
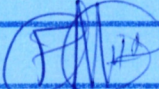


REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

 THE NATIONAL ASSEMBLY PAPERS LAID	
REPORT	
DATE: 11 JUN 2019	DAY: TUESDAY
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THE AUDITOR-GENERAL

ON

THE FINANCIAL STATEMENTS OF
NATIONAL GOVERNMENT CONSTITUENCIES
DEVELOPMENT FUND – CHANGAMWE
CONSTITUENCY

FOR THE YEAR
ENDED 30 JUNE 2018



OFFICE OF THE AUDITOR GENERAL
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NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND CHANGAMWE
CONSTITUENCY

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2018

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

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

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I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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

Mandate

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

- a) Recognize the constituency as a platform for identification, performance and implementation of national government functions;
- b) Facilitate the performance and implementation of national government functions in all parts of the Republic pursuant to Article 6(3) of the Constitution;
- c) Provide for the participation of the people in the determination and implementation of identified national government development projects at the constituency level pursuant to Article 10(2)(a) of the Constitution;
- d) Promote the national values of human dignity, equity, social justice, inclusiveness, equality, human rights, non-discrimination and protection of the marginalized pursuant to Article 10 (2) (b) of the Constitution;
- e) Provide for the sustainable development of all parts of the Republic pursuant to Article 10 (2) (d) of the Constitution;
- f) Provide a legislative and policy framework pursuant to Article 21 (2) of the Constitution for the progressive realization of the economic and social rights guaranteed under Article 43 of the Constitution;
- g) Provide mechanisms for the National Assembly to deliberate on and resolve issues of concern to the people as provided for under Article 95 (2) of the Constitution;
- h) provide for a public finance system that promotes an equitable society and in particular expenditure that promotes equitable development of the country by making special provisions for marginalized groups and areas pursuant to Article 201 (b) (iii) of the Constitution;
- i) Authorize withdrawal of money from the Consolidated Fund as provided ' under Article 206 (2) (c) of the Constitution;
- j) Provide mechanisms for the National Assembly to facilitate the involvement of the people in the identification and implementation of projects for funding by the national government at the constituency level; and
- k) Provide for mechanisms for supplementing infrastructure development at the constituency level in matters falling within the functions of the national government at that level in accordance with the Constitution

Vision

Equitable Socio-economic development countrywide

Mission

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

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

CHANGAMWE CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2018

Core Values

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

(b) Key Management

The NGCDF CHANGAMWE day-to-day management is under the following key organs:

- i. National Government Constituencies Development Fund Board (NGCDFB)
- ii. National Government Constituency Development Fund Committee (NGCDFC)

(c) Fiduciary Management

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

No	Designation	Name
1.	Accounting Officer	Yusuf Mbuno
2.	A.I.E holder	Abdulhakim Ali
3.	Sub-County Accountant	Julius Twei
4.	Chairman NGCDFC	Khalid Kabanda
5.	Member NGCDFC	Ali Hussein

(d) Fiduciary Oversight Arrangements

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

(e) NGCDF CHANGAMWE Constituency Headquarters

P.O. Box 82742-80100
Fidelity bank Building
Off airport /Road/Highway
Mombasa , KENYA

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

CHANGAMWE CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2018

(f) NGCDF CHANGAMWE Constituency Contacts

Telephone: (254) XXXXXXXX
E-mail: cdchangamwe@cdf.go.ke
Website: www.ngcdf.go.ke

(g) NGCDF CHANGAMWE Constituency Bankers

1. Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
Nairobi, Kenya
2. Equity bank
Changamwe branch
P.O. Box....
Mombasa, Kenya

(h) Independent Auditors

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

(i) Principal Legal Adviser

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

II. FORWARD BY THE CHAIRMAN NGCDF COMMITTEE

Changamwe NGCDFC was allocated Kshs. 86, 810,344.82 and additional fund of ksh 11,379,310.34 by the NG-CDF Board. Out of this amount, Kshs. 5,500,000 was disbursed to the constituency by the end of the financial year. Hence the budget was funded to only for bursary and administration. There was a balance carried forward from the previous financial years 46, 877,159. In addition, funds relating to the previous financial year totalling Kshs. 54,348,275.60 were not disbursed to the account during the financial year. The constituency also managed to raise Kshs. 49,000 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.

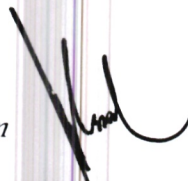
A key achievement that has been realised is the disbursement of funds to several projects during the financial year. Many projects have been done to complete and in used. NG-CDFC members and PMCs have also been trained on the management of projects and correct tendering procedures embraced across the 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.

