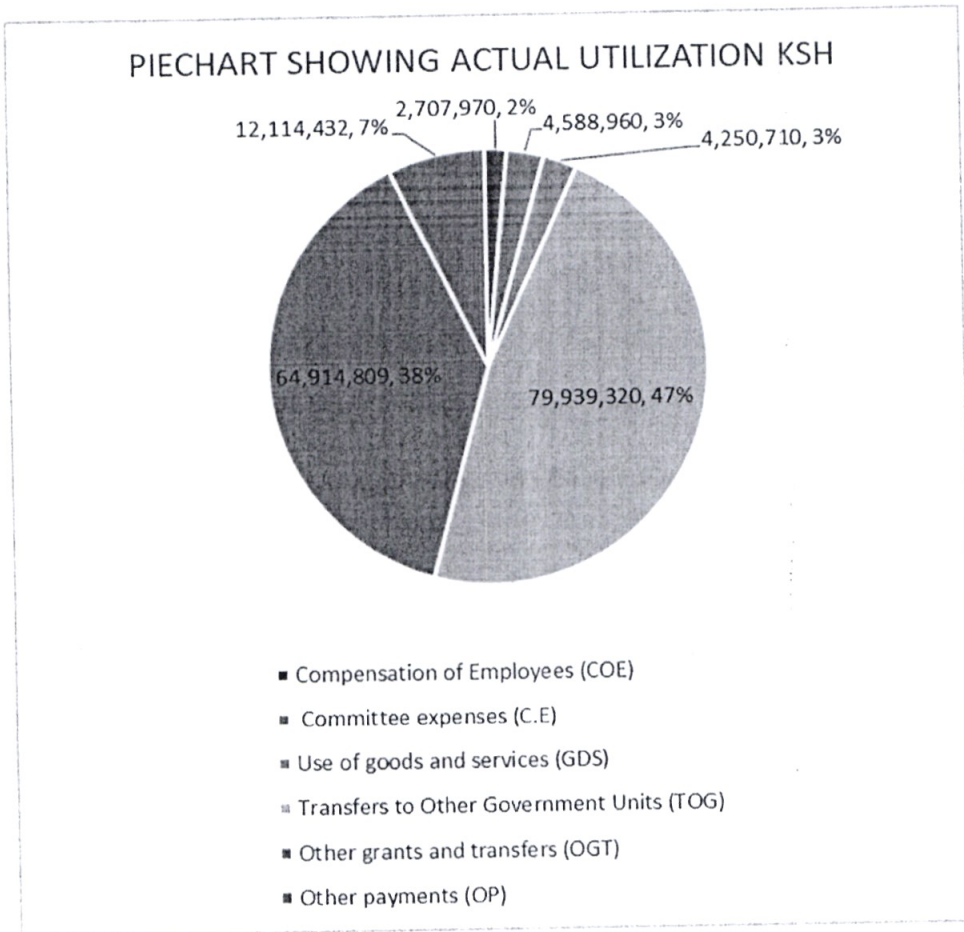


<i>BUDGET FOR 2024/2025</i>	<i>TOTAL DISBURSEMENT</i>
214,758,971	181,261,212

PIECHART SHOWING TOTAL BUDGET FOR 2024/2025 COMPARED TO WHAT WAS DISBURSED



VOTEHEADS	ACTUAL UTILIZATION KSH
Compensation of Employees (COE)	2,707,970
Committee expenses (C.E)	4,588,960
Use of goods and services (GDS)	4,250,710
Transfers to Other Government Units (TOG)	79,939,320
Other grants and transfers (OGT)	64,914,809
Other payments (OP)	12,114,432



During this financial year 2024/2025, the NG CDF Ndia managed to complete and implement a good number of projects. This was made possible by good co-operation between the NG CDF Committee, the PMCs and other stakeholders. The projects mainly included Education projects, bursaries and security projects.

[Handwritten Signature]

Name: Beatrice W. Mwangi
Chairman NGCDF Committee

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

Introduction

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

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

1. To facilitate and support access to quality, inclusive & affordable primary, junior school and secondary school.
2. To facilitate and support the creation of conducive environment that enhance peace, stability, efficiency & effectiveness in public administration.
3. To empower and develop youth and special groups to reduce dependency by nurturing talents and sports.
4. To mainstream environment conservation in the constituency through organized community groups driven environment programmes

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:

<p>environment by planting hass ovacado trees in 10 schools which will be implemented in financial year 2025/2026 due to late disbursement of funds and onset of dry season.</p>		<p>al sustainability</p>	<p>in the constituency through organized community groups driven environment programmes</p>	
<p>During the F/y 2024/25 services were enhanced to residents by constructing a toilet at Upper sagana primary school.</p>	<p>Constructed toilets after the existing ones sunk.</p>	<p>To enhance better service delivery</p>	<p>To cater for any unforeseen events</p>	<p>Emergency</p>

6. Governance Statement

NGCDFC process of appointment

section 43(1),2,3 and 4 of the NGCDF act states that:

1. there is established a National Government Constituency Development Fund Committee for every constituency.
2. Constituency committee shall comprise of:
 - I . For a Person Living with Disability, the Fund Account Manager shall write to a registered group representing persons with disabilities in the constituency requesting for nomination of one person with disability to sit in the NG-CDF committee. The nominating organization shall be required to provide specific description of the kind of disability to enable the board and NG-CDF Committee to plan for necessary support to facilitate full participation of the nominee in various activities of the fund.
 - II . Invite applications form interested and Qualified members of the public for appointment to the Constituency Committee. The invitation shall be widely publicized to reach all parts of the constituency.
 - III . The selection panel consider the applications and select four suitable persons taking into account age, gender, special interest groups and regional balance.
 - IV . Obtain from the Constituency Office Manager via a formal written communication names of two nominees to the NG-CDF Committee, one being of either gender, for avoidance of doubt, the nominees under this paragraph shall not include persons who sat in the selection panel at any point of the current selection process.
 - V . Submit the list of seven nominees (four recommended by the selection panel, one nominated by registered group representing persons with disabilities in the constituency office) to the Board within seven days of the selection process.
 - VI . Ensure the original report of the Selection Panel duly signed by all members of the Panel, original letter from the Constituency Office Manager forwarding two nominees to the NG-CDF Committee one being of either gender, original letter and copies of minutes of the meeting of the body nominating person with disability to NG-CDF Committee, copies of National Identity Cards of all the nominees(certified as true copy of the original by the Fund Account Manager),the long –listing and shortlisting criteria, and three colour passport-size photographs of each of the respective nominees(stamped and signed at the back by the Fund Account Manager)are attached to the list submitted to the Board.
 - VIII . For avoidance of doubt, the two persons to be nominated by the Constituency Office to sit in the selection panel and the two persons nominated by the same office to sit in the NG-CDF Committee shall be drawn from Community and not serving public officers, Fund Account Managers are required to ensure that this is strictly adhered to.
 - IX . After appointment of members of the NG-CDF Committee through publication in the Kenya Gazette the parliament, the Deputy County Commissioner (or in his/her absence) the Fund

Account Manager shall convene the first meeting of the NG-CDF Committee during which the members will elect the Chairman and the Secretary.

X. The Fund Account Manager will then submit to the Board the names of the elected Chairman and Secretary, attaching a certified copy of form four certificates and the academic certificate for the highest level of education attained and the minutes of the NG-CDF Committee meeting that approved the appointments.

REMOVAL OF NG CDFC MEMBERS

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

The members of a Constituency Committee may remove a member in accordance with section 43 (13) and (14) of the Act upon Conflict /complain against a member. A complaint against a member of a Constituency Committee shall be deposited with the National Government Constituency Office.

