

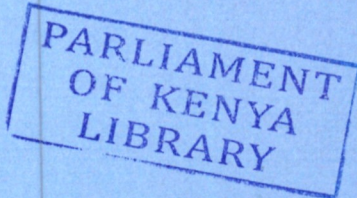
REPUBLIC OF KENYA



*Placed here by the  
leader of majority party  
Mpsf  
Thursday 11/10/2018*

OFFICE OF THE AUDITOR-GENERAL

REPORT



OF



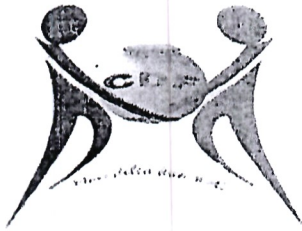
THE AUDITOR-GENERAL

ON

THE FINANCIAL STATEMENTS OF  
NATIONAL GOVERNMENT  
CONSTITUENCIES DEVELOPMENT FUND  
CHANGAMWE CONSTITUENCY

FOR THE YEAR ENDED  
30 JUNE 2017





---

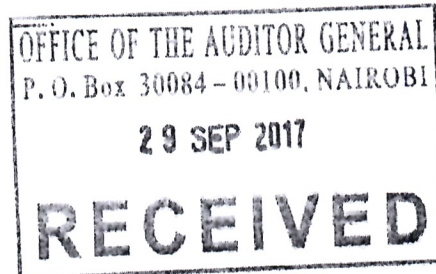
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND-  
CHANGAMWE CONSTITUENCY

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED  
JUNE 30, 2017

---

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



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – CHANGAMWE  
CONSTITUENCY  
Reports and Financial Statements  
For the year ended June 30, 2017

Table of Content	Page
I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT .....	1
II. FORWARD BY THE CHAIRMAN CONSTITUENCY DEVELOPMENT FUND COMMITTEE (CDFC) .....	3
III. STATEMENT OF CDF MANAGEMENT RESPONSIBILITIES.....	4
IV. STATEMENT OF RECEIPTS AND PAYMENTS .....	5
V. STATEMENT OF ASSETS.....	6
VI. STATEMENT OF CASHFLOW .....	7
VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED.....	8
VIII. SIGNIFICANT ACCOUNTING POLICIES .....	9
IX. NOTES TO THE FINANCIAL STATEMENTS .....	11

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND- CHANGAMWE  
CONSTITUENCY

Reports and Financial Statements  
For the year ended June 30, 2017

I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

The *Constituencies Development Fund (CDF)* was set up under the CDF Act, 2003 now repealed by the CDF Act, 2013. The *Constituencies Development Fund* is represented by the Cabinet Secretary for Devolution and Planning, who is responsible for the general policy and strategic direction of the *Constituencies Development Fund*. The objective of the fund is to ensure that specific portion of the national annual budget is devoted to the constituencies for purposes of infrastructural development, wealth creation and in the fight against poverty at the constituency level.

(b) Key Management

The *CHANGAMWE Constituency's* day-to-day management is under the following key organs:

- i. Constituencies Development Fund Board (CDFB)
- ii. Constituency Development Fund Committee (CDFC)

(c) Fiduciary Management

The key management personnel who held office during the financial year ended 30<sup>th</sup> June 2017 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Accounting Officer	Yusuf Mbuno
2.	A.I.E holder	Eunice Anubi
3.	Accountant	Julius Tuei
4.		

(d) Fiduciary Oversight Arrangements

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

(e) CHANGAMWE CDF Headquarters

P.O. Box 82742 - 80100  
2<sup>nd</sup> Floor  
Fidelity Bank Building  
Changamwe Airport Road  
Mombasa, KENYA



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND- CHANGAMWE  
CONSTITUENCY  
Reports and Financial Statements  
For the year ended June 30, 2017

---

(f) CHANGAMWE CDF Contacts

Telephone: (254) 020 2056158  
E-mail: [cdfchangamwe@ngcdf.go.ke](mailto:cdfchangamwe@ngcdf.go.ke)  
Website: [www.ngcdf.go.ke](http://www.ngcdf.go.ke)

(g) CHANGAMWE CDF Bankers

- I. Central Bank of Kenya  
Haile Selassie Avenue  
P.O. Box 60000  
City Square 00200  
Nairobi, Kenya
- II. Equity Bank  
Changamwe Branch  
P. O. Box XXXXXX  
Mombasa, Kenya

(h) Independent Auditors

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

(i) Principal Legal Adviser

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

II. FORWARD BY THE CHAIRMAN CONSTITUENCY DEVELOPMENT FUND COMMITTEE (CDFC)

Changamwe NGCDFC was allocated Kshs. 81, 896,552 by the NG-CDF Board. Out of this amount, Kshs. 4,094,827.6 was disbursed to the constituency by the end of the financial year. Hence the budget was funded to only 5%; being Emergency Funds. There was a balance carried forward from the previous financial year of Kshs. 29,049,719.76. In addition, funds relating to the previous financial year totalling Kshs. 84,870,736 were disbursed to the account. This brought total available funding for use during the financial year to Kshs. 118, 015,283.36. The constituency also managed to raise Kshs. 54,000 from the sale of tender documents.

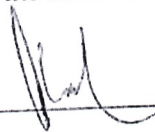
The NG-CDFC disbursed the funds to various PMCs upon receipt of the various AIEs and also undertook bursary disbursement in order to improve retention levels of needy students in various institutions of learning.

A key achievement that has been realised is the disbursement of funds to several projects during the financial year. This was a marked improvement from last year when no disbursements were made to projects. NG-CDFC members and PMCs have also been trained on the management of projects and correct tendering procedures embraced across the board.

