

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

REPORT

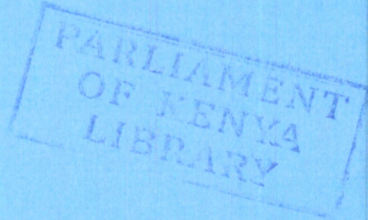
OF

THE AUDITOR-GENERAL

ON

**THE FINANCIAL STATEMENTS OF
NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND
RUARAKA CONSTITUENCY**

**FOR THE YEAR ENDED
30 JUNE 2018**





OFFICE OF THE AUDITOR GENERAL
P. O. Box 30084 - 00100, NAIROBI
REGISTRY
21 MAY 2019
RECEIVED

Revised Template 30th June 2018




**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND RUARAKA
CONSTITUENCY**

REPORTS AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2018**

Prepared in accordance with the Cash Basis of Accounting Method under the International Public Sector
Accounting Standards (IPSAS)

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 26 JUN 2019	DAY: Wednesday
TABLED BY:	Hon. Aden Duale MP (Lom)
CLERK AT THE TABLE:	Hakima Saleem



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
RUARAKA CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018**

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I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

The National Government Constituencies Development Fund (NG-CDF) (hereafter referred to as the Fund) formerly Constituencies Development Fund (CDF), is a fund established in 2003 through an Act of Parliament, the Constituencies Development Fund Act, 2003. The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013. The latter was subsequently succeeded by the current NG-CDF Act, 2015. At cabinet level, NG-CDF is represented by the Cabinet Secretary for Devolution, who is responsible for the general policy and strategic direction of the Fund.

Mandate

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

- a) Recognize the constituency as a platform for identification, performance and implementation of national government functions;
- b) Facilitate the performance and implementation of national government functions in all parts of the Republic pursuant to Article 6(3) of the Constitution;
- c) Provide for the participation of the people in the determination and implementation of identified national government development projects at the constituency level pursuant to Article 10(2)(a) of the Constitution;
- d) Promote the national values of human dignity, equity, social justice, inclusiveness, equality, human rights, non-discrimination and protection of the marginalized pursuant to Article 10 (2) (b) of the Constitution;
- e) Provide for the sustainable development of all parts of the Republic pursuant to Article 10 (2) (d) of the Constitution;
- f) Provide a legislative and policy framework pursuant to Article 21 (2) of the Constitution for the progressive realization of the economic and social rights guaranteed under Article 43 of the Constitution;
- g) Provide mechanisms for the National Assembly to deliberate on and resolve issues of concern to the people as provided for under Article 95 (2) of the Constitution;
- h) 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;
- i) Authorize withdrawal of money from the Consolidated Fund as provided ' under Article 206 (2) (c) of the Constitution;
- j) Provide mechanisms for the National Assembly to facilitate the involvement of the people in the identification and implementation of projects for funding by the national government at the constituency level; and
- k) Provide for mechanisms for supplementing infrastructure development at the constituency level in matters falling within the functions of the national government at that level in accordance with the Constitution

Vision

Equitable Socio-economic development countrywide

Mission

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

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF)

RUARAKA CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2018

Core Values

1. **Patriotism** – we uphold the national pride of all Kenyans through our work
2. **Participation of the people**- We involve citizens in making decisions about programmes we fund
3. **Timeliness** – we adhere to prompt delivery of service
4. **Good governance** – we uphold high standards of transparency, accountability, equity, inclusiveness and integrity in the service of the people
5. **Sustainable development** – we promote development activities that meet the needs of the present without compromising the ability of future generations to meet their own needs.

(b) Key Management

The NGCDF Ruaraka 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)

(c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2018 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	Accounting Officer	Yusuf Mbuno
2.	A.I.E holder	Job Tuta
3.	Sub-County Accountant	Alois Kimuyu
4.	Chairperson NGCDFC	Peter Akuma
5.	Member NGCDFC	Charles Agar

(d) Fiduciary Oversight Arrangements

The Audit and Risk Management Committee (ARMC) of NGCDF Board provide overall fiduciary oversight on the activities of NGCDF -Ruaraka Constituency. The reports and recommendation of ARMC when adopted by the NGCDF Board are forwarded to the Constituency Committee for action. Any matters that require policy guidance are forwarded by the Board to the Cabinet Secretary and National Assembly Select Committee.