Sign



CHAIRMAN NGCDF COMMITTEE

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
CHANGAMWE CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2018

III. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES

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

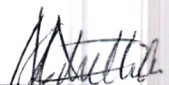
The Accounting Officer in charge of the NGCDF-CHANGAMWE Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2018.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

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

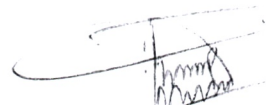
The Accounting Officer in charge of the NGCDF-CHANGAMWE Constituency confirms that the entity has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the entity's financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the financial statements

The NGCDF-CHANGAMWE Constituency financial statements were approved and signed by the Accounting Officer on 10/8/ 2018.



Fund Account Manager
Name: Abdulhakim Ali



Sub-County Accountant
Name: Julius Tuei
ICPAK Member Number:20618

REPUBLIC OF KENYA

Telephone: +254-20-342330
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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 2018

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Changamwe Constituency set out on pages 6 to 32 which comprise the statement of assets as at 30 June 2018, 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, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund - Changamwe Constituency as at 30 June 2018, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the National Government Constituencies Development Fund Act No.30 of 2015.

Basis for Qualified Opinion

1.0 Presentation of Financial Statements

The financial statement for the year ended 30 June 2018 availed for audit had the following anomalies:

- 1.1 Numbering of page No. 1 is repeated twice.
- 1.2 Annex No.4 is repeated twice both on pages 29 and 30 of the financial statements.
- 1.3 The financial statements on pages 6 to 9 do not indicate the year covered.

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

1.4 The statement of assets for the year ended 30 June 2018 reflects a comparative balance of Kshs.763,794 in respect to prior year adjustments. However, the management has not explained why the prior year adjustments were reflected in the restated financial statements.

1.5 The statement of assets for the year ended 30 June 2018 reflects deficit for the year as a positive figure of Kshs.37,650,526 instead of negative figure of Kshs.(37,560,526) thus confusing the readers of these financial statements.

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

2.0 Use of goods and services

Note 5 to the financial statements for the year ended 30 June 2018 reflects committee allowances of Kshs.944,390. This balance includes payments of allowances of Kshs.100,000 which relate to the year 2016/2017. However, the same was not captured as pending bills in the year 2016/2017 financial statements as summarized below:

Date	Committee	Amount Kshs.
28 February 2017	Tender Opening	10,000
7 March 2017	Evaluation	60,000
6 April 2017	Tender Opening	10,000
11 April 2017	Tender Opening	10,000
19 June 2017	Tender Opening	10,000
	Total	100,000

In the circumstances, the accuracy and completeness of committee allowances balance of Kshs.100,000 for the year ended 30 June 2018 could not be confirmed.

3.0 Cash and Bank Balances

Note 10A to the financial statements for the year ended 30 June 2018 reflects bank balance of Kshs.9,156,633. However, the bank reconciliation statement for the month of June 2018 reflected some anomalies as analyzed below:

3.1 Receipts in the Bank Statement not Recorded in the Cash Book

The bank reconciliation statement for the month of June 2018 reflects receipts in bank statement not in cashbook of Kshs.31,500 dated 9 March 2018 that had not been recorded in the cashbook as at 30 June 2018.

Consequently, the accuracy and completeness of cash and bank balance of Kshs.9,156,633 as at 30 June 2018 could not be confirmed.

3.2 Stale Cheques

The bank reconciliation statement reflects stale cheques amounting to Kshs.185,361 that had not been written back to the cashbook as at 30 June 2018.

Consequently, the accuracy and completeness of cash and bank balance of Kshs.9,156,633 as at 30 June 2018 could not be confirmed.

3.3 Bank Charges

Note 10A to the financial statements for the year ended 30 June 2018 reflects bank balance of Kshs.9,156,633. However, the bank reconciliation statement reflects bank charges amounting to Kshs.76,600 that were treated as reconciling items as at 30 June 2018 instead of being expensed in the year.

In the circumstances, the accuracy and completeness of cash and bank balance of Kshs.9,156,633 as at 30 June 2018 could not be confirmed.

3.4 Overcast in Cashbook.

The bank reconciliation statement reflects an overcast in cashbook of Kshs.22,500 which was used as a reconciling item.

In the circumstances, the accuracy and completeness of cash and bank balance of Kshs.9,156,633 as at 30 June 2018 could not be confirmed.

4.0 Compensation of Employees

Note 4 to the financial statements for the year ended 30 June 2018 reflects basic wages of contractual employees of Kshs.1,999,722. However, an extract from the payroll reflects total basic wages to contractual employees of Kshs.1,945,922 resulting to unreconciled nor explained variance of Kshs.53,800.

Consequently, the accuracy and completeness of basic wages to contractual employees of Kshs.1,999,722 for the year ended 30 June 2018 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 Matter

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

Other Matter

1. Budgetary control and Performance

1.1 Revenue Budget

The fund's revenue budget for the year under review was Kshs.199,435,091 against a total actual receipts of Kshs.89,230,607 resulting to budget under funding of Kshs.110,204,484 or 55.3% as summarized below:

Item	Budgeted Amount	Actual Receipts	Under Collection	Under Collection (%)
	Kshs.	Kshs.	Kshs.	
Transfer from CDF Board	199,415,091	89,230,607	110,184,484	55.3%
Other receipts	20,000	-	20,000	100%
Total	199,435,091	89,230,607	110,204,484	55.3%

The under collection of Kshs.110,204,484 representing 55.3% of the budget is an indication that projects have not been funded as planned. However, there is unused funds at the end of the year out of the funds disbursed amounting to Kshs.9,206,633. The underutilization of funds may have impacted negatively on the delivery of goods and services to the citizens of Changamwe. This may be an indication of over-budgeting by the National Government Constituencies Development Fund - Changamwe Constituency.