The complaint referred to shall clearly set out the particulars of the issues complained of. The Secretary shall convene a special meeting in accordance with these Regulations to deliberate on the complain, but the member against whom the complaint is raised shall not participate in such a meeting. If, at a meeting held pursuant to above paragraph, members determine that sufficient grounds exist requiring the member against whom the complaint is raised to respond to the issues complained of, the secretary shall by notice, require the member to respond to the issues received in the complain within fourteen days of the date of the notice. A copy of the complaint and any other grounds of removal shall be attached to the notice issued under above. The member against whom the complaint is raised may be required to respond to the complaint in writing. The member against whom a complain is raised may, in addition to the written response required, elect to be heard orally, and a Constituency Committee may hear such a member. The member against whom a complain is made may call witnesses. If the member against whom a complain is raised chooses not to submit a response in writing or to attend the hearings, a Constituency Committee may proceed to determine the matter. The Constituency Committee may summon the member against whom the complaint is made to clarify any issue, and such member shall attend the hearing. Kenya Subsidiary Legislation, 2016 1955 If the member against whom a complain is made fails to respond to the complain as may be directed by a Constituency

Committee, the Committee may proceed and make a determination based on the evidence available. A Constituency Committee shall issue its decision on the complain within seven days after the conclusion of the hearing. If a Constituency Committee resolves to remove the member against whom a complain is made, the secretary shall communicate the decision of the Constituency Committee to the Board within fourteen days of the decision. The communication to the Board under above paragraph shall include duly executed proceedings, together with all the supporting documents. The Board shall, within thirty days after receipt of the communication, consider the matter and issue a final declaration which shall be binding on all parties.

The functions of a Constituency Committee shall be to –

- i) To consider all project proposals from all wards in the Constituency and any other projects which a Constituency Committee considers beneficial to the Constituency.
- ii) To ensure that project proposals submitted to the NGCDF Board include detailed budget proposals, procurement plans and work plans.
- iii) To rank projects proposals in order of priority while ensuring that on-going projects take precedence.
- iv) To ensure that all projects receive adequate funding and are completed within three years.
- v) To consult with relevant government departments to ensure that cost estimates for projects are realistic.
- vi) 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.
- vii) To build the capacity of project management committees and sensitize the community on the operations of National Government Constituency Development Fund.
- viii) To ensure that projects proposed for funding fulfill the requirements provided in the Act and relevant circulars issued by the Board.
- ix) To monitor implementation of projects in accordance with the monitoring and evaluation framework prescribed by the NGCDF Board.
- x) To ensure that project reports are prepared and submitted to the NGCDF Board.
- xi) To ensure formation of project management committees, opening of project accounts, project implementation and closure of projects.

Induction process for CDF committee members

Appointment and Notification
Orientation Workshop is held
Given Legal and Regulatory Framework
Their Roles and Responsibilities are given to them
Trained on Project Management and Procurement
Trained on Financial Management
Continuous training

TRAINING OF NGCDF MEMBERS

In the financial year 2024/2025 the NGCDF Board organized training of NGCDF members. During the training, critical areas such as public finance, project planning, procurement, complaint management, performance management were covered to

equip them with the prerequisite knowledge and skills to ensure effective and efficient management of NGCDF NDIA

NO. of meetings held

According to the NGCDF Act 2015 amended in 2022, the NGCDF Committee is required to hold a maximum of 24 meetings in a year including any subcommittee meetings. NDIA Constituency Held a total of 13 NGCDFC meetings in the financial year 2024-2025.

During this meeting the chairperson was given a Sitting allowance of ksh 7,000 and the other Committee members were given a sitting allowance of ksh 5,000 each. During their operations the members are required to conduct themselves in an ethical manner so that they could meet the constituents' needs efficiently and effectively hence to meet the goals and objectives of NGCDF. The meetings were as follows:

NAME OF CDFC	MEETINGS HELD																
	2024							2025									
	23/08	16/09	15/10	26/10	02/10	06/11	19/11	10/12	24/01	27/01	28/01	05/03	13/05	30/04	14/05	30/05	17/06
BEATRICE MWANGI	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
TIMOTHY NJICHI	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
JOHN MBUGUA	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
FRANCIS NGURE	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
LUCY MUCHOKI	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
ANTHONY KARIUKI	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
LINUS N.WAMBUI	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
MERCY KARANJA	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

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

ALICE KARIITHI	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
JULIUS KAMAU	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

Policy on conflict of interest

This will require Committee members who have a conflict of interest to excuse themselves from discussion and any voting associated with those measures.

Responsible competition practice by encouraging fair competition and zero tolerance to corruption

Good business practice including cordial Supply chain and supplier relations by honouring contracts and respecting payment practices.

Responsible marketing and advertisement

Product stewardship by safeguarding consumer rights and interest

Member's remuneration

Chairperson is given an allowance of ksh 7,000 per sitting while the rest of members earn ksh5,000 each.

7. Management Discussion and Analysis

NGCDF Ndia is one of the four constituencies of Kirinyaga County. The management of the fund at the constituency level is done by the NG-Constituency Development Fund Committee. These members are selected from different wards of Ndia Constituency who are responsible for ensuring equitable distribution of the fund across the constituency.

In the last five years NGCDF Ndia has received a total of Ksh 726,589,608.33 as shown below;

No.	Financial Year	Amount
1	24/25	161,497,759.02
2	23/24	159,031,629.00
3	22/23	131,342,462.00
4	21/22	137,088,879.00
5	20/21	137,628,879.31
		726,589,608.33

The NGCDF allocates fund to National Government projects these are Education, Security and Climate Mitigation. Once the NGCDFC receives its budget allocation from the NGCDF Board it conducts public participation across the constituency and identifies the needs of the Ndia Constituents. After, the NGCDFC has a meeting and allocates the funds to various projects.

NGCDF Ndia has utilised these funds to promote development across the various sectors. These are bursary, climate mitigation, education and security sector projects as shown below; Below is the total allocation of the five sectors for five years.

NGCDFC has made major developments in the education, security and climate mitigation sector by equipping the institutions. Some of the notable projects include;

- Construction of police stations-muragara police post & Kirinyaga west DCI office which have enhanced security.
- Drilling of boreholes at sagana chiefs office ,lower baricho,thumaita,gacharu,ngoka,kiangoma,ndiriti,kiburu and kianwe Primary School which has made water accessible to the institutions
- Construction of storey buildings at kiaragana secondary school, kiburu primary school and mathia primary school which have helped with the distribution of infrastructure in the school thus reduction space consumption.
- Construction of modern exhaustible sanitation blocks which helps with the use of space.
- Partnering with REREC for electricity connection in various villages.
- Construction of digital Hubs to promote youth entrepreneurship
- Establishing new secondary schools at kiangoma village and kiaragana village to make learners access education at a nearer place and to help decongest overcrowded neighbouring schools.
- Construction of laboratories in primary schools hosting Junior Secondary students to help them learn science subjects under Competency Based Education.

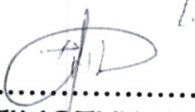
Another major priority for NGCDFC Ndia has been ensuring that students stay in school by providing bursary funds. The NGCDFC allocates the maximum percentage allowable to ensure that the needs of the students are met. Although it has been challenging seeing as the cost of living is high and the common mwananchi is struggling to make ends meet thus

Ndia has noted an increase in the number of beneficiaries and the bursary allocation has not been sufficient to meet the needs of the constituents.

NGCDF Ndia has been experiencing challenges; some of these are

- The high cost of living which has affected the prices of commodities and increased cost of project.
- Political unrest within the country affecting government intervention
- Unrest due to the future of the fund

Overall, the **NGCDF** Ndia is paramount in development of the constituency. Providing bursary and improving the infrastructure of National Government institutions it ensures that there is development at the grassroots level.



.....
Name **TIMOTHY NJICHI**

Fund Account Manager

8. Environmental and Sustainability Reporting

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

1. Sustainability strategy and profile -

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

- a. **Education and Training:** NDIA 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, NDIA NGCDF has security as a priority area with the intention to provide a better working environment for the security providers within the constituency as well as a secure constituency. The strategy is to have a long-term collaborative working approach that enhances community engagement in security activities. This is aimed at eliminating crime and vices in the long run by providing a better working environment for law enforcement agencies while collaborating with the community in trust on matters of security.
- c. **Climate change mitigation:** The Constituency acknowledges that all its operation has an impact on the environment. Cognizant of the Sustainable development goals, the NG-CDF has allocated part of its budget to climate change mitigation activities such as afforestation, reforestation, grassroots sensitization, and tree seedling production.

2. Environmental performance

- NGCDF Ndia had planned to participate with other stakeholders to planting has ovacando trees once in various schools which will be done late due to late disbursement of funds.
- Through construction of digital hub youths are sensitized on the repercussions of drug and substance abuse since they will be busy doing important things.

3. Employee welfare

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

Ndia 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-

Ndia 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

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

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

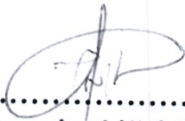
Public participation is a process that directly engages the concerned stakeholders in decision-making and fully considers public input.

