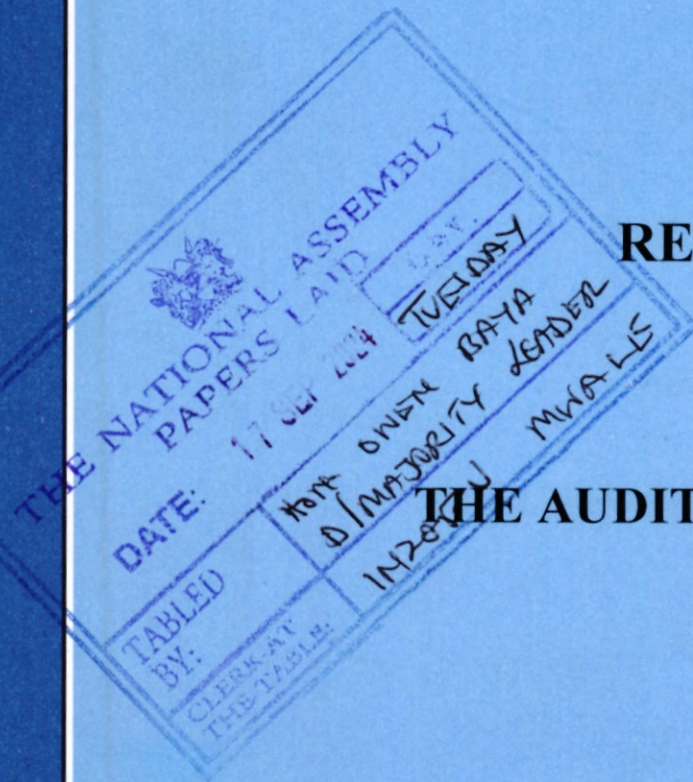
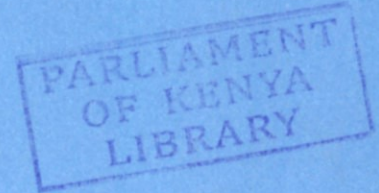


REPUBLIC OF KENYA



*Enhancing Accountability*



**REPORT**

**OF**

**THE AUDITOR-GENERAL**

**ON**

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

**FOR THE YEAR ENDED  
30 JUNE, 2023**



OFFICE OF THE AUDITOR GENERAL  
P. O. Box 30084 - 00100, NAIROBI  
REGISTRY

18 APR 2024

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RUIRU CONSTITUENCY  
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED  
30<sup>th</sup> JUNE 2023

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

*Ruiru Constituency*  
*National Government Constituencies Development Fund (NGCDF)*  
*Annual Report and Financial Statements for The Year Ended June 30, 2023*

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*Ruiru Constituency National Government Constituencies Development Fund (NGCDF)  
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I. Acronyms and Abbreviations

NGCDF-National Government Constituency Development Fund

PFM-Public Finance Management

IPSAS-International Public Sector Accounting Standards.

PMC- Project Management committee

FY-Financial Year

## II. 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 as amended in 2022. 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 cabinet level, NG-CDF is represented by the Cabinet Secretary for the Treasury, 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

**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.

**Functions of NG-CDF Committee**

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

**(b) Key Management**

The Ruiru Constituency NGCDF 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)

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**Fiduciary Management**

The key management personnel who held office during the financial year ended 30<sup>th</sup> June 2023 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	A.I.E holder	Phares Karanja
2.	Sub-County Accountant	Joseph Karanja
3.	Chairman NGCDFC	Peter Maina

**(c) Fiduciary Oversight Arrangements**

The Audit and Risk Management Committee (ARMC) of NGCDF Board provide overall fiduciary oversight on the activities of RUIRU Constituency NGCDF. 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.

**(d) RUIRU Constituency NGCDF Headquarters**

P.O. Box 1250 - 00232  
NGCDF Office Building  
Ruiru - Githunguri Road  
Ruiru, KENYA

**(e) RUIRU Constituency NGCDF Contacts**

Telephone: (254) 722795958  
E-mail: [cdfruiru@ngcdf.go.ke](mailto:cdfruiru@ngcdf.go.ke)  
Website: [www.ruiru.ngcdf.go.ke](http://www.ruiru.ngcdf.go.ke)



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(f) Ruiru Constituency NGCDF Bankers

Bank Name: Equity Bank  
Branch: Ruiru  
Account Name: Ruiru CDF  
Account Number: 0870261708315  
Address: Ruiru

(g) Independent Auditors

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

III. NGCDFC Chairman's Report



*Peter Njure Maina, Chairperson  
Ruiru Constituency NGCDF*

About Ruiru Constituency

Ruiru Constituency is an electoral constituency in Kenya. It is one of the twelve constituencies in Kiambu County. The constituency was carved out of the then Juja Constituency in 2012 to create Thika Town, Juja and Ruiru constituencies with Ruiru ending up as the largest of the three. Indeed, Ruiru constituency has the largest population in Central Kenya estimated at 700,000 people. This places an extra ordinary responsibility on our shoulders as a Committee to serve the needs of such a large population.

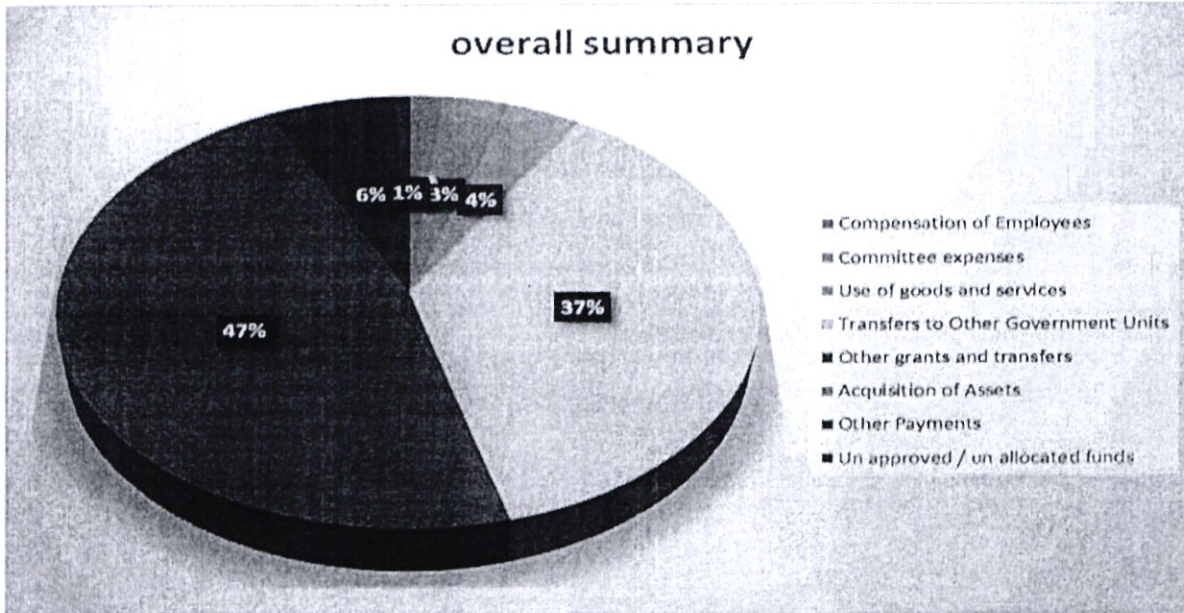
I am pleased to report another year of good performance in our organization, some important developments in our project implementation, and continued value to our stakeholders in line with their expectations.

It is my great pleasure to present the Annual Report and Financial Statements prepared in accordance with the cash basis of accounting method under the International Public Sector Accounting Standard (IPSAS) for the financial year ended 30<sup>th</sup> June, 2023

During the financial year under review, Ruiru NG-CDF received a total of Kshs. 102,000,00 from the NGCDF Board. The funds were then disbursed to various institutions eligible for funding whose projects were voted by the public as deserving during the public ward forums organized during the budget proposal preparations and as shown below;

S/NO	PROJECT SECTOR	AMOUNT
1	Bursary support to needy students	74,770,000
2	Administration	2,000,000
3	Monitoring and Evaluation	1,330,000
4	Emergency Reserve	1,000,000
5	Secondary School	9,500,000
6	Primary Schools Projects	13,400,000
	<b>TOTAL</b>	<b>102,000,000</b>

ALLOCATION SUMMARY



During the year under review (Financial year 2022-23) *Other Grants and Transfers* took 47% of the total budget largely driven by unusually high demand for bursaries by our constituents as a result of the difficulties our constituents faced due to prolonged drought and hard economic times. Transfers to other government units was 37% out of which the primary schools took the majority of the funds.

My Committee expenses were at 3% of the total expenditure while Compensation to Employees took 2% of the total expenditure, a slight increase from last year due to the need to attract and retain good staff.

**KEY ACHIEVEMENTS**

Ruiru constituency strives to improve the lively hoods of the constituents by ensuring optimum achievement of the NG-CDF mandate i.e. implementation of projects that fall under the National Government Functions which is mainly improvement of the Education sector by implementing projects aimed at improving the school's infrastructure and offering bursaries to the needy students in the constituency.

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- **NG-CDF Committee, NG-CDFC Staff and Technical Officers Capacity Building.**

Adequate Capacity Building of the NG-CDF committee, staff and the technical officers is the first step in ensuring optimum service delivery in the constituency. The Committee members were trained twice during the Financial Year i.e. in February 2023 and in April 2023. The staff and Technical Officers in a 3-day seminar in Ruiru organized by my Committee were trained on various issues to ensure prudent expenditure of the NG-CDF fund in manner that assures the public of the value for money.

- **Award of Bursaries**

During the year, as indicated above, there was an abnormally high demand on student bursaries. Infact we had to take the extraordinary decision to seek the Board's permission to break the 35% budget ceiling provided by law as the maximum available for Bursaries. We were therefore able to raise our bursaries budget to Kshs. 74,770,000 being the highest ever bursary awarded in any year. We sincerely thank the Board for accepting our request in this regard.

Going forward, Ruiru NG-CDF has resolved that the Bursary funds shall be used to fully sponsor 5 prior to the award of the 4-year Scholarship.

- **Development Projects**

During the financial year and drawing from Best Practice, the NG-CDF committee was able to implement all ongoing projects to completion prior to embarking on new projects.

These projects were:

- ✓ Construction of 2 classrooms at Kahawa Wendani Primary School
- ✓ Construction of 2 classrooms at Manguo Primary School
- ✓ Complete renovation works at Kwihota Primary School

We are also proud to have completed the construction of Mutuya Primary School in Mwihoko Ward which now boasts of a pupil population of over one thousand - barely a year after opening its doors to the public. We will strive to construct and start five such schools in the next three years.