However there have been emerging issues like political, social and legal challenges influencing the implementation of NG-CDF Projects such as the vacuum in the management of funds when the NG-CDF committees had to be reconstituted. This led to delays in disbursement of funds from Board level to constituency level. Other issues affecting the project implementation process is the general attitude of the public and some PMCs which may lead to misappropriation.

Changamwe constituency has particularly been affected by these challenges as well as lack of a substantive Fund Account Manager for a long time. This led to further delays in both disbursement and implementation of projects. The NG-CDFC is however grateful that the constituency now has a substantive FAM and is hopeful that funds shall be disbursed by the NG-CDF Board in a timely manner to enable timely implementation of projects.

We hope that we shall perform better in the next financial year.



CHAIRMAN CDFC



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND- CHANGAMWE  
CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2017

III. STATEMENT OF CDF 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 agency shall prepare financial statements in respect of that agency. 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 Changanwe Constituency Development Fund is responsible for the preparation and presentation of the Changanwe CDF financial statements, which give a true and fair view of the state of affairs of the Changanwe CDF for and as at the end of the financial year (period) ended on June 30, 2017. 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 CDF; (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 Changanwe NG-CDF; (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 Changanwe NG-CDF accepts responsibility for the CDF'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 CDF's financial statements give a true and fair view of the state of CDF's transactions during the financial year ended June 30, 2017, and of the CDF's financial position as at that date. The Accounting Officer in charge of the CDF further confirms the completeness of the accounting records maintained for the CDF, which have been relied upon in the preparation of the CDF's financial statements as well as the adequacy of the systems of internal financial control.

The Accounting Officer in charge of Changanwe NG-CDF confirms that the CDF has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the CDF's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the CDF'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 Changanwe NG-CDF's financial statements were approved and signed by the Accounting Officer on 27<sup>th</sup> Sept 2017.

  
Fund Account Manager

  
Chairman NG-CDF



# REPUBLIC OF KENYA

Telephone: +254-20-342330  
Fax: +254-20-311482  
E-mail: oag@oagkenya.go.ke  
Website: www.oagkenya.go.ke



P.O. Box 30084-00100  
NAIROBI

## OFFICE OF THE AUDITOR-GENERAL

### REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - CHANGAMWE CONSTITUENCY FOR THE YEAR ENDED 30 JUNE 2017

---

#### REPORT ON THE FINANCIAL STATEMENTS

#### **Adverse Opinion**

I have audited the accompanying financial statements of National Government Constituencies Development Fund – Changamwe Constituency set out on pages 5 to 28, which comprise the statement of assets as at 30 June 2017, and the statement of receipts and payments, statement of cash flows and summary statement of appropriation- recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, the financial statements do not present fairly, the financial position of Changamwe Constituency Development Fund as at 30 June 2017, and of its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards and do not comply with the National Government Constituencies Development Fund Act, 2015.

In addition, as required by Article 229(6) of the Constitution, based on the procedures performed, I confirm that, public money has not been applied lawfully and in an effective way.

#### **Basis for Adverse Opinion**

##### **1. Presentation of the Financial Statements**

The financial statements for the year ended 30 June 2017 presented for audit verification do not reflect the surplus/deficit on the statement of receipts and payments.

As a result, the financial statements presented do not comply with the presentation guidelines prescribed by the Public Sector Accounting Standards Board.

##### **2. Accuracy of the Financial Statements**

The statement of assets as at 30 June 2017 reflects prior year adjustments of Kshs.763,794. According to Note 14 to the financial statements, prior year adjustments balance is indicated as bank accounts. However, the balance was neither supported

---

*Report of the Auditor-General on the Financial Statements of National Government Constituencies Development Fund – Changamwe Constituency for the Year ended 30 June 2017*



nor explained. It was not clear and management has not explained why the prior year's financial statements were adjusted in the current year. In addition, the statement of cash flows reflects Kshs.46,265,907 as cash and cash equivalent at the end of year 2016-2017. However, the figure of Kshs.46,265,907 does not agree to cash and cash equivalents balance of Kshs.47,029,702 as reflected in the statement of assets resulting to a variance of Kshs.763,795.

In the circumstances, the accuracy and completeness of the prior year adjustment of Kshs.763,794 as at 30 June 2017 could not be confirmed.

### **3. Bank Balances**

The statement of assets reflects bank balance of Kshs.47,029,702 as at 30 June 2017. However, according to bank reconciliation statement as at 30 June 2017, the cash book balance was Kshs.46,877,159 resulting to a variance of Kshs.152,543. In addition, the bank reconciliation statement reflects payments in the bank statement not yet recorded in the cash book totaling Kshs.129,463. Audit examination of the unrecorded payments revealed that they relate to bank charges going back to year 2014. It was not clear why these were treated as reconciling items instead of writing them off as expenses in these financial statements.

Further, subsequent bank statements were not availed to confirm clearance of unrepresented cheques. As a result, it was not possible to confirm the validity of the outstanding cheques.

Consequently, the accuracy and completeness of bank balance of Kshs.47,029,702 as at 30 June 2017 could not be confirmed.

### **4. Other Grants and Transfers**

The statement of receipts and payments reflects a figure of Kshs.36,681,377 in respect to other grants and transfers for the year ended 30 June 2017. Included in other grants and transfers figure of Kshs.36,681,377 as detailed in Note 7 to the financial statements is road projects of Kshs.3,000,000. Records availed for audit verifications indicate that the road projects figure of Kshs.3,000,000 relates to disbursement to Kwa Omari Mwadunyo road project on 05 August 2016. However, according to annex 5 to the financial statements, the funds had not been spent as at 30 June 2017. It was not clearly explained why the project had not been implemented ten (10) months after the funds were disbursed. The residents will take longer to realize benefits from the project.