(e) NGCDF Ruaraka Constituency Headquarters

P.O. Box 10482-00100
Kasarani Resource Centre
Along Outering Road
Nairobi, KENYA

(f) NGCDF Ruaraka Constituency Contacts

Telephone: (254)721617053
E-mail: cdfruaraka@ngcdf.go.ke
Website: www.ngcdf.go.ke

(g) NGCDF Ruaraka Constituency Bankers

1. Bank Name: Equity bank
Branch: kariobangi branch
Account Name: RUARAKA- NG-CDF
Account Number: 0320261619654
Address: 75104, Nairobi

(h) Independent Auditors

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

(i) Principal Legal Adviser

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

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF)
RUARAKA CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018**

II.FORWARD BY THE CHAIRPERSON NG-CDF COMMITTEE

The people of Ruaraka constituency are determined to participate effectively in domesticating objectives of the constituency. The constituents now have power to implement the formulation and implementation of development programmes in the constituency for the works within the aspiration of the constitution of Kenya which makes public participation mandatory. The utilization of the NG-CDF has always been carried out with fairness, transparency, openness and accountability.

Financial year budget

In the financial year 2017/18 the NG-CDF Ruaraka was allocated Ksh. **86,810,344.82** in which the office has received Ksh. **86,810,344.82** as allocated. The fund was utilized well in which 80% of the funds allocated to projects has been utilized effectively as shown in the table below .

Table 1.0 summary of budget performance

PROJECT	STATUS IN%
Heidimarie Mathare 4A Primary School Desk	100%
Ngunyumu Primary School Desk	100%
Babadogo Primary School Desk	100%
Daniel Komboni Primary School Desk	100%
Mathare North Primary School Desk	100%
Drive inn primary school dining hall	90%
Babadogo Secondary School Computers	100%
Ruaraka High School Computers	100%

Key achievements

We have therefore used our allocations and achieved the results as stipulated in the summary table above.

Challenges and emerging issues

The delay in implementing of the projects was due to the political situation in the country and the first disbursement was received on February 2018.

There is a great challenge which is the in availability of land which forces the constituency to re-allocate most of its projects which requires land.

There is also a challenge in the education sector this is because there are many needy students who are in need of support through the bursary fund which is never enough; this is due to lower middle income economy status within the constituency.

We therefore recommend that if the community and the National Government could join hand and avail land for CDF to realize the said projects which require land efficiently.


Sign

CHAIRPERSONNGCDF COMMITTEE

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF)

RUARAKA CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2018

III. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES

Section 81 (1) of the Public Finance Management Act, 2013 requires that, at the end of each financial year, the accounting officer for a National Government Entity shall prepare financial statements in respect of that entity. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed the Public Sector Accounting Standards Board of Kenya from time to time.

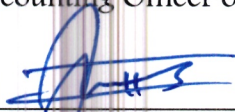
The Accounting Officer in charge of the NGCDF-Ruaraka Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2018. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the entity; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the NGCDF-Ruaraka Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *entity's* financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2018, and of the entity's financial position as at that date. The Accounting Officer in charge of the NGCDF-Ruaraka Constituency further confirms the completeness of the accounting records maintained for the *entity*, 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-Ruaraka Constituency confirms that the entity 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 entity'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.

Approval of the financial statements

The NGCDF-Ruaraka Constituency financial statements were approved and signed by the Accounting Officer on 28/09/ 2018.



Fund Account Manager
Name: JOB TUTA



Sub-County Accountant
Name: ALOIS KIMUYU
ICPAK Member Number: 8506

REPUBLIC OF KENYA

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NAIROBI

OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – RUARAKA CONSTITUENCY FOR THE YEAR ENDED 30 JUNE 2018

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund- Ruaraka Constituency set out on pages 6 to 28, which comprise the statement of assets as at 30 June 2018, and the statement of receipts and payments, statement of cash flow and summary statement of appropriation – recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund - Ruaraka Constituency as at 30 June 2018, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and National Government Constituencies Development Fund Act, 2015.

Basis for Qualified Opinion

Net Financial Position

The statement of assets as at 30 June 2018 reflects total financial assets of Kshs.38,455,382 and nil liabilities. However, contrary to the guidelines issued by the Public Sector Accounting Standards Board, the net financial position of Kshs.38,455,382 has instead been presented as net liabilities.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of National Government Constituencies Development Fund – Ruaraka Constituency in accordance with ISSAI 30 on 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.

Report of the Auditor-General on the Financial Statements of National Government Constituencies Development Fund-Ruaraka Constituency for the year ended 30 June 2018

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. Except for the matters described in the Basis for Qualified Opinion and Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources sections, I have determined that there are no key audit matters to communicate in my report.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matters described in the Basis for Qualified Opinion and Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources sections 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. Budget Performance - Under Absorption of Expenditure Budget

Ruaraka NG-CDF management had budgeted to spend Kshs.123,209,790 but the actual expenditure was Kshs.57,754,408 or 47% of the total budget resulting in under expenditure of Kshs.65,455,382 or 53% which has not been explained satisfactorily.