1.2 Expenditure Budget

The fund's overall budget expenditure for the year under review was Kshs.199,415,089 against total actual expenditure of Kshs.80,023,974 resulting to budget under absorption of Kshs.119,411,115 or 60% as summarized below:

Item of Expenditure	Final Budget	Actual Expenditure	Under Absorption	% of under Absorption
	Kshs.	Kshs.	Kshs.	
Compensation to employees	3,823,401	3,636,172	187,229	4.9%
Use of Goods and services	8,766,930	4,013,369	4,753,561	54%
Transfer to other Government Units	83,903,021	35,078,055	48,824,966	58%
Other grants and transfers	76,227,469	37,296,378	38,951,091	51%
Acquisition of Assets	10,637,931	-	10,637,931	100%
Other payments	4,677,027	-	4,677,027	100%
Awaiting approval from Board	11,379,310	-	11,379,310	100%
Total	199,415,089	80,023,974	119,411,415	60%

The under absorption of Kshs.119,411,415 representing 60% of the budget is an indication that projects have not been implemented as planned. The underutilization of 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.

1.3 Project Implementation Status

1.3.1 Ongoing Projects

The project status report as at 30 June 2018 availed for audit reflected six (6) projects with a total budget of Kshs.24,877,586 were ongoing as at 30 June 2018 as summarized below:

No	Financial Year	Project Name	Activity	Expected Completion Date	Project Cost (Kshs)
1.	2016/2017	Social Security Program	Support orphans, vulnerable children, older persons and persons with disabilities and destitute families	30-Jun-17	8,189,655
2.	2016/2017	Kipevu Primary School	Replacement of Asbestos roofing and refurbishment of two classrooms.	30-Dec-17	1,800,000
3.	2016/2017	Magongo Primary School	Construction of administration block with storey foundation.	30-Dec-17	4,000,000
4.	2013/2014	Portreitz school for the physically handicapped	Purchasing two 10,000 litres plastic tanks, piping and immersing of underground tank and construction of stand for overhead tanks for fresh water for drinking	30-Jun-15	250,000
5.	2017/2018	NG-CDFC Office	Construction of NG-CDFC Office	30-Jun-18	6,000,000
6.	2017/2018	NG-CDFC Office	Construction of NG-CDFC Office	30-Jun-18	4,637,931
	Total				24,877,586

The above table reflects some projects with expected completion dates of 30 June 2015, 30 June 2017 and 30 December 2017. However, as at the time of our audit in the month of January 2019, the projects had not been completed. The slow pace of project implementation affects goods and service delivery to the residents of Changamwe Constituency and the intended purpose of the projects may not be realized.

1.3.2 Projects Not Started

The project status report as at 30 June 2018 availed for audit reflected nine (9) projects approved with a total budget of Kshs.43,555,733 had not been started as at 30 June 2018 as summarized below:

No	Project Name	Financial Year	Activity	Completion Date	Project Cost (Kshs)
1	Kalahari Stairs	2017/2018	Construction of gabions	30-Jun-18	1,450,000
2	Environmental Activities	2017/2018	purchase and planting of certified tree seedlings in the constituency	30-Jun-18	500,000

No	Project Name	Financial Year	Activity	Completion Date	Project Cost (Kshs)
3	Mwingo Primary School (proposed)	2017/2018	Construction of 3 no classrooms with storeyed foundation	30-Jun-18	7,500,000
4	Mwingo Primary School(proposed)	2017/2018	Construction of modern toilet block	30-Jun-18	1,405,733
5	Airport Secondary School	2017/2018	Construction of a new school tuition block	30-Jun-18	20,000,000
6	Gome Primary School	2017/2018	Construction of Teachers' toilet block with a septic tank	30-Jun-18	1,200,000
7	Kipevu Primary School	2017/2018	Renovation of 3 No .classrooms	30-Jun-18	2,000,000
8	Kwa Hola Primary School	2017/2018	Construction of Perimeter Wall	30-Jun-18	4,500,000
9	Magongo Primary School	2015/2016	Refurbishment by Re-roofing, Plastering, Painting, Flooring, Wiring and Ventilating.	28-Feb-17	5,000,000
	Total				43,555,733

The above state of affairs is an indication of lack of proper planning and prioritizing citizen's needs in the budget making process mechanism. Service delivery to the residents of Changamwe Constituency and the intended purpose of the projects may not be realized.