Consequently, value for money on roads projects expenditure of Kshs.3,000,000 for the year ended 30 June 2017 could not be confirmed.

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



of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

### Key Audit Matters

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. Except for the matters described in the Basis for Adverse Opinion section, I have determined that there are no key audit matters to communicate in my report.

### Other Matter

#### 1.0 Budgetary Controls and Performance

The Fund's overall budget for the year under review was Kshs.193,348,680 against total actual expenditure of Kshs.71,803,376 resulting to under absorption of Kshs.121,545,304 or 63% as summarized below:

Budget line	Final Budget	Expenditure	Unspent Balance	% of Utilization
Compensation to employees	7,018,324	3,604,441	3,413,883	51.4%
Use of Goods and services	9,678,123	5,003,616	4,674,507	51.7%
Transfer to other Government Units	75,991,381	20,263,326	55,728,055	26.7%
Other grants and transfers	89,960,852	36,681,377	53,279,475	40.8%
Acquisition of Assets	9,700,000	5,250,616	4,449,384	54.1%
Other payments	1,000,000	1,000,000	-	100.0%
	<b>193,348,680</b>	<b>71,803,376</b>	<b>121,545,304</b>	<b>37.1%</b>

The following were observations from the above analysis:

The fund had a total under-expenditure of Kshs.121,545,304 representing 62% of the budget. This implies that public funds were lying idle at the expense of goods and services delivery. The underutilization of the funds may have impacted negatively on the delivery of goods and services to the citizens of Changamwe or may be an indication of over-budgeting by the National Government Constituencies Development Fund – Changamwe Constituency.



## 2.0 Project Implementation Status

According to the project implementation status report as at 30 June 2017, the following twenty-nine (29) projects approved with a total budget of Kshs.96,420,394 were not completed during the period under review:

No	Project Name	Financial year	Activity	Project Allocation (Kshs)	Status
1	Airport Chiefs office/social Centre CDF Project	2015/2016	Construction of chiefs office and social centre	2,500,000	Ongoing
2	Airport Primary School	2015/2016	Construction of two classrooms	3,000,000	Not started
3	Airport Primary School	2013/2014	Purchase of land for the primary school	5,000,000	Ongoing
4	Airport Primary School	2014/2015	Construction of classrooms and administration block foundation	5,339,582	Not started
5	Bomu Primary School	2015/2016	Construction of social hall	5,000,000	Ongoing
6	Gome Primary School	2016/2017	Replacement of Asbestos roofing to 8 classrooms	3,000,000	Ongoing
7	Gome Primary School	2016/2017	Construction of Administration block	1,490,000	Ongoing
8	Gome Primary School	2014/2015	Construction of Administration block	1,000,000	Ongoing
9	Kwa Hola Primary school	2016/2017	Construction of three classrooms with storey foundation	3,000,000	Ongoing
10	Kwa Hola Primary school	2015/2016	Construction of three classrooms with high storey foundation	5,000,000	Ongoing
11	Kwa Hola Primary school	2014/2015	Construction of classrooms	1,500,00	Ongoing

12	Magongo Primary school	2016/2017	Construction of Administration block with storey foundation	4,000,000	Not started
13	Magongo primary school	2015/2016	Refurbishment by Re-roofing,Plastering,Painting,Floorng,Wiring and Ventilating	5,000,000	Not started
14	Portreitz school for physically challenged	2014/2015	Construction of classroom	2,000,000	Ongoing
15	Umoja Primary school	2016/2017	Construction of two classrooms	2,201,381	Ongoing
16	Umoja Primary School	2014/2015	Replacement of dilapidated roof,floor,painting	837,931	Not started
17	Airport secondary School	2016/2017	2/3 acre plot acquisition and construction of two classrooms for storeyed foundation	20,000,000	Ongoing
18	Airport Secondary School	2015/2016	Purchase of land for construction of school	4,500,000	Not started
19	Changamwe secondary School	2014/2015	Rpair of roof,plastering, floor, doors, windows and painting of school hall	2,000,000	Not started
20	Changamwe secondary school	2013/2014	Purchase and installation of two 10,000 litres,plastic tanks,	250,000	Not started
21	Chaani Police Post CDF project	2015/2016	Construction of police post	2,500,000	Ongoing
22	Changamwe Chiefs office/social Hall CDF project	2015/2016	Construction of Chiefs office and social Hall	2,500,000	Ongoing
23	Changamwe police station cells CDF project	2015/2016	Construction of cells	1,500,000	Ongoing
24	Changamwe police station	2015/2016	Drilling of water well	400,000	Not started



	CDF water project				
25	Changamwe police station perimeter wall CDF project	2015/2016	Construction of perimeter wall	1,000,000	Not started
26	Kipevu Chiefs office/social centre CDF project	2015/2016	Construction of Chiefs office and social centre	5,000,000	Not started
27	Kwa Omari Mwadunyo Road	2014/2015	Gravelling of 1 KM road	3,000,000	Not started
28	Mlolongo CDF water project	2015/2016	Perimeter wall, piping, pump & water kiosk	5,000,000	Ongoing
29	Mwingi CDF water project	2015/2016	Completion of water well	400,000	Not started
	<b>Total</b>			<b>96,420,394</b>	

From the above report, some of the projects relate to the financial year 2014-2015 and it was not clearly explained why the projects were not completed although the projects had been approved by the National Government Constituencies Development Funds Board as per the approved budget.