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

Public Awareness

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

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



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

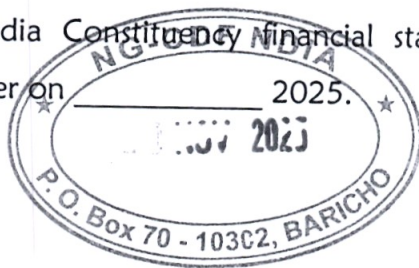
preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

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

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

Approval of the financial statements

The NGCDF- Ndia Constituency financial statements were approved and signed by the Accounting Officer on _____ 2025.



.....
Name: Beatrice W. Mwangi

Chairman – NGCDF Committee

.....

Name: Timothy Njichi
Fund Account Manager

REPUBLIC OF KENYA

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

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND-NDIA 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 REVENUE STATEMENTS

Qualified Opinion

I have audited the accompanying transitional IPSAS financial statements of National Government Constituencies Development fund - Ndia Constituency set out on pages 1 to

60, which comprise 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 transitional IPSAS financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development fund-Ndia Constituency as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards Accrual Basis (including the transitional provisions permitted under IPSAS 33) and comply with the National Government Constituency Development Fund Act, 2015 and Public Finance Management Act, 2012 and The National Treasury and Economic Planning Circular No.3 of 14 April, 2025.

Basis for Qualified Opinion

Unsupported Project Management Committee Cash and Bank Balances

The statement of financial position reflects cash and cash equivalents balance of Kshs.63,883,145 which as disclosed in Note 19 to the financial statements, which includes Project Management Committee (PMC) bank account balances of Kshs.3,859,992 further detailed in Annex 2 to the financial statements. However, the PMC bank accounts' cash books were not provided for audit.

In the circumstances, the accuracy of cash and cash equivalents of Kshs.63,883,145 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-Ndia 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

The statement of comparison of budget and actual amounts for the year ended 30 June, 2025 reflects a final revenue budget and actual on comparable basis totaling to Kshs.265,897,104 and Kshs.232,399,345 respectively resulting into underfunding of Kshs.33,497,759 or 13% of the budget. Similarly, the Fund Management expended

Kshs.168,516,201 against approved actual revenues of Kshs.232,399,345 resulting to under expenditure totaling to Kshs.63,883,144 or 37% of the budget.

The under-performance and under funding of the budget affected the planned activities and impacted negatively on service delivery to the public.

My opinion is not modified on 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, I have determined that there are no other key audit matters to communicate in my report.

Other Matters

Unresolved Prior Year Audit Issues

In the prior years' audit reports, several issues were raised under the Report on Financial Statements, Lawfulness and Effectiveness in Use of Public Resources, and Effectiveness of Internal Controls, Risk Management and Governance, respectively. Review of the status during audit of the Entity in 2024/2025 revealed that the following matters remained unresolved.

1. Non-compliance with minimum requirements on employee Ethnic composition
2. Failure to report utilization of Emergency Reserve
3. Lack of asset register

In the circumstances, the matters remain unresolved.

Other Information

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

In connection with my audit, on National Government Constituencies Development Fund-Ndia 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

1.0 Delay in Implementation of Projects

A review of the project's implementation status for the year under audit revealed that, a total of Kshs.15,797,179 had been allocated for implementation of two (2) projects in Kiangoma Secondary School (Kshs.11,793,613) and Sagana Assistant Chief Office (Kshs.4,003,566) had not been completed within the stipulated timeframe. No satisfactory explanation was rendered for the delay in project implementation or measures which are in place to remedy the situation.

In the circumstances, the value for the money used in implementing the two projects may not have been realized by the public.

2.0 Non-Compliance with Law of Ethnic Diversity

Review of staff data indicated that the number of staff engaged in the CDF office are seven (7) and all are from the dominant ethnic community contrary to stipulations of the of the National Cohesion and Integration Act, 2008.

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

3.0 Failure to Prepare and Submit Quarterly Financial Reports

Examination of accounting records and inquiries with the accounting officer indicates that the accounting officer did not prepare and submit quarterly financial and non-financial statements within 15 days after the end of each quarter to the Auditor-General. This was contrary to Regulation 220.(1) of the public finance management (national government) regulations, 2015 which states that the accounting officer prepare and submit quarterly

financial and non-financial statements within 15 days after the end of each quarter to the Auditor-General.

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

4.0 Non-Compliance with the Reporting Template

The financial statements presented for audit did not comply with the reporting template in the following areas.

- i. The cover page of the financial statements indicated that the financial statements were Transitional IPSAS financial statements / prepared in accordance with the accrual basis of accounting method under the International Public Sector Accounting Standards (IPSAS) instead of indicating one option that was adopted.
- ii. The statement of management responsibilities did not indicate that these are transitional financial statements.

In the circumstances, the financial statements did not comply with the reporting template as prescribed by the Public Sector Accounting Standards Board.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

Inadequacies in the Maintenance of Pay Muster-Roll

The Fund's expenditure returns as at 30/06/2025 indicate an expenditure of Kshs.425,400 on casual labour and Internship. However, review of the entity's muster roll revealed no indication of records of tasks undertaken by the said casual staff. The entity therefore did not maintain the requisite daily record of attendance by its casuals. The occurrence of the expenditure could therefore not be confirmed.

In the circumstances, the effectiveness of internal control in maintaining casual labour records could not be confirmed.

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

Responsibilities of the Management and The Management Committee

The 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.

The Management Committee 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

04 December, 2025

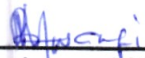
*National Government Constituencies Development Fund (NGCDF)
NDIA Constituency
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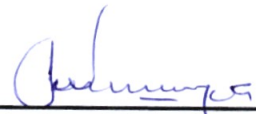
11. Statement of Financial Performance for the Year Ended 30th June 2025


	Note	Period ended 30 th June 2025
		Kshs
Revenue from non-exchange transactions		
Transfers from the NGCDF Board	6	161,497,759
Grants/donations from other entities	7	-
Revenue from exchange transactions		
Finance income	8	-
Miscellaneous income	9	-
Total revenue		161,497,759
Expenses		
Employee costs	10	3,123,558
Committee expenses	11	4,588,960
Use of Goods and Services	12	4,250,710
Other Government Units Actual expenditure	13	76,845,935
Other Grants and Transfers Actual expenditure	14	65,235,509
Depreciation and amortization expense	15	3,050,358
Digital Hubs Actual expenditure	16	-
Total expenses		157,095,030
Other gains/(losses)		
Gain/Loss on Sale of Assets	17	-
Impairment loss	18	-
Surplus/(Deficit) for the year		4,402,729

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




 Chairman NG-CDF
 Committee
 Name: Beatrice Mwangi


 National Sub-County
 Accountant
 Name: Joyce Kinyua
 ICPAK M/No: 18659


 Fund Account Manager
 Name: Timothy Njichi

National Government Constituencies Development Fund (NGCDF)
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12. Statement of Financial Position as at 30th June, 2025

	Note	Period as at June 30 th June 2025	Opening Statement 1st July 2024
		Kshs	Kshs
Assets			
Current Assets			
Cash And Cash Equivalents	19	63,883,145	51,138,133
Receivables from Exchange Transactions	20	-	-
Receivables from Non-Exchange Transactions	21	33,497,759	53,261,212
Prepayments	22	-	-
Total Current Assets		97,380,904	104,399,345
Non-Current Assets			
Property, Plant and Equipment	23	9,064,074	-
Intangible Assets	24	-	-
Right-of-use assets	25	-	-
Total Non- Current Assets		9,064,074	-
Total Assets (A)		106,444,978	104,399,345
Liabilities			
Current Liabilities			
Trade and Other Payables	26	-	-
Third-Party Deposits	27	1,384,700	4,157,383
Lease Liabilities	28	-	-
Gratuity provision	29	1,054,748	639,160
Total Current Liabilities		2,439,448	4,796,543
Non-Current Liabilities			
Lease Liabilities	28	-	-
Total Liabilities (B)		2,439,448	4,796,543
Net Assets (A-B)		104,005,530	99,602,802
Represented by:			
Revaluation Reserves		104,005,531	99,602,802
Accumulated Surplus			
Total Net Assets		104,005,531	99,602,802

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The Constituency financial statements were approved by NG CDFC on _____ 2025 and signed by:



Mwangi

Chairman NG-CDF
Committee
Name: Beatrice Mwangi

J. Kinyua

National Sub-County
Accountant
Name: Joyce Kinyua
ICPAK M/No: 18659

T. Njichi

Fund Account Manager
Name: Timothy Njichi

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

Description	Revaluation Reserves	Accumulated surplus/Deficit	Total
		Kshs	Kshs
As at 30 th June 2024 (cash basis)	8,022,995	-	8,022,995
Adjustments: (to recognize assets and liabilities)			
Add Assets	95,737,190		95,737,190
Less Liabilities	4,157,383		4,157,383
As at July 1, 2024	99,602,802		99,602,802
Surplus/(Deficit) For the Period	4,402,729		4,402,729
Revaluation Gain/Loss	-	-	-
As at 30 th June 2025	104,005,531	-	104,005,531

Note:

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

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

	Notes	Period ended
		June 2025
		Kshs
Cash flows from operating activities		
Receipts		
Transfers from the NGCDF Board		181,261,212
Grants/donations from other entities		-
Finance income		-
Miscellaneous income		-
Total Receipts		181,261,212
Payments		
Employee costs		2,707,970
Committee expenses		4,588,960
Use of Goods and Services		4,250,710
Other Government Units Certified Works		79,939,318
Other Grants and Transfers		64,914,809
Digital Hubs Expenses		-
Total Payments		156,401,767
Net Cash Flows from/ (used in) Operating Activities	30	24,859,445
Cash flows From Investing Activities		
Purchase of PPE		12,114,432
Purchase of Intangible assets		-
Proceeds From Sale of PPE		-
Net Cash Flows from Investing Activities		12,114,432
Net increase/(decrease) in cash & Cash equivalents		12,745,013
Cash Flows from Financing Activities		
Lease payment		-
Net Cash Flows from Financing Activities		12,745,013
Cash and cash equivalents at Period Start	19	51,138,133
Cash and cash equivalents at Period End	19	63,883,145

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

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15. Statement of Comparison of Budget and Actual Amounts for the Year ended 30 June 2025

	Original Budget	Adjustments		Final Budget	Actual on	Budget	% of
					comparable	utilization	Utilization
					basis	difference	
	Kshs	Kshs		Kshs	Kshs	Kshs	
	a	b		C=(a+b)	d	e=(c-d)	f=d/c*100
	2024/2025	Opening Balance (operational, deposit and PMCs C/Bk) and AIA	Previous Years' Outstanding disbursements	2024-2025	2024/2025		
Revenue							
Transfers From the NGCDF Board	161,497,759	51,138,133	53,261,212	265,897,104	232,399,345	33,497,759	87%
Grants/donations from other entities	-	-	-	-	-	-	
Finance income	-	-	-	-	-	-	
Miscellaneous income	-	-	-	-	-	-	
Totals	161,497,759	51,138,133	53,261,212	265,897,104	232,399,345	33,497,759	87%
Expenses							
Employee costs	4,885,356	3,350,955	-	8,236,311	2,707,970	5,528,341	33%
Committee expenses	3,792,000	843,200	-	4,635,200	4,588,960	46,240	99%
Use of Goods and Services	5,092,452	382,666	3,160	5,478,278	4,250,710	1,227,568	78%

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Other Government Units Certified Works	79,528,072	40,737,557	32,724,781	152,990,410	79,939,320	73,051,090	52%
Other Grants and Transfers	68,199,879	5,272,066	8,853,839	82,325,784	64,914,809	17,410,975	79%
Digital Hubs Expenses		551,689	11,679,432	12,231,121	12,114,432	116,689	99%
Funds Pending Approval**	-	-	-	-	-	-	
Total Expenditure	161,497,759	51,138,133	53,261,212	265,897,104	168,516,201	97,380,903	
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.

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

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	97,380,903
Less undisbursed funds receivable from the Board as at 30 th June 2025	33,497,759
Cash and Cash Equivalents at the end of the 30 th June 2025	63,883,144

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 11th July 2025 and signed by:

Fund Account Manager

Name: Timothy Njichi

National Sub-County Accountant

Name: Joyce Kinyua
ICPAK M/No: 18659

Chairman NG-CDF Committee

Name: Beatrice Mwangi

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on	Budget utilization difference
		Opening Balance (operational, deposit and PMCs C/Bk) and AIA	Previous Years' Outstanding Disbursements		comparable basis	
					Kshs	
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent						
1.1 Compensation of employees	4,885,356	3,350,955	-	8,236,311	2,707,970	5,528,341
1.2 Committee allowances	1,548,000	-	-	1,548,000	1,548,000	-
1.3 Use of goods and services	2,746,516	122,934	-	2,869,450	2,204,672	664,778
Sub-total	9,179,872	3,473,889	-	12,653,761	6,460,642	6,193,119
2.0 Monitoring and evaluation						-
2.1 Capacity building	1,370,000	136,377	-	1,506,377	1,376,377	130,000
2.2 Committee allowances	2,244,000	843,200	3,160	3,090,360	3,040,960	49,400
2.3 Use of goods and services	975,936	123,355	-	1,099,291	669,661	429,630
Sub-total	4,589,936	1,102,932	3,160	5,696,028	5,086,998	609,030
4.0 Emergency						-
Unutilized	8,499,879	-	-	8,499,879	-	8,499,879
Upper sagana primary school	-	-	2,000,000	2,000,000	2,000,000	-
Sub-total	8,499,879	-	2,000,000	10,499,879	2,000,000	8,499,879
5.0 Bursary and Social Security						-
5.1 Primary Schools	-	-	-	-	-	-
5.2 Secondary Schools	30,368,000	684,582	-	31,052,582	31,052,582	-
5.3 Tertiary Institutions	26,369,000	-	-	26,369,000	24,659,360	1,709,640
5.4 special needs	2,463,000	-	-	2,463,000	2,383,492	79,508
5.5 Education Support Programmes	-	-	-	-	-	-
5.6 Social Security	-	-	-	-	-	-

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Sub-total	59,200,000	684,582	-	59,884,582	58,095,434	1,789,148
7.0 Environment						-
Githuaini Secondary School	50,000	-	-	50,000	-	50,000
Muragara Primary School	50,000	-	-	50,000	-	50,000
Gathambi Primary School	50,000	-	-	50,000	-	50,000
Mathia Primary School	50,000	-	-	50,000	-	50,000
Ndiriti Primary School	50,000	-	-	50,000	-	50,000
Kiangai Primary School	50,000	-	-	50,000	-	50,000
Kianwe Primary School	50,000	-	-	50,000	-	50,000
Thunguri Primary School	50,000	-	-	50,000	-	50,000
Thumaita Primary School	50,000	-	-	50,000	-	50,000
Upper Baricho Secondary School	50,000	-	-	50,000	-	50,000
Various Projects Balances	-	4,569	-	4,569	-	4,569
Sub-total	500,000	4,569	-	504,569	-	504,569
8.0 Primary Schools Projects						-
Kinyakiiru Primary Sch	-	10,000	-	10,000	-	10,000
Sagana Muslim Primary	-	1,806,996	-	1,806,996	1,806,857	139
Kiriko Primary School	-	7,372	-	7,372	-	7,372
Mathia Primary Sch	-	5,295	-	5,295	-	5,295
Upper Baricho Primary Sch	-	1,111	-	1,111	-	1,111
Upper Sagana Primary Sch	-	2,475,282	-	2,475,282	2,474,609	673
Kianwe Primary Sch	-	2,238	-	2,238	-	2,238
Kinyakiiru Primary Sch	-	301	-	301	-	301
Thumaita West Primary Sch	-	268,125	-	268,125	267,057	1,068
Thunguri Primary Sch	-	5,455	-	5,455	-	5,455
Gacharu Primary Sch	-	7,839	-	7,839	-	7,839
Gakindu Primary School	-	4,585	-	4,585	-	4,585
Getuya Primary Sch	-	3,268	-	3,268	-	3,268
Kathaka Primary Sch	-	4,386	-	4,386	-	4,386
Kiangai Primary Sch	-	8,304	-	8,304	-	8,304
Kabonge Primary Sch	-	1,521	-	1,521	-	1,521
Karima Primary Sch	-	13,061	-	13,061	12,000	1,061