The development budget was Kshs.110,572,721 against actual expenditure of Kshs.46,326,388 or 42% resulting in under expenditure of Kshs.64,246,333 or 58 % of the development budget which equally has not been explained satisfactorily.

In this regard, under expenditure on the budgeted amounts implies that planned activities and programmes were not executed and hence, resulting in inefficient and ineffective service delivery to the constituents.

2. Supply, Delivery and Installation of Computers

Disclosed in Note 6 to the financial statements under transfer to other government entities is an amount of Kshs.10, 000,000 relating to transfer to secondary schools. The amount was paid to a contractor following an award of a contract for supply, delivery and installation of one hundred computers in two secondary schools. Records show that fifty computers were received on 19 March 2018 at Baba Dogo Secondary School while the other fifty computers were delivered to Ruaraka High School on the same day. An audit inspection undertaken on 8 April 2019 at Ruaraka High School revealed that three of the computers delivered were not functioning. In the circumstances, value for money has not been realized in respect of the three computers.

3. Unpresented Bursary Cheques

The expenditure of Kshs.23,471,216 on other grants and other payments as disclosed in Note 7 to the financial statements include an amount of Kshs.6,380,000 incurred on

bursaries to secondary schools and tertiary institutions. However, no explanation has been given for failure to present bursary cheques amounting to Kshs.326,000 for payments.

The audit was conducted in accordance with ISSAI 4000. The standard requires 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 are in compliance, 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 matters described in the Basis for Qualified Opinion and Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources sections of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

The audit was conducted in accordance with ISSAI 1315 and ISSAI 1330. The standards require that I plan and perform the audit to obtain assurance about whether processes and systems of internal control, risk management and 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 Management and Those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash 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 control, risk management and governance.

In preparing the financial statements, management is responsible for assessing the ability of National Government Constituencies Development Fund- Ruaraka Constituency to sustain services, disclosing and as applicable matters related to sustainability of services and using the applicable basis of accounting unless the management either intends to cease operations, or have no realistic alternative but to do so.

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 are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

Those charged with governance are responsible for overseeing the financial reporting process, reviewing the effectiveness of how the entity 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

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. 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 and weakness 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 addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, 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 accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control 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 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease sustaining its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the National Government Constituencies Development Fund - Ruaraka Constituency to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with the management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that are identified during the audit.

I also provide management with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.



FCPA Edward R. O. Ouko, CBS
AUDITOR-GENERAL

Nairobi

16 May 2019


NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF)
RUARAKA CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018

111. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2017-2018	2016-2017
		Kshs	Kshs
RECEIPTS			
Transfers from CDF board-AIEs' Received	1	98,189,655	106,044,022
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
TOTAL RECEIPTS		98,189,655	106,044,022
PAYMENTS			
Compensation of employees	4	2,630,000	3,079,899
Use of goods and services	5	8,798,020	4,070,149
Transfers to Other Government Units	6	22,855,172	8,904,908
Other grants and transfers	7	23,471,216	89,017,315
Acquisition of Assets	8	-	-
Other Payments	9	-	-
TOTAL PAYMENTS		57,754,408	105,072,271
SURPLUS/DEFICIT		40,435,247	971,750

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Ruaraka Constituency financial statements were approved on 28/09/18 2018 and signed by:


 Fund Account Manager
 Name: JOB TUTA



 Sub-County Accountant
 Name: ALOIS KIMUYU
 ICPAK Member Number: 8506

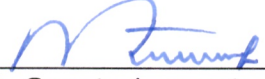
NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF)
RUARAKA CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018

IV. STATEMENT OF ASSETS

	Note	2017-2018	2016-2017
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	38,455,382	(1,979,865)
Cash Balances (cash at hand)	10B	-	-
Total Cash and Cash Equivalents			
Current receivables/Outstanding Imprests	11	-	-
TOTAL FINANCIAL ASSETS		38,455,382	(1,979,865)
Financial liabilities			
Accounts payable Retention	12	-	-
NET FINANCIAL ASSETS		38,455,382	(1,979,865)
REPRESENTED BY			
Fund balance b/fwd 1st July...2017	13	(1,979,865)	(2,951,616)
Surplus/Defict for the year		40,435,247	971,750
Prior year adjustments	14	-	-
NET LIABILITIES		38,455,382	(1,979,865)

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Ruaraka Constituency financial statements were approved on 28/09/18 2018 and signed by:

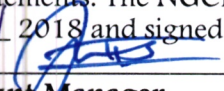

 Fund Account Manager
 Name: JOB TUTA

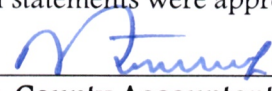

 Sub-County Accountant
 Name: ALOIS KIMUYU
 ICPAK Member Number: 8506

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF)**RUARAKA CONSTITUENCY****Reports and Financial Statements****For the year ended June 30, 2018****V. STATEMENT OF CASHFLOW**

Receipts for operating income		2017-2018	2016-2017
Transfers from CDF Board	1	98,189,655	106,044,022
Other Receipts	3	-	-
		98,189,655	106,044,022
Payments for operating expenses			
Compensation of Employees	4	2,630,000	3,079,899
Use of goods and services	5	8,798,020	4,070,149
Transfers to Other Government Units	6	22,855,172	8,904,908
Other grants and transfers	7	23,471,216	89,017,315
Other Payments	9	-	-
TOTAL		57,754,408	105,072,271
Adjusted for:			
Retention	12	-	-
Adjustments during the year	14	-	-
Net cash flow from operating activities		40,435,247	971,750
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	8	-	-
Net cash flows from Investing Activities		-	-
NET INCREASE IN CASH AND CASH EQUIVALENT		40,435,247	971,750
Cash and cash equivalent at BEGINNING of the year	13	(1,979,865)	(2,951,616)
Cash and cash equivalent at END of the year		38,455,382	(1,979,865)

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Ruaraka Constituency financial statements were approved on 28/07/2018 and signed by:


Fund Account Manager
Name: JOB TUTA


Sub-County Accountant
Name: ALOIS KIMUYU
ICPAK Member Number: 8506

VI. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED


Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Transfers from CDF Board	86,810,345	36,399,445	123,209,790	96,209,790	27,000,000	78%
Proceeds from Sale of Assets						
Other Receipts	86,810,345	36,399,445	123,209,790	96,209,790	27,000,000	78%
PAYMENTS						
Compensation of Employees	3,458,400	348,300.00	3,806,700	2,630,000	1,176,700	69.1%
Use of goods and services	8,130,369	700,000	8,830,369	8,798,020	32,349	99.6%
Transfers to Other Government Units	32,000,000	6,055,172	38,055,172	22,855,172	15,200,000	60.1%
Other grants and transfers	38,544,549	29,295,973	67,840,522	23,471,216	44,369,306	34.6%
Acquisition of Assets	-	-	-	-	-	0.0%
Other Payments (ICT hub)	4,677,027	-	4,677,027	-	4,677,027	0.0%
TOTALS	86,810,345	36,399,445	123,209,790	57,754,408	65,455,382	46.9%

- *In the financial year 2017/2018, Ruaraka NG-CDF had an underutilization of 53.1 due to the following reasons:*

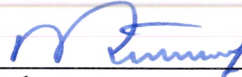
- Compensation of employees has an underutilization because the fund is meant for staffs 'gratuity.*
- Use of goods and services has an underutilization because of Late/delayed disbursement of fund from NG-CDF board*
- Transfer to other government units has an underutilization because of Late/delayed disbursement of fund from NG-CDF board*
- Other grants and transfers have an underutilization because of Late/delayed disbursement of fund from NG-CDF board.*
- Other payments (ICT hub) has an underutilization because of Late/delayed disbursement of fund from NG-CDF board*

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) – RUARAKA CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018

The NGCDF-Ruaraka Constituency financial statements were approved on 28/07/ 2018 and signed by:



Fund Account Manager
Name: JOB TUTA



Sub-County Accountant
Name: ALOIS KIMUYU
ICPAK Member Number: 8506

VII. SIGNIFICANT ACCOUNTING POLICIES

The principle accounting policies adopted in the preparation of these financial statements are set out below:

1. Statement of Compliance and Basis of Preparation

The financial statements have been prepared in accordance with Cash-basis International Public Sector Accounting Standards (IPSAS) as prescribed by the Public Sector Accounting Standards Board (PSASB) and set out in the accounting policy note below. This cash basis of accounting has been supplemented with accounting for; a) receivables that include imprests and salary advances and b) payables that include deposits and retentions.

The financial statements comply with and conform to the form of presentation prescribed by the PSASB. The accounting policies adopted have been consistently applied to all the years presented.

2. Reporting Entity

The financial statements are for the NGCDF-Ruaraka Constituency. The financial statements encompass the reporting entity as specified under section 81 of the PFM Act 2012

3. Reporting Currency

The financial statements are presented in Kenya Shillings (KShs), which is the functional and reporting currency of the Government and all values are rounded to the nearest Kenya Shilling.