Non-implementation of development projects affects goods and service delivery to the public and the intended purpose of the projects may not to be realized.

### **Key Audit Matters**

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements, except for the matters described in the Basis for Adverse Opinion section, I have determined that there are no other key audit matters to communicate in my report.

### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

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 such 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.

In preparing the financial statements, management is responsible for assessing the National Government Constituencies Development Fund – Changamwe Constituency's ability to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting.

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.

Those charged with governance are responsible for overseeing the National Government Constituencies Development Fund – Changamwe Constituency's financial reporting process.

### **Auditor-General's Responsibilities for the Audit of the Financial Statements**

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

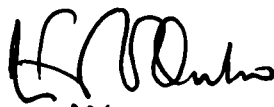
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances and for the purpose of giving an assurance on the effectiveness of the National Government Constituencies Development Fund – Changamwe Constituency's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.



- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the National Government Constituencies Development Fund – Changamwe Constituency'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 National Government Constituencies Development Fund – Changamwe Constituency's to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund's to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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



**FCPA EDWARD R.O. OUKO, CBS**  
**AUDITOR-GENERAL**

**Nairobi**

**11 July 2018**

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND- CHANGAMWE  
CONSTITUENCY

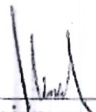
Reports and Financial Statements

For the year ended June 30, 2017

IV. STATEMENT OF RECEIPTS AND PAYMENTS

I. STATEMENT OF RECEIPTS AND PAYMENTS			
	Note	2016 - 2017	2015 - 2016
		Kshs	Kshs
<b>RECEIPTS</b>			
Transfers from CDF board-AIEs' Received	1	88,965,564	-
Proceeds from Sale of Assets	2		
Other Receipts	3	54,000	
<b>TOTAL RECEIPTS</b>		<b>89,019,564</b>	
<b>PAYMENTS</b>			
Compensation of employees	4	3,604,441	341,334
Use of goods and services	5	5,003,616	4,892,627
Transfers to Other Government Units	6	20,263,326	11,000,000
Other grants and transfers	7	36,681,377	11,591,051
Acquisition of Assets	8	5,250,616	
Other Payments	9	1,000,000	
<b>TOTAL PAYMENTS</b>		<b>71,803,376</b>	<b>27,825,012</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Changamwe CDF financial statements were approved on 27 Sept 2017 and signed by:

  
Chairman CDFC

  
Fund Account Manager

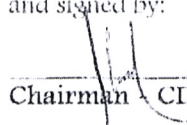



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND- CHANGAMWE  
 CONSTITUENCY  
 Reports and Financial Statements  
 For the year ended June 30, 2017

V. STATEMENT OF ASSETS

	Note	2016 - 2017 Kshs	2015 - 2016 Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances ( as per the cash book)	10A	47,029,702	29,049,721
Cash Balances (cash at hand)	10B	-	-
Outstanding Imprests	11	-	-
<b>TOTAL FINANCIAL ASSETS</b>		<b>47,029,702</b>	<b>29,049,721</b>
<b>REPRESENTED BY</b>			
Retention	12	-	-
Fund balance b/fwd 1st July...	13	29,049,720	56,874,73
Surplus/Deficit for the year		17,216,188	(27,825,011)
Prior year adjustments	14	763,794	-
<b>NET LIABILITIES</b>		<b>47,029,701</b>	<b>29,049,71</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Changanwe NG-CDF financial statements were approved on 27 Sept 2017 and signed by:

  
 Chairman CDFC

  
 Fund Account Manager

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND- CHANGAMWE  
CONSTITUENCY

Reports and Financial Statements  
For the year ended June 30, 2017

VI. STATEMENT OF CASHFLOW

		2016 - 2017	2015 - 2016
<b>Receipts for operating income</b>			
Transfers from CDF Board	1	88,965,564	-
Other Receipts	3	54,000	-
		<b>89,019,564</b>	
<b>Payments for operating expenses</b>			
Compensation of Employees	4	3,604,441	341,334
Use of goods and services	5	5,003,616	4,892,627
Transfers to Other Government Units	6	20,263,326	11,000,000
Other grants and transfers	7	36,681,377	11,591,051
Other Payments	9	1,000,000	-
		<b>66,552,760</b>	<b>27,825,012</b>
<b>Adjusted for:</b>			
Adjustments during the year	14	-	-
<b>Net cash flow from operating activities</b>		<b>22,466,804</b>	<b>(27,825,012)</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	9	(5,250,616)	-
<b>Net cash flows from Investing Activities</b>		<b>(5,250,616)</b>	
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>		<b>17,216,188</b>	<b>(27,825,012)</b>
Cash and cash equivalent at BEGINNING of the year	13	29,049,720	56,874,732
Cash and cash equivalent at END of the year		46,265,907	29,049,720

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Changamwe NG-CDF financial statements were approved on 27 Sept 2017 and signed by:

Chairman CDPC

Fund Account Manager



NATIONAL GOVERNMENT DEPARTMENTAL FUND - CHANGAMWE CONSTITUENCY  
 Reports and Financial Statements  
 For the year ended June 30, 2017

VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilisation Difference e=c-d	% of Utilisation f=d/c %
<b>RECEIPTS</b>						
Transfers from CDF Board	81,896,552	117,976,090	199,872,642	88,965,564	110,907,078	44.5%
Proceeds from Sale of Assets	-	-	-	-	-	-
Other Receipts (AIA)				54,000	(54,000)	
<b>PAYMENTS</b>						
Compensation of Employees	3,500,000	3,518,324	7,018,324	3,604,441	3,413,883	51.4%
Use of goods and services	3,870,688	5,807,435	9,678,123	5,003,616	4,674,507	51.7%
Transfers to Other Government Units	35,491,381	40,500,000	75,991,381	20,263,326	55,728,055	26.7%
Other grants and transfers	36,034,483	53,926,370	89,960,852	36,681,377	53,279,475	40.8%
Acquisition of Assets	3,000,000	6,700,000	9,700,000	5,250,616	4,449,384	54.1%
Other Payments	-	1,000,000	1,000,000	1,000,000	-	100.0%
<b>TOTALS</b>	<b>81,896,552</b>	<b>111,452,129</b>	<b>193,348,680</b>	<b>71,803,376</b>	<b>121,545,304</b>	<b>37.1%</b>

(a) During the financial year, the NG-CDF was able to raise Kshs. 54,000 as AIA through the sale of tender documents. The major receipts comprised of transfers from the NG-CDF Board vide AIEs.

(b) There is underutilization on the items below:

- i. Transfers to other government units were affected by a delay in disbursement of funding relating to the financial year. By close of the financial year, only Emergency funding had been received.
- ii. Other grants and transfers were similarly affected. Funds utilised relate to the FY 2015/2016.

The Changamwe NG-CDF financial statements were approved on 27 Sep 2017 and signed by:

  
 Chairperson CDF

  
 Fund Account Manager

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

**Reports and Financial Statements  
For the year ended June 30, 2017**

---

**VIII. 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 and comply with International Public Sector Accounting Standards (IPSAS) with particular emphasis on Cash Basis Financial Reporting under the Cash Basis of Accounting. The financial statements comply with and conform to the form of presentation prescribed by the Public Sector Accounting Standards Board of Kenya.

The financial statements are presented in Kenya Shillings, which is the functional and reporting currency of the *CDF* and all values are rounded to the nearest shilling. The accounting policies adopted have been consistently applied to all the years presented.

The financial statements have been prepared on the cash basis following the Government's standard chart of accounts. The cash basis of accounting recognises transactions and events only when cash is received or paid by the *CDF*.

**2. Recognition of revenue and expenses**

The *CDF* recognises all revenues from the various sources when the event occurs and the related cash has actually been received by the *CDF*. In addition, the *CDF* recognises all expenses when the event occurs and the related cash has actually been paid out by the *CDF*.

**3. In-kind contributions**

In-kind contributions are donations that are made to the *CDF* 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 *CDF* includes such value in the statement of receipts and payments both as revenue and as an expense in equal and opposite amounts; otherwise, the contribution is not recorded.

**4. Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.



**NATIONAL GOVERNMENT ENTITY - (indicate actual name of the entity)**

**Reports and Financial Statements**

**For the year ended June 30, 2017**

***SIGNIFICANT ACCOUNTING POLICIES (Continued)***

**5. 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 *CDI* at the end of the year. When the pending bills are finally settled, such payments are included in the statement of receipts and payments in the year in which the payments are made.

**6. Budget**

The budget is developed on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The Changanwe *NG-CDI*'s budget was approved as required by Law and as detailed in the Government of Kenya Budget Printed Estimates. A high-level assessment of the *NG-CDI*'s actual performance against the comparable budget for the financial year under review has been included in an annex to these financial statements.

**7. Comparative figures**

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

**8. Subsequent events**

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2017.

NATIONAL GOVERNMENT ENTITY - (indicate actual name of the entity)

Reports and Financial Statements

For the year ended June 30, 2017

IX. NOTES TO THE FINANCIAL STATEMENTS  
1 TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2016 - 2017 Kshs	2015 - 2016 Kshs
Normal Allocation	A 825832	49,000,000.00	
	A 829525	4,094,827.60	
	A 839653	35,870,736.00	
TOTAL		88,965,564	-

2. PROCEEDS FROM SALE OF ASSETS

Description		2016 - 2017 Kshs	2015 - 2016 Kshs
Receipts from the Sale of Buildings		-	
Receipts from the Sale of Vehicles and Transport Equipment		-	
Receipts from the Sale Plant Machinery and Equipment		-	
Receipts from the Sale of office and general equipment		-	
	Total	-	



**NATIONAL GOVERNMENT ENTITY - (indicate actual name of the entity)**  
**Reports and Financial Statements**  
**For the year ended June 30, 2017**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEIPTS

		2016 - 2017 Kshs	2015 - 2016 Kshs
Interest Received			
Rents			
Receipts from Sale of tender documents	25.01.17	8,000.00	
	28.04.17	15,000.00	
	30.06.17	20,000.00	
	30.06.17	6,000.00	
	30.06.17	5,000.00	
Other Receipts Not Classified Elsewhere			
<b>Total</b>		<b>54,000.00</b>	<b>-</b>

4. COMPENSATION OF EMPLOYEES

Description		2016 - 2017 Kshs	2015 - 2016 Kshs
Basic wages of contractual employees		3,484,241	341,334
Basic wages of casual labour		-	-
<b>Personal allowances paid as part of salary</b>			
House allowance		-	-
Transport allowance		-	-
Leave allowance		-	-
Other personnel payments		94,400	-
Employer contribution to NSSF gratuity		25,800	-
<b>Total</b>		<b>3,604,441</b>	<b>341,334</b>

NATIONAL GOVERNMENT ENTITY - (indicate actual name of the entity)