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Karimaini Primary Sch	-	50,264	-	50,264	50,000	264
Ndiriti Primary Sch	-	757	-	757	-	757
Nguguni Primary Sch	-	1,762	-	1,762	-	1,762
Kibirigwi Primary School	-	1,511,772	5,285,461	6,797,233	6,787,247	9,986
Kibirigwi Special School	-	-	5,343,771	5,343,771	5,343,000	771
Lower Sagana Primary School	2,450,000	4,236,284	5,485,462	12,171,746	9,578,276	2,593,470
Kahiro Primary School	-	1,664,730	2,285,461	3,950,191	1,614,408	2,335,783
Mukangu Primary School	-	1,502,580	1,500,000	3,002,580	2,999,140	3,440
Githuaini Primary School	-	1,000,273	1,850,000	2,850,273	2,612,773	237,500
Mukui Primary School	3,000,000	8	-	3,000,008	-	3,000,008
Thanju Primary School	1,950,000	1,975	-	1,951,975	-	1,951,975
Ngando Primary School	1,300,000	-	-	1,300,000	-	1,300,000
Kairungu Primary School	1,950,000	51,693	-	2,001,693	51,000	1,950,693
Kianjege West Primary School	1,300,000	3,062	-	1,303,062	-	1,303,062
Kairiini Primary School	1,300,000	5,220	-	1,305,220	-	1,305,220
Kiine Primary School	3,250,000	12,540	-	3,262,540	-	3,262,540
Kahuhoini Primary School	1,200,000	26,895	-	1,226,895	26,115	1,200,780
Kiandangae Primary School	3,000,000	179,773	-	3,179,773	-	3,179,773
Lower Baricho Primary School	2,554,071	13,090	-	2,567,161	-	2,567,161
Gathuthiini Primary School	1,800,000	1,967,416	-	3,767,416	1,836,238	1,931,178
Kiburu Primary School	6,200,000	973,313	-	7,173,313	4,456,866	2,716,447
Sub-total	31,254,071	17,828,544	21,750,155	70,832,770	39,915,586	30,917,184
9.0 Secondary Schools Projects (List all the Projects)						-
St John Karimaini Secondary School	-	2,298,358	2,000,000	4,298,358	4,297,703	655
Mukui Secondary School	11,650,000	3,070,162	3,931,014	18,651,176	18,258,489	392,687
Kathaka Mixed Sec. Sch	-	3,001,287	-	3,001,287	3,000,700	587
Kiangai Secondary Sch	-	165	-	165	-	165
Kianjege West Sec Sch	-	4,620	-	4,620	-	4,620
Kiburu Girls Sec.Sch	-	24,289	-	24,289	-	24,289
Mukangu Secondary Sch	-	1,315	-	1,315	-	1,315
Sagana Secondary Sch	-	11,482,050	-	11,482,050	11,481,990	60

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St John Sec Sch-Kinyakiiru	-	116	-	116	-	116
Kiine Mixed Day Sec. Sch	-	840	-	840	-	840
St Mary Kiaragana Sec Sch	-	304,425	-	304,425	299,966	4,459
St Philips Mixed Secondary Sch	-	728	-	728	-	728
Upper Baricho Mixed Sec Sch	-	2,184,081	-	2,184,081	2,183,644	437
Gacharu Secondary Sch	-	419,124	-	419,124	397,227	21,897
Thumaita West Secondary Sch	-	1,057	-	1,057	-	1,057
Gakindu Secondary Sch	-	30,278	-	30,278	30,000	278
Getuya Sec Sch	-	51,997	-	51,997	51,000	997
Kairiini Secondary Sch	-	7,680	-	7,680	-	7,680
Karima Secondary Sch	-	3,582	-	3,582	-	3,582
Kiangoma Secondary School	6,750,001	-	5,043,612	11,793,613	-	11,793,613
				-		-
Sub-total	18,400,001	22,885,921	10,974,626	52,260,548	40,000,719	12,259,829
10.0 Tertiary institutions Projects (List all the Projects)						-
Ndia Technical & Vocational Training Institute	8,950,000	-	-	8,950,000	-	8,950,000
Ndia Technical & Vocational training institute motor vehicle	20,924,000	-	-	20,924,000	-	20,924,000
NDIRITI VOCATIONAL TRAINING INST	-	23,092	-	23,092	23,015	77
Sub-total	29,874,000	23,092	-	29,897,092	23,015	29,874,077
11.0 Security Projects						-
Sagana Assistant Chief Office	-	2,546,727	1,456,839	4,003,566	-	4,003,566
Kirinyaga West-Dcc Office	-	1,700	5,397,000	5,398,700	3,100,000	2,298,700
Baricho Ap Post	-	4	-	4	-	4
Kiangai Assistant Chief Office	-	1,275	-	1,275	-	1,275
Kiangai Police Post	-	290	-	290	-	290
Kiangwachi Police Post	-	973	-	973	-	973
Baricho Police Station	-	645	-	645	-	645
Kibingoti Assistant Chief	-	59,085	-	59,085	57,115	1,970
Mukure Assistantchiefs Office	-	21,736	-	21,736	21,115	621
Muragara Police Post	-	1,167	-	1,167	-	1,167

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Mururiini Ap Post	-	401	-	401	-	401
Sagana Police Station	-	66,235	-	66,235	66,000	235
Mururiini Assistant Chiefs Office	-	265	-	265	-	265
Ngoka Assistant Chiefs Office	-	988	-	988	-	988
Kibingoti D.O Office	-	260	-	260	-	260
Kibirigwi Chiefs Office	-	25,608	-	25,608	25,115	493
Gacharu Ap Line	-	3,154	-	3,154	-	3,154
Kariti Police Post	-	1,500,000	-	1,500,000	1,499,915	85
Nguguini Police Post	-	51,070	-	51,070	50,115	955
Sub-Total	-	4,281,582	6,853,839	11,135,421	4,819,375	6,316,046
Sport						-
Constituency Sport	-	1,333	-	1,333		1,333
Regional Sport	-	300,000	-	300,000		300,000
Sub-Total	-	301,333	-	301,333	-	301,333
12.0 Acquisition Of Assets						-
12.1 Motor Vehicles (Including Motorbikes)	-	-	11,679,432	11,679,432	11,679,432	-
12.2 Purchase Of Furniture And Fitiings	-	110,000	-	110,000		110,000
12.2 Construction Of CDF Office	-	1,320	-	1,320		1,320
Purchase Of Computer		435,000	-	435,000	435,000	-
Sub-Total	-	546,320	11,679,432	12,225,752	12,114,432	111,320
13.0 Others						-
Pmc Ac Banking		369.00	-	369		369
Ndia Ng-Cdf Strategic Plan	-	5,000.00	-	5,000		5,000
Sub-Total	-	5,369	-	5,369	-	5,369
Funds Pending Approval**						-
Unapproved Projects		-	-	-		-
Aia	-	-	-	-		-
Sub-Total	-	-	-	-	-	-
Total	161,497,759	51,138,133	53,261,212	265,897,104	168,516,201	97,380,903

(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 Ndia Constituency principal activity is to promote socio-economic development and reduce poverty at grassroots level.

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 [Ndia] 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 [Ndia] has recognized all financial assets, including cash and cash equivalents held in the operational account, deposit account, and PMC bank accounts; receivables (amounts due from the Board and other parties); prepayments; property, plant, and equipment (PPE); and intangible assets acquired during the financial year 2023/2024 up to the reporting date.

