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TREASURY MEMORANDUM

ON

SPECIAL FUNDS ACCOUNTS COMMITTEE REPORT

FOR THE YEARS 2018/2019 - 2021/2022


 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 24 SEP 2024	
DAY: Tuesday	
TABLED BY:	Hon. Owen Baya (Deputy leader of the Majority Party)
CLERK-AT THE TABLE:	Anastacia



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This Report Contains:

Implementation Status on the Special Funds Accounts Committee Recommendations for Ministries, Departments, and Agencies (MDAs) on respective Funds for the Financial Years 2018/2019 - 2021/2022, as adopted by the National Assembly on 15th August 2023.

1. EXECUTIVE SUMMARY

1.1 INTRODUCTION

Section 38(1) of the Public Finance Management Act, 2012 requires the Cabinet Secretary to submit to the National Assembly a statement specifying the measures taken by the national government to implement any recommendation made by the National Assembly with respect to the budget for the previous financial year or years.

The National Treasury received the National Assembly's Special Funds Accounts Committee (SFAC) report dated 15th August 2023 on the accounts of financial years 2018/2019, 2019/2020, 2020/2021, and 2021/2022. The National Treasury requested Accounting Officers for Ministries, Departments, and Agencies (MDAs) for respective Funds, to implement recommendations and submit actions taken within three months as required by the PFM Act, 2012. This report contains general observations and responses from the Accounting Officers on the implementation status of SFAC recommendations as adopted by the House.

1.2 SUMMARY OF KEY ISSUES AND ACTIONS TAKEN

1.2.1 WOMEN ENTERPRISE FUND

The Women Enterprise Fund (WEF) was established through Legal Notice No.147: Government Financial Management (Women Enterprise Fund) Regulations, 2007, and began its operations in December 2007. Women Enterprise Fund is a Semi-Autonomous Government Agency that provides accessible and affordable credit to support women to start and/or expand their businesses to empower them socially and economically by using a group approach.

1.2.1.1 Non-performing Loans to Financial Partners

The Fund instituted legal proceedings against the Pamoja Women Development Program (PAWDEP) for Kshs 40 million), Social Initiative and Development Entrepreneurs Program (SIDEP) for Kshs. 2 million, Adok Timo for Kshs. 20 million and African Women Foundation for Kshs 2Million. Judgment was issued in favor of the Fund.

In addition, the Fund has further engaged EACC for assistance in tracing the accounts of intermediaries involved. The Accounting Officer ensures that all contracts entered into by the Fund are lawful and comply with Section 68(2) (d) of the PFM Act, 2012.

1.2.1.2 LPO Loan/Financing

The Fund has adopted strategies to reduce loans outstanding including; reminders via bulk SMSs and intensified loan recovery activities.

1.2.2 COFFEE CHERRY ADVANCE REVOLVING FUND

Coffee Cherry Advance Revolving Fund (CCARF) is a National Government Fund established in February 2020 under the Public Finance Management (Coffee Cherry Advance Revolving Fund) Regulations, 2020 and placed under the New Kenya Planters' Cooperative Union Public Limited Company (New KPCU Plc). The CCAR Fund falls under the State Department of Cooperatives.

The objective and purpose of the fund are to provide an affordable, sustainable, and accessible coffee advance to smallholder-scale coffee growers.

1.2.2.1 Interest Earned from Cherry Funds in Co-operative Bank

The Fund did not have any bank account in its name at Cooperative Bank as indicated in the financial statements.

The Board of the new KPCU sought authority from the National Treasury through the Parent Ministry vide letter Ref: NKPCU/MD/Ext/VOL.5/790 dated 3rd November, 2023. The Board of New Kenya Planters Cooperative Union (KPCU) opened a bank account for Cherry Fund and transferred the funds in compliance with the PFM Act, 2012 AND Coffee Cherry Regulations, 2019.

