

REPUBLIC OF KENYA



*Enhancing Accountability*

**REPORT**

THE NATIONAL ASSEMBLY  
PAPERS LAID

DATE: 16 AUG 2024

DAY: TUE 6/8/2024

**OF**

TABLED  
BY:

Deputy  
Majority Whip

**THE AUDITOR-GENERAL**

CLERK AT  
THE TABLE:

Benson Inzofu

**ON**

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

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





OFFICE OF THE AUDITOR GENERAL  
P. O. Box 30044 - 00103, NAIROBI  
REGISTRY

06 MAY 2024

RECEIVED



---

**RUARAKA CONSTITUENCY**  
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND**

**REPORTS AND FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED**  
**30<sup>th</sup> JUNE 2023**

---

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



<b>Table of Content</b>	<b>Page</b>
I. Acronyms and Abbreviations .....	iii
II. Key Constituency Information and Management.....	iv
III. NG-CDFC Chairman’s Report.....	viii
IV. Statement Of Performance Against Predetermined Objectives for FY2022/23.....	xii
V. Statement of Governance .....	xiv
VI. Environmental and Sustainability Reporting.....	xxii
VII. Statement Of Management Responsibilities .....	xxvi
VIII. Report of the Independent Auditors On The NGCDF- Ruaraka Constituency .....	xxviii
IX. Statement of Receipts and Payments for the Year Ended 30th June 2023 .....	1
X. Statement Of Assets and Liabilities As At 30th June, 2023 .....	2
XI. Statement Of Cash Flows for The Year Ended 30th June 2023 .....	3
XII. Summary Statement of Appropriation for The Year Ended 30 <sup>th</sup> June 2023 .....	4
XIII. Budget Execution By Sectors And Projects For The Year Ended 30 <sup>th</sup> June 2023 .....	6
XIV. Significant Accounting Policies .....	11
XV. Notes To the Financial Statements .....	17
XVI. Annexes .....	27

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

---

**I. Acronyms and Abbreviations**

*Provide a list of all applicable acronyms and abbreviation e.g.*

NGCDF-National Government Constituency Development Fund

PFM-Public Finance Management

IPSAS-International Public Sector Accounting Standards.

PMC-

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 Ruaraka 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)

### **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	Aziz Masoud Juma
2.	Sub-County Accountant	Antony M Ngunjiri
3.	Chairman NGCDFC	Kennedy O Ayuka
4.	Member NGCDFC	Anne A Opondo

### **(c) Fiduciary Oversight Arrangements**

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

P.O. Box 10482-00100 Nairobi  
Mathare North DO's Office Compound  
Along Outering Road  
Nairobi, KENYA

### **(e) Ruaraka Constituency NGCDF Contacts**

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



**(f) Ruaraka Constituency NGCDF Bankers**

Bank Name: Equity bank  
Branch: Kariobangi branch  
Account Name: Ruaraka NG-CDF  
Account Number: 0320261619654  
Address: 75104, Nairobi

**(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. NG-CDFC Chairman's Report



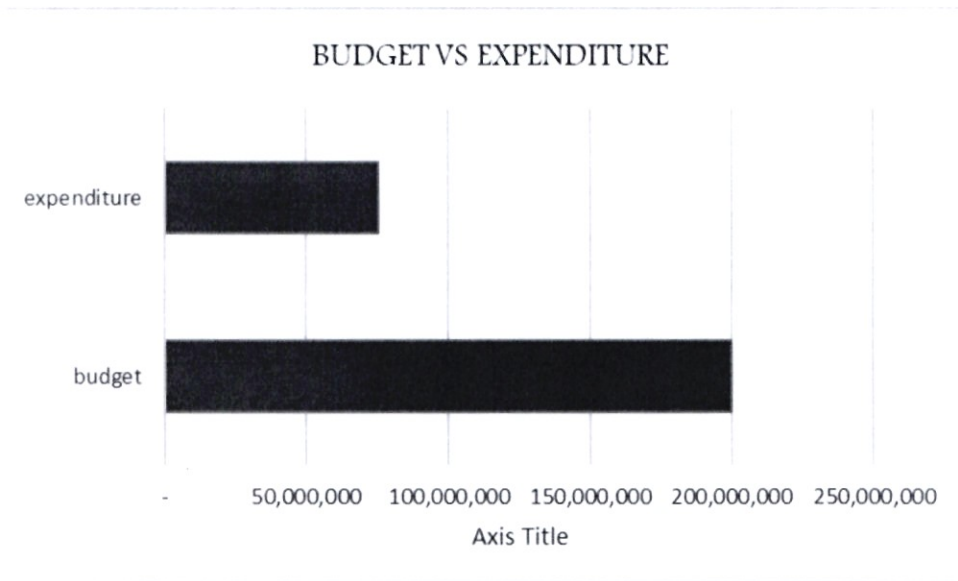
*CPA. Kennedy Ayuka – Chairperson Ruaraka NGCDF*

Ruaraka Constituency is constituency number 281 out of the 290 elective constituencies in Kenya and one of the 17 Constituencies in Nairobi County. The Constituency borders Embakasi North Constituency to the East and south, Kasarani and Roysambu Constituencies to the North while Mathare Constituency to the west. It covers a total area of 7.2 square kilometers. Ruaraka constituency is divided into five wards namely: Lucky Summer, Mathare North, Korogocho, Baba Dogo and Utalii. The wards are further sub divided into four locations namely Ruaraka, Utalii, Korogocho and Lucky summer. Ruaraka Constituency falls under Kasarani Sub-county.

The introduction of the IPSAS mode of preparing Financial Statements is a great milestone in achieving our end goal of ensuring development and proper utilization of funds. Accountability has been enhanced and the committee has been more empowered in decision making with regards to utilization of funds

In the financial year 2022/23 the NG-CDF Ruaraka was allocated Ksh. **145,087,603** in which the office has received Ksh. **91,000,000** . By the end of the financial year an amount of 54,087,603 was yet to be received from the Board. The fund was utilized as shown in the figure below .

The below figure shows the total funds available for use Kshs. 200,028,789 compared to the utilisation within the year Kshs. 75,575,426, representing 37.8 %.



**Key Achievements**

The following are some of the key projects that have been undertaken



*Construction of TJ Kajwang Mathare North Secondary School*

Figure 1. above shows successful construction to completion of phase one of TJ Kajwang Mathare North Secondary School. The project is of high impact since it facilitates learning of various

students in Ruaraka constituency. We are glad to showcase this beautiful project courtesy of NG-CDF fund.



*TJ Kajwang Mathare North Secondary School land scaping and GATE*

**Figure 2.** above depicts project of landscaping and construction of gate at TJ Kajwang Mathare North Secondary School, a project of best practice since it provides security to the educational facility, we therefore appreciate the existence of NGCDF fund that facilitated the existence of the project.



***Construction of part boundary wall Primary School***

**Figure 3.** above shows construction of boundary wall at TJ Kajwang Mathare North Secondary School, the project is one of best practice as it enhanced security of the educational facility in addition to provide boundary to government facility. Thanks to NGCDF fund this project was usefully initiated.

**Emerging Issues**

- a) Introduction of competency based curriculum (CBC) led to need for more education support facilities such as classrooms, laboratories etc. with this the support of NGCDF fund is greatly required.
- b) Security challenges, Ruaraka constituency is 90% slam based and therefore there is high risk of insecurities.
- c) Rise of school fees especially in tertiary and university institutions and reduction in issuance of Helb loans to students has led to increase in demand for bursaries.