4. Significant Accounting Policies

The accounting policies set out in this section have been consistently applied by the Entity for all the years presented.

a) Recognition of Receipts

The Entity recognises all receipts from the various sources when the event occurs and the related cash has actually been received by the Entity.

Tax Receipts

Tax receipts are recognized in the books of accounts when cash is received. Cash is considered as received when notification of tax remittance is received. (Check if this policy is applicable to entity)

Transfers from the Exchequer

Transfers from the exchequer are recognized in the books of accounts when cash is received. Cash is considered as received when payment instruction is issued to the bank and notified to the receiving entity.

SIGNIFICANT ACCOUNTING POLICIES

External Assistance

External assistance is received through grants and loans from multilateral and bilateral development partners.

Grants and loans shall be recognized in the books of accounts when cash is received. Cash is considered as received when a payment advice is received by the recipient entity or by the beneficiary.

In case of grant/loan in kind, such grants are recorded upon receipt of the grant item and upon determination of the value. The date of the transaction is the value date indicated on the payment advice. A similar recognition criteria is applied for loans received in the form of a direct payment.

During the year ended 30th June 2018, there were no instances of non-compliance with terms and conditions which have resulted in cancellation of external assistance loans.

Other receipts

These include Appropriation-in-Aid and relates to receipts such as proceeds from disposal of assets and sale of tender documents. These are recognized in the financial statements the time associated cash is received.

b) Recognition of payments

The Entity recognises all payments when the event occurs and the related cash has actually been paid out by the Entity.

Compensation of Employees

Salaries and wages, allowances, statutory contribution for employees are recognized in the period when the compensation is paid.

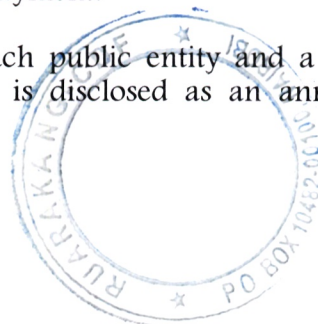
Use of Goods and Services

Goods and services are recognized as payments in the period when the goods/services are paid for. Such expenses, if not paid during the period where goods/services are consumed, shall be disclosed as pending bills.

Acquisition of Fixed Assets

The payment on acquisition of property plant and equipment items is not capitalized. The cost of acquisition and proceeds from disposal of these items are treated as payments and receipts items respectively. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration and the fair value of the asset can be reliably established, a contra transaction is recorded as receipt and as a payment.

A fixed asset register is maintained by each public entity and a summary provided for purposes of consolidation. This summary is disclosed as an annexure to the financial statements.



SIGNIFICANT ACCOUNTING POLICIES

5. In-kind contributions

In-kind contributions are donations that are made to the Entity in the form of actual goods and/or services rather than in money or cash terms. These donations may include vehicles, equipment or personnel services. Where the financial value received for in-kind contributions can be reliably determined, the Entity includes such value in the statement of receipts and payments both as receipts and as payments in equal and opposite amounts; otherwise, the contribution is not recorded.

6. 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 insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year.

7. Accounts Receivable

For the purposes of these financial statements, imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year are treated as receivables. This is in recognition of the government practice where the imprest payments are recognized as payments when fully accounted for by the imprest or AIE holders. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

8. Accounts Payable

For the purposes of these financial statements, deposits and retentions held on behalf of third parties have been recognized on an accrual basis (as accounts payables). This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. This is an enhancement to the cash accounting policy adopted by National Government Ministries and Agencies. Other liabilities including pending bills are disclosed in the financial statements.

9. Pending Bills

Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years. As pending bills do not involve the payment of cash in the reporting period, they recorded as 'memorandum' or 'off-balance' items to provide a sense of the overall net cash position of the Entity at the end of the year. When the pending bills are finally settled, such payments are included in the Statement of Receipts and Payments in the year in which the payments are made.

10. Unutilized Funds

Unutilized funds consist of bank balances in the constituency account and previous year(s) balances not yet disbursed by the Board to the constituency at the beginning of the financial year. These balances are available for use in the year under review to fund projects approved in the respective prior financial years consistent with sec 6(2) and sec 7(1) of NGCDF Act, 2015.

SIGNIFICANT ACCOUNTING POLICIES

11. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest and deposits, which are accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on June 2017 for the period 1st July 2017 to 30th June 2018 as required by Law and there was one supplementary adjustment to the original budget during the year. Included in the adjustments are the unutilized funds.

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

12. Comparative Figures

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

13. 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 30th June 2018.