*Newly completed Mutuya Primary School which now accommodates over 1000 pupils.*

#### *Challenges*

As Ruiru NG-CDF strives to achieve its mandate, there are inherent challenges that we continue to confront during project implementation. These are; unrealistic expectations by the public who, not unexpectedly, feel that the NG-CDF fund should cater for their every need, delay of fund disbursement by the NG-CDF Board, disputes over ownership of what is supposed to be public land as unscrupulous persons attempt to grab public schools' land, the ever increasing rural urban migration which puts a lot of pressure on our institutions as many people move to our constituency from the rural areas to put settle and do business, and many others.

#### **Emerging issues in Ruiru Constituency**

Ruiru NG-CDF continues to contend with contemporary emerging issues emanating from national policy decisions:

➤ **Pressure for increased infrastructure due to introduction of new Education curriculum.**

The competency-based Curriculum (CBC) under the 2-6-3-3 system of Education was unveiled in 2017 to replace the 8-4-4 system of Education which has served Kenya for 32years. Being a new system, it requires that all primary schools where the Junior Secondary is domiciled to have a Science Laboratory and of course extra classrooms for the learners. This scenario has caused increased demand for the infrastructure from the NG-CDF which is unable to cope with the pressure due to the limited resources.

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➤ **Increase Bursary Applications due to the new University Fees structure.**

The Ministry of Education recently unveiled the Fees structure for the 1<sup>st</sup> Year Students joining various universities in September 2023. The new and high fees demanded by universities has brought increased pressure on NGCDF as parents seek support to take their children to universities.

*Solutions*

We laud the changes in the NGCDF Act that allows the increase of Bursary allocation beyond the 35% ceiling hitherto set by law. However, there is need to consider increasing the NGCDF kitty beyond the 2.5% set by the law in order to accommodate the increasing needs of the citizenry. NGCDF is the closest fund to the 'Mwananchi' and in many ways, the 'only' government they know.

**Conclusion**

In closing, I wish to thank my NGCDC team for their dedication to duty that has helped us achieve the good results that we report herein. I would also like to thank the NGCDF Board for the support given to us during the year under review - including significant CSR support that has gone a long way in serving our constituents. We remain grateful.

Going into the future, we commit to continue this partnership with NGCDF Board and other partners with the singular aim of improving infrastructural facilities in our schools, supporting needy students and the youth as well as improving our various security installations in order to continuously improve the lives of our people.



.....  
Name: Peter Maina

CHAIRMAN NGCDF COMMITTEE

*Ruiru Constituency National Government Constituencies Development Fund (NGCDF)  
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IV. Statement of Performance Against Predetermined Objectives for FY2022/23

**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 Ruiru Constituency 2022-2027 plan are to:

- (a) To improve infrastructure in learning institutions
- (b) To improve access to education
- (c) To improve academic performance
- (d) To enhance and sustain security in Ruiru Constituency
- (e) To promote sustainable environment management practices
- (f) To harness youth talent and promote local culture
- (g) To promote sustainable youth empowerment programmes

**Progress on attainment of Strategic development objectives**

For purposes of implementing and cascading 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:

Constituency Program	Objective	Outcome	Indicator	Performance
Education	To improve school performance in national examinations as well as retention and transitioning to higher levels of learning	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	- Number of usable physical infrastructure build in primary, secondary, and tertiary institutions	In FY 22/23 -we increased number of classrooms from 165 to 170. Primary school classrooms increased by 7 while there was no increase in secondary school

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			- Number of bursary beneficiaries at all levels	classrooms - Bursary beneficiaries during the year totalled 4,602 in secondary schools while tertiary institutions totalled 1,415
Environment	To improve supply of adequate, potable and safe water for domestic and public use in institutions	Improved access to safe cleaning water for learners in public school	- Number of facilities with water harvesting equipment	During the year under review, the number of facilities with gutters and tanks increased from 24 to 28
Youth, Women & people with disabilities empowerment	To increase participation of youth, women and persons with disabilities in NG-CDF activities as well as general development in the constituency	Increased awareness among youth, women & people with disabilities on community projects in order to improve their economic well being	Number of tenders awarded to the special categories	No. of tenders awarded was 7 out of 13
Capacity Building	To build capacity of the community to implement development projects	Increased community sensitization and training to enhance their participation in their communities	No. of sensitization and trainings	One PMC training was carried out
Security	Improving security situation in the Constituency	Improved Security especially in crime prone areas of Kiu ward	Number of usable physical infrastructure built in locations, sub locations and police stations	Number of assistant chiefs' offices remained at 12 Number of Chiefs Office remained 11 Number of police lines increased from 8 to 9



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Emergency	To address unforeseen occurrences in the constituency	Improved address of emergency occurrences in the constituency	Number of emergency cases addressed	6 primary schools received emergency funding to help combat emergency situations
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V. Statement of Governance

1. Appointment NG-CDF Committee members

The NGCDF Act 2016 on appointment of NGCDFC members' states; The members of a Constituency Committee provided for Appointment of under section 43 of the Act shall be selected by a members of Constituency selection panel established under paragraph (4) upon an occurrence of a Committee vacancy in the Constituency Committee. Kenya Subsidiary Legislation, 2016 1951

(2) A vacancy shall occur in Constituency Committee upon commencement of a new parliamentary term; dissolution of a Constituency Committee; removal of a member of a Constituency committee; or the occurrence of a vacancy in a Constituency Committee.

(3) Upon the occurrence of a vacancy in a Constituency Committee, the Board shall within fourteen days, constitute a selection panel.

(4) The selection panel referred to in paragraph (1) shall consist of ;—

- one person nominated by the national government official in charge of the sub-county or a designated representative, who shall be the chairperson of the selection panel;
- the Officer of the Board seconded to the Constituency who shall be the secretary to the selection panel; and
- Two persons, one of either gender, nominated by the Constituency office.

(5) The Officer of the Board seconded to the Constituency shall within fourteen days of the first meeting of the selection panel invite applications from persons who qualify for appointment to a Constituency Committee in accordance with guidelines issued by the Board.

(6) The selection panel shall, within fourteen days of receiving the applications under paragraph (5), consider the applications and shall select five applicants taking into account age, gender, special interest groups and regional balance in accordance with section the Act

(7) The officer of the Board seconded to the Constituency shall within seven days of the selection process referred to in paragraph (6) submit to the Board the names of the selected candidates together with the report of the selection panel.

(8) The Board shall co-opt the person referred to in the Act to ensure equitable representation in the membership of a Constituency Committee.

(9) The Board shall, in writing, request the clerk of the National Assembly to notify the Constituency Office to nominate two persons of either gender, pursuant to section 43(2)(e) of the Act and to forward the names to the Office of the Board seconded to the Constituency.

(10) The Board shall submit the names of the seven persons selected from each Constituency in accordance with the Act to the National Assembly for Approval.

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(11) The Board shall, within fourteen days after receipt of the names approved by the National Assembly, appoint the members of a Constituency Committee by notice in the Gazette.

1952 Kenya Subsidiary Legislation, 2016

The selection panel shall stand dissolved upon the appointment of the members of a Constituency Committee.

The Board shall, within fourteen days after gazettelement of the members of a Constituency Committee inform the members of their appointment in writing.

A member of a Constituency Committee who is appointed Under the Act may at any time resign from office by giving notice, in writing, to the officer of the Board and a copy thereof to the Board.

At least one of the Constituency Committee members appointed under section 43 shall be a mandatory signatory to the Constituency account

The current members were vetted into office in the month of November 2022. The selection panel comprised:

- |                   |  |
|-------------------|--|
| 1. John Gitau     | Ass. County Commissioner (Chairperson) |
| 2. Phares Karanja | FAM (Secretary)                        |
| 3. Sarah Muthomi  | Member                                 |
| 4. Daniel Munyiri | Member                                 |

The criteria that was used in the advertisement was as follows:

1. Applicants must be Kenyan citizens
2. Be residents voters in Ruiru Constituency
3. Applicants must be able to read and write, be able to communicate in English and Kiswahili.
4. Applicants must meet the requirement of chapter six of the Constitution
5. Applicants should be available to participate in the activities of the committee
6. For youth nominee, must have attained the age of 18 years and below the age of 35 years.

The Selection panel had three meetings which resulted into submission of proposed committee members to NG-CDF Board for approval by the National assembly. The appointed committee members were gazetted through Gazette volume number 254 29-11-2022 on 29<sup>th</sup> November 2022. The committee had its first meeting on 14<sup>th</sup> December 2022.

The following are the current members of Ruiru NG-CDF:

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NO.	NAME	CATEGORY	WARD
1.	Peter Njure Maina	Male (adult) representative	Biashara
2.	Anne Kariuki	Female (adult) representative	Mwiki
3.	Daniel Mukundi	Male (Youth) representative	Biashara
4.	Iglan Adan	Female (Youth) representative	Gitothua
5.	Charles Karani	PWD	Gitothua
6.	Joseph Kariuki	Male nominee representative	Mwiki
7.	Teresiah Wanjiku	Female nominee representative	Gatongora
8.	Adeline Karemi	Coopted Member	Gatongora
9.	Mary Mbugua	DCC	
10.	Phares Karanja	Officer of the NGCDF Board	

## 2. Removal of NG-CDF Member

A member may be removed from the NG-CDFC on grounds laid down on section 43 (13) of NG-CDF act 2015, amended 2022 that include:

- (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

At least five members can make a written resolution citing the ground for removal then accords that member a fair hearing before submitting their resolution to the NG-CDF Board. There is no member in Ruiru NG-CDF who has been removed from the committee on the above grounds.

## 3. Functions of the NG-CDFC

The functions of the NG-CDFC are drawn from NG-CDF act 2015, amended 2022 and they include the following:

- a) Build capacity of PMCs and sensitize community on the operations of the Fund;
- b) Consider projects from all wards and any other projects that the committee considers beneficial;

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- c) Ensure that projects proposals submitted to the Board include detailed budget proposals, procurement plans and work plans
- d) Consult relevant Government department to ensure that projects cost estimates are realistic;
- e) Rank projects proposals in order of priority while ensuring that ongoing projects take precedence;
- f) Ensure that projects receive adequate funding and are completed within three years;
- g) Monitor the implementation of projects;
- h) Ensure that projects report are prepared and submitted to the Board;
- i) Ensure formation of PMCs, opening of projects accounts, project implementation and closure of projects;
- j) Submit financial statements to the Board within sixty days of end of financial year;
- k) Recommend to the Board removal of a committee member;
- l) Enter into performance contract with the Board annually;
- m) Receive returns from PMCs;
- n) Receive and address all complaints concerning implementation of projects;
- o) Ensure that the Committee does not enter into commitments for which funds have not been allocated

#### 4. NG-CDFC meetings

Section 43(11): The Constituency Committee shall meet at least six times in a year but the committee shall not hold more than 24 meetings in the same financial year, including sub-committee meetings. NG-CDFC holds monthly meetings, deliberating all issues for the FAM to act on. Equally the subcommittees are active handling issues as mandated by the main committee.