Reports and Financial Statements

For the year ended June 30, 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

Description	2016 - 2017	2015 - 2016
	Kshs	Kshs
Utilities, supplies and services	18,340	-
Office rent	-	-
Communication, supplies and services	169,470	-
Domestic travel and subsistence	158,400	-
Printing, advertising and information supplies & services	149,918	-
Rentals of produced assets	-	-
Training expenses	1,437,870	-
Hospitality supplies and services	23,127	-
Other committee expenses	447,000	734,915
Committee allowance	2,438,122	3,621,712
Insurance costs	-	-
Specialised materials and services	-	-
Office and general supplies and services	88,769	536,000
Fuel ,oil & lubricants	6,000	-
Other operating expenses	61,000	-
Routine maintenance - vehicles and other transport equipment	5,600	-
Routine maintenance - other assets	-	-
<b>Total</b>	<b>5,003,616</b>	<b>4,892,627</b>



**NATIONAL GOVERNMENT ENTITY - (indicate actual name of the entity)**  
**Reports and Financial Statements**  
**For the year ended June 30, 2017**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

**6. TRANSFER TO OTHER GOVERNMENT ENTITIES**

Description	2016 - 2017	2015 - 2016
	Kshs	Kshs
Transfers to primary schools (see attached list)	8,263,326	11,000,000
Transfers to secondary schools (see attached list)	2,000,000	-
Transfers to tertiary institutions (see attached list)	10,000,000	-
Transfers to health institutions (see attached list)	-	-
<b>TOTAL</b>	<b>20,263,326</b>	<b>11,000,000</b>

**7. OTHER GRANTS AND OTHER PAYMENTS**

	2016 - 2017	2015 - 2016
	Kshs	Kshs
Bursary – Secondary Schools (see attached list)	13,656,012	100,000
Bursary – Tertiary Institutions (see attached list)	8,359,950	-
Bursary – Special Schools (see attached list)	-	-
Mock & CAT (see attached list)	-	-
Water projects (see attached list)	6,500,000	-
Agriculture projects (see attached list)	1,000,000	-
Electricity projects (see attached list)	-	7,119,795
Security projects (see attached list)	-	-
Roads projects (see attached list)	3,000,000	-
Sports projects (see attached list)	2,365,415	911,430
Environment projects (see attached list)	-	2,134,036
Other Projects – Emergency (see attached list)	1,800,000	1,325,790
<b>Total</b>	<b>36,681,377</b>	<b>11,591,051</b>

**NATIONAL GOVERNMENT ENTITY - (indicate actual name of the entity)**  
**Reports and Financial Statements**  
**For the year ended June 30, 2017**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. ACQUISITION OF ASSETS	2016 - 2017	2015 - 2016
<u>Non-Financial Assets</u>	Kshs	Kshs
Purchase of Buildings		
Construction of Buildings		
Refurbishment of Buildings		
Purchase of Vehicles and Other Transport Equipment	5,250,616	
Overhaul of Vehicles and Other Transport Equipment		
Purchase of Household Furniture and Institutional Equipment		
Purchase of Office Furniture and General Equipment		
Purchase of ICT Equipment, Software and Other ICT Assets		
Rehabilitation and Renovation of Plant, Machinery and Equip.		
Acquisition of Land		
Acquisition of Intangible Assets		
<b>Total</b>	<b>5,250,616</b>	-



**NATIONAL GOVERNMENT ENTITY - (indicate actual name of the entity)**  
**Reports and Financial Statements**  
**For the year ended June 30, 2017**  
 NOTES TO THE FINANCIAL STATEMENTS (Continued)

**9. OTHER PAYMENTS**

	2016 - 2017 Kshs	2015 - 2016 Kshs
Bank Charges		
Strategic Plan		
specify		
specify	1,000,000	
<b>TOTAL</b>	<b>1,000,000</b>	<b>-</b>

**10A: Bank Accounts (cash book bank balance)**

Name of Bank, Account No. & currency	Account Number	2015 - 2016 Kshs (30/6/2016)	2014 - 2015 Kshs (30/6/2015)
Equity Bank, Changamwe Branch	A/C No.1200260404078	47,029,702	29,049,719.76
<b>Total</b>		<b>47,029,702</b>	<b>29,049,719.76</b>
<b>10B: CASH IN HAND)</b>			
Location 1		2016 - 2017 Kshs (30/6/2017)	2015 - 2016 Kshs (30/6/2016)
Location 2			
Location 3			
Other receipts (specify)			
<b>Total</b>			
		<i>[Provide cash count certificates for each]</i>	

NATIONAL GOVERNMENT ENTITY - (indicate actual name of the entity)  
 Reports and Financial Statements  
 For the year ended June 30, 2017  
 NOTES TO THE FINANCIAL STATEMENTS (Continued)

11: OUTSTANDING IMPRESTS

<i>Name of Officer</i>		<i>Amount Taken</i>	<i>Amount Surrendered</i>	<i>Balance (30/6/2015)</i>
	<i>Date imprest taken</i>	<i>Kshs</i>	<i>Kshs</i>	<i>Kshs</i>

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

12. Retention				
<i>Supplier/Contractor</i>	<i>PV No</i>	<i>2016 - 2017</i>	<i>2015 - 2016</i>	



**NATIONAL GOVERNMENT ENTITY - (indicate actual name of the entity)**

**Reports and Financial Statements**

**For the year ended June 30, 2017**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**13. BALANCES BROUGHT FORWARD**