**Implementation Challenges**


The delay in implementing of the projects was due to the delayed disbursement for the project funds.

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

Otherwise the impact of the NG-CDF kitty is felt countrywide and we hope and pray that the fund lives longer in order to impact more lives in Kenya.

**Solutions**

- 1. More allocation of funds to enable Ruaraka NGCDF achieve various mandates such as construction of more classrooms to support CBC programs, construction of more police stations to Help curb the rise in insecurity and as well has increase its bursary allocations to support needy students.



.....  
**Name: CPA Kennedy Ayuka**  
**CHAIRPERSON NGCDF COMMITTEE**

**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 **Ruaraka Constituency 2022-2027** plan are to:

- a) To provide basic amenities to all constituents through proper planning and prioritization of development projects.
- b) To mobilize effective participation and involvement of the community in development and creation of a better environment.
- c) To strengthen the economic capacity of Ruaraka Constituency residents towards self-sufficiency and independence.

**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 have all children of school going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	number of usable physical infrastructure build in primary, secondary, and tertiary institutions number of bursary’s beneficiaries at all levels	In FY 2022/23  Construction to completion of TJ Kajwang Mathare North Secondary School phase one - Bursary beneficiaries at all levels were 6000
Security	Equip, facilitate and enhance capacity of provincial administration and other security organs in order to improve service delivery	Develop and enhance provincial administration and other security organs infrastructure to enhance service delivery	Number of usable physical infrastructure built in locations, sub locations and police stations	Construction of perimeter wall at Mathare North Primary School

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

Environment	Improve access to clean water and a more sustainable and conserved environment through natural resources conservation initiatives	Equip schools with good energy saving jikos and water tanks	High number of energy saving jikos and water installed	Environment Projects were not implemented due to delay in disbursement from the board.
Sports	Empower and develop youth and special groups	Reduced dependence and spur economic growth through sports	Number of youth groups benefitting from the sports programme	Sport activities were not implemented due to delay in disbursement from the board.
Emergency	Improve the mechanism used in handling disasters	Reduce loss of live and properties	Number of staircases and rumps put in place.	Construction of school gate at TJ Kajwang Mathare North Sec Sch

## **V. Statement of Governance**

### **Introduction**

The NGCDF Act 2016 on appointment of NGCDFC members states; The members of a Constituency Committee provided for Appointment shall be selected by 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.



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

---

(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 shall be a mandatory signatory to the Constituency account

In Ruaraka NGCDF is managed by a team of ten (10) NGCDFC members appointed in accordance with the NGCDF act 2015 as amended in 2022. The ten members comprise of seven gazetted members, a member co-opted by the NGCDF Board, the deputy County commissioner and an officer of the board at the constituency level who is an ex-officio member. As a result of change of regime due to the elections carried out in August 2022, there had to be phased out the existing committee and a new one selected.

The gazetted members are appointed in accordance with the NGCDF Act 2015. They comprise of two female members one of whom must be a youth at the time of appointment and two male members one of whom must be a youth at the time of appointment and one member who is a person living with disabilities and two nominees of the Constituency office. Five members are selected by a selection panel chaired by the Deputy County Commissioner or his nominee and the Officer of the board is the secretary. The Officer of the board invites applications from persons who qualify for appointment within fourteen of the first meeting of the selection panel. The panel considers all applications and selects five applicants considering age, gender social interest and regional balance, the officer of the board submits the five qualified applicants to the board for appointment. The board co-opts one person to ensure equity in representation in the committee. Through the national assembly the constituency office nominates two persons of either gender to and forward he names to the officer of the board at the constituency. All the names of the seven appointees are presented to parliament for approval and subsequent gazettelement.

The National Government Constituencies Development Fund Act 2015 (Amended 2016) and its regulations provides for establishment of National Government Constituency Development Committee (NG-CDFC) for every constituency. The officer of the board facilitated the process of

nomination of the NG CDFC for onward forwarding to the board for appointment through gazette notice.

Further the NG CDF regulations requires that one to serve as member of the NGCDF committee he or she must be (a) citizen of Kenya, (b) ordinarily resident voter of the constituency, (c) able to read and write and communicate in English and Kiswahili, (d) meet the chapter six of the constitution, (e) available to participate in the activities of the constituency (f) for youth nominee he or she must have attained age of 18 years but below age of 35yrs and (g) for persons with disability nominee must be nominated by a registered group representing persons with disability within the constituency.

#### **Process of Formation of the NGCDF Committee**

To facilitate this, the selection panel invited interested and qualified members of the public for appointment to the NG-CDF committee. The panel invited the public through advertisement publicised in churches, public offices notice boards at the chiefs and assistant Chiefs offices and other public areas in the constituency.

Out of the total 13 applicants, the selection panel developed a shortlisting criterion which enabled identification of the nominees for interviews. Two additional nominees were proposed by Ruaraka Constituency Office as per the NG-CDF Act, 2015.

NO	NAME	CATEGORY	WARD
1.	Jim Africa Owino	Male (Adult)	Mathare north ward
2.	Leakey Onchari	Male (Youth)	Mathare north ward
3.	Anne Achieng Opondo	Female (Adult)	Lucky summer
4.	Winnie Akinyi Migoya	Female (Youth)	Utalii

#### **Nominee of the Body representing Persons with Disability**

NO	NAME	NOMINATING ORGANIZATION	NATURE OF PHYSICAL IMPAIRMENT	WARD
1.	Kennedy Ayuka	Mathare north 4A people with special needs.	Physical	Lucky summer

#### **Nominee of the Constituency Office**

NO	NAME	CATEGORY	OCCUPATION	WARD
1.	Pauline Amondi Opiyo	Male	Business Person	Utalii
2.	Stephen Ogola Oduor	Female	Business Person	Baba Dogo

Upon further consultation with the panel and the Constituency Office, members agreed to recommend for co-option by the NG-CDF Board.

S/N	Name	Gender	Ward
-----	------	--------	------

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

1.	David Otieno odungu	Male	Korogocho
----	---------------------	------	-----------

The NGCDFC members were gazetted via gazette notice Vol. cxxiv-No. 266 dated 9<sup>th</sup> Dec 2022.

The members went through the process electing the chairperson and the secretary of the committee. The following member were elected.

1. Chairperson -Mr. Kennedy Ayuka ID No. 13890567
2. Secretary -Mrs. Ann Opondo ID No. 12686247

During its first meeting, a Constituency Committee established Sub-Committees necessary for the proper performance of its functions in accordance with the guidelines issued by the Board. The three subcommittee are as follows:

- i. Bursary Sub Committee
- ii. Complaints Resolution Sub Committee
- iii. Monitoring and Evaluation Sub Committee

The following were appointed to the different committee

**a. Bursary committee**

1. Kennedy Ayuka Chairman
2. Anne Opondo Secretary
3. David Otieno Odungu Member
4. Winnie Akinyi Migoya Member
5. James Yagan Member
6. Aziz Juma (Fund Account Manager) Member
7. Pauline Amondi Opiyo Member
8. Jim Africa Owino Member
9. Leakey Onchari Nyaburi Member
10. Stephen Ogola Member

**b. Complaints Resolution Committee**

1. Steven Ogola Chairman
2. Kennedy Ayuka Member
3. Anne Opondo Secretary
4. James Yagan Member

**c. Monitoring and Evaluation Sub Committee**

1. David Otieno Odungu Chairman

2. Winnie Akinyi Migoya	Secretary
3. Kennedy Ayuka	Member
4. Anne Opondo	Member
5. James Yagan	Member
6. Aziz Juma (Fund Account Manager)	Member
7. Pauline Amondi Opiyo	Member
8. Jim Africa Owino	Member
9. Leakey Onchari Nyaburi	Member
10. Stephen Ogola	Member

The chairperson and the secretary are members of all the committees, while all NGCDFC members are all members of bursary subcommittee and monitoring and evaluation subcommittee.