1.2.3 STRATEGIC FOOD RESERVE TRUST FUND

Strategic Food Reserve Trust Fund was established under the Public Finance Management (Strategic Food Reserve Trust Fund) Regulations, 2015 (Legal Notice No. 15 of 2015) and the Public Finance Management (Strategic Food Reserve Trust Fund Fund) (Revocation) Regulations, 2020.

The objective and purpose for which the Fund is established is to provide a Strategic Food Reserve in physical stock and cash equivalent. "Strategic Food Reserve" includes maize, beans, rice, fish, powdered milk, and canned beef.

Specifically, the Fund shall:

- (a) stabilize the food supply and prices in the country;
- (b) arrange for procurement, storage, and sale of food commodities;
- (c) maintain adequate strategic food reserves in physical stock or cash equivalent at any one given time; and,
- (d) mobilize resources to support strategic food reserve-related activities.

1.2.3.1. Inaccuracies in the Financial Statements

Unexplained variances between the Statement of Financial Position and Changes in Net Asset; and lack of supporting documents.

The Accounting Officer ensures that the variances in the Financial Statements are reconciled and analyzed according to the PFM Act, 2012, and PSASB-prescribed templates.

1.2.4 EQUALIZATION FUND

The Equalisation Fund was established under Article 204 (1) of the Constitution of Kenya 2010 (CoK 2010) which requires that one half percent (0.5%) of all the revenue collected by the National Government each year, calculated based on the most recent audited revenue received, as approved by the National Assembly, to be paid into the Fund.

Article 204 (2) of the CoK 2010 provides that the national government shall use the Equalisation Fund only to provide basic services including water, roads, health facilities, and

electricity to marginalized areas to the extent necessary to bring the quality of those services in those areas to the level generally enjoyed by the rest of the nation, so far as possible. The Fund has a lifespan of 20 years as per Article 204 (6) of the CoK 2010, thus currently has less than 7 years outstanding.

The Fund is operationalized by the Public Finance Management (Equalisation Fund Administration) Regulations, 2021 which were published through Kenya Gazette supplement No. 69, Legal Notice No. 54 of 29th April 2021.

1.2.4.1 Delayed remittance of funds to Equalization Fund by The National Treasury

The proposed Appropriation of Equalization Funds in arrears is that Kshs.8,368,574,000 shall be disbursed in each financial year 2023/2024 and 2024/2025 and Kshs.9,590,000,000 in 2025/2026 financial year. Kshs. 10,960,000,000 in 2026/2027 and Kshs. 14,393,000,000 shall be disbursed in the 2027/2028 financial year to make a total of Kshs.51,680,148,000.

1.2.5 MECHANICAL AND TRANSPORT FUND – NATIONAL YOUTH SERVICE

The Mechanical and Transport Fund was established through Legal Notice No. 15 of 30th January 2011. The Fund's principal activity is to provide mechanical and transport services. These include the provision of equipment for the development and maintenance of infrastructure and a wide range of mechanical and technical services to both the public and private sectors.

The object and purpose of the Fund are to ensure the sustainability of commercial activities of the Service through; commercializing some of the operations of the Service; initiating, supporting, and facilitating enterprise activities of the Service; providing resources for the purchase, maintenance, renewal, and replacement of plant, machinery and equipment of the Service; and supporting any other activities incidental to the sustainability of the fund.

1.2.5.1 Inaccuracy of Non-current Assets

The Accounting Officer should prepare Financial Statements in strict adherence to IPSAS-prescribed templates

1.2.5.2 Grounded Motor Vehicles

The Accounting Officer should seek approval to dispose of grounded motor vehicles. The process should be carried out in compliance with the provisions of the Public Procurement & Assets Disposal Act, 2014, and its attendant regulations.

1.2.6 NATIONAL RESEARCH FUND

The National Research Fund (NRF) is a State Corporation established under Part VII of the Science and Technology and Innovation (ST&I) Act, 2013 (Legal Notice No. 28 of 2013). The NRF falls under the Ministry of Education (State Department for Higher Education and Research).