During the financial year 2022/2023 the NG-CDFC Ruiru held 7 main meetings and 3 subcommittee meetings as illustrated below:

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S/NO.	NG-CDFC COMMITTEE MEMBERS	14 <sup>th</sup> Dec 2022	10 <sup>th</sup> Jan 2023	25 <sup>th</sup> Jan 2023	29 <sup>th</sup> March 2023	20 <sup>th</sup> April 2023	22 <sup>nd</sup> April 2023	4 <sup>th</sup> May 2023	14 <sup>th</sup> June 2023
1	Peter Maina Chairman	✓	✓	✓	✓	✓	✓	✓	✓
2	Iglan Adan Secretary	✓	✓	✓	✓	✓	✓	✓	✓
3	Joseph Kariuki Member	✓	✓	✓	✓	✓	✓	✓	✓
4	Daaniel Mukundi Member	✓	✓	✓	✓	✓	✓	✓	✓
5	Anne Kariuki Member	✓	✓	✓	✓	✓	✓	✓	✓
6	Teresiah Wanjiku Member	✓	✓	✓	✓	✓	✓	✓	✓
7	Charles Karani PWD	✓	✓	✓	✓	✓	✓	✓	✓
8	Adeline Karemi Member	✓	✓	✓	✓	✓	✓	✓	✓
9	Phares Karanja FAM	✓	✓	✓	✓	✓	✓	✓	✓
10	Mary Mbugua DCC	✓	✓	✓	✓	✓	✓	✓	✓

5. Capacity building of NG-CDFC Members

In the financial year 2022/2023 the NGCDF Board organized training of NG-CDFC Members in June 2023. During the training, critical areas such as overview of NG-CDF Act 2015 and Regulations, public finance, project planning, procurement, complaint management, and performance management were covered to equip them with the prerequisite knowledge and skills to ensure effective and efficient management of NG-CDF Ruiru.

## **6. Ethics & conduct**

Members of NGCDFC are required to observe the following ethical issues;

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

During the financial year 2022/2023 members of NGCDFC Ruiru adhered to the above ethical issues.

## **7. Members' remuneration**

NG-CDFC members are not entitled to payment of salary but sitting allowances as guided by the NG-CDF circulars. However, the chairperson of NGCDFC is entitled to an allowance of ksh7,000 per meeting and all other members an allowance of ksh. 5,000 per sitting. All NGCDFC members should adhere to general ethics and code of conduct as stipulated in the NG-CDF Act.

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

## **8. Disclose policy on conflict of interest**

A member who has an interest in any contract, or other matter present at a meeting shall at the meeting and as soon as reasonably practicable after the commencement, disclose the fact thereof and shall not take part in the consideration or discussion of, or vote on, any questions with respect to the contract or other matter, or be counted in the quorum of the meeting during consideration of the matter. A disclosure of interest made shall be recorded in the minutes of the meeting at which it is made. In the financial year 2022/2023 no member of NGCDFC Ruiru contravened the conflict of interest policy.

## **9. Risk management**

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

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



## VI. Environmental and Sustainability Reporting

Ruiru 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, Environment, and Sports. This pillar also makes special provisions for Kenyans with various disabilities and previously marginalized communities.

### 1. Sustainability strategy and profile -

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

- a. **Education and Training:** RUIRU NG-CDF focus on human capital for constituency development is entrenched in its strategy to support needy and bright students from each ward of the constituency. The intention is to empower the constituents such that in years to come, the beneficiaries at secondary school levels would have transitioned to Tertiary institutions while those at tertiary level would have transitioned to the job market as employees or employers thereby contributing positively to the economic growth of the constituency. This strategy takes care of both marginalised groups including girls and people living with disabilities.
- b. **Security Sector Support:** Among its key pillars; NGCDF has security as a priority area with intention to provide better working environment for the security providers within the constituency as well a secure constituency. The strategy is to have a long-term collaborative working approach that enhances community engagement in security activities. This is aimed at eliminating crime and vices in the long run by providing a better working environment for the law enforcement agencies while collaborating with community in trust on matters of security.
- c. **Environment:** The Constituency acknowledges that all its operation has an impact on environment. Cognizant of the Sustainable development goals, the NG-CDF has allocated part of its budget on environment conservation through activities such as tree planting, water conservation, sensitization forums for agro-forestry as well as best practices to reduce soil erosion.
- d. **Sports:** The NG-CDF has taken sports as a key pillar of cohesion and integration. To sustain this pillar, the strategy taken is that of developing skills through sports with intention of identifying, nurturing talent and encouraging physical fitness among the constituents.

**2. Environmental performance**

- Construct proper toilets in schools
- Create awareness on Planting trees in public schools and security offices
- water harvesting in public schools
- Create awareness on use of energy saving Jikos
- Train people on various ways of conserving the environment
- During the year we were not able to plant trees but we did water harvesting for several schools both secondary schools and primary schools
- During the handing over of projects the community is usually sensitized on various impacts of drug abuse on the person and the community at large.

**3. Employee welfare**

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

The constituency promotes a healthy lifestyle and provides all employees with health insurance cover through a reliable insurance Scheme. Employees are encouraged and supported to continually build on their skills and knowledge. RUIRU constituency invests in capacity building programs for employees. These include courses on technical competencies relevant to each employee and continuous sensitization on cross cutting issues.

The committee has a policy on safety in compliance with Occupational Safety and Health Act of 2007, (OSHA) and has ensured the work environment is conducive for everybody in terms of movement and accessibility within the office. The Constituency has also put in place disaster mitigating measures including fire extinguishers and accessible escape routes in case of emergency.

**4. Market place practices-**

RUIRU NGCDF Constituency is committed to fair and ethical market practises.

The Procurement of goods and services is done through a transparent and competitive bidding process that allows equal opportunities to all participants. We support local vendors drawn from

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

We are also committed to healthy relations with our suppliers which is enhanced through organized sensitization forums that relate to the procurement legal framework and ethical subject matters. We are dedicated to 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 practice 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 interest

#### 5. Community Engagements-

RUIRU NGCDF has endeavoured to sustain community engagement through CSR as well as appreciating our existence through engaging local contractors and suppliers when necessary. We have also engaged the community through sports and community projects.

#### **Public Participation in Project Identification and Implementation and Monitoring**

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

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

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

**Public Awareness**

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

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

We commit to improve on all these fronts as we move into the future for the benefit of the constituents who we serve.



.....  
Name: Phares Karanja

Fund Account Manager.

VII. Statement of Management Responsibilities

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

The Accounting Officer in charge of the NGCDF-RUIRU 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, 2023. 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-RUIRU Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *constituency's* financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2023, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF- RUIRU 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 RUIRU 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

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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

**Approval of the financial statements**

The NGCDF- RUIRU Constituency financial statements were approved and signed by the Accounting Officer on 22<sup>nd</sup> September 2023.



.....  
**Name: Peter Maina**  
Chairman - NGCDF Committee



.....  
**Name: Phares Karanja**  
Fund Account Manager

# REPUBLIC OF KENYA

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NAIROBI

## REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – RUIRU CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2023

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### PREAMBLE

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

- A. Report on the 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 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 Government achieves value for money and that such funds are applied for the intended purpose.
- 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, the risk management environment and the internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations and that its internal controls, risk management and governance systems are properly designed and were working effectively in the financial year under review.

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

### REPORT ON THE FINANCIAL STATEMENTS

#### Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund – Ruiru Constituency set out on pages 1 to 43, which comprise of the statement of assets and liabilities as at 30 June, 2023, and the statement of receipts and payments, statement of cash flows and summary statement of appropriation for the year then ended, and a summary of significant accounting policies

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the National Government Constituencies Development Fund – Ruiru Constituency as at 30 June, 2023, 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 the National Government Constituencies Development Fund Act, 2015 (Amended 2022).

### **Basis for Qualified Opinion**

#### **1. Unsupported Training Expenses**

The statement of receipts and payments, and as disclosed in Note 6 to the financial statements, reflects use of goods and services expenditure of Kshs.4,180,002, which includes training expenses amounting to Kshs.1,460,000. Review of payment vouchers provided for audit revealed that payments of Kshs.780,000 paid to committee members as allowances were not supported by daily attendance registers, invitation for the trainings, training approvals and training reports.

In the circumstances, the accuracy, completeness and validity of the training expenses amounting to Kshs.780,000 could not be confirmed.

#### **2. Inaccurate Comparative Balances**

Review of Annex 3-unutilised funds revealed variances between the financial statements comparative balances for 2021-2022 financial year and the audited financial statements for the same period as follows;

- i) Annex 3-Unutilised funds reflect a comparative balance of Kshs.3,807,116 under security projects while the audited financial statements for the prior year reflect a balance of Kshs.3,507,116. The variance of Kshs.300,000 has not been explained.
- ii) The financial statements in Annex 3-Unutilised funds reflect a Nil comparative balance under construction of NG-CDF office while the audited financial statements for the prior year reflect a balance of Kshs.117,016. The variance of Kshs.117,016 has not been explained.
- iii) Annex 3-Unutilised funds reflect a comparative balance of Kshs.117,016 under purchase of furniture while the audited financial statements for the prior year reflect a Nil balance. The variance of Kshs.117,016 has not been explained.

In the circumstances, the accuracy and completeness of the unutilized funds comparative balances 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 – Ruiru Constituency Management in accordance with ISSAI 130 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.

### **Emphasis of Matter**

#### **Budgetary Control and Performance**

The summary statement of appropriation reflects final receipts budget and actual on comparable basis of Kshs.207,920,110 and Kshs.133,214,794 respectively resulting to an under-funding of Kshs.74,705,316 or 36% of the budget. Similarly, the Fund spent a balance of Kshs.118,915,512 against actual receipts of Kshs.133,214,794 resulting to an under-utilization of Kshs.14,299,282 or 11% of the actual receipts.

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

My opinion is not modified in respect of this matter.