The term of office for the members of the Constituency Committee is two years and will be renewable but shall expire upon the appointment of a new Constituency Committee in the manner provided for in the Act.

#### **Roles and functions of NG-CDFC**

The functions of the National Government Constituency Development Fund Committees members as stipulated in NG-CDF Regulations are;

- Convene public meetings in every ward in the constituency to deliberate to on development matters.
- Deliberate on project proposals and any other projects considers beneficial to constituency.
- List of projects to be submitted in accordance with the Act to be submitted to the to the Board and ensure that all proposed projects that are approved for funding meet the requirements of section 24 of the Act.
- Ensure formation of project management committees, opening of project accounts, project implementation and closure of projects build the capacity of project management committees and sensitize the Community on the operations of the Fund
- Ensure that all projects receive adequate funding and are completed within three years.
- Monitor the implementation of projects in accordance with the monitoring and evaluation framework prescribed by the Board.
- Submit financial statements to the Board within sixty days of the end of the financial year to enable the Board comply with section 39(4) of the Act.
- Recommend to the Board the removal of a committee member.

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

---

- Enter into performance contracting with the Board on an annual basis.

**Removal of NG-CDFC Members**

NGCDF Act provides that a member of the Constituency Committee may be removed from office on any one or more of the following grounds-

- (i) lack of integrity;
- (ii) gross misconduct;
- (iii) embezzlement of public funds;
- (iv) bringing the committee into disrepute through unbecoming personal public conduct;
- (v) promoting unethical practises
- (vi) causing disharmony within the committee;
- (vii) physical or mental infirmity.

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

In Ruaraka the NG-CDFC has not found any member to have contravened the laid down regulations and law to warrant removal.

**Training of NG-CDFC Members**

In the financial year 2022/2023 the NGCDF Board organized training of NGCDFC members. During the training, critical areas such as public finance, project planning, procurement, complaint management, performance management were covered to equip them with the prerequisite knowledge and skills to ensure effective and efficient management of NG-CDF Ruaraka.

**Number of Meetings Held**

According to the NGCDF Act 2015 amended in 2022, the NGCDF Committee is required to hold a maximum of 24 meetings in a year including any subcommittee meetings. In the financial year 2022/2023 Ruaraka Constituency Held a total of 9 meetings as per the table below.

NO.	NG-CDFC COMMITTEE MEMBERS	13 <sup>th</sup> Dec 2023	22 <sup>nd</sup> Dec 2023	11 <sup>th</sup> Jan 2023	8 <sup>th</sup> Feb 2023	9 <sup>th</sup> March 2023	11 <sup>th</sup> April 2023	15 <sup>th</sup> April 2023	20 <sup>th</sup> April 2023	10 <sup>th</sup> may 2023
1	Kennedy Ayuka -chair	✓	✓	✓	✓	✓	✓	✓	✓	✓
2	Ann Opondo-Secretary	✓	✓	✓	✓	✓	✓	✓	✓	✓

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

3	Leakey Onchari -Member	✓	✓	✓	✓	✓	✓	✓	✓	✓
4	David Otieno-Member	✓	✓	✓	✓	✓	✓	✓	✓	✓
5	Pauline Amondi -Member	✓	✓	✓	✓	✓	✓	✓	✓	✓
6	Jim Africa Owino-Member	✓	✓	✓	✓	✓	✓	✓	✓	✓
7	Winnie akinyi-Member	✓	✓	✓	✓	✓	✓	✓	✓	✓
8	Stephen Ogola-Member	✓	✓	✓	✓	✓	✓	✓	✓	✓
9	Aziz Juma Masoud -FAM	✓	✓	✓	✓	✓	✓	✓	✓	✓
10	James yagan-ACC	✓	✓	✓	✓	✓	✓	✓	✓	✓

**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 Ruaraka adhered to the above ethical issues.

**Members Remuneration**

NG-CDFC members are not entitled to payment of salary. However, the chairperson of NG-CDFC is entitled to an allowance seven thousand per meeting and all other members an allowance of five thousand per sitting. All NGCDFC members should adhere to general ethics and code of conduct as stipulated in the NGCDF Act.

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

**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 Ruaraka contravened conflict of interest policy.

### **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 with the delivery of service.

Some of the risk mitigation strategies that NGCDFC Ruaraka 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, 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**

Ruaraka 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 Ruaraka NG CDF, the committee funds the following key sectors with the following sustainable priorities.

- a. **Education and Training:** Ruaraka 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.



To attain this level of sustainability, we acknowledge challenges currently arising from the effects of Covid- 19 that have adversely affected the sporting activities and thereby limiting the potential benefits envisaged in using sports as development strategy within the constituency. On macro levels FY 21/22 has been a challenging year with limited funding towards these activities which may hamper the success of priority strategies undertaken.

## **2. Environmental performance**

- a) Ruaraka NGCDF once every quarter normally organizes clean up exercise in schools and during the same time tree planting exercise is done.
- b) Through the Member of Parliament Office Sensitization programmes are normally organized to encourage the youth to stay out of drugs and crimes.
- c) Sports events are also always organized annually to nature talents and keep the youth out of drugs abuse and crimes.

## **3. Employee welfare**

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

Ruaraka 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-**

Ruaraka 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.

**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.

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



.....  
**Aziz Juma**

**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-Ruaraka Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 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-Ruaraka Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *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- Ruaraka 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 Ruaraka 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

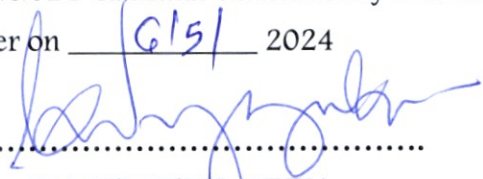
**Ruaraka Constituency**  
**National Government Constituencies Development Fund (NGCDF)**  
**Annual Report and Financial Statements for The Year Ended June 30, 2023**

---

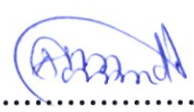
for. Further the Accounting Officer confirms that the *constituency*'s financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

**Approval of the financial statements**

The NGCDF-Ruaraka Constituency financial statements were approved and signed by the Accounting Officer on 01/5/ 2024



.....  
**Name: CPA KENNEDY AYUKA**  
**Chairman – NGCDF Committee**



.....  
**Name: AZIZ MASOUD JUMA**  
**Fund Account Manager**

# REPUBLIC OF KENYA

Telephone: +254-(20) 3214000  
E-mail: info@oagkenya.go.ke  
Website: www.oagkenya.go.ke



HEADQUARTERS  
Anniversary Towers  
Monrovia Street  
P.O. Box 30084-00100  
NAIROBI

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

---

### 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 National Government Constituencies Development Fund – Ruaraka Constituency set out on pages 1 to 36, which comprise of the statement of assets and liabilities as at 30 June, 2023, the statement of receipts and payments, the statement of cash flows, the 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 effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the National Government Constituencies Development Fund – Ruaraka 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 National Government Constituencies Development Fund Act, 2015 (Amended 2022).