14. Errors

Material prior period errors shall be corrected retrospectively in the first set of financial statements authorized for issue after their discovery by: i. restating the comparative amounts for prior period(s) presented in which the error occurred; or ii. If the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and net assets/equity for the earliest prior period presented.

During the year, errors that have been corrected are disclosed under note 14 explaining the nature and amounts.

15. Related Party Transactions

Related party relationships are a normal feature of commerce. Specific information with regards to related party transactions is included in the disclosure notes.

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) –
RUARAKA CONSTITUENCY
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VIII. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2017-2018	2016-2017
		Kshs	Kshs
NGCDF Board			
	A825903		16,647,470
	A829921		30,000,000
	A829985		4,094,828
	A 839615		36,853,449
	A 855227		18,448,275
	A855992	5,500,000	
	A892798	37,905,172	
	A896848	21,000,000	
	A 896919	22,405,173	
	A 896981	11,379,310	
TOTAL		98,189,655	106,044,022

2. PROCEEDS FROM SALE OF ASSETS

	2017-2018	2016-2017
	Kshs	Kshs
Receipts from sale of Buildings		
Receipts from the Sale of Vehicles and Transport Equipment	-	-
Receipts from sale of office and general equipment	-	-
Receipts from the Sale Plant Machinery and Equipment	-	-
Total	-	-

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) –
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEIPTS

Description	2017-2018	2016-2017
	Kshs	Kshs
Interest Received	-	-
Rents	-	-
Sale of tender documents	-	-
Other Receipts Not Classified Elsewhere (specify)	-	-
Total	-	-

4. COMPENSATION OF EMPLOYEES

Description	2017-2018	2016-2017
	Kshs	Kshs
Basic wages of contractual employees	2,601,600	1,886,401
Basic wages of casual labour	-	-
Personal allowances paid as part of salary	-	-
House allowance	-	-
Transport allowance	-	-
Leave allowance	-	-
Other personnel payments	-	-
Employer's contribution to NSSF	28,400	19,200
gratuity		1,174,299
Total	2,630,000	3,079,899

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) –
RUARAKA CONSTITUENCY
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

Description	2017-2018	2016-2017
	Kshs	Kshs
Utilities, supplies and services	-	57,000
Office rent	-	-
Communication, supplies and services	95,000	50,000
Domestic travel and subsistence	80,000	50,000
Printing, advertising and information supplies & services	303,942	265,000
Rentals of produced assets	-	-
Training expenses	1,199,500	1,000,000
Other committee expenses	1,371,379	896,300
Committee allowance	1,384,679	1,069,000
Hospitality supplies and services	-	-
Insurance costs	-	-
Specialised materials and services	3,500,000	-
Office and general supplies and services	494,000	-
Fuel ,oil & lubricants	89,000	200,000
Other operating expenses	-	117,763
Routine maintenance – vehicles and other transport equipment	241,800	365,086
Bank charges	38,720	-
Total	8,798,020	4,070,149

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) –
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2017-2018	2016-2017
	Kshs	Kshs
Transfers to primary schools	12,855,172	8,504,908
Transfers to secondary schools	10,000,000	400,000
Transfers to Tertiary institutions	-	-
Transfers to Health institutions	-	-
TOTAL	22,855,172	8,904,908

7. OTHER GRANTS AND OTHER PAYMENTS

Description	2017-2018	2016-2017
	Kshs	Kshs
Bursary -Secondary	2,795,000	1,742,000
Bursary -Tertiary	3,585,000	1,742,000
Bursary-Special schools	-	-
Mocks & CAT	-	-
water/Sewers	-	(213,776)
Agriculture (Markets)	-	48,256,887
Electricity projects	-	-
Security	8,791,051	24,061,379
Roads	-	-
Sports	1,736,206	1,559,596
Environment	1,735,210	1,996,912
Emergency Projects (specify)	5,137,004	3,903,855
Development - factories/stadiums/markets	(308,255)	5,968,462
Total	23,471,216	89,017,315

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) –
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. ACQUISITION OF ASSETS

Non Financial Assets		2017-2018	2016-2017
		Kshs	Kshs
Purchase of Buildings		-	-
Construction of Buildings		-	-
Refurbishment of Buildings		-	-
Purchase of Vehicles		-	-
Purchase of Bicycles & Motorcycles		-	-
Overhaul of Vehicles		-	-
Purchase of Office furniture and fittings		-	-
Purchase of computers ,printers and other IT equipments		-	-
Purchase of photocopier		-	-
Purchase of other office equipments		-	-
Acquisition of Land		-	-
Total		-	-