1.3.3 Project Inspection

Audit inspection of ten (10) projects with a total allocation of Kshs.31,980,205 during the month of January 2019 indicated the following state of affairs of the following three (3) projects: -

No	Project Verified	Project Activity	Amount Kshs.	Observations
1.	Changamwe - Mulolongo	Proposed installation of water tank ,perimeter wall and water piping at changamwe mulolongo	5,000,000	Water tank installed and perimeter wall constructed. However, it was not in use by the time of inspection
2.	Airport Primary School	Construction of 2 classroom	3,000,000	Project not started. Land yet to be acquired
3.	Changamwe police station	Proposed construction of cell at Changamwe police station	1,500,000	Cell complete and was not in use as water had not been installed
Total			9,500,000	

The Changamwe Mulolongo project is complete not put in use is an indication of lack of public participation when prioritizing the projects. Airport primary land not yet acquired is an indication of lack of proper planning by the committee before approval and disbursement of funds. Delay in use of complete projects cast doubt on value for money for public funds.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources / Basis for Qualified Opinion section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis of Conclusion

1. Use of Suppliers not in the in Prequalification list

Note 5 to the financial statements for the year ended 30 June 2018 reflects insurance costs of Kshs.354,220. However, the insurance firm used was not in the list of prequalified suppliers contrary to section 57(1) of public procurement and disposal Act 2015 which requires the head of the procurement function of a procuring entity to maintain and update lists of registered suppliers, contractors and consultants in the categories of goods, works or services according to its procurement needs.

The fund was therefore, in breach of the law.

2. Project Management Committee Bank Balances

Annex 4 to the financial statements for the year ended 30 June 2018 reflects project management committee bank balances amounting to Kshs.63,365,447.96 out of which funds totalling to Kshs.17,977,756 were lying idle in the bank accounts since the Projects were complete.

This was contrary to Section 12(8) of National Government Constituencies Development Fund Act, 2015 which states that all unutilized funds of the Project Management Committee shall be returned to the constituency account.

No.	PMC	Bank	Account No	Bank balance
1	Kwa Omar Mwadunyo road	Equity	1200266825492	2,999,436
2	Changamwe Primary school	Equity	1200299363474	90,673
3	Mwijabu Primary school	Equity	1200262553498	1,395
4	St. Lwanga Full primary school	Equity	1200262556674	3,770
5	Fortreizt District Hospital	Equity	1200262183698	4,482,899
6	Airport Primary school	Co-operative	01141619394600	10,399,582
	Total funds			17,977,756

Therefore, the management was in breach of laws.

3. Pending Accounts Payables

Note 15.1 to the financial statements for the year ended 30 June 2018 reflects pending bills accounts payables for supply of services amounting to Kshs.2,365,000. However, this balance was in respect to unpaid office rent that had accrued since the year 2013. The management has not explained why the same had not paid for six (6) years despite the fact

that the section 9 of National Government Constituencies Development Fund Act allows the Constituency committee to use not more than five (5) percent of its annual budget on administration expenses. The fund risks being taken to court for non-payment of rent and the accrued rent arrears may attract penalties to the fund. Further, the balance of Kshs. 2,365,000 as at 30 June 2018 do not include a provision for penalties and other charges that the debt may attract.

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matters described in the Basis for Qualified Opinion sections of my report, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

The audit was conducted in accordance with ISSAI 1315 and ISSAI 1330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal control, risk management and governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and Those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, risk management and governance.

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

Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015.

In addition to the responsibility for the preparation and presentation of the financial statements described above, management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

Those charged with governance are responsible for overseeing the financial reporting process, reviewing the effectiveness of how the fund monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

In addition to the audit of the fund's financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the fund's financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

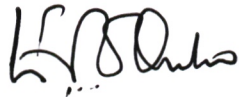
Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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 ability to continue as a going concern or 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 to cease to continue as a going concern or 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 National Government Constituencies Development Fund – Changamwe Constituency to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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



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

Nairobi

16 April 2019

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

CHANGAMWE CONSTITUENCY

Reports and Financial Statements

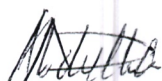
For the year ended June 30, 2018

IV \STATEMENT OF RECEIPTS AND PAYMENTS

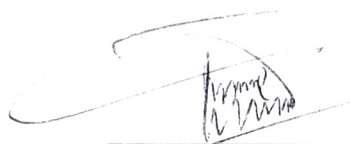
	Not e	2017 - 2018 Kshs	2016-2017 Restated Kshs
RECEIPTS			
Transfers from NGCDF board	1	42,353,448	88,965,564
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	<u>20,000</u>	<u>54,000</u>
TOTAL RECEIPTS		42,373,448	89,019,564
PAYMENTS			
Compensation of employees	4	3,636,172	3,604,441
Use of goods and services	5	4,013,369	5,156,159
Transfers to Other Government Units	6	35,078,055	20,263,326
Other grants and transfers	7	37,296,378	36,681,377
Acquisition of Assets	8	-	5,250,616
Other Payments	9	-	<u>1,000,000</u>
TOTAL PAYMENTS		80,023,974	71,955,919
SURPLUS/(DEFICIT)		<u>(37,650,526)</u>	<u>17,063,645</u>