	2016 - 2017 Kshs (1/7/2016)	2015 - 2016 Kshs (1/7/2015)
Bank accounts	29,049,719.76	56,874,731.76
Cash in hand	-	-
Imprest	-	-
<b>Total</b>	<b>29,049,719.76</b>	<b>56,874,731.76</b>
[Provide short appropriate explanations as necessary]	<b>6</b>	<b>56,874,731.76</b>

**14. PRIOR YEAR ADJUSTMENTS**

	2016 - 2017 Kshs	2015 - 2016 Kshs
Bank accounts	763,794	-
Cash in hand	-	-
Imprest	-	-
<b>Total</b>	<b>763,794</b>	<b>-</b>

**NATIONAL GOVERNMENT ENTITY - (indicate actual name of the entity)**  
**Reports and Financial Statements**  
**For the year ended June 30, 2017**

**15. OTHER IMPORTANT DISCLOSURES**

**15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)**

	2016 - 2017 Kshs	2015 - 2016 Kshs
Construction of buildings	-	-
Construction of civil works	-	-
Supply of goods	-	-
Supply of services	-	-
	<hr/>	<hr/>

**15.2: PENDING STAFF PAYABLES (See Annex 2)**

	Kshs	Kshs
Senior management	-	-
Middle management	-	1,070,000
Unionisable employees	-	-
Others (specify)	-	-
	<hr/>	<hr/>
	-	1,070,000

**15.3: OTHER PENDING PAYABLES (See Annex 3)**

	2016 - 2017 Kshs	2015 - 2016 Kshs
Amounts due to other Government entities (see attached list)	48,228,055	-
Amounts due to other grants and other transfers (see attached list)	49,632,922	-
Others (specify)	-	-
	<hr/>	<hr/>
	97,860,977	-

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

	2016 - 2017 Kshs	2015 - 2016 Kshs
PMC account Balances (see attached list)	57,486,417.42	-
	<hr/>	<hr/>
	57,486,417.42	-



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - CHANGAMWE CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2017**

**ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE**

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2017	Outstanding Balance 2016	Comments
	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.						
11.						
12.						
<b>Sub-Total</b>						
<b>Grand Total:</b>						

NATIONAL GOVERNMENT ENTITY - (indicate actual name of the entity)

Reports and Financial Statements  
For the year ended June 30, 2014 (Kshs'000)

ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2017	Outstanding Balance 2016	Comments
		a	b	c	d=a-c		
<b>Senior Management</b>							
1.							
2.							
3.							
	Sub-Total						
<b>Middle Management</b>							
4.							
5.							
6.							
	Sub-Total						
<b>Unionisable Employees</b>							
7.							
8.							
9.							
	Sub-Total						
<b>Others (specify)</b>							
10.							
11.							
12.							
	Sub-Total						
	Grand Total						



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – CHANGAMWE CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2017**

**ANNEX 3 - ANALYSIS OF OTHER PENDING PAYABLES**

Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2017	Outstanding Balance 2016	Comments
		a	b	c	d=a-c		
<b>Amounts due to other Government entities</b>							
Airport Primary school	Construction of two classrooms	3,000,000			3,000,000		Funds to be released to FMC account
Kwahiola Primary School	Construction of three classrooms with high storey foundation	236,674			236,674		Contractor on site
Boniu Primary School	Construction of social hall.						
Airport Secondary	Purchase of land for construction of school	5,000,000			5,000,000		Awaiting bills of quantities
Gene Primary School	Replacement of Asbestos roofing to 8 classrooms	4,500,000			4,500,000		Funds to be released to FMC account
Gene Primary School	construction of Administration block	3,000,000			3,000,000		Awaiting Approval of funds by the CDF Board
Kirevu Primary School	Replacement of Asbestos roofing and refurbishment of two classrooms.	1,490,000			1,490,000		Awaiting Approval of funds by the CDF Board
Kwa Uola Primary School	Construction of three classrooms with storey foundation	1,800,000			1,800,000		Awaiting Approval of funds by the CDF Board
Magego Primary School	Construction of administration block with storey foundation.	3,000,000			3,000,000		Awaiting Approval of funds by the CDF Board
Umba Primary School	Construction of Two classrooms.	4,000,000			4,000,000		Awaiting Approval of funds by the CDF Board
Airport Secondary School	Acquisition of 2/3 acre Plot & construction of 2 classrooms for storeyed foundation.	2,201,381			2,201,381		Awaiting Approval of funds by the CDF Board
<b>Sub-Total</b>		<b>48,228,055</b>			<b>48,228,055</b>		
<b>Amounts due to other grants and other transfers</b>							