The mandate of the Fund: The Act stipulates that “the objective of the Fund shall be to facilitate research for the advancement of Science, Technology and Innovation”. The Fund monies may be applied to:

- a) Award of contracts, grants, scholarships or bursaries, or any other award as determined by the Commission;
- b) Provide financial support for the acquisition or establishment of research facilities
- c) Develop appropriate human resources and research capacity in the areas of Science, Technology and innovation;
- d) Finance research systems in all sectors and levels of education; and,
- e) Fund the cooperation and sharing of research information and knowledge including supporting conferences, workshops, seminars, and other symposia.

1.2.6.1 Lack of Substantive Board Chairman

The Accounting Officer should ensure that the appointing authority is notified to appoint the new board of directors and chair at least 6 months before the expiry of the term of the existing board.

The appointing authority should appoint a new board of directors immediately after the expiry of the term of the existing board for effective operations and management of the Fund.

1.2.7 YOUTH EMPOWERMENT DEVELOPMENT FUND

The Youth Enterprise Development Fund was established under the Legal Notice No. 63 of May 2007. The Fund is domiciled in Kenya and has offices in all 47 counties and falls under the Ministry of ICT, Innovation, and Youth Affairs, which is responsible for the Fund's general policy and strategic direction.

The mission of the Youth Enterprise Fund is to increase economic opportunities for and participation by Kenyan youth in nation-building by:

- a) Providing loans to and for on-lending to youth enterprises;
- b) Attracting and facilitating investment in micro, small, and medium enterprises to develop linkages with large enterprises;
- c) Facilitating marketing products and services of youth enterprises both in the domestic and international markets;
- d) Providing business development services to youth enterprises; and
- e) Facilitate employment of youth in international labor.

1.2.7.1 Grounded motor vehicles and motorcycles

The Accounting Officer should dispose of grounded vehicles and motorcycles upon receipt of authority to dispose them. The process should be carried out in compliance with the provisions of the Public Procurement and Assets Disposal Act, 2015, and its attendant regulations.

1.2.7.2 Lapse Leases whose amounts the Fund is pursuing recovery

The Accounting Officer ensures that all contracts entered into by the Fund are lawful and comply with Sec. 68(2)(d) of the PFM Act, 2012.

1.2.7.3 Inaccuracies in the Financial Statements

The Accounting Officer should comply with the law and IPSAS guidelines.

1.2.8 UWEZO FUND

Uwezo Fund was established vide a Legal Notice No. 21 of the Public Finance Management Act, 2012 in September 2013. The main mandate of the Fund is to provide affordable loans to women, youth, and persons living with disability. The Fund also provides mentorship opportunities to enable the beneficiaries to take advantage of the 30% government procurement preference through its Capacity Building Programme.

1.2.8.1 Financial Misconduct (fraudulent withdrawal from Bumula Constituency).

The Accounting Officer upholds the Committee recommendation that within three months of the adoption of this report, EACC should deposit the recovered money to the Bumula Constituency Uwezo Fund bank account, and DCI, DPP, EACC should take appropriate action against the concerned individuals for financial misconduct

1.2.9 CIVIL SERVANTS HOUSING SCHEME FUND

The Civil Servants Housing Scheme Fund (CSHSF) was established under Regulation 3 of the Civil Servants (Housing Scheme Fund) Regulations, 2004 amended by Legal Notice No. 231 of 2015. The Fund was established in line with the National Housing Policy for Kenya 2004 (Sessional Paper No. 3) and is intended to cater for special housing needs for civil servants.

The objective and purpose of the Fund is to:

- a) Provide housing loan facilities to civil servants for either purchasing or constructing residential houses;
- b) Develop housing units for sale/rental by civil servants; and
- c) Raise funds for the implementation of the objectives stated under paragraphs (a) and (b) of the regulations.