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

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

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

3. Adoption of New and Revised Standards

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

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

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

Standard	Effective date and impact:
IPSAS 43: Leases	<i>Applicable 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 and Equipment	<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 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

	<p>recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under-maintenance of assets and distinguishing significant parts of infrastructure assets.</p>
<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</p>

	statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.
IPSAS 49: Retirement Benefit Plans	<i>Applicable 1st January 2026</i> The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<i>Applicable 1st January 2027</i> The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires: <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 Entity did not early – adopt any new or amended standards in the financial year

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Sale of goods

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

Interest income

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

Rental income

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

b) Budget information

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

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

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

c) Property, plant and equipment

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

d) Leases

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

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

e) Intangible assets

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

f) Financial instruments

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

a) Financial assets

Classification of financial assets

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

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

Trade and other receivables

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

Fair value through surplus or deficit

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

Impairment

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

b) Financial liabilities

Classification

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

g) Inventories

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

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

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

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

h) Provisions

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

i) Social Benefits

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

j) Contingent liabilities

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

k) Contingent assets

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

the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

l) Employee benefits

Retirement benefit plans

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

m) Foreign currency transactions

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

n) Related parties

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

o) Cash and Cash Equivalents

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

p) Comparative figures

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

q) Subsequent events

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

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

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

Useful lives and residual value

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

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

Provisions

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

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

6. Transfers from the NGCDF Board

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

7. Transfers from domestic and foreign partners

Description	FY 2024 / 2025
	Kshs
Grants	0
Total	0

8. Finance income

Description	FY 2024 / 2025
	Kshs
Interest Income on Bank Deposits	0
Total	0

(Provide a brief explanation for this revenue)

9. Miscellaneous income

Description	FY 2024 / 2025
	Kshs
Rental Income	0
Income from sale of tenders	0
Hire of plant/equipment/facilities	0
Other Income Not Classified Elsewhere <i>(specify)</i>	0
Total	0

10. Employees cost

	<i>FY 2024 / 2025</i>
	Kshs
NG-CDFC Basic staff salaries	2,008,548
Personal allowances paid as part of salary	-
House Allowance	234,000
Transport Allowance	216,000
Leave allowance	24,000
Gratuity to contractual employees	518,468
Employer Contributions Compulsory national social security schemes	91,641
Employer Contributions Compulsory Housing levy	29,952
Employer contributions to National Industrial Training Authority	950
Other Specify	-
Total	3,123,558

11. Committee Expenses

	<i>FY 2024 / 2025</i>
	Kshs
Sitting allowance	3,232,900
Other Committee expenses	1,356,060
Total	4,588,960

12. Use of Goods and services

	<i>FY 2024 / 2025</i>
	Kshs
Utilities, supplies, and services	32,500
Communication, supplies, and services	24,450
Domestic travel and subsistence	562,700
Printing, advertising, and information supplies & services	-
Hire of transport	50,000
Training expenses	1,120,000
Hospitality supplies and services	356,377
Insurance costs	553,520
Specialized materials and services	-
Office and general supplies and services	499,163
Fuel, oil & lubricants	1,050,000
Bank Charges	2,000
Routine maintenance – vehicles and other transport equipment	-
Routine maintenance – other assets	-
Strategic plan expenses	-
Other operating expenses	-
Total	4,250,710

13. Other Government Units Actual expenditure

Description	<i>FY 2024 / 2025</i>
	Kshs
Primary Schools Actual expenditure	37,726,579
Secondary Schools Actual expenditure	39,119,242
Tertiary Institutions Actual expenditure	115
Total	76,845,935

14. Other Grants and transfers Actual expenditure

	<i>FY 2024 / 2025</i>
	Kshs
Bursary – secondary schools	31,052,582
Bursary – tertiary institutions	24,659,360
Bursary – special schools	2,383,492
Bursary - Education Support programmes	-
Social Security programmes (SHIF)	-
Security projects Actual expenditure	5,140,075
Climate change mitigation projects	-
Emergency projects Actual expenditure	2,000,000
Roads projects Actual expenditure	-
Others specify	-
Total	65,235,509

15. Depreciation and Amortization Expenses

Description	<i>FY 2024 / 2025</i>
	Kshs
Property Plant and Equipment	3,050,358
Intangible Assets	-
Total	3,050,358

16. Digital Hubs Expenses

Description	<i>FY 2024 / 2025</i>
	Kshs
Construction/ renovation/ Actual expenditure	0
Digital Hub utility costs Water, Electricity,	0
Maintenance of ICT equipment	0
Maintenance of building	0
Others (<i>specify</i>)	0
Total	0

17. Gain/loss on Sale of Assets

Description	FY 2024 / 2025
	Kshs
Property, Plant and Equipment	0
Intangible Assets	0
Total Gain/loss on Sale of Assets	0

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

18. Impairment Loss

Description	FY 2024 / 2025
	Kshs
Property, Plant and Equipment	0
Intangible Assets	0
(Include financial instruments that are impaired)	0
Total Impairment Loss	0

(Provide brief explanation on assets impairment loss)

19. Cash and Cash Equivalents

Name of Bank and Account No.	FY 2024 / 2025	Opening Statement in July 2024
	Kshs	Kshs
Bank Accounts (Cash Book Bank Balance)		
NG NDIACDF, A/C No. 042029487491 (Operations A/C)	58,968,406	8,022,995
Operations account pending closure	0	0
NG Ndia CDF deposit account, A/C NO. 0420285508196 (Deposit account)	1,054,748	639,160
Name of Bank, account No. (PMC accounts)	3,859,992	42,475,978
Total	63,883,145	51,138,133

NB. The pmc balance quoted in the audited report for 2023/2024 is ksh 39,557,247 and the one quoted here is ksh 42,475,978. The difference is as a result of pmc's account that were erroneously omitted such as

kinyakiiru primary	account no	0420291384590	ksh 301
kairungu primary school	account no.	0420294740792	ksh 51,693
kiine primary school	account no.	0420165044738	ksh 12,540
Kianjege primary school	account no.	0420276286218	ksh 3,062
Kariti police post	account no.	0420162267090	ksh 1,500,000 and not o
Upper sagana pri sch	account no.	0420276253574	ksh 2,475,282 and not 1,175,282

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

20. Receivables from Exchange Transactions

Description	FY 2024 / 2025		Opening Statement 1 st July 2024	
	Kshs		Kshs	
Total receivables				
Other exchange debtors (<i>Specify</i>)	0		0	
Less: impairment allowance	0		0	
Total receivables	0		0	
a. Current receivables	0		0	
b. Non-current receivables	0		0	
Total Receivables (a+b)	0		0	

(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	FY 2024 / 2025		Opening Statement 1 st July 2024	
	Kshs		Kshs	
	FY 2024/2025	% of the total	Opening Balance	% of the total
Less than 1 year	0	%	0	%
Between 1- 2 years	0	%	0	%
Between 2-3 years	0	%	0	%
Over 3 years	0	%	0	%
Total (a+b)	0	%	0	%

21. Receivables from Non-Exchange Transactions

Description	FY 2024 / 2025		Opening Statement 1 st July 2024	
	Kshs		Kshs	
Transfers from NGCDFB	33,497,759		53,261,212	
Outstanding imprest	-		-	
Total	33,497,759		53,261,212	
Ageing Analysis- Receivables from non-exchange transactions	FY 2024 / 2025	% of the total	Opening Balance	% of the total
Less than 1 year	0	%	0	%
Between 1-2 years	0	%	0	%
Over 3 years	0	%	0	%
Total	0	%	0	%

22. Prepayments

Description	FY 2024 / 2025		Opening Statement 1 st July 2024	
	Kshs		Kshs	
Prepaid Rent	0		0	
Prepaid Insurance	0		0	
Prepaid Electricity Costs	0		0	
Other Prepayments (<i>Specify</i>)	0		0	
Total	0		0	

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

23. Property, Plant and Equipment

	Land	Buildings	Motor vehicles	Furniture and fittings	Computers & ICT Equipment	Other Assets (specify)	Capital Work in progress	Total
Depreciation Rate(specify)		2%	25%	12.5%	30%	x%		
Cost	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Opening Bal as 1 st July 2024	-	-	-	-	-	-	-	-
Additions	-	-	11,679,432	-	435,000	-	-	12,114,432
Disposals	-	-	-	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-	-	-	-
As At 30 th June 2025	-	-	11,679,432	-	435,000	-	-	12,114,432
Depreciation And Impairment								
Opening Depreciation	-	-	-	-	-	-	-	-
Depreciation	-	-	2,919,858	-	130,500	-	-	3,050,358
Disposals	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-	-	-
As At 30 th June 2025	-	-	-	-	-	-	-	-
Net Book Values								
Opening Bal as at 1 st July 2024	-	-	-	-	-	-	-	-
As At 30 th June 2025	-	-	8,759,574	-	304,500	-	-	9,064,074

Valuation

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

22 b) Property, Plant and Equipment at Cost

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

	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land	-	-	-
Buildings	-	-	-
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	-	-

24. Intangible Assets

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

25. Right-of use assets

Description	Buildings	Plant	Equipment	Total
	Kshs	Kshs	Kshs	Kshs
Cost				
As At 1 July (Comparative period)	-	-	-	-
Additions	-	-	-	-
As At 30 June 2024 (Comparative Period)	-	-	-	-
Additions	-	-	-	-
As At 30 June 2025	-	-	-	-
Accumulated Depreciation				
As At 1 July 2023 (Comparative period)	-	-	-	-
Charge for the period	-	-	-	-
As At 30 June 2024 (Comparative period))	-	-	-	-
Charge for the period	-	-	-	-
As At 30 June 2025	-	-	-	-
Carrying Amount				
As At 30 June 2025	-	-	-	-
As At 30 June 2024. (Comparative Period)	-	-	-	-

26. Trade and Other Payables

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

27. Third-Party deposits

	FY 2024 / 2025
	KShs
Retention as at 1 st July (A)	4,157,383
Retention held during the year (B)	3,237,977
Retention paid during the Year (C)	6,010,660
Closing Retention as at 30 th June D= A+B-C	1,384,700

Retentions aging analysis.

