

Republic of Kenya



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Kenya National Audit Office

REPORT

OF

**THE CONTROLLER
AND AUDITOR-GENERAL**

ON

**THE ABSTRACTS OF
ACCOUNTS OF THE MUNICIPAL
COUNCIL OF RUIRU
FOR THE
YEAR ENDED
30 JUNE 2004**

PARLIAMENT
OF KENYA
LIBRARY





KENYA NATIONAL AUDIT OFFICE

REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE ABSTRACTS OF ACCOUNTS OF THE MUNICIPAL COUNCIL OF RUIRU FOR THE YEAR ENDED 30 JUNE 2004

The attached Abstracts of Accounts of the Municipal Council of Ruiru for the year ended 30 June 2004 have been audited under my direction in accordance with Section 23 of the Public Audit Act, 2003.

1.0 Respective Responsibilities of the Council and the Controller and Auditor General

The Council is responsible for the preparation of Abstracts of Accounts which give a true and fair view of the Council's state of financial affairs and its operating results. My responsibility is to express an independent opinion on the Abstracts of Accounts based on the audit.

2.0 Basis of Opinion

The audit was conducted in accordance with the International Standards on Auditing. Those Standards require that the audit be planned and performed with a view to obtaining reasonable assurance that the Abstracts of Accounts are free from material misstatement. An audit includes an examination, on a test basis, of evidence supporting the amounts and disclosures in the Abstracts of Accounts. It also includes an assessment of the accounting policies used and significant estimates made by the Council as well as evaluating the overall Abstracts of Accounts' presentation.

I believe the audit provides a reasonable basis for the opinion.

3.0 Qualification Points:

3.1 Non Submission, Opening Balances, Format and Accuracy of the Accounts

- (i) The Council was carved out from the County Council of Kiambu in 1988. However, the Council has not prepared and submitted for audit the 1988 to 1994/1995 Accounts. The Council therefore continues to be in breach of the law. The Accounts for 1995/1996 were the first to be prepared and submitted for audit by the Council. However, in the absence of audited and certified accounts for 1994/1995 and prior years, the accuracy of the opening balances for 1995/1996 Accounts as at 01 July 1995 and for all the subsequent years, including 2003/2004, could not be confirmed.
- (ii) The 2003/2004 Abstracts of Accounts have been prepared using the Simplified Accounting Systems (SAS) format which had not been approved by the Minister for Local Government as required by Section 229 (2) of the Local Government Act, Cap 265. The Council was in breach of the law.
- (iii) During the year, the Council did not maintain accurately the necessary primary books of account such as daily and monthly abstracts of receipts and payments, receipts and payments ledgers, debtors and creditors' ledgers, staff and Councillors' Advances registers and imprests register. In addition, the division of assets and liabilities between the Council and the County Council of Kiambu had not been finalized by 30 June 2004.

In view of the issues above, the accuracy of the 2003/2004 Abstracts of Accounts could not be confirmed.

3.2 Non Current Assets

The Balance Sheet Fixed Assets and Other Long Term Outlay balances increased from Kshs.21,929,989.24 as at 30 June 2003 to Kshs.41,675,520.24 as at 30 June 2004. The Council did not however, maintain a Fixed Assets Register. The Council did not also provide for audit review ownership documents and valuation reports for its assets. In the circumstances, the ownership, existence, security, valuation, location

and accuracy of the Council's Non Current Assets balances as at 30 June 2004 could not confirmed.

3.3 Cash and Bank Balances

The Cash and Bank balances increased from Kshs.9,064,650.80 as at 30 June 2003 to Kshs.13,268,014.35 as at 30 June 2004. However, a board of survey report confirming cash in hand and other securities, bank statements, bank reconciliation statements and bank balances confirmation certificates were not made available for audit review. Under the circumstances, the accuracy of the Cash and Bank balances as at 30 June 2004 could not be confirmed.

3.4 Debtors and Prepayments

The Council's Debtors and Prepayments balances decreased marginally from Kshs.18,272,878.90 as at 30 June 2003 to Kshs.17,822,082.00 as at 30 June 2004. However, the Council did not maintain and prepare proper debtors' ledger, schedules or analyses to show the make up of these debtors balances which were mainly in respect of property rates owed by individuals, Government and Parastatals and unrecovered advances from staff and Councillors. In addition, the Council did not provide for bad and doubtful debts during the year under review. In the circumstances, it was not possible to confirm the accuracy and recoverability of the Debtors and Prepayments balances reflected in the Balance Sheet as at 30 June 2004.

3.5 Creditors and Accruals

The Creditors and Accruals balances increased materially from Kshs.462,433.54 as at 30 June 2003 to Kshs.6,617,249.50 as at 30 June 2004. However, the Council did not maintain an up-to-date Creditors' ledger to support the individual Creditors' balances. In the circumstances, it was not possible to confirm the validity of the increase and accuracy of the Creditors' balances.

3.6 Renewals Funds

Section 219 of the Local Government Act, Cap 265 requires the Council to create and set aside adequate renewals funds to provide for the entire or partial replacement of some or all of its assets, which, owing to

depreciation or other cause will require at some future date to be replaced. During the year, the Council did not make any provision for depreciation in the Accounts. Further, it did not create and set aside renewals funds as required. It was therefore, in breach of the law. It is also not clear how the Council intends to finance the replacement of its fixed assets, in future, in the absence of renewals funds.

3.7 Authority Equity

The Authority Equity balances increased from Kshs.10,291,374.95 as at 30 June 2003 to Kshs.18,568,978.31 as at 30 June 2004. However, no Authority Equity Change Statement was prepared to show its movements. Further, Sections 216 to 221 of the Local Government Act indicate that Councils are generally financed by the General Rate Fund, General Reserve Fund, Renewals Funds, Capital Funds and Consolidated Loans Funds. The term Authority Equity was therefore anomalous and appeared to be a balancing item in the Accounts. Under the circumstances, the accuracy, existence and legality of the Authority Equity's balance of Kshs.18,568,078.31 as at 30 June 2004 could not be confirmed.

3.8 General Reserve Fund (GRF)

The General Reserve Fund balances increased from Kshs.38,513,710.05 as at 30 June 2003 to Kshs.47,579,386.78 as at 30 June 2004. However, no GRF Change Statement was prepared to show its movements in respect to the opening balances, operations during the year and closing balances. In the circumstances, the accuracy of the General Reserve Fund balance of Kshs.47,579,386.78 could not be confirmed.

3.9 Local Authorities Transfer Fund (LATF)

During the year, the Council received Kshs.27,660,876.00 from the Ministry of Local Government in respect of LATF. However, the Council did not provide analyses of Capital Projects and Debt Resolution expenditures incurred of Kshs.10,492,349.00 and Kshs.413,196.00 respectively. Further, the Council did not maintain a separate LATF cash book and independent books of account. In the circumstances, it was not possible to confirm whether all LATF receipts were properly accounted for and utilized for the intended purposes only. Further, the propriety of

unanalyzed expenses incurred and paid from LATF during the year under review could not be ascertained.

3.10 Budget and Budgetary Control

The Council did not operate within the approved estimates during the year under review. It incurred excess expenditures of Kshs.14,392,346.00 in seven departments especially the Building and Works Department (Kshs.4,371,251.50), Clerk's Department (Kshs.2,366,865.90), Public Health (Kshs.2,215,831.20) and Market and Trade Department (Kshs.1,145,952.50). The Council was therefore in breach of the law.

4.0 Opinion

In view of the reservations indicated in paragraphs 3.1 to 3.10, above, I am unable to express an opinion in accordance with Section 24 (2) of the Act, that:

- a) all the information and explanations considered necessary for the audit were received;
- b) the Accounts have been properly maintained and are in order;
- c) the Balance Sheets give a true and fair view of the financial affairs of the Council as at 30 June 2004;
- d) the Revenue Accounts give a true and fair view of income and expenditure of the Council for the year ended 30 June 2004; and
- e) the Accounts comply with the Local Government Act, Cap 265.



P. N. KOMORA, CBS

CONTROLLER AND AUDITOR GENERAL

Nairobi

14 November 2008

RUIRU MUNICIPAL COUNCIL

FINAL ACCOUNTS FOR 2003/2004

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RUIRU MUNICIPAL COUNCIL

TREASURER'S REPORT

1.1 INTRODUCTION

I have the pleasure of presenting the accounts for Ruiru Municipal Council for the period ended 30th June 2004

This is the application of the Simplified Accounting Systems (SAS) for Local Authorities being developed by the Ministry of Local Government under the Kenya Local Government Reform Programme.

The Municipal Council of Ruiru had ten operational divisions or responsibility centers during this financial year. These are :

- 1) Clerk's Department
- 2) Treasurer's Department
- 3) Civic Department
- 4) Markets & Trade Department
- 5) Nursery School and Social Services Department
- 6) Building, Works & Planning Department
- 7) Public Health & Environment Department
- 8) Water & Sewerage Department
- 9) Housing Department
- 10) LATF Account

1.2 RESPONSIBILITY CENTER ACCOUNT STATEMENTS.

Each individual responsibility center financial performance is given separately.