Note we restate use of goods and services to correct an error committed in 2016/17
Surplus has been restated to correct the omission

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-CHANGAMWE Constituency financial statements were approved on 10/9/ 2018 and signed by:



Fund Account Manager
Name: Abdulhakim Ali



Sub-County Accountant
Name: Julius Tuei
ICPAK Member Number: 20618

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
CHANGAMWE CONSTITUENCY**

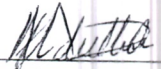
**Reports and Financial Statements
For the year ended June 30, 2018**

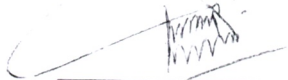
V STATEMENT OF ASSETS

	Note	2017 - 2018	2016-2017 Restated
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	9,156,633	46,877,159
Cash Balances (cash at hand)	10B	=	=
Total Cash and Cash Equivalents		9,156,633	46,877,159
Outstanding Imprests	11	<u>70,000</u>	=
TOTAL FINANCIAL ASSETS		<u>9,226,633</u>	<u>46,877,159</u>
Financial Liabilities			
Accounts Payable-Retention	12	-	=
NET FINANCIAL ASSETS		9,226,633	46,877,159
REPRESENTED BY			
Fund balance b/fwd 1st July...	13	46,877,159	29,049,720
Surplus/Deficit for the year		37,650,526	17,063,645
Prior year adjustments	14	=	<u>763,794</u>
NET LIABILITIES		<u>9,226,633</u>	<u>46,877,158</u>

Note opening cash and balances for the year 2016-2017 has been restated to correct an error

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-CHANGAMWE Constituency financial statements were approved on 10/9/ 2018 and signed by:


Fund Account Manager
Name: Abdulhakim Ali


Sub-County Accountant
Name: Julius Tuei
ICPAK Member Number:20618

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

CHANGAMWE CONSTITUENCY

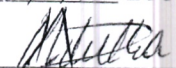
Reports and Financial Statements


For the year ended June 30, 2018

VI. STATEMENT OF CASHFLOW

		2017 - 2018	2016-2017 Restated
Receipts for operating income			
Transfers from NGCDF Board	1	42,353,448	88,965,564
Other Receipts	3	<u>20,000</u>	<u>54,000</u>
		42,373,448	89,019,564
Payments for operating expenses			
Compensation of Employees	4	3,636,172	3,604,441
Use of goods and services	5	4,013,369	5,156,159
Transfers to Other Government Units	6	35,078,055	20,263,326
Other grants and transfers	7	37,296,378	36,681,377
Other Payments	9	-	1,000,000
		80,023,974	66,705,303
Adjusted for:			
Adjustments during the year	14	-	763,794
Net cash flow from operating activities		(37,650,526)	23,078,055
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	9	-	5,250,616
Net cash flows from Investing Activities		-	(5,250,616)
NET INCREASE IN CASH AND CASH EQUIVALENT		(37,650,526)	17,827,439
Cash and cash equivalent at BEGINNING of the year	13	46,877,159	29,049,720
Cash and cash equivalent at END of the year		<u>9,226,633</u>	<u>46,877,159</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-CHANGAMWE Constituency financial statements were approved on 10/9/ 2018 and signed by:


 Fund Account Manager
 Name: Abdulhakim Ali


 Sub-County Accountant
 Name: Julius Tuei
 ICPAK Member Number:20618

VII.SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Transfers from NGCDF Board	86,810,345	112,604,746	199,415,091	89,230,607	110,184,483	45%
Proceeds from Sale of Assets						
Other Receipts		20,000	20,000			
TOTAL RECEIPTS	86,810,345	112,624,746	199,435,091	89,230,607	110,184,483	45%
PAYMENTS						
Compensation of Employees	1,100,000	2,723,401	3,823,401	3,636,172	187,229	95%
Use of goods and services	6,938,793	1,828,137	8,766,930	4,013,369	4,753,561	46%
Transfers to Other Government Units	30,905,733	52,997,288	83,903,021	35,078,055	48,824,966	42%
Other grants and transfers	37,188,799	39,058,678	76,227,469	37,296,378	38,951,091	49%
Acquisition of Assets	6,000,000	4,637,931	10,637,931	-	10,637,931	0%
Other Payments	4,677,027		4,677,027	-	4,677,027	0%
Awaiting approval from Board		11,379,310	11,379,310	-	11,379,310	
TOTALS	86,810,345	112,604,745	199,415,090	80,023,974	119,411,116	40%

(a) [For the revenue items, indicate whether they form part of the AIA by inserting the "AIA" alongside the revenue category.]