1.2.9.1 Non-provision of documents to the Office of the Auditor General for audit

The Accounting Officer ensures the timely provision of accounting documentation required for audit verification as per Sec.31(4) and 53 of the Public Audit Act, 2015.

1.3 Implementation Status on Special Funds Accounts Committee Recommendations for Financial Years 2018/2019 - 2020/2021

The Report of Special Funds Accounts Committee on the Ministries, Departments, and

IMPLEMENTATION STATUS ON SFAC RECOMMENDATIONS FYS 2018/2019 – 2021/2022

Agencies (MDAs) on respective Funds for the financial years 2018/2019 - 2021/2022 was tabled on the floor of Parliament and adopted on 15th August 2023. The National Assembly report as adopted was thereafter transmitted to the National Treasury vide letter Ref No. NA/DLP/TBO/RES.018/13TH/ 2023 dated 17th August, 2023.

The National Treasury advised the Accounting Officers to commence implementation of the National Assembly recommendations vide letters Ref. No: AG 18/01 Vol.15(52) dated 11th October 2023 followed with a reminder by a letter Ref: AG. 18/72/VOL.1(57) dated 17th May 2024 particularly on paragraphs relating to their Funds and thereafter submit a status report on the implementation status to facilitate the preparation of the Treasury Memorandum to provide feedback to the National Assembly on the measures taken by Accounting Officers to resolve any outstanding concerns.

The National Treasury has since then received responses from Accounting Officers and Receivers of Revenue. The responses have been consolidated in this Treasury Memorandum pursuant to Section 38 (1) (f) of the Public Finance Management Act, 2012 which highlights the measures and actions taken to resolve any outstanding concerns. The responses from the Accounting Officers and or Receivers of Revenue have been captured in a tabular form highlighting the actions taken by each Accounting Officer or Receiver of Revenue for the fiscal years 2018/2019 - 2020/2021 as shown on pages 1-46. This Treasury Memorandum is therefore submitted in compliance with Section 38 (1) (f) of the Public Finance Management Act 2012, which is a statement specifying measures taken by the National Government to implement the recommendations made by the National Assembly for the fiscal year 2018/2019 - 2020/2021.

TREASURY MEMORANDUM FINANCIAL YEARS 2018/2019 - 2021/2022

IMPLEMENTATION OF THE SPECIAL FUNDS ACCOUNTS COMMITTEE RECOMMENDATION ON THE GOVERNMENT OF KENYA ACCOUNTS FROM FINANCIAL YEAR 2018/2019 – 2021/2022

2. WOMEN ENTERPRISE FUND

VOTE	FINANCIAL YEAR	PARAGRAPH NO & TITLE	RECOMMENDATIONS BY THE SFAC	ACTION TAKEN
	2018/2019	14. Non-performing Loans to Financial Partners	<p>The Committee recommends that:</p> <p>i. The Accounting Officer implements the Judgement issued in favor of the Fund within three months of the adoption of this Report to recover the long outstanding loans of Kshs 71,780,000 plus costs and interests from the Pamoja Women Development Program (PAWDEP) and Social Initiative and Development Program (SIDEPE).</p> <p>ii. The Accounting Officer should ensure that all contracts entered into the Fund are lawful and comply with Section 68(2) (d) of the PFM Act, 2012.</p> <p>iii. Within three (3) months of the adoption of this report, the Accounting Officer submits the status report for non-performing loans and recoveries made to the Auditor General for audit verification.</p>	<p>The Fund instituted legal proceedings against the Pamoja Women Development Program (PAWDEP) for Kshs 40Million), Social Initiative and Development Entrepreneurs Program (SIDEPE) for Ksh 2 Million, Adok Timo for Kshs 20Million and African Women Foundation for Kshs 2Million. Judgment was issued in favor of the Fund against Pamoja Women Development Program (PAWDEP) and Social Initiative and Development Entrepreneurs Program (SIDEPE) for outstanding loan balance plus cost and interest. The latter two, legal proceedings are underway. The Fund has further engaged EACC for assistance in tracing the accounts of intermediaries involved.</p> <p>Further, as pertains to the other four institutions, the Fund is in the process of enlisting new auctioneers after the failure of the previous one to deliver a successful auction of the properties. Recovery efforts are ongoing. (Attached Annex1 - FI status report)</p> <p>The recommendation has been implemented. All contracts are currently valid, and lawful and comply with the provisions of relevant legislation.</p> <p>The status report has been submitted to the Office of the Auditor General</p>