9. OTHER PAYMENTS

	2017-2018	2016-2017
	Kshs	Kshs
ICT Hub	-	-
Total	-	-

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) –
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

10A: Bank Accounts (cash book bank balance)

Name of Bank, Account No. & currency	2017-2018 Kshs	2016-2017 Kshs
<i>Equity Bank ,Kariobangi Branch-0320261619654</i>	38,455,382	(1,979,865)
Total	38,455,382	(1,979,865)
10B: CASH IN HAND		
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other Locations (<i>specify</i>)		
Total	-	-
<i>[Provide cash count certificates for each]</i>		



**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) –
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

11: OUTSTANDING IMPRESTS

<i>Name of Officer or Institution</i>	<i>Date Imprest Taken</i>	<i>Amount Taken</i>	<i>Amount Surrendered</i>	<i>Balance</i>
		<i>Kshs</i>	<i>Kshs</i>	<i>Kshs</i>
<i>Name of Officer or Institution</i>	dd/mm/yy	-	-	-
<i>Name of Officer or Institution</i>	dd/mm/yy	-	-	-
<i>Name of Officer or Institution</i>	dd/mm/yy	-	-	-
<i>Name of Officer or Institution</i>	dd/mm/yy	-	-	-
<i>Name of Officer or Institution</i>	dd/mm/yy	-	-	-
<i>Name of Officer or Institution</i>	dd/mm/yy	-	-	-
Total				-

[Include an annex of the list is longer than 1 page.]

12 RETENTION

	2017 – 2018	2016-2017
	Kshs	Kshs
Supplier 1	-	-
Supplier 2	-	-
Supplier 3	-	-
Total	-	-

[Provide short appropriate explanations as necessary]

13. BALANCES BROUGHT FORWARD

Bank	Account Number	2017 - 2018	2016 - 2017
		Kshs	Kshs (1//7/2016)
		(1//7/2017)	
<i>Equity bank Kariobangi</i>	0320261619654	(1,979,865)	(2,951,616)
Total		(1,979,865)	(2,951,616)

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) –
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

14. PRIOR YEAR ADJUSTMENTS

		2017 - 2018	2016 - 2017
		Kshs	Kshs
Bank accounts		-	-
Cash in hand		-	-
Imprest		-	-
Total		-	-

15. OTHER IMPORTANT DISCLOSURES

15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

	2017- 2018	2016-2017
	Kshs	Kshs
Construction of buildings	-	-
Construction of civil works	-	-
Supply of goods	-	-
Supply of services	-	-
	-	-
	-	-

15.2: PENDING STAFF PAYABLES (See Annex 2)

	Kshs	Kshs
Senior management	-	-
Middle management	-	-
Union sable employees	-	-
Others (<i>specify</i>)	-	-
	-	-
	-	-

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) –
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15.3: UNUTILIZED FUNDS (See Annex 3)

	Kshs	Kshs
Compensation of employees	1,176,700	30,861
Use of goods and services	32,349	189,781
Amounts due to other Government entities (see attached list)	15,200,000	2,345,092
Amounts due to other grants and other transfers (see attached list)	44,369,306	17,954,398
Acquisition of assets	-	-
ICT hub	4,677,027	-
	65,455,382	20,520,135.

15.4: PMC account balances (See Annex 5)

	2017- 2018	2016-2017
	Kshs	Kshs
PMC account Balances (see attached list)	22,532.00	22,532.00
Total	22,532.00	22,532.00



ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2016	Outstanding Balance 2014	Comments
	a	b	c	d=a-c		
Construction of buildings						
1.						
2.						
3.						
Sub-Total						
Construction of civil works						
4.						
5.						
6.						
Sub-Total						
Supply of goods						
7.						
8.						
9.						
Sub-Total						
Supply of services						
10.						
11.						
12.						
Sub-Total						
Grand Total						

ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2016	Outstanding Balance 2014	Comments
		a	b	c	d=a-c		
Senior Management							
1.							
2.							
3.							
Sub-Total							
Middle Management							
4.							
5.							
6.							
Sub-Total							
Unionisable Employees							
7.							
8.							
9.							
Sub-Total							
Others (specify)							
10.							
11.							
12.							
Sub-Total							
Grand Total							