### **Key Audit Matters**

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

### **Other Matter**

#### **Unresolved Prior Year Audit Matters**

The audit report for the previous year highlighted several issues in respect of the Financial Statements, Other Matter and Lawfulness and Effectiveness in Use of Public Resources. Management's report on the progress made in resolving the issues, indicates that issues relating to the financial statements had not been resolved as at 30 June, 2023. This is contrary to Section 68 (2) (I) of the Public Finance Management Act, 2012 which requires the Accounting Officer to take appropriate measures to resolve any issues arising from audit which may remain outstanding. Management has not provided satisfactory explanation for the delay in resolving the issues.

## **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 Conclusion on Lawfulness and Effectiveness in 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. Failure to Return Unutilized Project Management Committee Account Balances**

Annex 5 to the financial statements reflects Project Management Committee unutilized fund balances of Kshs.7,048,247 which were not returned to the Constituency account contrary to Section 12(8) of the National Government Constituency Development Fund Act, 2015 (Amended 2022) which states that all unutilized funds of the Project Management Committee shall be returned to the Constituency account.

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

### **2. Irregularities in Construction of 200 Bed Dormitory**

The Fund disbursed a total of Kshs.7,000,000 to the Project Management Committee (PMC) for Ruiru Boys Secondary School for construction of 200 bed dormitory. Review of tender documents revealed that the works were procured through Open tender. The contract was awarded to a local contractor at a contract sum of Kshs.11,490,230. A further review of procurement documents provided for audit revealed that the awarded bidder was notified of the award on 7 July, 2023 and contract agreement was signed on 17 July, 2023. However, the contract was signed 10 days after notification of award which was contrary to Section 135(3) of the Public Procurement and Asset Disposal Act, 2015 which requires the written contract to be entered into within the period specified in the notification but not before fourteen days have elapsed following the giving of that notification provided that the contract will be signed within the tender validity period.

In addition, physical inspection carried out in the month of March, 2024 revealed that rain water goods and twenty-two (22) flush doors amounting to Kshs.35,775 and Kshs.88,000 respectively totalling Kshs.123,775 were not fixed.

In the circumstances, Management was in breach of the law and value for money was not realized from the incomplete project.

### **3. Non-Compliance with Bursary Application and Awarding Guidelines**

Note 8 to the financial statements reflects other grants and other transfers amounting to Kshs.84,366,025 which includes bursary issued to secondary schools and tertiary institutions amounting to Kshs.59,955,500 and Kshs.14,366,500 respectively. Review of sampled application forms revealed that the forms had no evidence of vetting and the Chairman or the Secretary of the vetting committee did not sign the application form as prove of approval or rejection of the application. This was contrary to circular CDFB/CEO/Board Circulars vol II (021) dated 16 June, 2020.

In addition, the list of applicants indicating the recommendations and details of the unsuccessful and successful applicants to the National Government Constituency

Development Fund Committee and how much was awarded by the vetting committees was not provided for audit review.

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

#### **4. Failure to Report on Emergency Utilization**

The statement of receipts and payments and as disclosed in Note 8 to the financial statements, reflects other grants and transfers amounting to Kshs.84,366,025 which includes emergency expenditure amounting to Kshs.6,100,425. However, Management did not report the emergency expenditure to the Board using the prescribed format. This was contrary to Regulation 20(2) of the National Government Constituencies Development Fund Regulations, 2016 which requires the utilization of emergency reserve to be reported to the Board within 30 days of the occurrence of the emergency in the format prescribed by the Board.

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

#### **5. Delayed Implementation of Projects**

The summary statement of appropriation reflects approved expenditure budget of Kshs.207,920,110. During the year under audit, as per the approved project code list, the Fund received an approval for projects worth Kshs.148,648,914. However, an examination of the approved code list revealed that thirty (30) projects totalling Kshs.68,648,914 which had been approved for the year under audit were not implemented.

In the circumstances, delayed implementation of approved projects may have impacted negatively on service delivery to the residents of the Ruiru Constituency.

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 matter described in the Basis for Conclusion on effectiveness of internal controls, risk management and governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

## **Basis for Conclusion**

### **Inadequate Safeguards on Constituency Assets**

Annex 4 on summary of fixed assets register reflects total assets of Kshs.20,907,437. During the year under review, the National Government Constituencies Development Fund maintained an asset register which includes the historical cost of all the assets and specific office location. However, the assets were not insured against fire, theft or any other risk except the Fund's vehicle.

In the circumstances, the existence of effective risk management practices to safeguard the assets 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 control, 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 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 controls, risk management and governance.

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

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 Management.
- Conclude on the appropriateness of Management's use of the applicable 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 continue 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 to continue to sustain 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 Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with 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 Nancy Gathungu, CBS  
AUDITOR-GENERAL

Nairobi

17 May, 2024

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IX. Statement of Receipts and Payments for the Year Ended 30th June 2023

	Note	2022-2023	2021-2022
			Kshs
<b>RECEIPTS</b>			
Transfers from NGCDF Board	1	102,000,000	171,177,758
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
<b>TOTAL RECEIPTS</b>		<b>102,000,000</b>	<b>171,177,758</b>
<b>PAYMENTS</b>			
Compensation of employees	4	1,665,483	1,436,097
Committee expenses	5	4,988,000	10,666,215
Use of goods and services	6	4,180,002	3,275,889
Transfers to Other Government Units	7	22,900,000	67,036,897
Other grants and transfers	8	84,366,025	95,314,911
Acquisition of Assets	9	816,002	683,600
Oversight Committee Expenses	10	-	-
Other Payments	11	-	-
<b>TOTAL PAYMENTS</b>		<b>118,915,512</b>	<b>178,413,609</b>
<b>SURPLUS/DEFICIT</b>		<b>(16,915,512)</b>	<b>(7,235,851)</b>


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 the NGCDFC on 22<sup>nd</sup> September 2023.

and signed by:

  
Fund Account Manager

Name: Phares Karanja

  
National Sub-County  
Accountant  
Name: Joseph Karanja  
ICPAK M/No: 10213

  
Chairman NG-CDF Committee

Name: Peter Maina

*Ruiru Constituency National Government Constituencies Development Fund (NGCDF)  
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X. Statement of Assets and Liabilities As At 30th June, 2023

	Note	2022-2023	2021-2022
		Kshs	Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances ( as per the cash book)	12A	14,299,282	31,214,794
Cash Balances (cash at hand)	12B	-	-
<b>Total Cash and Cash Equivalents</b>		<b>14,299,282</b>	<b>31,214,794</b>
Accounts Receivable			
Outstanding Imprests	13	-	-
<b>TOTAL FINANCIAL ASSETS</b>		<b>14,299,282</b>	<b>31,214,794</b>
<b>FINANCIAL LIABILITIES</b>			
<b>Accounts Payable (Deposits)</b>			
Retention	14A	-	-
Gratuity	14B	-	-
<b>NET FINANCIAL SSETS</b>		<b>14,299,282</b>	<b>31,214,794</b>
<b>REPRESENTED BY</b>			
Fund balance b/fwd 1st July...	15	31,214,794	38,450,645
Prior year adjustments	16	-	-
Surplus/Deficit for the year		(16,915,512)	(7,235,851)
<b>NET FINANCIAL POSITION</b>		<b>14,299,282</b>	<b>31,214,794</b>


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 the NGCDFC on 22<sup>nd</sup> September 2023.

and signed by:

  
Fund Account Manager

Name: Phares Karanja

  
National Sub-County  
Accountant

Name: Joseph Karanja  
ICPAK M/No: 10213

  
Chairman NG-CDF Committee

Name: Peter Maina



*Ruiru Constituency National Government Constituencies Development Fund (NGCDF)  
Annual Report and Financial Statements for The Year Ended June 30, 2023*

XI. Statement of Cash Flows for the Year Ended 30th June 2023

		2022-2023	2021-2022
		Kshs	Kshs
<b>Receipts from operating activities</b>			
Transfers from NGCDF Board	1	102,000,000	171,177,758
Other Receipts	3	-	-
		102,000,000	171,177,758
<b>Payments for operating activities</b>			
Compensation of Employees	4	1,665,483	1,436,097
Committee expenses	5	4,988,000	10,666,215
Use of goods and services	6	4,180,002	3,275,889
Transfers to Other Government Units	7	22,900,000	67,036,897
Other grants and transfers	8	84,366,025	95,314,911
Oversight Committee Expenses	10	-	-
Other Payments	11	-	-
		118,099,510	177,730,009
<b>Adjusted for:</b>			
Decrease/(Increase) in Accounts receivable	17	-	-
Increase/(Decrease) in Accounts Payable	18	-	-
Prior year Adjustments	16	-	-
Net Adjustments		-	-
Net cash flow from operating activities		(16,099,510)	(6,552,251)
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	9	(816,002)	(683,600)
Net cash flows from Investing Activities		(816,002)	(683,600)
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>		(16,915,512)	(7,235,851)
<b>Cash and cash equivalent at BEGINNING of the year</b>	12	31,214,794	38,450,645
<b>Cash and cash equivalent at END of the year</b>		14,299,282	31,214,794

The Constituency financial statements were approved by the NGCDFC on 22<sup>nd</sup> September 2023.

and signed by:

Fund Account Manager

Name: Phares Karanja

National Sub-County  
Accountant

Name: Joseph Karanja  
ICPAK M/No: 10213

Chairman NG-CDF Committee

Name: Peter Maina

*Ruiru Constituency National Government Constituencies Development Fund (NGCDF)  
Annual Report and Financial Statements for The Year Ended June 30, 2023*

XII. Summary Statement of Appropriation for the Year Ended 30<sup>th</sup> June 2023

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 %
<b>RECEIPTS</b>		<b>Opening Balance (C/Bk) and AIA</b>	<b>Previous years Outstanding Disbursements</b>				
Transfers from NG-CDF Board	165,705,316	31,214,794	11,000,000	207,920,110	133,214,794	74,705,316	64.1%
Proceeds from Sale of Assets						-	
Other Receipts						-	
<b>TOTAL RECEIPTS</b>	<b>165,705,316</b>	<b>31,214,794</b>	<b>11,000,000</b>	<b>207,920,110</b>	<b>133,214,794</b>	<b>74,705,316</b>	<b>64.1%</b>
<b>PAYMENTS</b>							
Compensation of Employees	2,591,408	757,179	559,420	3,908,007	1,665,483	2,242,524	42.6%
Committee expenses	5,080,510			5,080,510	4,988,000	92,510	98.2%
Use of goods and services	6,591,550	527,382	3,469,414	10,588,346	4,180,002	6,408,344	39.5%
Transfers to Other Government Units	50,178,605	12,569,990		62,748,595	22,900,000	39,848,595	36.5%
Other grants and transfers	96,736,190	11,305,930	6,971,166	115,013,286	84,366,025	30,647,261	73.4%
Acquisition of Assets	870,000	1,362,286	-	2,232,286	816,002	1,416,284	36.6%
Oversight Committee Expenses	1,657,053		-	1,657,053		1,657,053	
Other Payments	2,000,000	4,692,027	-	6,692,027		6,692,027	
Unallocated Funds							
<b>TOTAL</b>	<b>165,705,316</b>	<b>31,214,794</b>	<b>11,000,000</b>	<b>207,920,110</b>	<b>118,915,512</b>	<b>89,004,598</b>	<b>57.2%</b>