These performance statements of receipts and expenditure are in Kenya Shillings and Kenya Pounds, which are compared to the approved budget for the year.

The detailed performance statements for 2003/2004 are summarized in a Summary Recurrent Account to give a one-page clear picture of the operations of the Authority for the year.

Worthy of noting is the following :

Revenue Items

.Receipts from Land Taxes were 8.32% of the total corporate receipts.

.Licences with 84.46% of the total corporate receipts was the most important source of revenue.

.Cess contributed 7.22% to the corporate receipts while other miscellaneous receipts contributed 0.01%.

.LATF Grants were Kshs 27,660,876 making up 46.9% of total receipts.

Expenditure Items

.The ratio of expenditure on Personnel, Operation and Maintenance was 36:41:23 of the total

expenditure i.e. Personnel expenditure took 36% of total expenditure during the year, Operations took 41% while Maintenance took 23%.

1.3 OVERALL AUTHORITY PERFORMANCE

The Authority made a surplus of Kshs 6,625,613.85 Total expenditure was Kshs 54.8 M, while corporate and responsibility centers receipts were Kshs 33.7.6M

Corporate Income comprised of 54.8% of the total receipts.

Its worth noting that the responsibility centres' overall level of self financing was 112% with Treasurer's Department having the highest level at 274%.

However, Nursery Department had the lowest income, there being a 3% level of self financing.

1.4 Balance Sheet

Whereas other financial statements are based on a ' receipts and expenditure convention', balance sheet is based on a 'converted receipt (or income) and expenditure',basis by the introduction of debtors and creditors outstanding.

1.5 Income Variances

a) Land Taxes:

. There was no variance but only Ksh 7981.00 which is less than 1% showing improvement on achieving budgets forecast

b) Licences:

. Total collections on this particular source of income was quite encouraging with the amount of Kshs 28.5M being realized. This was an increase of 11% over and above the budget forecast.

c) Cess:

This has been a good source of income ,but the Government has further reduced it by giving the bigger portion to the roads levy.

1.6 Expenditure Variances

1.6.1- Employees

. The variances of 29% (favourable) reflected in the employees' emoluments are due to non-filling of non-adherence to the budget provisions.

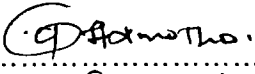
1.6.2- Operations

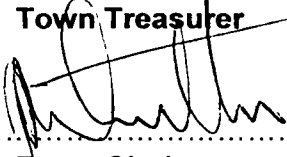
.This recorded an adverse variance of 55% on the budget.

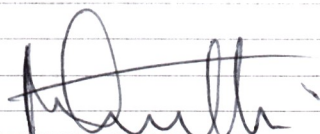
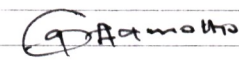
1.6.3- Maintenance

.This recorded an adverse variance of 324% on the budget

.This includes amounts spent on Capital Projects written off mainly roads repairs

Signed  Dated..... Day of 2004
Town Treasurer

Signed  Dated..... Day of 2004
Town Clerk

MUNICIPAL COUNCIL OF RUIRU			
ABSTRACTS OF ACCOUNT			
BALANCE SHEET AS AT 30-06-2004			
	Notes	2003/2004	2002/2003
		Kshs	Kshs
NON CURRENT ASSETS			
Fixed Assets	1.3.7	32,995,340.24	19,750,314.24
Other Long Term Outlay	1.3.8	8,680,180.00	2,179,675.00
		41,675,520.24	21,929,989.24
CURRENT ASSETS			
Debtors and Prepayments	1.4.0	17,822,082.00	18,272,878.90
Cash in Bank - GRF		2,483,367.20	2,466,826.70
Cash in Bank - Service Charge		-	26,437.00
Cash in Bank - LATF		10,661,862.35	6,446,929.10
Plot Deposit		-	1,034.00
Cash in Hand		122,784.80	123,424.00
		31,090,096.35	27,337,529.70
CURRENT LIABILITIES			
Creditors and Accruals	1.5.0	6,617,249.50	462,433.54
		6,617,249.50	462,433.54
NET CURRENT ASSETS		24,472,846.85	26,875,096.16
NET ASSETS		66,148,367.09	48,805,085.40
REPRESENTED BY			
Authority Equity	1.6.0	18,568,978.31	10,291,374.45
General Reserve Fund	1.6.1	47,579,388.78	38,513,710.95
		66,148,367.09	48,805,085.40
Signed... 			Signed... 
J.N KIRUTHI TOWN CLERK			J.M. KIMOTHO TOWN TREASURER
Date <u>26/11/07</u>			Date <u>20/11/07</u>

MUNICIPAL COUNCIL OF RUIRU		
ABSTRACTS OF ACCOUNTS FOR THE YEAR ENDED 30TH JUNE 2004		
Cash Flow Statement for the Year ended 30 June 2004		
	<u>2003/2004</u>	<u>2002/2003</u>
	<u>Kshs</u>	<u>Kshs</u>
Cash flow from operating Activities (note 10)	8,985,086.73	8,197,312.70
Net Cashflow from Working Capital Changes		
(Increase)/Decrease in Current Assets	450,796.90	(47,821.10)
(Decrease)/increase in Creditors	6,154,815.96	(1,556,716.30)
Cash flow after working capital	6,605,612.86	(1,604,537.40)
Cashflow after working capital	15,590,699.59	6,592,775.30
Return on Investment and Servicing of Finance		
Intrest Received	80,591.10	105,063.75
Intrest Paid	-	-
Cashflow after return on investment	80,591.10	105,063.75
	15,671,290.69	6,697,839.05
Investing Activities		
Fixed Assets Payments	(19,745,531.00)	-
Cashflow from investing activities	(19,745,531.00)	-
Cashflow after investmending activities	(4,074,240.31)	6,697,839.05
Financing Activities		
(Decrease)/Increase in Authority Equity	8,277,603.86	(4,092,636.40)
	8,277,603.86	(4,092,636.40)
Cash inflow after Financing Activities	4,203,363.55	2,605,202.65
Cash and cash equivalent at begging of the year	9,064,650.80	6,459,448.80
Cash and cash equivalent at end of the year	13,268,014.35	9,064,651.45

MUNICIPAL COUNCIL OF RUIRU
 ABSTRACTS OF ACCOUNTS FOR THE YEAR ENDED 30TH JUNE 2004

SUMMARY OF REVENUE ACCOUNTS DEPARTMENTALLY

Department	Personnel KSHS	Operations KSHS	Maintenance KSHS	Expenditure KSHS	Receipts KSHS	SupPlus/ (Deficit) KSHS	% Level of Self Financing	Receipts		
								Kshs	% Receipts	
								Land and Poll Taxes	2,635,269.10	7.83%
								Licences & Other Fees	28,491,026.50	84.63%
								Agricultural and Cess	2,538,977.80	7.54%
								Total	33,665,273.40	100.00%
Clerks Department	7,264,322.30	5,716,865.90	142,690.00	14,123,878.20	1,432,095.00	(12,641,783.20)	10%			
Treasurer's Department	3,993,593.80	2,462,027.65	-	6,455,621.45	17,656,938.00	11,201,316.55	274%			
Civic Department	-	4,841,351.60	-	4,841,351.60	-	(4,841,351.60)	0%			
Markets & Trade Department	2,649,552.52	97,680.00	54,347.00	2,801,579.52	5,457,848.60	2,656,269.08	195%			
Nursery School & Social Services	656,021.60	1,398,058.00	-	2,054,079.60	53,960.00	(2,000,119.60)	3%			
Building Works & Planning	1,010,712.00	4,347,178.00	1,170,968.50	6,528,858.50	5,964,671.80	(564,186.70)	91%			
Public Health & Environment	3,544,157.20	1,437,054.00	243,118.00	5,224,329.20	2,123,802.00	(3,100,527.20)	41%			
Water & Sewerage	653,054.65	785,936.15	128,574.00	1,567,564.80	67,500.00	(1,500,064.80)	4%			
Housing	-	267,459.00	10,860.00	278,319.00	858,458.00	580,139.00	308%			
Service Charge Department	-	-	-	-	-	-	0%			
LATF	-	-	10,905,545.00	10,905,545.00	27,741,467.10	16,835,922.10	254%			
Total	19,771,414.07	22,353,610.30	12,656,102.50	54,781,126.87	61,406,740.50	6,625,613.63	112%			
% of Gross Expenditure	36%	41%	23%							
				Net Surplus					6,625,613.63	
				General Fund brought forward					38,513,710.95	
				Balance on General fund					-	2,440,064.20
				Corporate adjustments					-	-
				Interest Earned					-	-
				Interest Paid					-	-
				General Fund carried forward					47,579,388.78	