### **Basis for Qualified Opinion**

#### **Unsupported Project Management Committee Bank Balances**

Note 19.4 to the financial statements and as disclosed in Annex 5 reflects Project Management Committee bank balances totaling to Kshs.21,887,990 which were not supported with bank balance certificates, expenditure returns and Projects Implementation Status reports.

In the circumstances, the accuracy of Project Management Committee bank balances totaling Kshs.21,887,990 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 – Ruaraka 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 budget and actual on comparable basis of Kshs.200,028,789 and Kshs.145,941,186 respectively resulting in under-funding of Kshs.54,087,603 or 27% of the budget. Similarly, the fund spent Kshs.75,575,426 against actual receipts of Kshs.145,941,186 resulting to an under-utilization of Kshs.70,365,760 or 48 % 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.

## **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 matter 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**

#### **Failure to Open and Maintain an Independent Bank Account for Each Project**

Review of project files and bank statements revealed that the Fund disbursed funds amount of Kshs.9,495,045 to projects of constructing of classrooms, construction of perimeter wall, construction of ablution block and construction of earthworks of amounts of Kshs.6,000,000 and Kshs.4,000,000 and Kshs.2,905,500 respectively. However, the disbursement of funds was done from the same bank account instead of individual project accounts. This was contrary to Regulation 15(1) of the National Government Constituencies Development Fund Regulations, 2016 which provides that there shall be appointed a Project Management Committee for each project in a Constituency which shall implement projects and will open and maintain an independent bank account for each project.

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

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



## **Basis for Conclusion**

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal 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 control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, risk management and governance.

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue to sustain its services, disclosing, as applicable, matters related 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 which 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 on whether, in all material respects, 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, 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 controls in order to give an assurance on the effectiveness of internal controls, risk management and overall 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 controls would not necessarily disclose all matters in the internal controls which 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 which 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 controls 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 which 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 controls.
- 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 which 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 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 which 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 controls that are identified during the audit.

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

  
FCPA Nancy Gathungu, CBS  
**AUDITOR-GENERAL**

**Nairobi**

**22 May, 2024**

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

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


	Note	2022-2023	2021-2022
		Kshs	Kshs
<b>Receipts</b>			
Transfers From NGCDF Board	1	91,000,000	182,177,758
Proceeds From Sale of Assets	2	-	-
Other Receipts	3	4,000	62,000
<b>Total Receipts</b>		<b>91,004,000</b>	<b>182,239,758</b>
<b>Payments</b>			
Compensation Of Employees	4	4,078,760	2,148,000
Committee expenses	5	2,418,397	3,766,702
Use Of Goods and Services	6	5,321,169	5,903,010
Transfers To Other Government Units	7	25,809,720	64,234,860
Other Grants and Transfers	8	37,947,380	110,597,578
Acquisition Of Assets	9	-	15,918,026
Oversight Committee Expenses	10	-	-
Other Payments	11	-	-
<b>Total Payments</b>		<b>75,575,426</b>	<b>202,568,176</b>
<b>Surplus/(Deficit)</b>		<b>15,428,574</b>	<b>(20,328,418)</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.

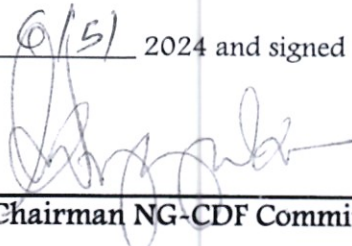
The Constituency financial statements were approved by the NGCDFC on 01/5/2024 and signed by:

  
 Fund Account Manager

Name: AZIZ MASOUD JUMA

  
 National Sub-County Accountant

Name: ANTONY M NGUNJIRI  
 ICPAK M/No: 15171

  
 Chairman NG-CDF Committee

Name: CPA KENNEDY AYUKA

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


**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	70,365,760	54,937,186
Cash Balances (Cash at Hand)	12B	-	-
<b>Total Cash and Cash Equivalents</b>		<b>70,365,760</b>	<b>54,937,186</b>
<b>Accounts Receivable</b>			
Outstanding Imprests	13	-	-
<b>Total Financial Assets</b>		<b>70,365,760</b>	<b>54,937,186</b>
<b>Financial Liabilities</b>			
<b>Accounts Payable (Deposits)</b>			
Retention	14A	-	-
Gratuity	14B	-	-
<b>Total Financial Liabilities</b>			
<b>Net Financial Assets</b>		<b>70,365,760</b>	<b>54,937,186</b>
<b>Represented By</b>			
Fund Balance B/Fwd	15	54,937,186	75,265,604
Prior Year Adjustments	16	-	
Surplus/Deficit for The Year		15,428,574	(20,328,418)
<b>Net Financial Position</b>		<b>70,365,760</b>	<b>54,937,186</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 NG CDFC on 6/5/2024 and signed by:

  
 Fund Account Manager

  
 National Sub-County  
 Accountant

  
 Chairman NG-CDF  
 Committee

Name: AZIZ MASOUD JUMA

Name: ANTONY M NGUNJIRI  
 ICPAK M/No: 15171

Name: CPA KENNEDY AYUKA

**Ruaraka 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**

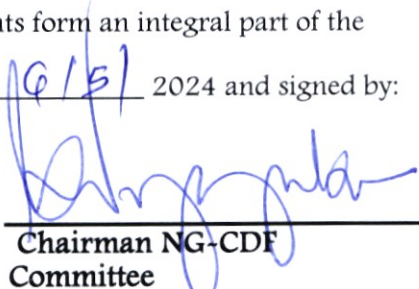
	Notes	2022-2023	2021-2022
		Kshs	Kshs
<b>Receipts From Operating Activities</b>			
Transfers From NGCDF Board	1	91,000,000	182,177,758
Other Receipts	3	4,000	62,000
<b>Total Receipts</b>		<b>91,004,000</b>	<b>182,239,758</b>
<b>Payments</b>			
Compensation Of Employees	4	4,078,760	2,148,000
Committee Expenses	5	2,418,397	3,766,702
Use Of Goods and Services	6	5,321,169	5,903,010
Transfers To Other Government Units	7	25,809,720	64,234,860
Other Grants and Transfers	8	37,947,380	110,597,578
Oversight Committee Expenses	10	-	-
Other Payments	11	-	-
<b>Total Payments</b>		<b>75,575,426</b>	<b>186,650,150</b>
<b>Total Receipts Less Total Payments</b>		<b>15,428,574</b>	<b>(4,410,392)</b>
<b>Adjusted For:</b>			
Prior Year Adjustments	16	-	-
Decrease/(Increase) In Accounts Receivable	17	-	-
Increase/(Decrease) In Accounts Payable	18	-	-
<b>Net Cash Flow from Operating Activities</b>		<b>15,428,574</b>	<b>(4,410,392)</b>
<b>Cashflow From Investing Activities</b>			
Proceeds From Sale of Assets	2	-	-
Acquisition Of Assets	9	-	(15,918,026)
<b>Net Cash Flows from Investing Activities</b>		<b>-</b>	<b>(15,918,026)</b>
<b>Net Increase In Cash And Cash Equivalent</b>			
		<b>15,428,574</b>	<b>(20,328,418)</b>
<b>Cash &amp; Cash Equivalent At Start Of The Year</b>	<b>12</b>	<b>54,937,186</b>	<b>75,265,604</b>
<b>Cash &amp; Cash Equivalent At End Of The Year</b>	<b>12</b>	<b>70,365,760</b>	<b>54,937,186</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 NG CDFC on 10/5/2024 2024 and signed by:

  
 Fund Account Manager

  
 National Sub-County  
 Accountant

  
 Chairman NG-CDF  
 Committee

Name: AZIZ MASOUD JUMA

Name: ANTONY M NGUNJIRI  
 ICPAK M/No: 15171

Name: CPA KENNEDY AYUKA

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

Receipts/Payments	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilization
	a	b		c=a+b	d	e=c-d	f=d/c %
	2022-2023	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements	2022-2023	2022-2023		
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	
<b>Receipts</b>							
Transfers From NGCDF Board	145,087,603	54,937,186	-	200,024,789	145,937,186	54,087,603	73%
Proceeds From Sale of Assets	-	-	-	-	-	-	0.0%
Other Receipts	-	4,000	-	4,000	4,000	-	100.0%
<b>Totals</b>	<b>145,087,603</b>	<b>54,941,186</b>	<b>-</b>	<b>200,028,789</b>	<b>145,941,186</b>	<b>54,087,603</b>	<b>73.0%</b>
<b>Payments</b>							
Compensation Of Employees	3,558,600	5,464,242	-	9,022,842	4,078,760	4,944,082	45.2%
Committee Expenses	2,558,923	825,892	-	3,384,815	2,418,397	966,418	71.4%
Use Of Goods and Services	6,321,361	2,285,336	-	8,606,697	5,321,169	3,285,528	61.8%
Transfers To Other Government Units	63,669,876	18,028,254	-	81,698,130	25,809,720	55,888,410	31.6%
Other Grants and Transfers	56,859,843	28,093,732	-	84,953,575	37,947,380	47,006,195	44.7%
Acquisition of Assets		17,730	-	17,730	-	17,730	0.0%
Oversight Committee Expenses	619,000	-	-	619,000	-	619,000	0.0%
Other Payments	3,500,000	-	-	3,500,000	-	3,500,000	0.0%
Funds Pending Approval**	8,000,000	226,000	-	8,226,000	-	8,226,000	0.0%
<b>Totals</b>	<b>145,087,603</b>	<b>54,941,186</b>	<b>--</b>	<b>200,028,789</b>	<b>75,575,426</b>	<b>124,453,363</b>	<b>37.8%</b>

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

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

**Explanatory Notes.**


(a) The Unapproved projects represent the projects that are conditionally approved by the Board and the AIE raised from sale of Tender that is not yet approved by the Board.


(b) The Underutilisation of funds is as a result of the late disbursement of funds from the Board


*(Explain whether the changes between the original and final budget are as a result of reallocations within the budget or other causes as per IPSAS 1.9.23.) The actual on a comparable basis in the Summary Statement of Appropriation: Recurrent and Development Combined should agree to the amounts reported in the Statement of Receipts and Payments.*

<b>Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities</b>	
<b>Description</b>	<b>Amount</b>
Budget utilisation difference totals	124,453,363
Less undisbursed funds receivable from the Board as at 30 <sup>th</sup> June 2023	54,087,603
	<b>70,365,760</b>
Increase/(decrease) Accounts payable	-
(Decrease)/Increase Accounts Receivable	-
Add/Less Prior Year Adjustments	-
Cash and Cash Equivalents at the end of the 30 <sup>th</sup> June 2023	<b>70,365,760</b>

The Constituency financial statements were approved by NG CDFC on 6/5/ 2024 and signed by:

  
**Fund Account Manager**  
**Name: AZIZ MASOUD JUMA**

  
**National Sub-County Accountant**  
**Name: ANTONY M NGUNJIRI**  
**ICPAK M/No: 15171**

  
**Chairman NG-CDF Committee**  
**Name: CPA KENNEDY AYUKA**



**XIII. Budget Execution By Sectors And Projects For The Year Ended 30<sup>th</sup> June 2023**

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Blk) and AIA	Previous Years' Outstanding Disbursements			
		Kshs	Kshs			
<b>1.0 Administration and Recurrent</b>						
1.1 Compensation of employees	3,558,600	5,464,242	-	9,022,842	4,078,760	4,944,082
1.2 Committee allowances	1,853,923	252,822.00		2,106,745	1,524,000	582,745
1.3 Use of goods and services	2,904,733	2,060,444.00		4,965,177	2,298,798	2,666,379
<b>Sub-total</b>	<b>8,317,256</b>	<b>7,777,508</b>	<b>-</b>	<b>16,094,764</b>	<b>7,901,558</b>	<b>8,193,206</b>
<b>2.0 Monitoring and evaluation</b>						
2.1 Capacity building	2,674,128		-	2,674,128	2,332,884	341,244
2.2 Committee allowances	936,000	573,070	-	1,509,070	894,397	614,673
2.3 Use of goods and services	742,500	224,892	-	967,392	689,487	277,905
<b>Sub-total</b>	<b>4,352,628</b>	<b>797,962</b>	<b>-</b>	<b>5,150,590</b>	<b>3,916,768</b>	<b>1,233,822</b>
<b>3.0 Emergency</b>						
3.1 Primary Schools						
3.2 Secondary schools	7,636,190	781,312	-	8,417,502	700,000	7,717,502
3.3 Tertiary institutions						
3.4 Security projects						
<b>Sub-total</b>	<b>7,636,190</b>	<b>781,312</b>	<b>-</b>	<b>8,417,502</b>	<b>700,000</b>	<b>7,717,502</b>
<b>4.0 Bursary and Social Security</b>						
4.1 Primary Schools	26,000,000	21,601,864.0	-	47,601,864	32,288,000	15,313,864

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
		0				
4.2 Secondary Schools	10,271,901	4,960,914.00	-	15,232,815	4,959,380	10,273,435
4.3 Tertiary Institutions						
4.4 Universities						
4.5 Social Security						
<b>Sub-total</b>	<b>36,271,901</b>	<b>26,562,778</b>	<b>-</b>	<b>62,834,679</b>	<b>37,247,380</b>	<b>25,587,299</b>
<b>5.0 Sports</b>	2,901,752	30,224	-	2,931,976		2,931,976
5.1						
5.2						
5.3						
<b>Sub-total</b>	<b>2,901,752</b>	<b>30,224</b>		<b>2,931,976</b>		<b>2,931,976</b>
<b>6.0 Environment</b>						
6.1 Ruaraka NGCDF	350,000	-	-	350,000	-	350,000
6.2 Ruaraka NGCDF	300,000	-	-	300,000	-	300,000
6.3 Mathare North police station	350,000	-	-	350,000	-	350,000
6.4 Lucky summer police station	350,000	-	-	350,000	-	350,000
6.5 Baba dogo primary school	200,000	719,389	-	919,389	-	919,389
<b>Total</b>	<b>1,550,000</b>	<b>719,389</b>	<b>-</b>	<b>2,269,389</b>	<b>-</b>	<b>2,269,389</b>
<b>7.0 Primary Schools Projects (List all the Projects)</b>						
7.1 Baba dogo primary school	3,000,000		-	3,028,200	-	3,000,000
7.2 Chandaria primary school	8,500,000	-	-	8,500,000	-	8,500,000