*Ruiru Constituency National Government Constituencies Development Fund (NGCDF)  
Annual Report and Financial Statements for The Year Ended June 30, 2023*

*Explanatory Notes.*

- (a) *Compensation of employees was over budgeted since the employees were employed in the course of the year.*  
 (b) *Transfer to other government units increased by Ksh 14,500,000 due to reallocation to Secondary Bursary as a result of high demand for Bursaries.*

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	89,004,598
Less undisbursed funds receivable from the Board as at 30th June 2023	74,705,316
Add Accounts payable	14,299,282
Less Accounts Receivable	
Add/Less Prior Year Adjustments	
Cash and Cash Equivalents at the end of the FY 2022/2023	14,299,282

The Constituency financial statements were approved by the NGCDFC on 22<sup>nd</sup> September 2023.

and signed by:

\_\_\_\_\_

Fund Account Manager

Name: Phares Karanja

\_\_\_\_\_

National Sub-County  
Accountant

Name: Joseph Karanja  
ICPAK M/No: 10213

\_\_\_\_\_

Chairman NG-CDF Committee

Name: Peter Maina

*Ruiru Constituency National Government Constituencies Development Fund (NGCDF)  
Annual Report and Financial Statements for The Year Ended June 30, 2023*

XIII. BUDGET EXECUTION BY SECTORS AND PROJECTS

Programme/Sub-programme	Original Budget(a) 2022-2023	Adjustments(b)		Final Budget c = (a+b) 2022-2023	Actual on comparable basis(d) 2022-2023	Budget utilization difference (e = c-d)	% of Utilisation (f=d/c %)
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
	Kshs		Kshs	Kshs	Kshs	Kshs	
<b>1.0 Administration and Recurrent</b>							
1.1 Compensation of employees	2,591,408	757,179	559,420	3,908,007	1,665,483	2,242,524	43
1.2 Committee allowances	5,080,510			5,080,510	4,988,000	92,510	98
1.3 Use of goods and services	1,620,400	370,760	2,698,561	4,689,721	1,066,702	3,623,019	23
<b>Total</b>	<b>9,292,318</b>	<b>1,127,939</b>	<b>3,257,981</b>	<b>13,678,238</b>	<b>7,720,185</b>	<b>5,958,053</b>	<b>56</b>
<b>2.0 Monitoring and evaluation</b>							
2.1 Capacity building	1,278,378	45,126	400,500	1,724,004	400,000	1,324,004	23
2.2 Committee allowances	2,026,115	102,412	122,135	2,250,662	1,877,900	372,762	83
2.3 Use of goods and services	1,666,657	9,084	248,218	1,923,959	835,400	1,088,559	43
<b>Total</b>	<b>4,971,150</b>	<b>156,622</b>	<b>770,853</b>	<b>5,898,625</b>	<b>3,113,300</b>	<b>2,785,325</b>	<b>53</b>
<b>3.0 Emergency</b>							
3.1 Primary Schools	5,380,000	-	-	5,380,000	5,380,000	-	100
3.2 Secondary schools	300,000	-	-	300,000	300,000	-	100
3.3 Tertiary institutions	220,425	-	-	220,425	220,425	-	100
3.4 Security projects	200,000	-	-	200,000	200,000	-	100
3.5 Unutilised	1,535,765	-	3,336,725	4,872,490		4,872,490	
<b>Total</b>	<b>7,636,190</b>	<b>-</b>	<b>3,336,725</b>	<b>10,972,915</b>	<b>6,100,425</b>	<b>4,872,490</b>	<b>56</b>
4.0 Bursary and				0			

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**Ruiru Constituency National Government Constituencies Development Fund (NGCDF)**  
**Annual Report and Financial Statements for The Year Ended June 30, 2023**

Programme/Sub-programme	Original Budget(a) 2022-2023	Adjustments(b)		Final Budget c = (a+b) 2022-2023	Actual on comparable basis(d) 2022-2023	Budget utilization difference (e = c-d)	% of Utilisation (f=d/c %)
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
<b>Social Security</b>							
4.1 Secondary Schools	57,700,000	3,100,713	0	60,800,713	59,955,500	845,213	99
4.2 Tertiary Institutions	13,552,000	4,628,998	3,634,441	21,815,439	14,366,500	7,448,939	66
4.3 Social Security	0	0	0	0	0	0	0
4.4 Special Needs	448,000	0	0	448,000	448,000	0	0
<b>Total</b>	<b>71,700,000</b>	<b>7,729,711</b>	<b>3,634,441</b>	<b>83,064,152</b>	<b>74,770,000</b>	<b>8,294,152</b>	<b>90</b>
<b>5.0 Sports</b>	<b>3,300,000</b>	<b>69,103</b>		<b>3,369,103</b>	<b>2,995,600</b>	<b>373,503</b>	<b>89</b>
5.1							
<b>Total</b>	<b>3,300,000</b>	<b>69,103</b>		<b>3,369,103</b>	<b>2,995,600</b>	<b>373,503</b>	<b>89</b>
<b>6.0 Environment</b>							
KAHAWA SUKARI ASS, CHIEF OFFICE	300,000	-	-	300,000	-	300,000	-
MANGUO PRIMARY	300,000	-	-	300,000	-	300,000	-
MUTUYA PRIMARY SCHOOL	300,000	-	-	300,000	-	300,000	-
DEVKI RUIRU SECONDARY SCHOOL	300,000	-	-	300,000	-	300,000	-
GITHUNGURI PRIMARY SCHOOL	300,000	-	-	300,000	-	300,000	-
KAHAWA WENDANI PRIMARY SCHOOL	300,000	-	-	300,000	-	300,000	-
KWIHOTA PRIMARY SCHOOL	300,000	-	-	300,000	-	300,000	-
MATOPENI	300,000	-	-	300,000	-	300,000	-

*Ruiru Constituency National Government Constituencies Development Fund (NGCDF)  
Annual Report and Financial Statements for The Year Ended June 30, 2023*

Programme/Sub-programme	Original Budget(a) 2022-2023	Adjustments(b)		Final Budget c = (a+b) 2022-2023	Actual on comparable basis(d) 2022-2023	Budget utilization difference (e = c-d)	% of Utilisation (f=d/c %)
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
PRIMARY SCHOOL							
MUTUYA PRIMARY SCHOOL	300,000	-	-	300,000	-	300,000	
RUIRU BOYS SECONDARY SCHOOL	300,000	-	-	300,000	-	300,000	
RUIRU PRIMARY SCHOOL	300,000	-	-	300,000	-	300,000	
<b>Total</b>	<b>3,300,000</b>		-	<b>3,300,000</b>	-	<b>3,300,000</b>	
<b>7.0 Primary Schools Projects</b>					-		
GITHUNGURI PRIMARY SCHOOL	3,000,000	-	-	3,000,000	-	3,000,000	
KAHAWA WENDANI PRIMARY SCHOOL	3,000,000	-	-	3,000,000	3,000,000		100
MANGUO PRIMARY	3,800,000	-	-	3,800,000	3,800,000		100
MATOPENI PRIMARY SCHOOL	3,000,000	-	-	3,000,000	-	3,000,000	
MUTUYA PRIMARY SCHOOL	3,600,000	-	-	3,600,000	3,600,000		100
MWALIMU FARM PRIMARY	3,000,000	-	-	3,000,000	-	3,000,000	
MWIHOKO PRIMARY	3,000,000	-	-	3,000,000	-	3,000,000	
NGEWE PRIMARY SCHOOL	2,000,000	-	-	2,000,000	-	2,000,000	
RUIRU PRIMARY SCHOOL	5,000,000		-	5,000,000		5,000,000	

*Ruiru Constituency National Government Constituencies Development Fund (NGCDF)  
Annual Report and Financial Statements for The Year Ended June 30, 2023*

Programme/Sub-programme	Original Budget(a) 2022-2023	Adjustments(b)		Final Budget c = (a+b) 2022-2023	Actual on comparable basis(d) 2022-2023	Budget utilization difference (e = c-d)	% of Utilisation (f=d/c %)
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
GATONGORA PRIMARY SCHOOL		3,000,000	-	3,000,000	3,000,000		100
GIKUMARI PRIMARY SCHOOL		69,990	-	69,990		69,990	
<b>Total</b>	<b>29,400,000</b>	<b>3,069,990</b>	<b>-</b>	<b>32,469,990</b>	<b>13,400,000</b>	<b>19,069,990</b>	<b>41</b>
<b>8.0 Secondary Schools Projects</b>							
DEVKI RUIRU SECONDARY SCHOOL	3,000,000	-	-	3,000,000		3,000,000	
GITHURAI MIXED SECONDARY	3,000,000	-	-	3,000,000		3,000,000	
GITOTHUA SECONDARY	3,000,000	-	-	3,000,000		3,000,000	
RUIRU BOYS SECONDARY SCHOOL	6,000,000	-	-	6,000,000		6,000,000	
RUIRU GIRLS SECONDARY	3,000,000	-	-	3,000,000		3,000,000	
RUIRU BOYS SECONDARY SCHOOL		9,500,000	-	9,500,000	9,500,000		100
<b>Total</b>	<b>18,000,000</b>	<b>9,500,000</b>	<b>-</b>	<b>27,500,000</b>	<b>9,500,000</b>	<b>18,000,000</b>	<b>35</b>
<b>9.0 Tertiary institutions Projects</b>							
RUIRU TVET	2,778,605	-	-	2,778,605		2,778,605	
<b>Total</b>	<b>2,778,605</b>	<b>-</b>	<b>-</b>	<b>2,778,605</b>		<b>2,778,605</b>	
<b>10.0 Security Projects</b>							
GIKUMARI POLICE POST	2,000,000	-	-	2,000,000		2,000,000	

*Ruiru Constituency National Government Constituencies Development Fund (NGCDF)  
Annual Report and Financial Statements for The Year Ended June 30, 2023*