MUNICIPAL COUNCIL OF RUIRU			
ABSTRACTS OF ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2004			
CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT			
SUBJECTIVE HEAD	2002/2003 ACTUAL KSHS.	2003/2004 APPROVED KSHS.	2003/2004 ACTUAL KSHS.
SERVICE RECEIPTS			
<u>CORPORATE INCOME</u>			
<u>Land Taxes</u>			
Plot Rent	143,569.00	120,000.00	132,779.10
Poll Rate	22,035.00	-	-
Area Rates	2,298,798.25	2,050,000.00	2,253,205.00
Quarry Charges	401,835.00	207,000.00	219,890.00
Change Of Ownership	29,000.00	230,000.00	9,500.00
Sub Division Fee	30,595.00	28,750.00	19,895.00
Total Land and Taxes	2,925,832.25	2,635,750.00	2,635,269.10
<u>Licences and Fees</u>			
Sale Application Form	371,805.00	253,000.00	365,635.00
Addition of Trade	30,840.00	11,500.00	29,470.00
App. to Const. Comm. Bld/Petrol station	-	50,000.00	-
App. to Const. Factory	-	20,000.00	-
app. To constr. High Rise Bld.	-	-	-
Appl to Const. Residential Bld	1,178,702.00	150,000.00	1,420,550.00
Authority to Drill Bore Hole	5,000.00	-	-
Cert. of Building Completion	400.00	15,000.00	1,700.00
Change of trade	12,405.00	11,500.00	2,000.00
Change of User	9,320.00	25,000.00	9,505.00
Clearance Certificates	80,660.00	115,000.00	118,810.00
Consent to charge Lease	11,730.00	40,000.00	35,520.00
Consent To Transfer	209,515.00	245,000.00	353,280.00
Conservancy Fees	-	-	1,000.00
Contribution in Lieu of Rate	-	515,988.00	197,383.00
Fines on byLaws/Pounding	4,525.00	-	-
Githurai/Ruiru Mkt Fee	6,205,455.00	5,500,000.00	4,669,650.00
Hire of Exhauster	131,040.00	500,000.00	67,500.00
Hire of Grader	220,000.00	10,000.00	-
House Rent	1,058,052.00	912,000.00	858,458.00
Housing Levy	367,988.00	450,000.00	377,858.00
Inspection Fees	216,370.00	20,000.00	255,070.00
Interests 6%	-	230,000.00	1,536.00
Miscellaneous Receipts	354,157.00	-	129,941.50
Miscellenious income	-	-	-

SUBJECTIVE HEAD	2002/2003 ACTUAL KSHS.	2003/2004 APPROVED KSHS.	2003/2004 ACTUAL KSHS.
Parking fees	1,966,925.00	1,600,000.00	2,122,802.00
Penalty	38,075.00	-	32,517.50
Plans Approval	2,344,042.00	600,000.00	3,301,739.30
Pounding Fees	284,982.10	230,000.00	367,835.00
PPA I & II	462,700.00	70,000.00	527,000.00
Registration of Sch & Group Cert.	37,760.00	100,000.00	40,040.00
Sale of Building Plan	20,635.00	100,000.00	4,400.00
Sale of Minutes	860.00	1,150.00	480.00
Sale Of tender Forms	86,420.00	80,500.00	67,000.00
Search Fees	-	-	-
Signboard Fees	1,305,062.00	1,500,000.00	454,212.50
Single Business Permit	11,279,045.00	12,550,000.00	11,399,125.00
Site Value Rates	1,039,715.00	1,030,000.00	895,493.70
Slaughter Fee Cess	12,660.00	120,000.00	-
Stall Rent	86,910.00	1,050,140.00	88,920.00
Subletting	158,510.00	115,000.00	267,000.00
Survey Fees	14,250.00	-	-
Tenant Fee	69,255.00	100,000.00	13,675.00
Tuition Fee (Kwihota Nursery Sch.)	30,150.00	40,000.00	13,920.00
Total Licence and Fees	29,705,920.10	28,360,778.00	28,491,026.50
Cess			
Cess 20%	-	-	2,538,977.80
Total Cess	-	-	2,538,977.80
Total Corporate Income	32,631,752.35	30,996,528.00	33,665,273.40
Service Charge			
Local Authority Service Charge	2,618,391.00	-	-
Registration Fee	76,050.00	-	-
Total	2,694,441.00	-	-
LATF GRANTS			
LATF Service Account	16,012,934.75	16,594,125.00	16,594,125.00
Interests Earned	105,063.75	-	80,591.10
LATF Performance Account	-	-	11,066,751.00
Total Grants	16,117,998.50	16,594,125.00	27,741,467.10
Total Income	48,749,750.85	47,590,653.00	61,406,740.50

SUBJECTIVE HEAD	2002/2003 ACTUAL KSHS.	2003/2004 APPROVED KSHS.	2003/2004 ACTUAL KSHS.
<u>EXPENDITURE:</u>			
Personnel			
Salary & Wages	12,916,704.00	11,404,760.00	11,776,112.90
NSSF	273,600.00	124,800.00	382,416.40
Super Fund	157,854.30	1,916,040.00	1,505,688.10
Provident Fund	-	-	506,108.65
House Allowance.	4,886,700.00	5,713,800.00	5,126,531.00
Leave Allowance	412,604.00	298,900.00	302,577.50
Bicycle Allowance	3,600.00	-	3,550.00
Dirty Work Allowance	6,300.00	10,800.00	42,529.50
Acting Allowance	69,890.50	-	-
Proficiency Driving Allowance	1,200.00	-	1,100.00
Other Allowance	96,000.00	-	124,800.00
Transfer Allowance	16,445.00	-	-
Total Personnel	18,840,897.80	19,469,100.00	19,771,414.05
<u>OPERATIONS</u>			
Administration			
Bursary	611,500.00	400,000.00	677,215.00
Civic Attires	7,100.00	-	5,900.00
Civic Function Expenses	10,620.00	10,000.00	153,182.00
Contingencies	467,931.50	80,000.00	259,957.00
Contributions & Donations	13,000.00	30,000.00	33,000.00
Councillors Allowance	1,108,864.00	964,800.00	2,099,560.00
Councillors Seminars & Courses	21,000.00	20,000.00	339,448.00
Councillors Travelling Allowances	617,566.00	20,000.00	79,500.00
Entertainment of Guests	288,162.00	150,000.00	522,066.00
General Insurances	2,091,465.00	1,300,000.00	2,194,956.00
Grants to relief of Distress	-	10,000.00	-
Legal Fees	1,767,212.90	100,000.00	191,500.00
LASDAP			
Subscription ALGAK,ALGAE,LAPFB	61,100.00	400,000.00	204,400.00
Withholding Tax	-	-	12,088.65
Mayor's Allowance	167,840.00	236,160.00	315,480.00
Mayors Christmas Free Fund	201,470.00	50,000.00	244,842.00
Medical Expense	9,600.00	70,000.00	50,480.00
Members Tours	-	-	576,000.00
Mosquito Eradication	850.00	1,000.00	20,000.00
National Celebrations	13,000.00	20,000.00	17,473.60
NHIF	-	23,040.00	-
Other Councillors Allowances	22,700.00	-	21,090.00

SUBJECTIVE HEAD	2002/2003 ACTUAL KSHS.	2003/2004 APPROVED KSHS.	2003/2004 ACTUAL KSHS.
Postage, Telephone & Advertisement	824,581.00	500,000.00	1,143,443.30
Seminar & Courses	468,785.00	200,000.00	190,397.00
Sports	357,336.00	1,200,000.00	720,843.00
Staff Travelling & Subsistence	669,335.00	131,000.00	1,234,263.00
Rental Telephone Machine	10,145.00	50,000.00	208,900.00
Training courses & exams	111,605.00	200,000.00	46,740.00
Total Administration	9,922,768.40	6,166,000.00	11,562,724.55
Supplies & Services			
Audit Fees/Accountancy Fees	980,100.00	200,000.00	422,080.00
Bank Charges	35,690.95	25,000.00	25,130.00
Cleaning Materials	240,515.00	-	-
Furniture & Fittings	403,156.00	1,570,000.00	-
Loan Charges	-	68,180.00	267,459.00
Loss on Sale of Motor Vehicle	-	-	163,105.00
Materials and Equipment	13,660.00	20,000.00	9,090.00
Newspapers & Periodicals	79,577.15	50,000.00	87,564.00
Printing and stationary	1,291,352.35	420,000.00	1,390,128.00
Printing of Registers	-	5,000.00	-
Staff Uniform	267,940.00	450,000.00	339,156.00
Tools and Equipments	49,905.00	150,000.00	51,350.00
Trees and flowers	46,010.00	20,000.00	95,050.00
Valuation Fees	-	-	-
Survey Fees	-	50,000.00	17,400.00
Total Surplus and Services	3,407,906.45	3,028,180.00	2,867,512.00
Premise Related			
Electricity water & sewage	140,811.00	100,000.00	101,987.00
Total Premise Related	140,811.00	100,000.00	101,987.00
Transport and Plant Related			
Vehicle Operating Costs	4,375,013.55	2,750,000.00	7,821,386.55
Total Transport and Plant	4,375,013.55	2,750,000.00	7,821,386.55
Total Operations	17,846,499.40	12,044,180.00	22,353,610.10
Repair, Alteration and Maintenance			
Maintenance of Buildings	430,585.75	100,000.00	376,745.50
Maintenance of Rental Houses	-	-	10,860.00
Equipment, Furniture & Fittings Repair	-	-	-
Maintenance Githurai Market Stalls	238,269.00	340,000.00	27,854.00
Maintenance Ruiru Market Stalls	69,514.00	150,000.00	26,493.00
Maint of Sewerage & Septic Tanks	331,588.00	20,000.00	128,574.00