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
7.3 Drive inn primary school	2,500,000	-	-	2,500,000	-	2,500,000
7.4 Daniel comboni primary school	7,000,000	-	-	7,000,000	-	7,000,000
7.5 Ngunyumu primary school	4,000,000	-	-	4,000,000	-	4,000,000
7.6 Mathare North primary school	2,500,000	-	-	2,500,000	2500000	-
7.7 Mathare North primary school	7,000,000	-	-	7,000,000	-	7,000,000
7.8 School desks		28,200				28,200
7.9 Luckysummer primary school		18,000,000		18,000,000	18000000	-
<b>Total</b>	<b>34,500,000</b>	<b>18,028,200</b>	<b>-</b>	<b>52,528,200</b>	<b>20,500,000</b>	<b>32,028,200</b>
<b>8.0 Secondary Schools Projects (List all the Projects)</b>						
8.1 Baba dogo secondary school	1,300,000	-	-	1,300,000	-	1,300,000
8.2 Baba dogo secondary school	6,060,156	-	-	6,060,156	-	6,060,156
8.3 Ruaraka High School	4,000,000	-	-	4,000,000	-	4,000,000
8.4 TJ Kajwang M.N secondary school	12,500,000	-	-	12,500,000	-	12,500,000
8.5 TJ Kajwang M.N secondary school	1,200,000	-	-	1,200,000	1,200,000	-
8.6 TJ Kajwang M.N secondary school	4,109,720	-	-	4,109,720	4,109,720	-
8.7 Ruaraka High School / Bus		54	-	54	-	54
<b>Total</b>	<b>29,169,876</b>	<b>54</b>	<b>-</b>	<b>29,169,930</b>	<b>5,309,720</b>	<b>23,860,210</b>
<b>9.0 Tertiary institutions Projects (List all the Projects)</b>						

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
9.1						
9.2						
9.3						
<b>Sub-total</b>						
<b>10.0 Security Projects</b>						
Lucky summer police station	4,500,000	-	-	4,500,000	-	4,500,000
Ruaraka police station	2,500,000	29	-	2,500,029	-	2,500,029
Mathare North police station	500,000	-	-	500,000	-	500,000
Lucky summer police station	500,000	-	-	500,000	-	500,000
Ruaraka police station	500,000			500,000	-	500,000
<b>Total</b>	<b>8,500,000</b>	<b>29</b>	<b>-</b>	<b>8,500,029</b>	<b>-</b>	<b>8,500,029</b>
<b>11.0 Acquisition of assets</b>						
11.1 Motor Vehicles (including motorbikes)						
11.2 Construction of CDF office	-	15,312	-	15,312	-	15,312
11.3 Purchase of furniture and equipment	-	2,418	-	2,418	-	2,418
11.4 Purchase of computers						
11.5 Purchase of land						
<b>Sub-total</b>	<b>-</b>	<b>17,730</b>	<b>-</b>	<b>17,730</b>	<b>-</b>	<b>17,730</b>
<b>12.0 Oversight Committee Expenses (itemize )</b>						
12.1 Travel Costs	96,000		-	96,000	-	96,000

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
12.2 Daily Subsistence Allowance	90,000	-	-	90,000	-	90,000
12.3 Remuneration of Instructors and Contract Based Training Services	55,000	-	-	55,000	-	55,000
12.4 Hire of Training Facilities and Equipment	88,000	-	-	88,000	-	88,000
12.5 COC allowance	200,000	-	-	200,000	-	200,000
12.6 Catering Services	90,000	-	-	90,000	-	90,000
<b>Sub-total</b>	<b>619,000</b>	-	-	<b>619,000</b>		<b>619,000</b>
<b>13.0 Others</b>						
13.1 Strategic Plan	3,500,000	-	-	3,500,000	-	3,500,000
13.2 Innovation Hub						
13.2						
<b>Sub-total</b>	<b>3,500,000</b>	-	-	<b>3,500,000</b>	-	<b>3,500,000</b>
Funds pending approval**	8,000,000	222,000	4,000	226,000	-	8,226,000
<b>Total</b>	<b>145,087,603</b>	<b>54,937,186</b>	<b>4,000</b>	<b>200,028,789</b>	<b>75,575,426</b>	<b>124,453,363</b>

(NB: This statement is a disclosure statement indicating the utilisation in the same format as the entity's budgets which are programme based. Ensure that this document is completed to enable consolidation by the National Treasury)

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

##### **3. Reporting Currency**

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

##### **4. Significant Accounting Policies**

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

###### **a) Recognition of Receipts**

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

***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 30<sup>th</sup> June 2022 for the period 1<sup>st</sup> July 2023 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.

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

**XV. Notes To the Financial Statements**

**1. Transfers from NGCDF Board**

Description	2022-2023	2021-2022
	Kshs	Kshs
NGCDF Board		
AIE NO. B105271		33,000,000
AIE. NO. B105552		44,000,000
AIE NO. B105918		22,000,000
AIE. NO. B128685		5,000,000
AIE NO. B128996		12,000,000
AIE NO. B154191		12,000,000
AIE NO. B154416		18,000,000
AIE NO. B089085		12,088,879
AIE NO. A895023		24,088,879
AIE NO.B185236	7,000,000	
AIE NO.B185767	15,000,000	
AIE NO.B185410	6,000,000	
AIE NO.B206087	5,000,000	
AIE NO.B205585	12,000,000	
AIE NO.B205879	12,000,000	
AIE NO.B207642	18,000,000	
AIE NO.B207901	16,000,000	
<b>TOTAL</b>	<b>91,000,000</b>	<b>182,177,758</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>

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

*Notes To the Financial Statements (Continued)*

**3. Other Receipts**

	<i>2022-2023</i>	<i>2021-2022</i>
	<b>Kshs</b>	<b>Kshs</b>
Interest Received	-	-
Rents	-	-
Receipts from sale of tender documents	4,000	62,000
Hire of plant/equipment/facilities	-	-
Other Receipts Not Classified Elsewhere	-	-
<b>Total</b>	<b>4,000</b>	<b>62,000</b>

**4. Compensation Of Employees**

	<i>2022-2023</i>	<i>2021-2022</i>
	<b>Kshs</b>	<b>Kshs</b>
NG-CDFC Basic staff salaries	2,259,740	2,124,000
Personal allowances paid as part of salary	-	-
House Allowance	-	-
Transport Allowance	-	-
Leave allowance	-	-
Gratuity to contractual employees	1,764,520	-
Employer Contributions Compulsory national social security schemes	54,500	24,000
<b>Total</b>	<b>4,078,760</b>	<b>2,148,000</b>

**5. Committee Expenses**

	<i>2022-2023</i>	<i>2021-2022</i>
	<b>Kshs</b>	<b>Kshs</b>
Sitting allowance	1,524,000	2,118,000
Other committee expenses	894,397	1,648,702
<b>Total</b>	<b>2,418,397</b>	<b>3,766,702</b>

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

**Notes To the Financial Statements (Continued)**

**6. Use of Goods and services**

	<b>2022-2023</b>	<b>2021-2022</b>
	<b>Kshs</b>	<b>Kshs</b>
Utilities, supplies and services	200,000	2,860,400
Communication, supplies and services	-	-
Domestic travel and subsistence	-	-
Printing, advertising and information supplies & services	-	-
Rentals of produced assets	-	-
Training expenses	2,332,884	2,581,600
Hospitality supplies and services	-	-
Insurance costs	-	-
Specialised materials and services	-	-
Office and general supplies and services	1,798,798	-
Fuel , oil & lubricants	-	-
Other operating expenses	689,487	-
Bank Charges		62,760
Security operations	-	-
Routine maintenance - vehicles and other transport equipment	-	-
Routine maintenance- other assets	300,000	398,250
<b>Total</b>	<b>5,321,169</b>	<b>5,903,010</b>