ANNEX 3 – UNUTILIZED FUNDS

Name	Brief Transaction Description	Outstanding Balance 2017/18	Outstanding Balance 2016/17	Comments
Compensation of employees		1,176,700	30,861	
Use of goods & services		32,349	189,781	
Amounts due to other Government entities				
Mathare North perimeter Wall		9,000,000	-	
Ruaraka High School Bus		6,200,000	-	
Drive inn dining hall		-	2,345,092	
Sub-Total		16,409,049	2565,734	
Amounts due to other grants and other transfers				
Bursary		17,369,306	-	
Modern Markets		17,500,000	17,954,398	
High Mast Security Lights		9,500,000	-	
Sub-Total		44,369,306	20,520,135	
Acquisition of assets			-	
Others (specify)				
ICT Hub		4,677,027	-	
Sub-Total		4,677,027	-	
Grand Total		65,455,382	20,520,135	

ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2016/17	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2017/18
Land	-	-	-	-
Buildings and structures	1,750,000.00	-	-	1,750,000.00
Transport equipment	4,493,167.00	-	-	4,493,167.00
Office equipment, furniture and fittings	-	-	-	-
ICT Equipment, Software and Other ICT Assets	-	-	-	-
Other Machinery and Equipment	2,197,000.00	-	-	2,197,000.00
Heritage and cultural assets	-	-	-	-
Intangible assets	-	-	-	-
Total	8,440,167.00	-	-	8,440,167.00

ANNEX 5-PMC BANK BALANCES AS AT 30TH JUNE 2018

PMC	Bank	Account number	Bank Balance 2017/18	Bank Balance 2016/17
Ruaraka Markets PMC	Equity	0320267628518	22,532.00	22,532.00
Total			22,532.00	22,532.00

PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
NGCDF /RUA/2 015/201 6/(19)	1. Inconsistent Values/Figures	<p>The statement of compliance and basis for preparation indicate that all values are rounded off to the nearest shilling. However the figures in the financial statements have not been rounded off to the nearest shilling. The financial statements are therefore, not consistent with the basis of preparation and are not fully in conformity with the format prescribed by the Public Sector Accounting Standard Board.</p>	FAM	RESOLVED	RESOLVED
	2. Unexplained Amended Comparative Figures	<p>The following differences have been noted between comparative figures (2014/2015) reflected in the financial statements for the year ended 30 June 2016 and the balances shown in the audited financial statements for 2014/2015; Use of goods and services Kshs 4,311,000 and compensation of employees</p> <p style="text-align: center;">29.</p>			

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		Kshs 21,600. However, no explanation has been provided for these differences. Similarly, the nature of the errors and respective amounts of the corrections in these comparative figures have not been disclosed in the notes to the financial statements	FAM	RESOLVED	RESOLVED
	3 Transfer From CDF Board	The summary statement of appropriation reflects transfers of Kshs. 111,025,883 from the Constituencies Development Fund Board while the statement of receipts and payments reflects Kshs. 95,239,403 resulting in an unexplained difference of Kshs.15,786,480. Consequently, the accuracy of the transfers cannot be confirmed.	FAM	RESOLVED	RESOLVED
	4 Budgets and Budgetary Controls	During the year under review, Ruaraka Constituency Fund incurred expenditure totaling Kshs. 113,977,499 against an approved budget of Kshs. 162,173,353 resulting in under expenditure of Kshs. 48,195,854. The under expenditure is an indication of 30.	FAM	RESOLVED	RESOLVED



Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		funds not utilized fully and approved programs not implemented. The budget did not, therefore, fully meet the objectives of improving delivery of services to the residents of Ruaraka Constituency.			
	5 Implementation of projects	The constituency had budgeted kshs 58,160,424 on Transfers to Other Government Entities out of which Kshs. 13,247,931 was utilized resulting in under expenditure of Ksh. 44,912,493 or about 77% . No explanation has been provided for the low absorption of the funds.	FAM	RESOLVED	RESOLVED
	6 Other Grants and Transfers	The constituency had budgeted kshs 91,905,574 on Other Grants and Transfers, while the statement of receipts and payments reflects an amount of kshs 90,895,925 as having been spent during the year resulting to under expenditure of kshs 1,009,649.	FAM	RESOLVED	RESOLVED
	7 Revenue	The constituency budgeted to receive kshs 162,173,354 but only realized kshs 95,239,403 31.	FAM	RESOLVED	RESOLVED

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		resulting to underfunding of kshs 66,933,951, a 41% short fall in receipts from the Constituency Development Fund Board. The management did not explain the reasons for non-receipt of funds as budgeted.			
8 Disbursements	Bursary	As disclosed at Note 7 to the financial statement, other grants and transfers balance of Kshs. 90,895,925 includes bursaries to secondary schools and tertiary institutions kshs 19,645,000. However, bursary cheques totaling kshs 8,426,000 had not been presented by 30 th June 2016.No explanation has been provided by management for failure to issue cheques to the identified beneficiaries	FAM	RESOLVED	RESOLVED