(b) [Provide below a commentary on significant underutilization (below 90% of utilization) and any overutilization (above 100%)]

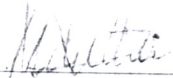
- i. On use of goods and services - late disbursement of the funds from the board. We received funds for previous financial year after the end of the financial year
- ii. On transfer to other government - late disbursement of the funds from the board. We received funds for previous financial year after the end of the financial year
- iii. Other grant and transfer - late disbursement of the funds from the board. We received funds for previous financial year after the end of the financial year

Reports and Financial Statements


For the year ended June 30, 2018

- iv. Acquisition of assets-we were waiting for the change of activities from the board
- v. Other payment - we have not received the funds from the board

The NGCDF CHANGAMWE Constituency financial statements were approved on _____ 2018 and signed by:



Fund Account Manager
Name: Abdulhakim Ali



Sub-County Accountant
Name: Julius Twei
ICPAK Member Number:20618

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

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

2. Reporting Entity

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

3. Reporting Currency

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

4. Significant Accounting Policies

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

a) Recognition of Receipts

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

Tax Receipts

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

Transfers from the Exchequer

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

SIGNIFICANT ACCOUNTING POLICIES

External Assistance

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

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

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

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

Other receipts

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

b) Recognition of payments

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

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

5. In-kind contributions

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

6. Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year.

7. Accounts Receivable

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

8. Accounts Payable

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

9. Pending Bills

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

10. Unutilized Funds

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
CHANGAMWE CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2018

SIGNIFICANT ACCOUNTING POLICIES

11. Budget

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

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

12. Comparative Figures

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

13. Subsequent Events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 2018.

14. Errors

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

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

15. Related Party Transactions

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

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –

CHANGAMWE CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2018

IX. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2017-2018	2016-2017
		Kshs	Kshs
NGCDF Board			
AIE NO A839745	1	36,853,448	
AIE NO A855780	2	5,500,000	
AIE NO A825832	1		49,000,000
AIE NO A829525	2		4,094,827.60
AIE NO A839653	3		35,870,736
TOTAL		42,353,448	88,965,564

2. PROCEEDS FROM SALE OF ASSETS

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
CHANGAMWE CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2018

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEIPTS

	2017- 2018	2016-2017
	Kshs	Kshs
Interest Received	-	-
Rents	-	-
Receipts from Sale of tender documents	20,000	54,0000
Other Receipts Not Classified Elsewhere	-	-
Total	20,000	54,000

4. COMPENSATION OF EMPLOYEES

	2017-2018	2016-2017
	Kshs	Kshs
Basic wages of contractual employees	1,999,722	3,484,241
Basic wages of casual labour	-	-
Personal allowances paid as part of salary		
House allowance	67,000	-
Transport allowance	51,000	-
Leave allowance	-	-
Employers Contribution to NSSF	22,800	94,400
Gratuity	1,461,650	25,800
Other personnel payments	34,000	-
Total	3,636,172	3,604,441

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
CHANGAMWE CONSTITUENCY**

**Reports and Financial Statements
For the year ended June 30, 2018**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

	2017-2018	2016-2017 Restated
	Kshs	Kshs
Committee Allowances	944,390	2,438,122
Other Committee expenses – ME	1,208,000	447,000
Utilities, supplies and services	38,896	70,883
Communication, supplies and services	50,452	189,470
Electricity	11,465	-
Domestic travel and subsistence	71,400	158,400
Printing, advertising and information supplies & services	75,000	149,918
Rentals of produced assets	130,000	0
Bank service commission and charges	111,173	-
Training expenses	857,890	1,437,870
Hospitality supplies and services	42,000	43,127
Insurance costs	354,220	-
Fuel, oil & lubricants	39,000	6,000
Specialized materials and services	-	-
Office and general supplies and services	48,143	148,769
Other operating expenses	-	61,000
Routine maintenance – vehicles and other transport equipment	20,340	5,600
Routine maintenance – other assets	11,000	-
Total	<u>4,013,369</u>	<u>5,156,159</u>

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
CHANGAMWE CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2018

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2017-2018	2016-2017
	Kshs	Kshs
Transfers to National Government entities	-	-
Transfers to primary schools (see attached list)	30,578,055	8,263,326
Transfers to secondary schools (see attached list)	4,500,000	2,000,000
Transfers to tertiary institutions (see attached list)	-	10,000,000
Transfers to health institutions (see attached list)	-	-
TOTAL	35,078,055	20,263,326

7. OTHER GRANTS AND OTHER PAYMENTS

	2017-2018	2016- 2017
	Kshs	Kshs
Bursary – secondary schools	9,940,000	13,656,012
Bursary – tertiary institutions	9,178,000	8,359,950
Bursary – special schools	-	-
Mock & CAT	-	-
Security projects	6,500,000	0
Electricity	380,205	-
Water	5,400,000	6,500,000
Roads	-	3,000,000
Sports projects	1,637,931	2,365,415
Environment projects	1,965,415	0
Emergency projects	2,294,828	1,800,000
Total	37,296,378	36,681,377