SUBJECTIVE HEAD	2002/2003 ACTUAL KSHS.	2003/2004 APPROVED KSHS.	2003/2004 ACTUAL KSHS.
Maintainance of Bus Park	2,000.00	100,000.00	52,255.00
Maintainance of Gardens	4,400.00	5,000.00	11,840.00
Maintainance of Roads & Drainage	2,564,000.00	150,000.00	837,663.00
Public Latrines	78,000.00	1,000.00	179,023.00
Town Planning Development	41,621.00	20,000.00	99,250.00
Total	3,759,977.75	886,000.00	1,750,557.50
Capital Expenditure LATF			
Capital Projects	15,350,089.45	9,605,599.00	10,492,349.00
Debt Resolution	632,146.10	6,403,733.00	413,196.00
Total	15,982,235.55	16,009,332.00	10,905,545.00
Total RAM	19,742,213.30	16,895,332.00	12,656,102.50
TOTAL INCOME	48,749,750.85	47,590,653.00	61,406,740.50
TOTAL EXPENDITURE	56,429,610.50	48,408,612.00	54,781,126.65
SURPLUS /(DEFICIT)	(7,679,859.65)	(817,959.00)	6,625,613.85

MUNICIPAL COUNCIL OF RUIRU			
ABSTRACTS OF ACCOUNTS FOR THE YEAR ENDED 30TH JUNE 2004			
CLERKS DEPARTMENT			
MISSION STATEMENT			
A- To provide advice to elected councillors in the policy management of the council			
B- To provide leadership to the council ensuring smooth operations, effective and personnel administration legal actions.			
SUBJECTIVE HEAD	2002/2003 ACTUAL KSHS.	2003/2004 APPROVED KSHS.	2003/2004 ACTUAL KSHS.
SERVICE RECEIPTS			
Subletting	158,510.00	115,000.00	267,000.00
Sale of Minutes	860.00	1,150.00	480.00
Fines on byLaws/Pounding	4,525.00	-	-
Sale Application Form	371,805.00	253,000.00	365,635.00
Sale Of tender Forms	86,420.00	80,500.00	67,000.00
Sub Division Fee	30,595.00	28,750.00	19,895.00
Change Of Ownership	29,000.00	230,000.00	9,500.00
Change of trade	12,405.00	11,500.00	2,000.00
Addition of Trade	30,840.00	11,500.00	29,470.00
Consent To Transfer	209,515.00	245,000.00	353,280.00
Pounding Fees	284,982.10	230,000.00	367,835.00
Miscellenious Income	-	-	-
	1,219,457.10	1,206,400.00	1,482,095.00
EXPENDITURE:			
PERSONNEL			
Salary & Wages	3,971,326.00	4,372,980.00	3,883,049.50
NSSF	102,000.00	-	114,725.00
Super Fund	69,084.00	1,010,880.00	729,427.00
Provident Fund	-	-	136,829.00
House Allowance.	1,877,800.00	2,366,400.00	2,149,131.00
Leave Allowance	94,523.00	124,600.00	115,031.30
Bicycle Allowance	1,800.00	-	1,750.00
Proficiency Driving Allowance	1,200.00	-	1,100.00
Dirty Work Allowance	-	-	37,279.50
Acting Allowance	26,350.50	-	-
Other Allowance	96,000.00	-	96,000.00
	6,240,083.50	7,874,860.00	7,264,322.30
OPERATIONS			
Administration			
Travelling & subs. Allowance	229,017.00	300,000.00	398,913.00

SUBJECTIVE HEAD	2002/2003 ACTUAL KSHS.	2003/2004 APPROVED KSHS.	2003/2004 ACTUAL KSHS.
Training courses & exams	92,505.00	100,000.00	46,740.00
Medical Expense	9,600.00	20,000.00	50,480.00
Seminar & Courses	391,100.00	150,000.00	163,247.00
Entertainment of Guests	113,840.00	50,000.00	56,340.00
Postage, Telephone & Advertisement	430,969.75	720,000.00	930,055.50
General Insurances	2,091,465.00	1,300,000.00	2,194,956.00
Subscription ALGAK, ALGAE, LAPFB	10,145.00	100,000.00	208,900.00
Legal Fees	61,100.00	400,000.00	204,400.00
LASDAP	1,767,212.90	100,000.00	191,500.00
Contingencies	310,466.50	50,000.00	195,689.00
Total Administration	5,507,421.15	3,290,000.00	4,641,220.50
Supplies & Services			
Printing and stationary	426,511.00	200,000.00	370,191.00
Furniture & Fittings	323,171.50	-	-
Newspapers & Periodicals	79,577.15	100,000.00	87,564.00
Staff Uniforms	195,910.00	300,000.00	161,195.00
Total Supplies & Services	1,025,169.65	600,000.00	618,950.00
Premise Related			
Electricity water & sewage	140,811.00	100,000.00	101,987.00
Total Premise Related	140,811.00	100,000.00	101,987.00
Transport Related			
Vehicle Operating Costs	1,082,669.75	1,050,000.00	1,354,708.40
Total Transport Related	1,082,669.75	1,050,000.00	1,354,708.40
TOTAL OPERATIONS	7,756,071.55	5,040,000.00	6,716,865.90
REPAIRS, ALTERATIONS & MAINTAINANCE			
Rapair & Maint. Of buildings	311,402.00	100,000.00	142,690.00
Equipment, Furniture & Fittings Repair	-	50,000.00	-
Total RAM	311,402.00	150,000.00	142,690.00
TOTAL INCOME	1,219,457.10	1,206,400.00	1,482,095.00
TOTAL EXPENDITURE	14,307,557.05	13,064,860.00	14,123,878.20
SURPLUS /DEFICIT	(13,088,099.95)	(11,858,460.00)	(12,641,783.20)

MUNICIPAL COUNCIL OF RUIRU			
ABSTRACTS OF ACCOUNTS FOR THE YEAR ENDED 30TH JUNE 2004			
TREASURER'S DEPARTMENT			
MISSION STATEMENT			
A - To provide financial advice to councillors, the Town Clerk and others.			
B- To establish and operate sound financial systems for the council			
C- To ensure financial transaction are properly recorded and internal controls adhered to			
D- To collect all revenues to the council			
E- To prepare up to date accounts and financial management report as per law			
SUBJECTIVE HEAD	2002/2003 ACTUAL KSHS.	2003/2004 APPROVED KSHS.	2003/2004 ACTUAL KSHS.
<u>SURVICES RECEIPTS</u>			
Single Business Permit	1,279,045.00	12,550,000.00	11,399,125.00
Clearance Certificates	80,660.00	115,000.00	118,810.00
Site Value Rates	1,039,715.00	1,030,000.00	895,493.70
Area Rates	2,298,798.25	2,050,000.00	2,253,205.00
Cess 20%	-	-	2,538,977.80
Contribution in Lieu of Rate	-	515,988.00	197,383.00
Interests 6%	-	230,000.00	1,536.00
Bank Interests	-	-	-
Penalty	38,075.00	-	32,517.50
Quarry Charges	401,835.00	207,000.00	219,890.00
Poll Rate	22,035.00	-	-
	15,160,163.25	16,697,988.00	17,656,938.00
<u>EXPENDITURE:</u>			
<u>PERSONNEL</u>			
Salary & Wages	2,371,718.00	3,035,360.00	2,181,208.20
NSSF	43,200.00	-	38,242.00
Super Fund	34,525.00	709,920.00	357,131.00
Provident Fund	-	-	118,896.00
House Allowance.	1,048,400.00	1,697,400.00	1,178,400.00
Leave Allowance	189,137.60	85,840.00	90,916.60
Bicycle Allowance	-	-	-
Transfer Allowance	16,445.00	-	-
Dirty Work Allowance	-	-	-
Acting Allowance	-	-	-
Other Allowance	43,540.00	-	28,800.00
	3,746,965.60	5,528,520.00	3,993,593.80