	Insert 2024/2025	% of the total	2023/2024	% of the total
Less than 1 year	1,384,700	%	4,157,383	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total	1,384,700		4,157,383	

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

28. Lease Liabilities

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

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	FY 2024 / 2025
	Kshs
Gratuity at the beginning of the year 1 st of July	639,160
Gratuity held during the year	518,468
Gratuity paid during the year	102,880
Total Gratuity Provision 30th June (A+B-C)	1,054,748

30. Cash Generated from Operations

	<i>Period ended June 2025</i>
	Kshs
Surplus for the period before tax	4,402,729
Adjusted for:	
Depreciation	3,050,358
Non-cash grants received	-
Contributed assets	-
Impairment	-
Gains and losses on disposal of assets	-
Contribution to provisions	-
Contribution to impairment allowance	-
Working capital adjustments	
Changes in inventory	-
Changes in receivables	- 19,763,453
Changes in deferred income	-
Changes in Third party deposits	-
Changes in gratuity provision	415,588
Changes in payments received in advance	
Net cash flow from operating activities	24,166,182

(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				
Receivables from exchange transactions	0	0	0	0
Receivables from non-exchange transactions	0	0	0	0
Bank balances	0	0	0	0
Total	0	0	0	0
As at 30 June 2024				
Receivables from exchange transactions	0	0	0	0
Receivables from non-exchange transactions	0	0	0	0
Bank balances	0	0	0	0
Total	0	0	0	0

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

Financial Risk Management

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the Entity has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The Entity has significant concentration of credit risk on amounts due from none. The board of directors sets the Entity's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

ii) Liquidity risk management

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
As at 30th June 2025				
Trade payables	0	0	0	0
Current portion of borrowings	0	0	0	0
Provisions	0	0	0	0
Deferred income	0	0	0	0
Gratuity Provision	0	0	0	0
Total	0	0	0	0
As at 30th June 2024				
Trade payables	0	0	0	0
Current portion of borrowings	0	0	0	0
Provisions	0	0	0	0
Deferred income	0	0	0	0

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
Employee benefit obligation	0	0	0	0
Total	0	0	0	0

iii) Market risk

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

a) Foreign currency risk

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

FY 2024/2025

Description	In Kshs	Other currencies	Total
	Kshs	Kshs	Kshs
As at 30 th June 2025			
Financial Assets	0	0	0
Investments	0	0	0
Cash	0	0	0
Debtors	0	0	0
Total Financial Assets	0	0	0
Financial Liabilities			
Trade And Other Payables	0	0	0
Borrowings	0	0	0
Total Financial Liabilities	0	0	0
Net Foreign Currency Asset/(Liability)	0	0	0

Foreign currency sensitivity analysis

2024-2025

Description	In Kshs	Other currencies	Total
	Kshs	Kshs	Kshs
As at 30 th June 2025			
Financial Assets	0	0	0
Investments	0	0	0
Cash	0	0	0
Debtors	0	0	0
Total Financial Assets	0	0	0
Financial Liabilities			
Trade And Other Payables	0	0	0
Borrowings	0	0	0
Total Financial Liabilities	0	0	0
Net Foreign Currency Asset/(Liability)	0	0	0

Financial Risk Management

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

Description	Change in currency rate	Effect on Profit before tax	Effect on Equity/Net assets
	KShs	KShs	KShs
2024-2025			
Euro	10%	0	0
USD	10%	0	0
2023-2024			
Euro	10%	0	0
USD	10%	0	0

b) Interest rate risk

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

Management of interest rate risk

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

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	0	0	0	0
Non- Financial Assets				
Investment Property	0	0	0	0
Land And Buildings	0	0	0	0
Total	0	0	0	0
As at 30th June 2024				
Financial Assets				
Quoted Equity Investments	0	0	0	0
Non- Financial Assets				
Investment Property	0	0	0	0
Land And Buildings	0	0	0	0
Total	0	0	0	0

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

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

Description	FY 2024 / 2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Revaluation Reserve	0	0
Retained Earnings	0	0
Capital Reserve	0	0
Total Funds	0	0
Total Borrowings	0	0
Less: Cash and Bank Balances	0	0
Net Debt/(Excess Cash And Cash Equivalentents)	0	0
Gearing	0%	0%

32. Related Party Disclosures

	FY 2024 / 2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Committee Members Remuneration		
Sitting allowance of committee Members during the year	0	0
Transaction with the NGCDF Board		
Transfers from the NGCDF Board during the year	0	0
Total	0	0

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	FY 2024 / 2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Contingent Assets		
Insurance Reimbursements	0	0
Assets Arising from Determination Of Court Cases	0	0
Reimbursable Indemnities and Guarantees	0	0
Receivables From Other Government Entities	0	0
Others (Specify)	0	0
Total	0	0

(Give details)

Contingent Liabilities

Description	FY 2024 / 2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Contingent Liabilities	0	0
Court Case xx against the Entity	0	0
Bank Guarantees in Favour of Subsidiary	0	0
Contingent Liabilities arising from Contracts Including PPPs	0	0
Others (Specify)	0	0
Total	0	0

35. Capital Commitments

Capital Commitments	FY 2024 / 2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Authorised for	0	0
Authorised and Contracted for	0	0
Total	0	0

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

38. Currency

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

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18. Annexes
 Annex 1: Summary of Asset Register

Asset class	Historical Cost/valuation cost balance brought forward (Kshs)	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) At Year End
Land	-	-	-	-
Buildings and structures	6,774,172	-	-	6,774,172
Transport equipment	4,428,326	11,679,432	-	16,107,758
Office equipment, furniture, and fittings	1,881,088	-	-	1,881,088
ICT Equipment and Other ICT Assets	1,086,414	435,000	-	1,521,414
Other Machinery and Equipment	-	-	-	-
Intangible assets	60,792	-	-	60,792
Total	14,230,792	12,114,432	-	26,345,224

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

PMC	Bank	Account number	Bank Balance 30 th June 2025	Bank Balance 30 th June 2024
Gakindu Primary School	Equity -Kagio Branch	0420276348903	-	4,585
Getuya Primary School	Equity -Kagio Branch	0420161725557	-	3,268
Kabonge Primary School	Equity -Kagio Branch	0420274064237	-	1,521
Gacharu Primary School	Equity -Kagio Branch	0420296963408	-	7,839
Kinyakiiru Primary School	Equity -Kagio Branch	0420268555072	-	10,000
Kinyakiiru Primary School	Equity -Kagio Branch	0420291384590	-	301
Mukui Primary School	Equity -Kagio Branch	0420197501638	-	8
Kahiro Primary School	Equity -Kagio Branch	0420161717617	-	1,664,730
Nguguini Primary School	Equity -Kagio Branch	0420277340130	-	1,762
Kiangai Primary School	Equity -Kagio Branch	0420278146485	-	8,304
Kathaka Primary School	Equity -Kagio Branch	0420274267239	-	4,386
Kiriko Primary School	Equity -Kagio Branch	0420162093306	-	7,372
Kibirigwi Primary School	Equity -Kagio Branch	0420161715617	-	1,511,773
Mukangu Primary School	Equity -Kagio Branch	0420277407365	-	1,502,580
Thunguri Primary School	Equity -Kagio Branch	0420161797913	5,455	5,455
Thanju Primary School	Equity -Kagio Branch	0420161489458	1,975	1,975
Kiandangae Primary School	Equity -Kagio Branch	0420294485405	179,773	179,773
Upper Baricho Primary School	Equity -Kagio Branch	0420177452068	1,111	1,111