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. ACQUISITION OF ASSETS

<u>Non-Financial Assets</u>	2017-2018	2016-2017
	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	-	
Purchase of Specialised Plant, Equipment and Machinery	-	
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	
Acquisition of Land	-	
Acquisition of Intangible Assets	-	
Total	0	5,250,616

9. OTHER PAYMENTS

	2017-2018	2016-2017
	Kshs	Kshs
Strategic plan	0	1,000,000
ICT Hub	-	-
TIVET	-	-
	0	1,000,000

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

CHANGAMWE CONSTITUENCY

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

10A: Bank Accounts (cash book bank balance)

Name of Bank, Account No. & currency	2017-2018	2016-2017 restated
	Kshs	Kshs
<i>Equity Bank, Changanwe Branch. Changanwe NG-CDF A/C NO1200260404078</i>	9,156,633	46,877,159
Total	9,156,633	46,877,159
10B: CASH IN HAND		
Location 1		
Location 2		
Location 3		
Other Locations (<i>specify</i>)		
Total	0	0
<i>[Provide cash count certificates for each]</i>		

CHANGAMWE CONSTITUENCY

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

11: OUTSTANDING IMPRESTS

Name of Officer or Institution	Date Imprest Taken	Amount Taken	Amount Surrendered	Balance (30/6/2018)
		Kshs	Kshs	Kshs
Eunice Anubi	24.7.2017	70,000	0	70,000
<i>Total</i>				<u>70,000</u>

12 RETENTION

	2017 - 2018 Kshs	2016-2017 Kshs
Supplier 1		
Supplier 2		
Supplier 3		
<i>Total</i>		

13. BALANCES BROUGHT FORWARD

	2017-2018 Kshs (1/7/2018)	2016-2017 Kshs (1/7/2017)
Bank accounts	46,877,159	29,049,720
Cash in hand	0	0
Imprest		
<i>Total</i>	<u>46,877,159</u>	<u>29,049,720</u>

[Provide short appropriate explanations as necessary]

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

14. PRIOR YEAR ADJUSTMENTS

	2017- 2018 Kshs	2016-2017 Kshs
Bank accounts	-	763,794
Cash in hand	-	-
Imprest	-	-
Total		763,794

15. OTHER IMPORTANT DISCLOSURES

15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

	2017- 2018 Kshs	2016-2017 Kshs
Construction of buildings	-	-
Construction of civil works	-	-
Supply of goods	-	-
Supply of services	2,365,000	-
	2,365,000	-

15.2: PENDING STAFF PAYABLES (See Annex 2)

	Kshs	Kshs
Senior management		
Middle management		
Unionisable employees		
Others (<i>specify</i>)ngcdf staff	155,261	
	155,261	0

15.3: UNUTILIZED FUNDS (See Annex 3)

	Kshs	Kshs
Compensation of employees	187,229	3,413,883
Use of goods and services	4753561	4,521,964
Amounts due to other Government entities	48,824966	55,7728,05
Amounts due to other grants and other transfers	38,951091	53,279,475
Acquisition of assets	10,637,931	4,449,384
Others (<i>ict hub</i>)	4677027	-
Awaiting approval from board	11,379,310	-
	119,411,116	121,392,761

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) -

CHANGAMWE CONSTITUENCY

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

15.4: PMC account balances (See Annex 5)

	2017- 2018	2016-2017
	Kshs	Kshs
PMC account Balances (see attached list)	63,365,447.96	56,486,417.42
	63,365,447.96	56,486,417.42

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- (CHANGAMWE CONSTITUENCY)

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For the year ended June 30, 2018 (Kshs)

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		
Construction of buildings						
1.						
2.						
3.						
Sub-Total						
Construction of civil works						
4.						
5.						
6.						
Sub-Total						
Supply of goods						
7.						
8.						
9.						
Sub-Total						
Supply of services						
10.	2,365,000	1/08/2013	0			
11.						
12.						
Sub-Total						
Grand Total	2,365,000					

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For the year ended June 30, 2018 (Kshs)

ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2017/18	Outstanding Balance 2016/17	Comments
		a	b	c	d=a-c		
Senior Management							
1.							
2.							
3.							
	Sub-Total						
Middle Management							
4.							
5.							
6.							
	Sub-Total						
Unionisable Employees							
7.							
8.							
9.							
	Sub-Total						
Others (specify) ngcdf staff							
10.Samuel Omondi	J	36,662	30/6/2018	36,662	nil	nil	Salry of june Paid early july
11.Francis Maina	h	24,692	30/6/2018	24,692	nil	nil	Salry of june Paid early july
12.Halima Ramadhan	h	27,323	30/6/2018	27,323	nil	nil	Salry of june Paid early july
13.Fadhil Nassir	h	24,692	30/6/2018	24,692	nil	nil	Salry of june Paid early july
14.Jenifer Mwawaza	e	20,946	30/6/2018	20,946	nil	nil	Salry of june Paid early july
15.Patrick Baraza	e	20946	30/6/2018	20,946	nil	nil	Salry of june Paid early july
	Sub-Total						