OPERATIONS			
Administration			
Staff Travelling & Subsistance	192,691.00	50,000.00	258,420.00
Training /Programme Expenses	14,100.00	100,000.00	-
Medical Expense	-	50,000.00	-
Seminar & Courses	77,685.00	30,000.00	27,150.00
Postage, Telephone & Advetisement	393,611.25	-	213,387.80
Contingencies	139,865.00	30,000.00	64,268.00
Total Administration	817,952.25	260,000.00	563,225.80
Supplies & Services	-	-	-
Printing and Stationary	833,594.90	1,500,000.00	1,016,437.00
Printing of Registers	-	5,000.00	-
Valuation Fees	-	10,000.00	-
Bank Charges	35,690.95	10,000.00	25,130.20
Withholding Tax	-	-	12,088.65
Audit Fees/Accountancy Fees	980,100.00	200,000.00	422,080.00
Total Supplies & Services	1,849,385.85	1,725,000.00	1,475,735.85
Transport & Plant Related	-	-	-
Vehicle Operating Costs	538,466.00	466,000.00	423,066.00
Total Transport Related	538,466.00	466,000.00	423,066.00
TOTAL OPERATIONS	3,205,804.10	2,451,000.00	2,462,027.65
REPAIRS, ALTERATIONS & MAINTAINANCE			
Equipment, Furniture & Fittings Repair	79,985.00	20,000.00	-
Total RAM	79,985.00	20,000.00	-
TOTAL INCOME	15,160,163.25	16,697,988.00	17,656,938.00
TOTAL EXPENDITURE	7,032,754.70	7,999,520.00	6,455,621.45
SURPLUS /DEFICIT	8,127,408.55	8,698,468.00	11,201,316.55

MUNICIPAL COUNCIL OF RUIRU			
ABSTRACTS OF ACCOUNTS FOR THE YEAR ENDED 30TH JUNE 2004			
CIVIC DEPARTMENT			
MISSION STATEMENT			
A- To facilitate the presentation of the public view to ensure that policies of the Council are in accordance with the aspirations of the public.			
SUBJECTIVE HEAD	2002/2003 ACTUAL KSHS.	2003/2004 APPROVED KSHS.	2003/2004 ACTUAL KSHS.
SERVICE RECEIPTS			
Income	-	-	-
Total	-	-	-
EXPENDITURE			
Mayor's Allowance	167,840.00	236,160.00	315,480.00
Councillors Allowance	1,108,864.00	964,800.00	2,099,560.00
NHIF	-	23,040.00	-
Entertainment of Guests	174,322.00	100,000.00	465,726.00
National Celebrations	13,000.00	20,000.00	17,473.60
Contributions & Donations	13,000.00	30,000.00	33,000.00
Civic Attires	7,100.00	-	5,900.00
Mayors Christmas Free Fund	201,470.00	50,000.00	244,842.00
Councillors Seminars & Courses	21,000.00	20,000.00	339,448.00
Councillors Travelling Allowances	617,566.00	20,000.00	79,500.00
Members Tours	-	-	576,000.00
Other Councillors Allowance	-	-	-
Contingencies	17,600.00	-	-
Other Expenses	22,700.00	-	21,090.00
Civic Function Expenses	10,620.00	10,000.00	153,182.00
Subsistence Allowance	-	50,000.00	490,150.00
Total Administration	2,375,082.00	1,524,000.00	4,841,351.60
TOTAL OPERATIONS	2,375,082.00	1,524,000.00	4,841,351.60
TOTAL INCOME	-	-	-
TOTAL EXPENDITURE	2,375,082.00	1,524,000.00	4,841,351.60
SURPLUS /(DEFICIT)	(2,375,082.00)	(1,524,000.00)	(4,841,351.60)

MUNICIPAL COUNCIL OF RUIRU			
ABSTRACTS OF ACCOUNTS FOR THE YEAR ENDED 30TH JUNE 2004			
MARKETS AND TRADE DEPARTMENT			
MISSION STATEMENT			
A - To provide market sites and shelter for local traders to use to sell their wares			
B - To generate revenue to the council			
SUBJECTIVE HEAD	2002/2003 ACTUAL KSHS.	2003/2004 APPROVED KSHS.	2003/2004 ACTUAL KSHS.
SERVICE RECEIPTS			
Plot Rent	143,569.00	120,000.00	132,779.10
Stall Rent	86,910.00	1,050,140.00	88,920.00
Produce Cess	-	-	-
Slaughter Fee Cess	12,660.00	120,000.00	-
Githurai/Ruiru Mkt Fee	6,205,455.00	5,500,000.00	4,669,650.00
Housing Levy	367,988.00	450,000.00	377,858.00
Tenant Fee	69,255.00	100,000.00	13,675.00
Search Fees	-	-	-
Consent to charge Lease	11,730.00	40,000.00	35,520.00
Change of User	9,320.00	25,000.00	9,505.00
Miscellaneous Receipts	354,157.00	-	129,941.50
	7,261,044.00	7,405,140.00	5,457,848.60
PERSONNEL			
Salary & Wages	1,775,850.00	1,042,800.00	1,448,700.00
NSSF	62,400.00	62,400.00	133,847.40
Super Fund	-	-	151,234.12
Provident Fund	-	-	124,974.00
House Allowance.	804,000.00	398,400.00	783,000.00
Leave Allowance	76,781.80	-	7,797.00
Bicycle Allowance	-	-	-
Proficiency Driving Allowance	-	-	-
Acting Allowance	-	-	-
Other Allowance	-	-	-
	2,719,031.80	1,503,600.00	2,649,552.52
OPERATIONS			
Administration			
Staff Travelling & Subsistance	163,640.00	10,000.00	9,500.00
Total Administration	163,640.00	10,000.00	9,500.00

SUBJECTIVE HEAD	2002/2003 ACTUAL KSHS.	2003/2004 APPROVED KSHS.	2003/2004 ACTUAL KSHS.
Supplies & Services			
Printing and Stationary	19,980.00	-	3,500.00
Staff Uniform	66,250.00	90,000.00	84,680.00
Total Supplies & Services	86,230.00	90,000.00	88,180.00
SUBJECTIVE HEAD	2002/2003 ACTUAL KSHS.	2003/2004 APPROVED KSHS.	2003/2004 ACTUAL KSHS.
TOTAL OPERATIONS	249,876.00	100,000.00	97,680.00
REPAIRS, ALTERATIONS & MAIN			
Maintainance Ruiru Market Stalls	69,514.00	150,000.00	26,493.00
Maintainance Githurai Market Stalls	238,269.00	340,000.00	27,854.00
Total RAM	307,783.00	490,000.00	54,347.00
TOTAL INCOME	7,261,044.00	7,405,140.00	5,457,848.60
TOTAL EXPENDITURE	3,276,684.80	2,093,600.00	2,801,579.52
SURPLUS /(DEFICIT)	3,984,359.20	5,311,540.00	2,656,269.08

MUNICIPAL COUNCIL OF RUIRU			
ABSTRACTS OF ACCOUNTS FOR THE YEAR ENDED 30TH JUNE 2004			
NURSERY SCHOOLS & SOCIAL SERVICES DEPARTMENT			
MISSION STATEMENT			
A - To educate self help groups on how to run income generating projects			
B - To provide general education to the general public through barazas and assist in pre primary education for income people			
SUBJECTIVE HEAD	2002/2003 ACTUAL KSHS.	2003/2004 APPROVED KSHS.	2003/2004 ACTUAL KSHS.
SERVICE INCOME			
Tuition Fee (Kwihota Nursery Sch.	30,150.00	40,000.00	13,920.00
Registration of Sch & Group Cert.	37,760.00	100,000.00	40,040.00
	67,910.00	140,000.00	53,960.00
EXPENDITURES:			
PERSONNEL			
Salary & Wages	619,110.00	355,080.00	399,960.00
NSSF	9,600.00	9,600.00	19,120.00
Super Fund	11,678.00	10,000.00	26,667.00
Provident Fund	-	-	30,077.00
House Allowance.	201,000.00	166,800.00	165,000.00
Leave Allowance	8,878.80	10,660.00	15,197.60
Bicycle Allowance	-	-	-
Acting Allowance	-	-	-
Other Allowance	-	-	-
Total Personnel	850,266.80	552,140.00	656,021.60
SUBJECTIVE HEAD	2002/2003 ACTUAL KSHS.	2003/2004 APPROVED KSHS.	2003/2004 ACTUAL KSHS.
OPERATIONS			
Administration			
Bursary	611,500.00	400,000.00	677,215.00
Sports	357,336.00	1,200,000.00	720,843.00
Grants to relief of Distress	-	10,000.00	-
Training and refresher Courses	5,000.00	-	-
Total Administration	973,836.00	1,610,000.00	1,398,058.00
Supplies & Services			
Printing and Stationary	700.00	-	-
Total Supplies & Services	700.00	-	-
	-	-	-
TOTAL OPERATIONS	974,536.00	1,610,000.00	1,398,058.00