**7. Transfer To Other Government Units**

<b>Description</b>	<b>2022-2023</b>	<b>2021-2022</b>
	<b>Kshs</b>	<b>Kshs</b>
Transfers To Primary Schools (See Attached List)	20,500,000	36,622,429
Transfers To Secondary Schools (See Attached List)	5,309,720	27,612,431
Transfers To Tertiary Institutions (See Attached List)	-	
<b>Total</b>	<b>25,809,720</b>	<b>64,234,860</b>

**Notes To The Financial Statements (Continued)**

**8. Other Grants and Other transfers**

	<b>2022-2023</b>	<b>2021-2022</b>
	<b>Kshs</b>	<b>Kshs</b>
Bursary – secondary schools (see attached list)	32,288,000	56,852,990
Bursary – tertiary institutions (see attached list)	4,959,380	-
Bursary – special schools (see attached list)	-	-
Mock & CAT (see attached list)	-	-
Social Security programmes (NHIF)	-	-
Security projects (see attached list)	-	27,900,000
Sports projects (see attached list)	-	4,999,364
Environment projects (see attached list)	-	2,079,938
Emergency projects (see attached list)	700,000	18,765,286
Roads projects (see attached list)	-	-
<b>Total</b>	<b>37,947,380</b>	<b>110,597,578</b>

**9. Acquisition Of Assets**

	<b>2022-2023</b>	<b>2021-2022</b>
	<b>Kshs</b>	<b>Kshs</b>
Purchase of Buildings	-	-
Construction of Buildings	-	14,620,444
Refurbishment of Buildings	-	-
Purchase of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	-	1,297,582
Purchase of ICT Equipment, Software and Other ICT Assets	-	-
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>-</b>	<b>15,918,026</b>

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

**Notes To the Financial Statements (Continued)**

**10. Oversight Committee Expenses**

	2022-2023	2021-2022
	Kshs	Kshs
Strategic plan	-	-
ICT Hub	-	-
	-	-

**11. Other Payments**

	2022-2023	2021-2022
	Kshs	Kshs
Strategic plan	-	-
ICT Hub	-	-
	-	-

**12. Cash Book Bank Balance**

Name Of Bank, Account No. & Currency	2022-2023	2021-2022
	Kshs	Kshs
<b>12A: Bank Accounts (Cash Book Bank Balance)</b>		
<i>Equity Bank Bank, Kariobangi Branch. Ruaraka NG-CDF-, A/C No.0320261619654</i>	70,365,760	54,937,186
<i>Name of Bank, account No. ( Deposits account)</i>	-	-
<b>Total</b>	<b>70,365,760</b>	<b>54,937,186</b>
<b>12 B: Cash on Hand</b>		
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other Locations ( <i>Specify</i> )	-	-
<b>Total</b>	<b>-</b>	<b>-</b>



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

**Notes To the Financial Statements (Continued)**

**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>
<i>Name of Officer</i>	dd/mm/yy	-	-	-
<i>Name of Officer</i>	dd/mm/yy	-	-	-
<i>Name of Officer</i>	dd/mm/yy	-	-	-
<i>Name of Officer</i>	dd/mm/yy	-	-	-
<i>Name of Officer</i>	dd/mm/yy	-	-	-
<i>Name of Officer</i>	dd/mm/yy	-	-	-
<b>Total</b>		-	-	-

**14. Retention and Gratuity**

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

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

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

**Notes To the Financial Statements (Continued)**

**15. Fund Balance B/F**

	(1 <sup>st</sup> July 2022)	(1 <sup>st</sup> July 2021)
	Kshs	Kshs
Bank accounts		
Cash in hand	-	-
Imprest	-	-
Total	-	-
Less	-	-
Payables: - Retention	-	-
Payables – Gratuity	-	-
Fund Balance Brought Forward	-	-

**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>	-	-	-

**\*\* The adjusted balances are not carried down on the face of the financial statement.  
(Entity to provide disclosure on the adjusted amounts)**

**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	-	-

Notes To the Financial Statements (Continued)

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	-	-

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

**Notes To the Financial Statements (Continued)**

**19. Other Important Disclosures**

**19.1: Pending Accounts Payable (See Annex 1)**

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

**19.2: Pending Staff Payables (See Annex 2)**

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

**19.3: Unutilized Fund (See Annex 3)**

	<b>2022-2023</b>	<b>2021-2022</b>
	<b>Kshs</b>	<b>Kshs</b>
Compensation of employees	4,944,082	5,464,242
Committee expense	966,418	3,111,228
Use of goods and services	3,285,528	18,028,254
Amounts due to other Government entities (see attached list)	55,888,410	28,093,732
Amounts due to other grants and other transfers (see attached list)	47,006,195	17,730
Acquisition of assets	17,730	-
Oversight Committee Expenses	619,000	-
Other Payments ( <i>specify</i> )	3,500,000	-
Funds pending approval	8,226,000	222,000
<b>Total</b>	<b>124,453,363</b>	<b>54,715,186</b>

**Ruaraka Constituency**

**National Government Constituencies Development Fund (NGCDF)**

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

**19.4: PMC account balances (See Annex 5)**

	<b>2022-2023</b>	<b>2021-2022</b>
	<b>Kshs</b>	<b>Kshs</b>
PMC account balances (see attached list)		
Total	<b>21,887,990</b>	<b>33,145,002</b>

**XVI. Annexes**

**Annexes: 1 Analysis of Pending Accounts Payable**

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

**Annex 2 – Analysis of Pending Staff Payables**

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

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

**Annex 3 – Unutilized Fund**

<b>Name</b>	<b>Brief Transaction Description</b>	<b>Outstanding Balance Current FY</b>	<b>Outstanding Balance Previous FY</b>	<b>Comments</b>
Compensation of employees	NGCDFC Staff salaries	4,944,082	5,464,242	The amount had been budgeted up to Dec 2023 and staff gratuity to ensure continuity of office in the event that there is delay in disbursement of funds
Use of goods & services	Office administration expenses	4,251,946	3,111,228	Late disbursements of funds caused delay in utilization of funds
<b>Sub-Total</b>		<b>9,196,028</b>	<b>3,111,228</b>	
<b>Amounts due to other Government entities</b>				
Baba dogo primary school	Renovation of 4 classrooms	3,000,000		Late disbursements of funds caused delay in utilization of funds
Chandaria primary school	Construction of 4 classrooms	8,500,000		Late disbursements of funds caused delay in utilization of funds
Drive inn primary school	Renovation of administration block	2,500,000		Late disbursements of funds caused delay in utilization of funds
Daniel comboni primary school	Renovation of 9 classrooms	7,000,000		Late disbursements of funds caused delay in utilization of funds
Ngunyumu primary school	Construction of ablution block	4,000,000		Late disbursements of funds caused delay in utilization of funds
Mathare North primary school	Renovation of 9 classrooms	7,000,000		Late disbursements of funds caused delay in utilization of funds
Baba dogo secondary school	Construction of roof cover of a ramp	1,300,000	18,000,000	Late disbursements of funds caused delay in utilization of funds