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- (CHANGAMWE CONSTITUENCY)

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For the year ended June 30, 2018 (Kshs)

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2017/18	Outstanding Balance 20116/17	Comments
Grand Total				155,261			

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- (CHANGAMWE CONSTITUENCY)

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For the year ended June 30, 2018 (Kshs)

Name	Brief Transaction Description	Outstanding Balance 2017/18	Outstanding Balance 2016/17	Comments
	Grand Total	119,411,16	121,392,761	

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- (CHANGAMWE CONSTITUENCY)

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For the year ended June 30, 2018 (Kshs)

ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2016/17	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2017/18
Land	0			0
Buildings and structures	0			0
Transport equipment	5,250,616			5,250,616
Office equipment, furniture and fittings	556,148			556,148
ICT Equipment, Software and Other ICT Assets	355,510			355,510
Other Machinery and Equipment	135,000			135,000
Heritage and cultural assets	0			0
Intangible assets	0			0
Total	6,297,274			6,297,274

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- (CHANGAMWE CONSTITUENCY)

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For the year ended June 30, 2018 (Kshs)

ANNEX 4 –PMC BANK BALANCES AS AT 30TH JUNE 2018

PMC	Bank	Account number	Bank Balance 2017/18	Bank Balance 2016/17
Changamwe NG-CDF Sports	Equity	1200270982125	1,675,041.00	37,330.00
Mikadini Primary School	Equity	1200266908696	10,444.90	1,478,811.00
Gome Primary School	Equity	1200269370984	2,527,134.90	1,000,000.00
Kwahola Primary	Equity	1200266821577	476,474.90	6,261,816.00
Portreitz School for the Physically Handicapped	Equity	1200266876167	139,902.90	1,198,294.00
St. Lwanga Primary School	Equity	1200266876167	480.00	107,805.00
Kwa Omar Mwadunyo road	Equity	1200266825492	2,999,436.20	2,999,436.00
Magongo Soweto Road	Equity	1200263612956	4,286,678.00	9,584,645.00
Bomu Primary School	Equity	1200262576094	439,325.37	9,710.77
Changamwe Primary School	Equity	1200299363474	90,673.00	90,673.00
Mwijabu Primary School	Equity	1200262553498	1,395.00	1,395.00
Portreitz Primary School	Equity	1200262544690	249,780.00	250,000.00
St. Lwanga Full Primary School	Equity	1200262556674	3,770.00	3,770.00
Umoja Primary School	Equity	1200299367342	3,740,792.00	839,631.00
Portreitz District Hospital	Equity	1200262183698	4,482,899.00	4,482,899.00
Chaani Secondary School	Equity	1200262741593	349,815.00	3,530,000.00
Environment	Equity	1200273294142	301,444.70	-
Mlolongo Water	Equity	1200273125179	3,282,135.00	-
Chaani Police Post	Equity	1200273215909	1,407,325.00	-
Changamwe Chiefs Office Project	Equity	1200272803837	1,994,130.90	-
Magongo Primary School	Equity	1200266849982	3,990,714.80	-
Kipevu Primary School	Equity	1200299291539	2,051,672.54	-
Changamwe Police Station	Equity	1200272845755	2,900,000.00	-
Changamwe Secondary School	Equity	1200298187384	1,064,400.00	-

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- (CHIANGAMWE
CONSTITUENCY)**

Reports and Financial Statements

For the year ended June 30, 2018 (Kshs)

PMC	Bank	Account number	Bank Balance 2017/18	Bank Balance 2016/17
Airport Primary School CDF Project	Co- operative	01141619394600	10,399,582.90	10,339,582.90
Bomu Secondary School Project	Co- operative	01141619355800		1,174,870.00
KMTC Forttreitz	KCB	1116092964		3,095,748.80
Airport Secondary School CDF Project	Co- operative	01141619394600	14,499,999.95	9,999,999.95
Total			63,365,447.96	56,486,417.4 2

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- (CHLANGAMWE CONSTITUENCY)

Reports and Financial Statements

For the year ended June 30, 2018 (Kshs)

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)	Time frame: (Put a date when you expect the issue to be resolved)
Adl/54 /16/17 (4)	Financial statement do not reflect the surplus/deficit on the statement of receipt and payment	To Amend the financial statement	Fam	Not resolved	
	Accuracy of financial statement ,the figure of cash and cash equivalent did not agree with cashbook balance	Amend financial statement	Fam	Not resolved	
	Bank balances.the bank reconcillation statement reflects payment in the banks statement not yet recorded on cash book totalling 129,463.audit examineit related to banks charges.not clear why these treated as reconciling items instead of writing them off	Write voucher and charges as expenses	fam		
	Other grant and transfer.road project not yet stated	It was sent to board for the changing of activities waiting for board approval	fam	Not resolved	