SUBJECTIVE HEAD	2002/2003 ACTUAL KSHS.	2003/2004 APPROVED KSHS.	2003/2004 ACTUAL KSHS.
REPAIRS, ALTERATIONS & MAIN	-	-	-
Equipment, Furniture & Fittings Repair	-	20,000.00	-
	-	-	-
Total RAM	-	20,000.00	-
TOTAL INCOME	67,910.00	140,000.00	53,960.00
TOTAL EXPENDITURE	1,824,802.80	2,182,140.00	2,054,079.60
SURPLUS /(DEFICIT)	(1,756,892.80)	(2,042,140.00)	(2,000,119.60)

MUNICIPAL COUNCIL OF RUIRU			
ABSTRACTS OF ACCOUNTS FOR THE YEAR ENDED 30TH JUNE 2004			
BUILDING, WORKS & PLANNING DEPARTMENT			
MISSION STATEMENT			
A - To provide proper town planning and development and maintainance of Council buildings - real properties			
SUBJECTIVE HEAD	2002/2003 ACTUAL KSHS.	2003/2004 APPROVED KSHS.	2003/2004 ACTUAL KSHS.
SERVICE RECEIPTS			
Plans Approval	2,344,042.00	600,000.00	3,301,739.30
Sale of Building Plan	20,635.00	100,000.00	4,400.00
Appl to Const. Residential Bld	1,178,702.00	150,000.00	1,420,550.00
Cert. of Building Completion	400.00	15,000.00	1,700.00
App. to Const. Factory	-	20,000.00	-
App. to Const. Comm. Bld/Petrol station	-	50,000.00	-
app. To constr. High Rise Bld.	-	-	-
Inspection Fees	216,370.00	20,000.00	255,070.00
PPA I & II	462,700.00	70,000.00	527,000.00
Hire of Grader	220,000.00	10,000.00	-
Authority to Drill Bore Hole	5,000.00	-	-
Survey Fees	14,250.00	-	-
Signboard Fees	1,305,062.00	1,500,000.00	454,212.50
	5,767,161.00	2,535,000.00	5,964,671.80
EXPENDITURES:			
PERSONNEL			
Salary & Wages	757,680.00	881,760.00	563,580.00
NSSF	8,400.00	9,600.00	9,560.00
Super Fund	42,567.30	78,780.00	106,068.00
Provident Fund	-	-	18,296.00
House Allowance.	292,500.00	342,600.00	260,500.00
Leave Allowance	21,316.00	26,480.00	52,708.00
Bicycle Allowance	-	-	-
Acting Allowance	-	-	-
Other Allowance	-	-	-
Total Personnel	1,122,463.30	1,339,220.00	1,010,712.00
OPERATIONS			
Administration			
Staff Travelling & Subsistance	70,394.00	20,000.00	71,775.00
Total Administration	70,394.00	20,000.00	71,775.00

SUBJECTIVE HEAD	2002/2003 ACTUAL KSHS.	2003/2004 APPROVED KSHS.	2003/2004 ACTUAL KSHS.
Supplies & Services			
Loss on Sale of Motor Vehicle	-	-	163,105.00
Printing and Stationery	10,565.00	-	-
Survey Fees	-	50,000.00	17,400.00
Materials and Equipment	13,660.00	20,000.00	9,090.00
Staff Uniform	2,380.00	50,000.00	400.00
Total Supplies & Services	26,605.00	120,000.00	189,995.00
	-	-	-
Transport & Plant Related			
Vehicle Operating Costs	1,664,315.00	1,000,000.00	4,085,408.00
Total Transport Related	1,664,315.00	1,000,000.00	4,085,408.00
	-	-	-
TOTAL OPERATIONS	1,761,314.00	1,140,000.00	4,347,178.00
	-	-	-
REPAIRS, ALTERATIONS & MAIN			
Maintainance of Roads & Drainage	2,564,000.00	150,000.00	837,663.00
Maintainance of Buildings	99,263.75	-	234,055.50
Town Planning Development	41,621.00	20,000.00	99,250.00
Total RAM	2,704,884.75	170,000.00	1,170,968.50
	-	-	-
TOTAL INCOME	5,767,161.00	2,535,000.00	5,964,671.80
	-	-	-
TOTAL EXPENDITURE	5,588,662.05	2,649,220.00	6,528,858.50
	-	-	-
SURPLUS /DEFICIT	178,498.95	(114,220.00)	(564,186.70)
	-	-	-

MUNICIPAL COUNCIL OF RUIRU			
ABSTRACTS OF ACCOUNTS FOR THE YEAR ENDED 30TH JUNE 2004			
PUBLIC HEALTH & ENVIRONMENT SECTION			
MISSION STATEMENT			
A - To ensure the general cleanliness of the Councils area and to provide clean toilets			
B - To advice members of the society on on ways of conserving the environment.			
SUBJECTIVE HEAD	2002/2003 ACTUAL KSHS.	2003/2004 APPROVED KSHS.	2003/2004 ACTUAL KSHS.
SERVICE RECEIPTS			
Conservancy Fees	-	-	1,000.00
Parking fees	1,966,925.00	1,600,000.00	2,122,802.00
	1,966,925.00	1,600,000.00	2,123,802.00
EXPENDITURES:			
EMPLOYEES			
Salary & Wages	2,954,040.30	1,380,180.00	2,930,865.20
NSSF	31,200.00	26,400.00	47,802.00
Super Fund	-	102,860.00	75,533.00
Provident Fund	-	-	58,630.00
House Allowance.	447,000.00	622,200.00	405,000.00
Leave Allowance	15,044.00	40,940.00	20,927.00
Bicycle Allowance	1,800.00	-	1,800.00
Proficiency Driving Allowance	-	-	-
Dirty Work Allowance	4,500.00	10,800.00	3,600.00
Acting Allowance	-	-	-
Other Allowance	-	-	-
	3,453,584.30	2,183,380.00	3,544,157.20
OPERATIONS			
Administration			
Staff Travelling & Subsistance	4,280.00	1,000.00	3,375.00
Mosquito Eradication	850.00	1,000.00	20,000.00
Total Administration	5,130.00	12,000.00	23,375.00
Supplies & Services			
Tools and Equipments	45,190.00	150,000.00	50,980.00
Trees and flowers	46,010.00	20,000.00	95,050.00
Cleaning Materials	240,515.00	-	-
Staff Uniform	3,400.00	100,000.00	92,881.00
Total Supplies & Services	335,115.00	270,000.00	238,911.00

SUBJECTIVE HEAD	2002/2003 ACTUAL KSHS.	2003/2004 APPROVED KSHS.	2003/2004 ACTUAL KSHS.
Transport & Plant Related			
Vehicle Operating Costs	389,965.00	300,000.00	1,174,768.00
Total Transport Related	389,965.00	300,000.00	1,174,768.00
	-	-	-
TOTAL OPERATIONS	730,210.00	582,000.00	1,437,054.00
	-	-	-
REPAIRS, ALTERATIONS & MAIN			
Maintainance of Bus Park	2,000.00	100,000.00	52,255.00
Public Latrines	78,000.00	1,000.00	179,023.00
Maintainance of Gardens	4,400.00	5,000.00	11,840.00
Total RAM	84,400.00	106,000.00	243,118.00
TOTAL INCOME	1,966,925.00	1,600,000.00	2,123,802.00
TOTAL EXPENDITURE	4,268,194.30	2,871,380.00	5,224,329.20
SURPLUS /DEFICIT	(2,301,269.30)	(1,271,380.00)	(3,100,527.20)

MUNICIPAL COUNCIL OF RUIRU			
ABSTRACTS OF ACCOUNTS FOR THE YEAR ENDED 30TH JUNE 2004			
WATER & SEWAGE DEPARTMENT			
MISSION STATEMENT			
A- To provide clean water for use by the residents of the area and livestock			
B- To build good sewerage system to the society			
SUBJECTIVE HEAD	2002/2003 ACTUAL KSHS.	2003/2004 APPROVED KSHS.	2003/2004 ACTUAL KSHS.
SERVICE RECEIPTS			
Survey Fees	-	-	-
Hire of Exhauster	131,040.00	500,000.00	67,500.00
	131,040.00	500,000.00	67,500.00
EXPENDITURES:			
PERSONNEL			
Salary & Wages	466,980.00	336,600.00	368,750.00
NSSF	16,800.00	16,800.00	19,120.00
Super Fund	-	3,600.00	59,628.00
Provident Fund	-	-	18,406.65
House Allowance.	216,000.00	120,000.00	185,500.00
Leave Allowance	6,922.80	10,380.00	-
Bicycle Allowance	-	-	-
Dirty Work Allowance	1,800.00	-	1,650.00
	708,502.80	487,380.00	653,054.65
OPERATIONS			
Administration			
Staff Travelling & Subsistence	9,313.00	-	2,130.00
Medical Expense	-	-	-
Total Administration	9,313.00	-	2,130.00
Supplies & Services			
Tools and Equipments	4,715.00	-	370.00
Total Supplies & Services	4,715.00	-	370.00
Transport & Plant Related			
Vehicle Operating Costs	699,597.80	250,000.00	783,436.15
Total Transport Related	699,597.80	250,000.00	783,436.15
TOTAL OPERATIONS	713,625.80	250,000.00	785,936.15