Programme/Sub-programme	Original Budget(a) 2022-2023	Adjustments(b)		Final Budget c = (a+b) 2022-2023	Actual on comparable basis(d) 2022-2023	Budget utilization difference (e = c-d)	% of Utilisation (f=d/c %)
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
GITOTHUA POLICE POST	800,000	-	-	800,000	-	800,000	
KAHAWA ASS. CHIEF	5,000,000	-	-	5,000,000	-	5,000,000	
RUIRU ASS. COUNTY COMMISSIONER	500,000	-	-	500,000	-	500,000	
RUIRU POLICE STATION	2,500,000	-	-	2,500,000	-	2,500,000	
GITOTHUA POLICE POST		975,776	-	975,776	-	975,776	
RUIRU POLICE DIVISION		1,200,000	-	1,200,000	-	1,200,000	
RUIRU SUBCOUNTY OFFICE		1,230	-	1,230	-	1,230	
RUIRU AP POST		800,000	-	800,000	-	800,000	
GITHURAI POLICE		500,000	-	500,000	500,000	0	100
RUIRU SUB COUNTY HQ		30,110	-	30,110		30,110	
<b>Total</b>	<b>10,800,000</b>	<b>3,507,116</b>	<b>-</b>	<b>14,307,116</b>	<b>500,000</b>	<b>13,807,116</b>	<b>3</b>
<b>11.0 Acquisition of assets</b>							
NGCDF OFFICE	220,000	-	-	220,000	-	220,000	
MOTOR VEHICLES		1,059,270	-	1,059,270	-	1,059,270	
CDF OFFICE		60,016	-	60,016	-	60,016	
PURCHASE OF FURNITURE	400,000	57,000	-	457,000	400,200	56,800	88
PURCHASE OF EQUIPMENT	250,000	186,000	-	436,000	415,802	20,198	95
<b>Total</b>	<b>870,000</b>	<b>1,362,286</b>	<b>-</b>	<b>2,232,286</b>	<b>816,002</b>	<b>1,416,284</b>	<b>37</b>
<b>12.0 Oversight Committee</b>							



*Ruiru Constituency National Government Constituencies Development Fund (NGCDF)  
Annual Report and Financial Statements for The Year Ended June 30, 2023*

Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference (e = c-d)	% of Utilisation (f=d/c %)
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
	2022-2023			2022-2023	2022-2023		
Committee Allowances	1,657,053		-	1,657,053	-	1,657,053	
Total	1,657,053		-	1,657,053	-	1,657,053	
12.0 Other payments					-		
STRATEGIC PLAN INNOVATION HUB	2,000,000		-	2,000,000	-	2,000,000	
		15,000	-	15,000	-		
STRATEGIC PLAN		4,677,027	-	4,677,027	-	15,000	
Total	2,000,000	4,692,027	-	6,692,027	-	4,677,027	
13.0 unallocated fund						6,692,027	
Unapproved projects	-	-	-	-	-	-	
AIA	-	-	-	-	-	-	
PMC savings	-	-	-	-	-	-	
Total	-	-	-	-	-	-	
Grand Total	165,705,316	31,214,794	11,000,000	207,920,110	118,915,512	89,004,598	57

STATEMENT OF APPROPRIATION EXTRACT (FOR COMPARISON OF APPROPRIATION STATEMENT PAYMENTS TOTALS AND BUDGET EXECUTION TOTALS)							
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 %
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
<b>PAYMENTS</b>							
Compensation of Employees	2,591,408	757,179	559,420	3,908,007	1,665,483	2,242,524	43
Committee expenses	5,080,510			5,080,510	4,988,000	92,510	98%

*Ruiru Constituency National Government Constituencies Development Fund (NGCDF)  
Annual Report and Financial Statements for The Year Ended June 30, 2023*

Programme/Sub-programme	Original Budget(a) 2022-2023	Adjustments(b)		Final Budget c = (a+b) 2022-2023	Actual on comparable basis(d) 2022-2023	Budget utilization difference (e = c-d)	% of Utilisation (f=d/c %)
		Opening Balance (C/Bk) and ALA	Previous years Outstanding Disbursements				
Use of goods and services	6,591,550	527,382	3,469,414	10,588,346	4,180,002	6,408,344	39
Transfers to Other Government Units	50,178,605	12,569,990	-	62,748,595	22,900,000	39,848,595	36
Other grants and transfers	96,736,190	11,305,930	6,971,166	115,013,286	84,366,025	30,647,261	73
Acquisition of Assets	870,000	1,362,286	-	2,232,286	816,002	1,416,284	37
Oversight Committee Expenses	1,657,053	-	-	1,657,053	-	1,657,053	-
Other payments	2,000,000	4,692,027	-	6,692,027	-	6,692,027	-
UNALLOCATED FUNDS	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>165,705,316</b>	<b>31,214,794</b>	<b>11,000,000</b>	<b>207,920,110</b>	<b>118,915,512</b>	<b>89,004,598</b>	<b>57</b>

(NB: This statement is a disclosure statement indicating the utilisation in the same format as the entity's budgets which are programme based.

#### XIV. 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 (gratuity 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-RUIRU 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.

*Significant Accounting Policies continued*

**Transfers from the National Government Constituency Development Fund (NG-CDF)**

Transfers from the NG-CDF to the constituency are recognized when cash is received in the Constituency account.

**Proceeds from Sale of Assets**

Proceeds from disposal of assets are recognized as and when cash is received in the constituency account.

**Other receipts**

These include Appropriation-in-Aid and relates to receipts such as proceeds from sale of tender documents, rent receipts, interest earned on bank balances, hire of Plant/Equipment/Facilities, Unutilized funds from PMCs among others.

*Unutilized Funds from PMCs.*

All unutilized funds of the Project Management Committee (PMC) are returned to the constituency account. Unutilized funds from PMCs are recognised as other receipts upon return to the constituency account.

**External Assistance**

External assistance refers to grants and loans received from local, multilateral and bilateral development partners. In the year under review there was no external assistance 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.

*Significant Accounting Policies continued*

**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 constituency and a summary provided for purposes of consolidation. This summary is disclosed as an annexure to the financial statements.

**5. In-kind contributions**

In-kind contributions are donations that are made to the constituency 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 constituency 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.

*Significant Accounting Policies continued*

**6. Cash and Cash Equivalent.**

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 various commercial banks at the end of the financial year.

*Significant Accounting Policies continued*

**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 (gratuity 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. Gratuity earned on monthly is held on behalf of the employee and later paid at the end of the contract period. This is an enhancement to the cash accounting policy adopted by National Government Constituencies Development Fund as prescribed by PSASB. Other liabilities including pending bills are disclosed in the financial statements.

*Significant Accounting Policies continued*

**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 are 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 financial 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 Fund**

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

**11. Budget**

The budget is developed on a comparable accounting basis (cash basis except for imprest which is 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 8<sup>th</sup> June 2022 for the period 1<sup>st</sup> July 2022 to 30<sup>th</sup> June 2023 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 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.

*Significant Accounting Policies Continued*

**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 30<sup>th</sup> June 2023.

**14. Errors**

Material prior period errors are 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**

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.



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XV. Notes to the Financial Statements

1. Transfers from NGCDF Board

Description	2022-2023	2021-2022
NGCDF Board	Kshs	Kshs
AIE NO. A 882247		33,000,000
AIE NO. A 894354		44,000,000
AIE NO. A 884573		24,000,000
AIE NO. A 899871		5,000,000
AIE NO. A 893786		12,000,000
AIE NO. A 886621		12,000,000
AIE NO. A 855532		18,000,000
AIE NO. A 898767		11,088,879
AIE NO. A 895646		12,088,879
AIE NO. B 185411	6,000,000	
AIE NO. B 185237	7,000,000	
AIE NO. B 185768	15,000,000	
AIE NO. B 205586	12,000,000	
AIE NO. B 205880	12,000,000	
AIE NO. B 206088	5,000,000	
AIE NO. B 207643	17,000,000	
AIE NO. B 207902	17,000,000	
AIE NO. A 895087	11,000,000	
<b>TOTAL</b>	<b>102,000,000.00</b>	<b>171,177,758</b>

2. Proceeds From Sale of Assets

	2022-2023	2021-2022
	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	-	-
Others (specify)	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

*Ruiru Constituency National Government Constituencies Development Fund (NGCDF)  
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3. Other Receipts

	2022-2023	2021-2022
	Kshs	Kshs
	-	-
	-	-
	-	-
	-	-
	-	-
<b>Total</b>	-	-

4. Compensation Of Employees

	2022-2023	2021-2022
	Kshs	Kshs
NG-CDFC Basic staff salaries	1,427,118	1,126,136
Personal allowances paid as part of salary	-	-
House Allowance	-	-
Transport Allowance	-	-
Leave allowance	-	-
Gratuity to contractual employees	208,645	296,361
Employer Contributions Compulsory national social security schemes	29,720	13,600
<b>Total</b>	<b>1,665,483</b>	<b>1,436,097</b>

5. Committee Expenses

	2022-2023	2021-2022
	Kshs	Kshs
Sitting allowance	1,052,000	5,227,439
Other committee expenses	3,936,000	5,438,776
<b>Total</b>	<b>4,988,000</b>	<b>10,666,215</b>

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6. Use of Goods and services

	2022-2023	2021-2022
	Kshs	Kshs
Utilities, supplies and services	144,811	162,328
Communication, supplies and services	81,710	36,000
Domestic travel and subsistence	159,000	-
Printing, advertising and information supplies & services	71,769	-
Rentals of produced assets	-	-
Training expenses	1,460,000	1,567,785
Hospitality supplies and services	1,617,000	1,100,000
Insurance costs	137,154	147,776
Specialised materials and services	-	-
Office and general supplies and services	177,946	-
Fuel , oil & lubricants	308,712	180,000
Other operating expenses	-	44,000
Bank Charges	-	-
Security operations	-	-
Routine maintenance - vehicles and other transport equipment	-	38,000
Routine maintenance- other assets	21,900	-
<b>Total</b>	<b>4,180,002</b>	<b>3,275,889</b>

7. Transfer To Other Government Units

Description	2022-2023	2021-2022
	Kshs	Kshs
Transfers To Primary Schools (See Attached List)	13,400,000	45,750,000
Transfers To Secondary Schools (See Attached List)	9,500,000	21,286,897
Transfers To Tertiary Institutions (See Attached List)	-	-
<b>Total</b>	<b>22,900,000</b>	<b>67,036,897</b>

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8. Other Grants and Other transfers