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - CHANGAMWE CONSTITUENCY

Reports and Financial Statements  
For the year ended June 30, 2017

Name	Brief Transaction Description	Original Amount	Date Payable Contract	Amount Paid To-Date	Outstanding Balance 2017	Outstanding Balance 2016	Comments
Chaani Police Post Project	Construction of Police Post	2,500,000			2,500,000		Funds to be released to FMC account
Changamwe Chiefs office/ Social Hall	Construction of Chiefs Office and Social Hall	2,500,000			2,500,000		Funds to be released to FMC account
Changamwe Police Station	Construction of Perimeter Wall	1,000,000			1,000,000		Funds to be released to FMC account
Changamwe Police Station Cells	Construction of Cells	1,500,000			1,500,000		Funds to be released to FMC account
Mlongo CDF Water Project	Perimeter wall, Piping, Pump & Water Kiosk	5,000,000			5,000,000		Funds to be released to FMC account
Changamwe police CDF Water Project	Drilling of water well	400,000			400,000		Funds to be released to FMC account
Audit Fee	Payment of audit fee to Kenao	500,000			500,000		Funds awaiting board approval for reallocation
Environmental Activities	Purchase of seedlings and planting of trees in	1,965,415			1,965,415		At Procurement stage
Bursary	Assist in educating the needy and bright students in the constituency.	23,427,893					Funds to be disbursed to assist needy students
Emergency Funds	Assist in calamities arising from natural disasters like floods, winds in the constituency	5,767,647			5,767,647		Funds awaiting approval of reallocation
Administration	Payment of office rent, allowances, staff salary & Stationery	4,913,792			4,913,792		Awaiting Approval of funds by the CDF Board
Monitoring & Evaluation	Constituency's monitoring of the projects, inter-constituency visits	2,456,896			2,456,896		Awaiting Approval of funds by the CDF Board
NG-CDFC Office	1/4acre Plot acquisition for construction of NG-CDF Office.	3,000,000			3,000,000		Awaiting Approval of funds by the CDF Board
Constituency Sports	Carry out Constituency Sports						Awaiting Approval of



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – CHANGAMWE CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2017**

Name	Brief Transaction Description	Original Amount	Date Payable Contract	Amount Paid To-Date	Outstanding Balance 2017	Outstanding Balance 2016	Comments
Tournament	tournament and the winning teams/schools to be awarded with trophies, balls, and games kits	1,637,931			1,637,931		funds by the CDF Board
Social Security Program	Support orphans, vulnerable children, older persons and persons with disabilities and destitute families.	8,189,655			8,189,655		Awaiting Approval of funds by the CDF Board
Emergency Funds	To cater for any unforeseen occurrences in the constituency during the financial year	4,094,828			4,094,828		Funds approved towards emergency activities.
Bursary	Payment of bursary for needy students	20,474,138			2,294,828		Awaiting Approval of funds by the CDF Board
Audit Fee	Payment of audit fee to Kenao				500,000		Funds awaiting board approval for reallocation
<b>Others (specify)</b>					<b>49,632,922</b>		
1.							
2.							
<b>Sub-Total</b>		<b>500,000</b>					
<b>Sub-Total</b>		<b>89,828,195</b>					
<b>Grand Total</b>		<b>138,056,250</b>			<b>97,860,977</b>		



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - CHANGAMBE CONSTITUENCY

Reports and Financial Statements  
For the year ended June 30, 2017

ANNEX 4 - SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost (Kshs) 2016/17	Historical Cost (Kshs) 2015/16
Land	0	0
Buildings and structures	0	0
Transport equipment	5,250,616.00	0
Office equipment, furniture and fittings	556,148.00	556,148.00
ICT Equipment, Software and Other ICT Assets	355,510.00	355,510.00
Other Machinery and Equipment	135,000.00	135,000.00
Heritage and cultural assets	0	0
Intangible assets	0	0
<b>Total</b>	<b>6,297,274.00</b>	<b>1,046,658</b>

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - CHANGAMWE CONSTITUENCY  
 Reports and Financial Statements  
 For the year ended June 30, 2017

ANNEX 5 -PMC BANK BALANCES AS AT 30<sup>TH</sup> JUNE 2017

PMC	Bank	Account number	Bank Balance	Bank Balance
			2016/17	2015/16
Bomu Secondary School CDF Project	Co-operative	01141619355800	1,174,870.00	
Airport Primary School CDF Project	Co-operative	01141619394600	10,339,582.90	
Airport Secondary School CDF Project	Co-operative	0114161939470	9,999,999.95	
Changamwe NG-CDF Sports	Equity	1200270982125	37,330.00	
Mikadini Primary School	Equity	1200266908696	1,478,811.00	
Gome Primary School	Equity	1200269370984	1,000,000.00	
Kwahela Primary School	Equity	1200266821577	6,261,816.00	
Fortrietz School for the Physically Handicapped	Equity	1200266876422	1,198,294.00	
St. Lwanga Primary School	Equity	1200266876167	107,805.00	
Kwa Omar Mwadumyo Road	Equity	1200266825492	2,999,436.00	
Magongo Soweto Road	Equity	1200263612956	9,584,645.00	
Bomu Primary School CDF Project	Equity	1200262576094	9,710.77	
Changamwe Primary School	Equity	1200299363474	90,673.00	
Mwijabu Primary School	Equity	1200262553498	1,395.00	
Fortrietz School for the Physically Handicapped	Equity	1200262544690	250,000.00	
St. Lwanga Full Primary School	Equity	1200262556674	3,770.00	
Umoja Primary School	Equity	1200299367342	839,631.00	
Fortrietz District Hospital	Equity	1200262183698	4,482,899.00	
Chaani Secondary School	Equity	1200262741593	3,530,000.00	
KMTC Fortrietz	KCB	1116092964	3,095,748.80	
Gome Primary Water Project	Equity	1200299273638	500,000.00	
Magongo Primary Water Project	Equity	1200262562058	250,000.00	

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - CHIANGAMWE CONSTITUENCY

Reports and Financial Statements  
For the year ended June 30, 2017

	Equity	1200298187384	250,000.00
Changamwe Secondary School			
Total			57,486,417.42



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – CHANGAMWE CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2017**

**PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS**

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.0	Financial statements did not comply with the IFRSAS No. 1 on presentation. The statement of receipts and payments for the FY ended 30 June 2016 reflects transfers to other government units of Kshs. 11,000,000 being disbursement to 5 primary schools for the construction of classrooms. However as at 30 June 2016 the projects had not started.	The report to be corrected to comply with IFRSAS format	TAM	Resolved	
2.0				Resolved	