SUBJECTIVE HEAD	2002/2003 ACTUAL KSHS.	2003/2004 APPROVED KSHS.	2003/2004 ACTUAL KSHS.
REPAIRS, ALTERATIONS & MAINTAINANCE			
Maint of Sewarage & Septic Tanks	331,588.00	20,000.00	128,574.00
Total RAM	331,588.00	20,000.00	128,574.00
TOTAL INCOME	131,040.00	500,000.00	67,500.00
TOTAL EXPENDITURE	1,753,716.60	757,380.00	1,567,564.80
SURPLUS /(DEFICIT)	(1,622,676.60)	(257,380.00)	(1,500,064.80)

MUNICIPAL COUNCIL OF RUIRU			
ABSTRACTS OF ACCOUNTS FOR THE YEAR ENDED 30TH JUNE 2004			
HOUSING DEPARTMENT			
MISSION STATEMENT			
A - To provide quality housing to people in the society			
B - To promote growth and development houses to members of the society			
SUBJECTIVE HEAD	2002/2003 ACTUAL KSHS.	2003/2004 APPROVED KSHS.	2003/2004 ACTUAL KSHS.
SERVICE RECEIPTS			
House Rent	1,058,052.00	912,000.00	858,458.00
	1,058,052.00	912,000.00	858,458.00
EXPENDITURES:			
OPERATIONS			
Administration			
Furniture and Equipments	-	-	-
Loan Charges	-	68,180.00	267,459.00
Total Administration	-	68,180.00	267,459.00
Premises Related			
Light & Water	-	-	-
Total Premise Related	-	-	-
TOTAL OPERATIONS	-	68,180.00	267,459.00
REPAIRS, ALTERATIONS & MAINTAINANCE			
Maintainance of Rental Houses	19,920.00	100,000.00	10,860.00
Total RAM	19,920.00	100,000.00	10,860.00
TOTAL INCOME	1,058,052.00	912,000.00	858,458.00
TOTAL EXPENDITURE	19,920.00	168,180.00	278,319.00
SURPLUS /(DEFICIT)	1,038,132.00	743,820.00	580,139.00

MUNICIPAL COUNCIL OF RUIRU			
ABSTRACTS OF ACCOUNTS FOR THE YEAR ENDED 30TH JUNE 2004			
SERVICE CHARGE DEPARTMENT			
SUBJECTIVE HEAD	2002/2003 ACTUAL KSHS.	2003/2004 APPROVED KSHS.	2003/2004 ACTUAL KSHS.
SERVICE RECEIPTS			
Local Authority Service Charge	2,618,391.00	-	-
Registration Fee	76,050.00	-	-
Totals	2,694,441.00	-	-
PERSONNEL			
Salary & Wages	107,080.00	-	-
NSSF	160.00	-	-
	11,628.00		-
	42,900.00		-
	6,108.00		-
Total Personnel	167,876.00	-	-
OPERATIONS			
Administration			
Staff Travelling & Subsistence	-	-	-
Medical Expense	90,159.00	-	-
Total Administration	90,159.00	-	-
Supplies & Services			
Printing and Stationary	-	-	-
Withholding Tax	-	-	-
Total Supplies & Services	-	-	-
TOTAL OPERATIONS	90,159.00	-	-
REPAIRS, ALTERATIONS & MAINTAINANCE			
Opening and Maint. of Roads	328,779.00	-	-
Total RAM	328,779.00	-	-
TOTAL INCOME	2,694,441.00	-	-
TOTAL EXPENDITURE	586,814.00	-	-
SURPLUS /(DEFICIT)	2,107,627.00	-	-

MUNICIPAL COUNCIL OF RUIRU			
ABSTRACTS OF ACCOUNTS FOR THE YEAR ENDED 30TH JUNE 2004			
LATF REVENUE ACCOUNT			
SUBJECTIVE HEAD	2002/2003 ACTUAL KSHS.	2003/2004 APPROVED KSHS.	2003/2004 ACTUAL KSHS.
SERVICE RECEIPTS			
LATF Service Account	16,012,934.75	16,594,125.00	16,594,125.00
Interests Earned	105,063.75	-	80,591.10
LATF Performance Account	-	-	11,066,751.00
Total Grants	16,117,998.50	16,594,125.00	27,741,467.10
PERSONNEL			
Salary & Wages	-	-	-
NSSF	-	-	-
Super Fund	-	-	-
Provident Fund	-	-	-
House Allowance.	-	-	-
Leave Allowance	-	-	-
Total Personnel	-	-	-
OPERATIONS			
Supplies & Services			
Printing and Stationary	-	-	-
Bank Charges	-	-	-
Total Supplies & Services	-	-	-
TOTAL OPERATIONS	-	-	-
REPAIRS, ALTERATIONS & MAINTAINANCE			
Capital Projects	15,350,089.45	9,605,599.00	10,492,349.00
Debt Resolution	632,146.10	6,403,733.00	413,196.00
Total RAM	15,982,235.55	16,009,332.00	10,905,545.00
TOTAL INCOME	16,117,998.50	16,594,125.00	27,741,467.10
TOTAL EXPENDITURE	15,982,235.55	16,009,332.00	10,905,545.00
SURPLUS /(DEFICIT)	135,762.95	584,793.00	16,835,922.10
NET SURPLUS/(DEFICIT) b/f			135,762.95
NET SURPLUS/(DEFICIT) c/f	-	-	16,971,685.05

RUIRU MUNICIPAL COUNCIL

NOTES TO THE ACCOUNTS FOR THE YEAR 2003/2004

1.0.0 Accounting Concepts

1.1.0 Introduction

SAS is based firmly on the generally accepted accounting concepts of:

- Going Concern
- Accruals/Matching
- Consistency
- Prudence
- Materiality and Substance over form

Adoption of these concepts ensures that accounts "present fairly" the financial position of a local authority. However, given the unique nature of Kenyan Local Government, certain refinements have been introduced.

a) Going Concern Concept

In most cases the accounting system will treat value in the assumption that the authority will continue trading. It is unlikely that a Local Authority may be wound up in the same way as a company. In event of a Local Government re-organization, the going concern concept should be applied although the authority itself may cease to exist.

b) Accrual/Matching Concept

The Matching or Accrual Concept can be defined as follows:

"Revenue and costs are accrued -that is recognized as they are earned or incurred (and not as money is received or paid) and recorded in the financial statement at the period to which they relate: provided that where the Accrual Concept is inconsistent with the Prudence Concept the later prevails. Here the Prudence Concept is of significance in Kenya. The SAS basis of accounting is "converted receipts and converted payment" which means that accounting throughout the year is on a cash basis but, for final accounts purposes, accruals for Material debtors and creditors are introduced to convert the accounts to an income and expenditure account income and expenditure basis, thus keeping in line with the accruals concept.

(c) Consistency Concept

It is assumed that the accounting policies are consistent from one period to another. The Consistency Concept requires that there should be consistency of accounting treatment of like items within each accounting period and from one accounting period to the next.

(d) Prudence Concept

Uncertainties inevitably surround many transactions. This should be recognized by exercising prudence in preparing financial statements. Prudence does not however justify the creation of secret or hidden reserves. The Prudence Concept requires that revenues are not anticipated until realization can be assessed with reasonable certainty. In US Government accounting technology, which has been adopted by SAS, revenues should be recognized when they become "measurable and available for use". This has implications for Kenyan Local Government as regards land taxes and other revenue which are billed: such revenues are measurable immediately but may not be paid or "available for use" for a lengthy period of time.

e) Substance over form and Materiality Concept

Transaction and other events should be accounted for and presented in accordance with their substance and

financial reality and not merely with their legal form. The concept derives from the fact that accounts may still not "present fairly" the financial position of the authority. For example, SAS requires disclosures of certain items, in particular, delaying debtors and delayed creditors separately from operational debtors and creditors, as there is usually a link between the former types of debtors and creditors. Financial statement should disclose all items which are material enough to affect evaluation or decision.

1.2.0 Accounting Policies

The accounts have been prepared under the historical cost convention.

1.2.1 Accruals of Income and Expenditure

(a) Revenues

Plot rents, housing rents and rates outstanding at the end of the year are accrued as debtors. This is in accordance with the prudence principle.

(b)(i) Employees

No accruals are made for paid leave entitlement not taken as this is considered not material from year to year

(ii) Statutory and other deductions

There are no Unremitted statutory deductions otherwise all other deductions are accrued as creditors.

(iii) Supplies and Services

Material invoices for supplies and services received during the year but not yet paid are accrued as creditors within current liabilities.

(iv) Surplus/Deficit for the period

Surplus for the period amounts to 12,195,352.30

1.3.0 Fixed Assets

1.3.1 Coverage

Only assets that are readily identifiable as authority assets are included in the balance sheet. However, a professional valuation of all council assets should be done to reflect the current market value of all assets.