	2022-2023	2021-2022
	Kshs	Kshs
Bursary – secondary schools (see attached list)	59,955,500	43,311,287
Bursary – tertiary institutions (see attached list)	14,366,500	15,199,013
Bursary – special schools (see attached list)	448,000	-
Mock & CAT (see attached list)	-	-
Social Security programmes (NHIF)	-	-
Security projects (see attached list)	500,000	22,198,771
Sports projects (see attached list)	2,995,600	5,415,840
Environment projects (see attached list)	-	-
Emergency projects (see attached list)	6,100,425	9,190,000
Roads projects (see attached list)	-	-
<b>Total</b>	<b>84,366,025</b>	<b>95,314,911</b>

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9. Acquisition Of Assets

	2022-2023	2021-2022
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	-	497,600
Purchase of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	400,200	-
Purchase of ICT Equipment, Software and Other ICT Assets	415,802	186,000
Purchase of Specialized Plant, Equipment and Machinery	-	-
Rehabilitation and renovation of plant, machinery and equipment	-	-
Acquisition of Land	-	-
Acquisition Intangible Assets	-	-
<b>Total</b>	<b>816,002</b>	<b>683,600</b>

10. Oversight Committee Expenses

	2022-2023	2021-2022
	Kshs	Kshs
Committee Allowances	-	-
Other COC Expenses	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

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11. Other Payments

	2022-2023	2021-2022
	Kshs	Kshs
Strategic plan	-	-
ICT Hub	-	-
<b>Total</b>	-	-

12. Cash Book Bank Balance

Name Of Bank, Account No. & Currency	2022-23	2021-222
	Kshs	Kshs
<b>12A: Bank Accounts (Cash Book Bank Balance)</b>		
<i>Equity Bank. 02601708315</i>	<b>14,299,282</b>	<b>31,214,794</b>
<i>Name of Bank, account No. ( Deposits account)</i>	-	-
<b>Total</b>	<b>14,299,282</b>	<b>31,214,794</b>
<b>12 B: Cash on Hand</b>		
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other Locations	-	-
<b>Total</b>	<b>14,299,282</b>	<b>31,214,794</b>

13. 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>
None		-	-	-
		-	-	-
		-	-	-
		-	-	-
		-	-	-
		-	-	-
<b>Total</b>		-	-	-

*Ruiru Constituency National Government Constituencies Development Fund (NGCDF)  
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14. Retention and Gratuity

14 A. Retention	2022-2023	2021-2022
	KShs	KShs
Retention as at 1 <sup>st</sup> July (A)	-	276,937
Retention held during the year (B)	-	1,234,000
Retention paid during the Year (C)	-	1,510,937
Closing Retention as at 30 <sup>th</sup> June D= A+B-C	-	-

14 B. Gratuity	2022-2023	2021-2022
	KShs	KShs
Gratuity as at 1 <sup>st</sup> July (A)	-	27,106
Gratuity held during the year (B)	-	269,255
Gratuity paid during the Year (C)	-	296,361
Closing Gratuity as at 30 <sup>th</sup> June D= A+B-C	-	-

15. Fund Balance B/F

	(1 <sup>st</sup> July 2022)	(1 <sup>st</sup> July 2021)
	Kshs	Kshs
Bank accounts	31,214,794	38,450,645
Cash in hand	-	-
Imprest	-	-
<b>Total</b>	<b>31,214,794</b>	<b>38,450,645</b>
Less	-	-
Payables: - Retention	-	-
Payables - Gratuity	-	-
<b>Fund Balance Brought Forward</b>	<b>31,214,794</b>	<b>38,450,645</b>

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16. Prior Year Adjustments

	Balance b/f as per Audited Financial statements	Adjustments	Adjusted Balance** BF
Description of the error	Kshs	Kshs	Kshs
Bank account Balances	-	-	-
Cash in hand	-	-	-
Accounts Payables	-	-	-
Receivables	-	-	-
Others ( <i>specify</i> )	-	-	-
<b>Total</b>	-	-	-

17. Changes In Accounts Receivable – Outstanding Imprests

	2022-2023	2021-2022
	KShs	KShs
Outstanding Imprest as at 1 <sup>st</sup> July (A)	-	-
Imprest issued during the year (B)	-	-
Imprest surrendered during the Year (C)	-	-
closing accounts in account receivables D= A+B-C	-	-
Net changes in accounts Receivables D – A	-	-

18. Changes In Accounts Payable – Deposits and Retentions

	2022-2023	2021-2022
	KShs	KShs
Deposit and Retentions as at 1 <sup>st</sup> July (A)	-	-
Deposit and Retentions held during the year (B)	-	-
Deposit and Retentions paid during the Year (C)	-	-
closing account payables D= A+B-C	-	-
Net changes in accounts payables D-A	-	-



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19. Other Important Disclosures

19.1: Pending Accounts Payable (See Annex 1)

	2022-2023	2021-2022
	Kshs	Kshs
Construction of buildings	-	-
Construction of civil works	-	-
Supply of goods	-	-
Supply of services	-	-
<b>Total</b>	-	-

19.2: Pending Staff Payables (See Annex 2)

	2022-2023	2021-2022
	Kshs	Kshs
NGCDFC Staff	-	-
Others ( <i>specify</i> )	-	-
<b>Total</b>	-	-

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19.3: Unutilized Funds (See Annex 3)

	2022-2023	2021-2022
	Kshs	Kshs
Compensation of employees	2,242,524	757,179
Committee expense	92,510	0
Use of goods and services	6,408,344	3,457,655
Amounts due to other Government entities (see attached list)	39,848,595	12,569,990
Amounts due to other grants and other transfers (see attached list)	30,647,261	19,561,657
Acquisition of assets	1,416,284	1,176,286
Oversight Committee Expenses	1,657,053	0
Other Payments (specify)	6,692,027	4,692,027
Funds pending approval	-	-
<b>Total</b>	<b>89,004,598</b>	<b>42,214,794</b>

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19.4: Summary of Fixed Assets Register (Annex 4)

Asset class	Historical Cost	Additions during the year	Balances
	2021-2022		2022-23
Land	-	-	-
Buildings and structures	12,263,605	-	12,263,605
Transport equipment	4,940,730	-	4,940,730
Office equipment, furniture and fittings	2,413,255	400,200	2,813,455
ICT Equipment, Software and Other ICT Assets	473,845	415,802	889,647
Heritage and cultural assets	-	-	-
Other Machinery and Equipment	-	-	-
Intangible assets	-	-	-
<b>Total</b>	<b>20,091,435</b>	<b>816,002.00</b>	<b>20,907,437</b>

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19.5: PMC account balances (See Annex 5)

	2022-23	2021-22
	Kshs	Kshs
PMC account balances (see attached list)	7,048,247	26,983,613

*Ruiru Constituency National Government Constituencies Development Fund (NGCDF)  
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XVI. Annexes

Annex 1: Analysis of Pending Accounts Payable

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance	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.	-	-	-	-	-
Sub-Total	-	-	-	-	-
Grand Total	-	-	-	-	-

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Annex 2: Analysis of Pending Staff Payables

Name of Staff	Designation	Date employed	Outstanding Balance 30 <sup>th</sup> June 2023	Comments
NG-CDFC Staff	-	-	-	-
1.	-	-	-	-
2.	-	-	-	-
3.	-	-	-	-
Sub-Total	-	-	-	-
Grand Total	-	-	-	-

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Annex 3: Unutilised Funds

Name	Brief Transaction Description	Outstanding Balance	Outstanding Balance	Comments
		2022-2023	2021-2022	
		Ksh.	Ksh.	
Compensation of employees	Payment of staff salaries	2,242,524	757,179	Balance of staff salaries
Use of goods & services	Use of Goods & Services	6,408,344	3,457,655	Balance of Use of Goods and Services
Committee expenses	Committee expenses	92,510	0	
Sub Total		8,743,378	4,214,834	
Amounts due to other Government entities				
Secondary Schools				
DEVKI RUIRU SECONDARY SCHOOL	Construction of 2No. classrooms	3,000,000	-	Delayed disbursement from the Board
GITHURAI MIXED SECONDARY	Construction of 2No. classrooms	3,000,000	-	Delayed disbursement from the Board
GITOTHUA SECONDARY	Construction of 2No. classrooms	3,000,000	-	Delayed disbursement from the Board
RUIRU BOYS SECONDARY SCHOOL	Construction of Dormitory	6,000,000	9,500,000	Delayed disbursement from the Board
RUIRU GIRLS SECONDARY	Construction of Dormitory	3,000,000	-	Delayed disbursement from the Board
SubTotal		18,000,000	9,500,000	
Primary Schools				
GITHUNGURI PRIMARY SCHOOL	Construction of Admin Block	3,000,000	-	Delayed disbursement from the Board

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Name	Brief Transaction Description	Outstanding Balance	Outstanding Balance	Comments
		2022-2023	2021-2022	
		Ksh.	Ksh.	
MATOPENI PRIMARY SCHOOL	Construction of 2No. classrooms	3,000,000	-	Delayed disbursement from the Board
MWALIMU FARM PRIMARY	Construction of 2No. classrooms	3,000,000	-	Delayed disbursement from the Board
MWIHOKO PRIMARY	Construction of 2No. classrooms	3,000,000	-	Delayed disbursement from the Board
NGEWE PRIMARY SCHOOL	Renovation of 6No. Classrooms	2,000,000	-	Delayed disbursement from the Board
RUIRU PRIMARY SCHOOL	Renovation of 6No. Classrooms/Grounds	5,000,000	-	Delayed disbursement from the Board
GATONGORA PRIMARY SCHOOL	Construction of 2No. classrooms		3,000,000	Delayed Disbursement from the Board
GIKUMARI PRIMARY SCHOOL	Construction of 2No. classrooms	69,990	69,990	Delayed disbursement from the Board
Sub Total		19,069,990	3,069,990	
<b>Tertiary Schools</b>				
Ruiru TVET	Construction of Perimeter Fence	2,778,605	-	Delayed disbursement from the Board
Sub-Total		2,778,605		
<b>Amounts due to other grants and other transfers</b>				
Emergencies	Unutilized Emergency funds	4,872,490	3,336,725	
<b>Environment</b>				