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PMC	Bank	Account number	Bank Balance 30 th June 2025	Bank Balance 30 th June 2024
Kianwe Primary School	Equity -Kagio Branch	0420171063001	2,238	2,238
Kiburu Primary School	Equity -Kagio Branch	0420269843400	216,448	973,313
Mathia Primary School	Equity -Kagio Branch	0420276317491	5,295	5,295
Karima Primary School	Equity -Kagio Branch	0420276286785	-	13,061
Karimaini Primary School	Equity -Kagio Branch	0420266785612	-	50,264
Kahuhoini Primary School	Equity -Kagio Branch	0420166794938	-	26,895
Ndiriti Primary School	Equity -Kagio Branch	0420165364997	757	757
Kairiini Primary School	Equity -Kagio Branch	0420196426205	5,220	5,220
Lower Baricho Primary School	Equity -Kagio Branch	0420276195822	13,090	13,090
Sagana Muslim Primary School	Equity -Kagio Branch	0420274129049	139	1,806,996
Githuaini Primary School	Equity -Kagio Branch	0420199920987	237,501	1,000,273
Gathuthiini Primary School	Equity -Kagio Branch	0420190892785	131,178	1,967,416
Upper Sagana Primary School	Equity -Kagio Branch	0420276253574	673	2,475,282
Lower Sagana Primary School	Equity -Kagio Branch	0420177564808	143,469	4,236,284
Thumaita West Primary School	Equity -Kagio Branch	0420191370332	1,068	268,125
Kiine Primary School	Equity -Kagio Branch	0420165044738	12,540	12,540
Kianjege Primary Sch.	Equity -Kagio Branch	0420276286218	3,062	3,062
Kairungu Pri School	Equity -Kagio Branch	0420294740792	-	51,693
Kibirigwi Special School	Equity -Kagio Branch	0420285481849	771	-
Upper Baricho Mixed Sec School	Equity -Kagio Branch	0420266787617	-	2,184,081

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PMC	Bank	Account number	Bank Balance 30 th June 2025	Bank Balance 30 th June 2024
Thumaita West Sec School	Equity -Kagio Branch	0420294565079	-	1,057
St Phillip Sec Sch00l	Equity -Kagio Branch	0420294755129	-	728
St Mary Kiaragana Sec School	Equity -Kagio Branch	0420278756063	-	304,425
St John Karimaini Girls Sec Sch	Equity -Kagio Branch	0100262002796	-	2,298,358
St John Kinyakiiru Sec School	Equity -Kagio Branch	0420273869110	-	116
Sagana Secondary School	Equity -Kagio Branch	0420281231330	-	11,482,050
Mukangu Secondary School	Equity -Kagio Branch	0420266784449	-	1,315
Kiine Mixed Day Sec Sch	Equity -Kagio Branch	0420169920862	-	840
Kianjege West Sec School	Equity -Kagio Branch	0420295186292	-	4,620
Kiburu Girls Sec School	Equity -Kagio Branch	0420266784068	-	24,289
Kiangai Sec School	Equity -Kagio Branch	04200266785598	-	165
Kathaka Mixed Sec School	Equity -Kagio Branch	0100291743177	-	3,001,287
Karima Secondary School	Equity -Kagio Branch	0420266795705	-	3,582
Kairiini Sec School	Equity -Kagio Branch	0420265373488	-	7,680
Gacharu Secondary School	Equity -Kagio Branch	0100190224542	-	419,124
Gakindu Secondary School	Equity -Kagio Branch	0420299865874	-	30,278
Getuya Secondary School	Equity -Kagio Branch	0420266794147	-	51,997
Mukui Secondary School	Equity -Kagio Branch	0040294937320	392,687	3,070,162
Ndiriti Vocational	Equity -Kagio Branch	0420178214072	-	23,092
Gacharu Ap Line	Equity -Kagio Branch	0420176775645		

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PMC	Bank	Account number	Bank Balance 30 th June 2025	Bank Balance 30 th June 2024
			-	3,154
Kiangai Assistant Chief Office	Equity -Kagio Branch	0420177534824	-	1,275
Kiangai Police Post	Equity -Kagio Branch	0040197059718	0	290
Kiangwachi Police Post	Equity -Kagio Branch	0420161697114	-	973
Ngoka Assistant Chief Office	Equity -Kagio Branch	0420182018967	-	988
Mururiini Assistant Chiefs Office	Equity -Kagio Branch	04200281318618	-	265
Mururiini Administration Police	Equity -Kagio Branch	0420277503635	-	401
Kariti Police Post	Equity -Kagio Branch	0420162267090	-	1,500,000
Baricho Police Station	Equity -Kagio Branch	0420161541424	-	645
Sagana Police Station	Equity -Kagio Branch	0420284313963	-	66,235
Kibirigwi Chiefs Office	Equity -Kagio Branch	0420180801708	-	25,608
Kibingoti Ass Chiefs Office	Equity -Kagio Branch	0040194142480	-	59,085
Mukure Ass Chief Office	Equity -Kagio Branch	0420176803017	-	21,736
Muragara Police Post	Equity -Kagio Branch	0100196895986	-	1,167
Sagana Ass Chief Office	Equity -Kagio Branch	0420178451535	3,566	3,566
Kirinyaga West Dcc Office	Equity -Kagio Branch	0420282072877	2,298,700	1,700
Kibingoti Dos Office	Equity -Kagio Branch	0420161548616	-	260
Baricho Ap Post	Equity -Kagio Branch	0100174322123	-	4
Nguguini Police Post	Equity -Kagio Branch	0100191736654	-	51,070
Totals			3,656,713	42,475,978

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Annex 3: Progress On Follow Up of Auditor Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.1 Non-compliance with minimum requirements on employee ethnic, composition	<p>A review of employee records revealed that all four (4) staff members belong to the same ethnic community, representing 100% of the workforce from a single ethnic community. This was contrary to the requirements of Section 7(2) of the National Cohesion and Integration Act, 2008 which states that, no public establishment shall have more than one third of its staff from the same ethnic community.</p> <p>In the circumstances, Management was in breach of law.</p>	<p><i>The audit finding has been noted. However during the recruitment of the current staff members there were no people from other communities who expressed interests in the jobs advertised thus the composition from one community. Going forward this inclusivity will be adhered to, when the management will be employing new staffs in case of resignation or firing due to misconduct</i></p>	Not resolved	Soonest

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.2 Lack of computerized payroll system and staff establishment plan	<p>The statements of receipts and payment reflects compensation of employees amount of Kshs.3,533,047 as disclosed in Note 4 to the financial statements. However, an audit of the records provided revealed that the Fund lacked a formal staff establishment. Further, it was also noted that the fund manages its payroll manually using a hard copy booklet rather than maintaining a computerized payroll system.</p> <p>In the circumstances, the staff establishment, roles, responsibilities, and reporting lines may not be well defined, leading to confusion, overlapping duties, and inefficiencies. Further, manual payroll system is open to potential risk of</p>	<p><i>The audit finding has been noted. The computerized payroll has been provided and this will be adhered to from now henceforth. Also included here are the staff members roles and responsibilities as stipulated in their contract letters.</i></p>	Not resolved	Soonest

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	inherent errors and manipulation.			
2.0 Failure to Report Utilization of Emergency Reserve.	<p>The statement of receipts and payments reflects Kshs.62,942,640 and as disclosed in Note 8 to the financial statements which includes Kshs.5,078,397 spent on emergency projects out of which only an expenditure of Kshs.2,000,000 was reported to board as required by section 20(2) of the National Constituency Development Fund Regulations, 2016 leaving a balance of Kshs.3,078,397. Further, the respective emergency projects undertaken were not listed in the Project Implementation status and therefore their status could not be confirmed.</p> <p>In the circumstances, value for money on the</p>	<p><i>The auditors' findings were noted and emails sent to the board on emergency projects on 23/7/2024 have been attached for your verification and also the PIS detailing the status of the same projects</i></p>	Not resolved	Soonest

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	emergency expenditure of Kshs.3,078,397 could not be confirmed.			
3.0 Lack of an Updated and Complete Asset Register	<p>The financial statements reflect Kshs.14,300,031 on summary of fixed asset register as disclosed in Note 4. However, the disclosed amount does not agree with Kshs.5,794,881 reflected in the asset register resulting to unexplained and unreconciled variance of kshs.8,505,150. In addition, the audit revealed that most ICT equipment, furniture, and fittings were neither tagged nor coded for identification and some items were tagged but were not included in the asset register.</p> <p>In the circumstances, the effectiveness of the asset management system in</p>	The auditor's findings were noted and the asset register have been updated and attached for verification	Not resolved	Soonest

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	place could not be confirmed.			



Name
 Fund Account Manager.