1.3.2 Valuation of Land

Land has been valued at current open market value as at 30th June 2002. However, no valuation was done by a professional valuer.

1.3.3 Valuation of Buildings

Buildings have not been valued by a professional valuer at depreciated current replacement cost as at 30th June 2002.

1.3.4 Valuation of Motor Vehicles

The Motor Vehicles have not been valued by the Automobiles Association of Kenya at the current market price as at 30 June 2002. Instead the figures taken are the insured values.

1.3.5 Furniture and Equipment

Furniture and Equipment have been stated at historical cost.

1.3.6 Assets Utilization

No charges have been made for the use of assets or their depreciation in line with current SAS Provisions.

1.3.7 Fixed Assets Schedule

Fixed assets held and their current valuations are:

MUNICIPAL COUNCIL OF RUIRU
ABSTRACTS OF ACCOUNTS FOR THE YEAR ENDED 30TH JUNE 2004

1.3.7 Fixed Assets

i Land and Buildings

	<u>2002/03</u> <u>Kshs</u>	<u>Disposals</u>	<u>Additions</u> <u>Kshs</u>	<u>2003/04</u> <u>Kshs</u>
1 Office Block	2,500,000.00	-	-	2,500,000.00
2 Nursery Schools	-	-	-	-
3 Maintainance Roads	-	-	-	-
4 Gatongora Bridge	-	-	-	-
5 Council Rental Houses	-	-	-	-
6 Septic Tanks	1,311,400.00	-	-	1,311,400.00
7 Githurai Plot	1,500,000.00	-	-	1,500,000.00
	5,311,400.00	-	-	5,311,400.00

ii Motor Vehicle (Insured Values)

1 KAB 097Q	1,711,442.00	-	-	1,711,442.00
2 KWE 280	404,121.00	-	-	404,121.00
3 KAB 083Q	956,850.00	-	-	956,850.00
4 KAR 138L	-	-	-	-
5 KAR 102L	-	-	1,392,574.00	1,392,574.00
6 KAR 142I	-	-	2,390,913.00	2,390,913.00
7 KAN 548U	-	-	5,136,515.00	5,136,515.00
8 KAM 403Y	1,100,000.00	-	4,501,824.00	5,601,824.00
9 KWE 259	229,105.00	229,105.00	-	-
	4,401,518.00	229,105.00	13,421,826.00	17,594,239.00

iii Machinery and Tractors

1 KUL 925	246,000.00	-	-	246,000.00
2 KWE 361	745,000.00	-	-	745,000.00
3 Caterpillar - KRC 332	5,960,000.00	-	-	5,960,000.00
	6,951,000.00	-	-	6,951,000.00

iv Trailers

1 ZB 1601	40,000.00	-	-	40,000.00
2 ZB1605	227,000.00	-	-	227,000.00
3 ZB 1620	75,000.00	-	-	75,000.00
4 Plough Blade	75,000.00	-	-	75,000.00
	417,000.00	-	-	417,000.00

v Office Equipment, Tools, Materials and Furniture & Fittings

1 Sofa Set	90,000.00	-	-	90,000.00
2 Panasonic fax Machine	42,000.00	-	-	42,000.00
3 Electric Grinder	14,500.00	-	-	14,500.00
4 Safe Sennator	270,000.00	-	-	270,000.00
5 Conference Table	8,000.00	-	-	8,000.00
7 Furniture & Fittings	-	-	52,305.00	52,305.00
8 Executive Office Chairs	57,000.00	-	-	57,000.00
9 Executive Office Desks	84,000.00	-	-	84,000.00
10 Telephone head Sets	91,000.00	-	-	91,000.00
11 Calculators (Facit Type)	75,000.00	-	-	75,000.00
12 Calculators (2 logos 48 Type)	14,400.00	-	-	14,400.00

MUNICIPAL COUNCIL OF RUIRU					
ABSTRACTS OF ACCOUNTS FOR THE YEAR ENDED 30TH JUNE 2004					
	13 Olympia Manual Typewriter	15,000.00	-	-	15,000.00
	14 Electric Typewriter (2, IBM)	320,000.00	-	-	320,000.00
	15 Duplicating Machine	59,000.00	-	-	59,000.00
	16 Computers	1,529,496.24	-	-	1,529,496.24
		2,669,396.24	-	52,305.00	2,721,701.24
	Total Fixed Assets	19,750,314.24	229,105.00	13,474,131.00	32,995,340.24
1.3.8	Other Long Term Outlay	2002/03			2003/04
		Kshs			Kshs
	Bus Park	1,358,045.00	-	-	1,358,045.00
	Street Lights	821,630.00	-	-	821,630.00
	Road Maintainance	-	-	6,500,505.00	6,500,505.00
		2,179,675.00	-	6,500,505.00	8,680,180.00
1.4.0	Debtors and Prepayments				
		Balance as at	Receipts due	Actual Receipts	Balance as at
		01 July 2004	for 2004/05	for 2004/05	30 June 2005
		Kshs	Kshs	Kshs	Kshs
	Plot Rents	1,010,209.00	132,779.00	611,887.00	531,101.00
	Propety, Land, Area Rates Incl. Penalties	6,335,723.00	5,691,974.00	2,253,205.00	9,774,492.00
	Contribution in Lieu of Rates (CILOR)	3,304,098.00	2,142,801.00	-	5,446,899.00
	Rates owed by Parastatals	559,566.00	342,941.00	-	902,507.00
	Rates owed by Local Authorities	610,290.00	-	610,290.00	-
	L.A.S.C. owed by GOK	357,220.00	-	357,220.00	-
	L.A.S.C. owed by Others	700,760.00	-	700,760.00	-
	House Rents in Arrears	4,455,975.00	858,458.00	4,504,465.00	809,968.00
	Advances to Staff and or Councillor	462,671.90	-	105,556.90	357,115.00
	Prepaid Insurance	-	-	-	-
	Site Value Rates	476,366.00	-	476,366.00	-
		18,272,878.90	9,168,953.00	9,619,749.90	17,822,082.00
1.4.1	Cash and Bank Balances	2002/03			2003/04
		Kshs			Kshs
	Cash in Bank - GRF	2,466,826.70			2,483,367.20
	Cash in Bank - Service Charge	26,437.00			-
	Cash in Bank - LATF	6,446,929.10			10,661,862.35
	Plot Deposit	1,034.00			
	Cash in Hand	123,424.00			122,784.80
	Total Cash and Bank Balances	9,064,650.80			13,268,014.35

MUNICIPAL COUNCIL OF RUIRU				
ABSTRACTS OF ACCOUNTS FOR THE YEAR ENDED 30TH JUNE 2004				
1.5.0 Creditors and Accruals	Balance as at 01 July 2004	Payment due for 2004/05	Actual Payment for 2004/05	Balance as at 30 June 2005
	Kshs	Kshs	Kshs	Kshs
Sundry Creditors and Accruals	622,912.14	2,299,735.86	-	2,922,648.00
KRA Income Tax (PAYE)	67,173.00	-	67,173.00	-
NSSF	262,437.00	2,806,144.40	382,416.40	2,686,165.00
NHIF	33,160.00	-	33,160.00	-
LG Superannuation Fund	174,151.80	-	174,151.80	-
LA Provident Fund	110,622.00	1,505,688.10	1,263,631.10	352,679.00
KLGWU/ COTU	725.60	-	725.60	-
Salary Control Account SACCO	(1,343,666.00)	1,343,666.00	-	-
Loan From N.H.C	534,918.00	120,839.50	-	655,757.50
TOTAL	462,433.54	8,076,073.86	1,921,257.90	6,617,249.50
1.6.0 Authority Equity	2002/03			2003/04
	Kshs			Kshs
Authority Equity	10,291,374.45			18,568,978.31
	10,291,374.45			18,568,978.31
1.6.1 General Reserve Fund	2002/03			2003/04
	Kshs			Kshs
Authority Equity	38,513,710.95			47,579,388.78
	38,513,710.95			47,579,388.78
1.6.2 Cashflow from Operating Activities				
INCOME	2003/04		2002/03	
Land and Poll Taxes	2,635,269.10		2,925,832.25	
Licences and Other Fees	28,491,026.50		29,705,920.00	
Agricultural and Cess	2,538,977.80		-	
Fuel Levy Fund	-		-	
LATF	27,741,467.10		16,117,998.50	
Total Income	61,406,740.50		48,749,750.75	
<i>Less</i> Total Expenditure	54,781,126.87		56,429,609.85	
	6,625,613.63		(7,679,859.10)	
Adjustments				
General Rate Fund balance	2,440,064.20		15,995,390.15	
Interest Received	(80,591.10)		(105,063.75)	
Interest Paid	-		-	
Service Charge	-		(13,154.60)	
Cashflow after adjustments	2,359,473.10		15,877,171.80	
Cash inflow from operating Activities	8,985,086.73		8,197,312.70	