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Name	Brief Transaction Description	Outstanding Balance	Outstanding Balance	Comments
		2022-2023	2021-2022	
		Ksh.	Ksh.	
KAHAWA SUKARI ASS. CHIEF OFFICE	Water Harvesting - erection of gutters and 10,000 L tank	300,000	-	Delayed disbursement from the Board
MANGUO PRIMARY	Water Harvesting - erection of gutters and 10,000 L tank	300,000	-	Delayed disbursement from the Board
MUTUYA PRIMARY SCHOOL	Water Harvesting - erection of gutters and 10,000 L tank	300,000	-	Delayed disbursement from the Board
DEVKI RUIRU SECONDARY SCHOOL	Water Harvesting - erection of gutters and 10,000 L tank	300,000	-	Delayed disbursement from the Board
GITHUNGURI PRIMARY SCHOOL	Water Harvesting - erection of gutters and 10,000 L tank	300,000	-	Delayed disbursement from the Board
KAHAWA WENDANI PRIMARY SCHOOL	Water Harvesting - erection of gutters and 10,000 L tank	300,000	-	Delayed disbursement from the Board
KWIHOTA PRIMARY SCHOOL	Water Harvesting - erection of gutters and 10,000 L tank	300,000	-	Delayed disbursement from the Board
MATOPENI PRIMARY SCHOOL	Water Harvesting - erection of gutters and 10,000 L tank	300,000	-	Delayed disbursement from the Board

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Name	Brief Transaction Description	Outstanding Balance	Outstanding Balance	Comments
		2022-2023	2021-2022	
		Ksh.	Ksh.	
MUTUYA PRIMARY SCHOOL	Water Harvesting - erection of gutters and 10,000 L tank	300,000	-	Delayed disbursement from the Board
RUIRU BOYS SECONDARY SCHOOL	Water Harvesting - erection of gutters and 10,000 L tank	300,000	-	Delayed disbursement from the Board
RUIRU PRIMARY SCHOOL	Water Harvesting - erection of gutters and 10,000 L tank	300,000	-	Delayed disbursement from the Board
<b>Sub Total</b>		<b>3,300,000</b>		
<b>Security Projects</b>				
GIKUMARI POLICE POST	Construction of Perimeter Fence	2,000,000	-	Delayed disbursement from the Board
GITOTHUA POLICE POST	Renovation of Police Post	800,000	800,000	Delayed disbursement from the Board
KAHAWA ASS. CHIEF	Construction of Assistant Chief Office and Hall	5,000,000	-	Delayed disbursement from the Board
RUIRU ASS. COUNTY COMMISSIONER	Construction of Perimeter Fence	500,000	-	Delayed disbursement from the Board
RUIRU POLICE STATION	Renovation of Staff Quarters	2,500,000	-	Delayed disbursement from the Board
GITOTHUA POLICE POST	Renovation of Police Post	975,776	975,776	Delayed disbursement from the Board
RUIRU POLICE DIVISION	Purchase of Motor Vehicles	1,200,000	1,200,000	Delayed disbursement from the Board

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Name	Brief Transaction Description	Outstanding Balance 2022-2023 Ksh.	Outstanding Balance 2021-2022 Ksh.	Comments
RUIRU SUBCOUNTY OFFICE	Construction of DCC Meeting Hall	1,230	1,230	Delayed disbursement from the Board
RUIRU AP POST	Construction of AP Post	800,000	800,000	Delayed disbursement from the Board
RUIRU SUB COUNTY HQ	Renovation of Sub County AP HQs	30,110	30,110	Being balances from the FY 2021/22 allocation
	Sub Total	13,807,116	3,807,116	
Sports	Conducting of Constituency Sports Tournament	373,503	69,103	Delayed disbursement from the Board
	Sub Total	373,503	69,103	
Bursaries	Balance of Schools Bursary funds	8,294,152	12,648,713	Delayed disbursement from the Board
	Sub-Total	8,294,152	12,648,713	
Acquisition of assets				Delayed disbursement from the Board
NGCDF office	Construction of NGCDF office funds	220,000		Delayed disbursement from the Board
Motor vehicle	Purchase of Motor Vehicle fund	1,059,270	1,059,270	Being balances form the FY 2020/21 allocation
CDF office	Renovation of NGCDF office funds	60,016	0	Being balances from the FY 2020/21 allocation
Purchase of equipment	Purchase of equipment funds	56,800	0	Delayed disbursement from the Board

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Name	Brief Transaction Description	Outstanding Balance 2022-2023	Outstanding Balance 2021-2022	Comments
		Ksh.	Ksh.	
Purchase of furniture	Purchase of furniture funds	20,198	117,016	Delayed disbursement from the Board
Sub-Total		1,416,284	1,176,286	Delayed disbursement from the Board
Oversight Committee Expenses	Unspent Oversight Committee Expenses	1,657,053	-	Delayed disbursement from the Board
Sub Total		1,657,053	-	Delayed disbursement from the Board
<b>Others</b>				
Strategic plan	Preparation of Constituency Strategic Plan	2,015,000	15,000	Delayed disbursement from the Board
ICT Hubs	Erection of ICT Hubs in the Constituency	4,677,027	4,677,027	Lack of structures to put up ICT facilities
Sub-Total		6,692,027	4,692,027	
Funds pending approval		-	-	
<b>Grand Total</b>		<b>89,004,598</b>	<b>42,214,794</b>	

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Annex 4 - Summary of Fixed Assets Register

Asset class	Historical Cost b/f	Additions during the year (Kshs)	Disposals during the year (Kshs)	Balances C/d 2022-2023
	(Kshs) 2021-2022			
Land		-	-	-
Buildings and structures	12,263,605	-	-	12,263,605
Transport equipment	4,940,730	-	-	4,940,730
Office equipment, furniture and fittings	2,413,255	400,200	-	2,813,455
ICT Equipment, Software and Other ICT Assets	473,845	415,802	-	889,647
Other Machinery and Equipment	-	-	-	-
Heritage and cultural assets	-	-	-	-
Intangible assets	-	-	-	-
<b>Total</b>	<b>20,091,435</b>	<b>816,002.00</b>	<b>-</b>	<b>20,907,437</b>

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Annex 5 - PMC ACCOUNTS BALANCES AS AT 30<sup>TH</sup> JUNE 2023

PMC	Bank	Account number	Bank Balance	Bank Balance
			2022-2023	2021-2022
MANGUO PRIMARY SCHOOL	EQUITY	870280367755	111,893	-
MUTUYA PRIMARY SCHOOL	EQUITY	870279808993	188,497	
GATONGORA PRIMARY SCHOOL	EQUITY	870262671011	142,774	
KAHAWA WENDANI PRIMARY SCHOOL	EQUITY	870269039508	28,718	
MWIKI PRIMARY SCHOOL	EQUITY	870262077715	23,016	
KWIHOTA PRIMARY SCHOOL	EQUITY	870264370015	2,680	
KIMBO POLICE POST	EQUITY	870282888067	5,000	
RUIRU BOYS SECONDARY SCHOOL	EQUITY	870268720161	6,360,632	
GITHUNGURI SECONDARY SCHOOL	EQUITY	870265787038	185,036	
RUIRU TOWNSHIP PRIMARY SCHOOL	EQUITY	870277597388		23,546
MUTUYA PRIMARY SCHOOL	EQUITY	870262678954		8,764
KAHAWA WENDANI PRIMARY	EQUITY	870270909956		4,582
MWIHOKO PRIMARY SCHOOL	EQUITY	870277597390		1,232
MWALIMU FARM PRIMARY	EQUITY	870276666634		574,089
MUTUYA PRIMARY	EQUITY	870274567898		7,635
GITHURAI KIMBO PRIMARY	EQUITY	870245619876		3,746,876
MANGUO (KIUU) PRIMARY	EQUITY	870277597388		56,000
KWANGETHE PRIMARY	EQUITY	870277597388		1,200
MUKUYU PRIMARY SCHOOL	EQUITY	870208324567		1,756
GITHUNGURI PRIMARY SCHOOL	EQUITY	870277587687		987

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GITOTHUA PRIMARY SCHOOL	EQUITY	870277598673		4,532
GIKUMARI PRIMARY SCHOOL	EQUITY	870277434560		876
ST GEORGES PRIMARY SCHOOL	EQUITY	870277650967		3,452
MATOPENI PRIMARY SCHOOL	EQUITY	870278765453		6,542
GITOTHUA SECONDARY	EQUITY	872675429340		65,098
DEVKI RUIRU SECONDARY	EQUITY	870278765298		3,985,678
KWIHOTA SECONDARY	EQUITY	870277864234		3,876,546
GITHUNGURI SECONDARY	EQUITY	870278764308		5,700,000
RUIRU BOYS SECONDARY	EQUITY	870298456754		4,329
GITHURAI MIXED SECONDARY	EQUITY	870270009388		3,800,000
RUIRU KIHUNGURO SECONDARY	EQUITY	870277512340		465,342
MWIHOKO SECONDARY	EQUITY	870277597388		187,876
GITHURAI MIXED SECONDARY	EQUITY	870277876987		4,000,000
MWIHOKO POLICE STATION	EQUITY	870277598765		456,675
Total			7,048,247	26,983,613

Annex 6: 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 and subsequent progress made on the resolution of the issues.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status:	Timeframe : (Put a date when you expect the issue to be resolved)
Ref: OAG/KBU/RUIRU/24/23	<p><b>Failure to Report on Use of Emergency Funds</b></p> <p>The statement of receipts and payments and Note 7 to the financial statements reflects other grants and transfers amounting to Kshs. 95,314,911 which includes emergency expenditure of Kshs. 9,190,000. However, Management did not provide documentary evidence indicating that the emergency expenditure was reported to the Board using the prescribed format. This is contrary to Regulation 20(2) of the National Government Constituencies Development Fund Regulations, 2016 which provides that the utilization of emergency reserve shall be reported to the Board within 30 days of the occurrence of emergency in the format prescribed by the Board.</p> <p>In the circumstances, Management was in breach of the law.</p>	Management has since reported the Emergency spending to the Board in the annual Report	Unresolved	



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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status:	Timeframe : (Put a date when you expect the issue to be resolved)
Ref: OAG/KBU/RUIRU/24/23	<p><b>Unsupported Emergency Expenditure</b></p> <p>The statement of receipts and payments reflects other grants and transfers amounting to Kshs. 95,314,911 which includes emergency expenditure amounting to Kshs. 9,190,000. Included in the expenditure is an amount of Kshs. 2,800,000 spent on purchase of desks to various schools. However, request for quotation documents, tender opening and evaluation minutes, professional opinion and inspection and acceptance minutes were not provided for audit. Further, audit verification carried out in the month of March 2023 in the two (2) primary schools for delivery of desks worth Kshs. 1,300,000 revealed that delivery notes and counter receipt vouchers were not provided for audit hence the desks delivered could not be confirmed.</p> <p>In the circumstances, the regularity and completeness of the emergency expenditure of Kshs. 2,800,000 could not be confirmed.</p>	The PMC file in respect of the impugned projects have since been received and the amounts fully accounted for.	Unresolved	



Name: Phares Karanja  
Fund Account Manager