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

<b>Name</b>	<b>Brief Transaction Description</b>	<b>Outstanding Balance Current FY</b>	<b>Outstanding Balance Previous FY</b>	<b>Comments</b>
Baba dogo secondary school	Construction of administration block	6,060,156		Late disbursements of funds caused delay in utilization of funds
Ruaraka High School	Construction of 2 classrooms	4,000,000		Late disbursements of funds caused delay in utilization of funds
TJ Kajwang secondary school	Construction of 5 classrooms	12,500,000		Late disbursements of funds caused delay in utilization of funds
Ruaraka High School/bus		54	54	
Lucky Summer Primary School	Construction of classrooms, boundary wall and ablution block		18,000,000	
School desk		28,200	28,200	
<b>Sub-Total</b>		<b>55,888,410</b>	<b>18,028,254</b>	
<b>Amounts due to other grants and other transfers</b>				
Bursary	Payment of bursary	<b>25,587,299</b>	26,562,778	Late disbursements of funds caused delay in utilization of funds
Sports	Carry out sports tournament	<b>2,931,976</b>	30,224	Late disbursements of funds caused delay in utilization of funds
Environment	Supply and installation of water tanks	<b>2,269,389</b>	719,389	Late disbursements of funds caused delay in utilization of funds
Emergency	Cater for unforeseen occurrences	7,717,502	781,312	Late disbursements of funds caused delay in utilization of funds
Ruaraka Police Station	Construction of perimeter wall	2,500,000	29	Late disbursements of funds caused delay in utilization of funds
Ruaraka Police Station	purchase of furniture	500,000		Late disbursements of funds caused delay in utilization of funds
Lucky summer police station	purchase of	500,000		Late disbursements of funds

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

Name	Brief Transaction Description	Outstanding Balance Current FY	Outstanding Balance Previous FY	Comments
	furniture			caused delay in utilization of funds
Lucky summer police station	Construction of perimeter wall	4,500,000		Late disbursements of funds caused delay in utilization of funds
Mathare North police station	purchase of furniture	500,000		Late disbursements of funds caused delay in utilization of funds
<b>Sub-Total</b>		<b>38,506,166</b>	<b>28,093,732</b>	
<b>Acquisition of assets</b>				
Construction of CDF office	Construction of CDF office	15,312	15,312	
Purchase of Furniture	Purchase of Furniture	2,418	2,418	
<b>Sub-Total</b>		<b>17,730</b>	<b>17,730</b>	
<b>Oversight Committee Expenses(itemize)</b>				
Travel Costs	COC Travel Costs	96,000.00	-	Late disbursements of funds caused delay in utilization of funds
Daily Subsistence Allowance	COC Daily Subsistence Allowance	90,000.00	-	Late disbursements of funds caused delay in utilization of funds
Remuneration of Instructors and Contract Based Training Services	COC Remuneration of Instructors and Contract Based Training Services	55,000.00	-	Late disbursements of funds caused delay in utilization of funds
Hire of Training Facilities and Equipment	COC Hire of Training Facilities and Equipment	88,000.00		Late disbursements of funds caused delay in utilization of funds
COC allowance	COC allowance	200,000.00	-	Late disbursements of funds caused delay in utilization of funds
Catering Services	COC Catering Services	90,000.00	-	Late disbursements of funds caused delay in utilization of funds

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

Name	Brief Transaction Description	Outstanding Balance Current FY	Outstanding Balance Previous FY	Comments
Sub-Total		619,000		funds
Others ( <i>specify</i> )				
Strategic plan	Preparation of Strategic plan	3,500,000		Late disbursements of funds caused delay in utilization of funds
Sub-Total		35,000,000	0	
Funds pending approval –Sale of Tender		8,226,000	222,000	
Grand Total		124,453,363	54,937,186	

**Annex 4 – Summary of Fixed Asset Register**

<b>Asset class</b>	<b>Historical Cost b/f (Kshs)</b>	<b>Additions during the year (Kshs)</b>	<b>Disposals during the year (Kshs)</b>	<b>Historical Cost (Kshs) At Year End</b>
Land	-	-	-	-
Buildings and structures	20,984,688	-	-	20,984,688
Transport equipment	6,000,000	-	-	6,000,000
Office equipment, furniture and fittings	1,540,749	-	-	1,540,749
ICT Equipment, Software and Other ICT Assets	-	-	-	-
Other Machinery and Equipment	2,197,000	-	-	2,197,000
Heritage and cultural assets	-	-	-	-
Intangible assets	-	-	-	-
<b>Total</b>	<b>30,722,437</b>	<b>-</b>	<b>-</b>	<b>30,722,437</b>

**Ruaraka Constituency**  
**National Government Constituencies Development Fund (NGCDF)**  
**Annual Report and Financial Statements for The Year Ended June 30, 2023**  
**Annex 5 –PMC Bank Balances As At 30<sup>th</sup> June 2023**

<b>PMC</b>	<b>Bank</b>	<b>Account number</b>	<b>Bank Balance Current FY</b>	<b>Bank Balance Previous FY</b>
Daniel Comboni Primary School PMC	Equity	0320279838374	21'005.70	21,006
Mathare North Primary School PMC	Equity	0320279438245	2,503,493.00	4,522,912
Baba Dogo Primary School PMC	Equity	0320279434917	2,066	742,148
Drive In Primary School PMC	Equity	0320279836663	4,381	4,842,481
Ngunyumu Primary School PMC	Equity	0320279836559	23,779	27,809
MM Chandaria Primary School PMC	Equity	0320280646616	5,386	734,109
Mathare North Police Station PMC	Equity	0320280961962	2,893	499,614
Baba Dogo Sec School PMC	Equity	0320280479825	3,030	478,349
GSU Headquarters PMC	Equity	0320282341518	3,500	437,445
Lucky Summer police Station	Equity	0320282347807	4115	444,762
Lucky Summer Chiefs Office Pmc	Equity	0320281759579	28,513	307,792
Lucky Summer Ass Chiefs Office Pmc	Equity	0320281759623	2,788	84,950
TJ Mathare North Sec School Pmc	Equity	0320282829981	1,330,934	20,000,000
Ruaraka Police Station PMC	Equity	0320280001159	1,626	1,626
Lucky Summer Primary School PMC	Equity	0320284329160	18,000,000	-
<b>Total</b>			<b>21,887,990</b>	<b>33,145,002</b>

**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: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
4.2 budget and budgetary controls	Underutilization of budgeted funds in the following instances; absorption of 28% of funds for employee compensation, absorption of 76% of the total budget of funds for goods and services, 78% absorption of funds for transfers to other government entities and 80% of funds budgeted for other grants and transfers.	This is noted and the management is in consultation with the NGCDF board to ensure that funds are disbursed in time for it to operate within the approved budget and ensure implementation of projects as planned.	Resolved	
4.4 cash and cash equivalent- unrepresented cheques.	The statement of assets and liabilities reflect cash and cash equivalent balance of kshs. 54,937,186, however the cashbook extract in support of cash and cash equivalents balance was not provided for audit review.in addition the bank reconciliation statement revealed payment in cash book not recorded in bank	The amount of unrepresented cheques at the end of the financial year under review was 9,884,482. This was because Ruaraka NGCDF had issued bursary cheques towards the end of the financial year under review but were later presented to the bank.	Resolved	

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	statement totalling to kshs. 9,884,482. However, management did not provide evidence and details on when the cheques were cleared.			
4.5 Unutilized funds	Unutilized funds amounted to kshs 54,937,186; management has not given measures put in place to address the increase in unutilized funds	This is noted and the management will design a way of managing its operations to solve the issue of increase in unutilized funds.	Resolved	



.....  
**AZIZ JUMA**  
**Fund Account Manager.**