IMPLEMENTATION STATUS ON SFAC RECOMMENDATIONS FYs 2018/2019 – 2021/2022

VOTE	FINANCIAL YEAR	PARAGRAPH NO & TITLE	RECOMMENDATIONS BY THE SFAC	ACTION TAKEN
	2018/2019	19. Doubtful Recovery of LPO Financing and CWES Loans.	<p>The Committee recommends that:</p> <p>i. The Accounting Officer recovers the outstanding LPO financing loans of Ksh 14,378,565 and Constituency Women Enterprise Scheme loans of Kshs 732,679,283.</p> <p>ii. Within three (3) months of the adoption of this report, the Accounting Officer submits a status report for non-performing loans and recoveries made to the Auditor-General for audit verification.</p> <p>iii. The Accounting Officer is to ensure that all contracts entered by the Fund are lawful and comply with Section 68 (2) (d) of the PFM Act, 2012.</p>	<p>Out of the queried amount of Ksh 14,378,565 recoveries have made leaving a balance of Ksh 11,971,500. The outstanding amounts are as a result of delay in payment by procuring entities and diversion of payments by some clients. These loans relate to pending bills by government institutions. The Fund has since listed the directors of respective companies with CRB and initiated loan recovery/legal proceedings with some, noting previous product was unsecured and only relied on undertakings from procuring entities.</p> <p>Recovery efforts have been made reducing the outstanding portfolio to Ksh. 1,979,275,850 for CWES loans out of which dormant accounts have been reduced to Ksh 39,780,500 out of the initial 50.3 Million.</p> <p>The Fund has adopted strategies to reduce loans outstanding including; reminders via bulk SMSs, and intensified loan recovery activities. However, loan Collections have partly been hampered by the directive for closure of the Fund's payment Paybill 830800 and subsequent integration with the government-designated Paybill 222222.</p> <p>The status report has been submitted to the Office of the Auditor General. (Annex 2 – LPO & CWES Status Report)</p> <p>The recommendation has been implemented. All contracts are currently valid, and lawful and comply with the provisions of relevant laws.</p>
	2018/2019	36. Ineligible Rental Expense	<p>The Committee recommends that the Accounting Officer should ensure that all expenses incurred by the Fund are authorized in compliance with Section 68 (1) and (2) (a) of the Public Finance Management Act, 2012.</p>	<p>The recommendation has been implemented. All expenses are currently authorized in compliance with the Public Finance Management Act, applicable regulations, and guidelines issued by the National Treasury</p>

IMPLEMENTATION STATUS ON SFAC RECOMMENDATIONS FYs 2018/2019 – 2021/2022

VOTE	FINANCIAL YEAR	PARAGRAPH NO & TITLE	RECOMMENDATIONS BY THE SFAC	ACTION TAKEN
	2018/2019	40. Unresolved Prior-year matters	The Committee recommends that the Accounting Officer takes appropriate measures to resolve the outstanding prior audit issues as required by Section 68 (2) (l) of the Public Finance Management Act, 2012 and Section 53(l) of the Public Audit Act, 2015 within three (3) months upon the adoption of this report and submit the status report to the Auditor- General for audit verification.	Status report on Prior year audit matters has been submitted to the Auditor- General in the Financial report as per the requirements of IPSAS reporting on the follow-up of Recommendations implemented in compliance with Section 68(2)(l) of the Public Finance Management Act, 2012 and Section 53(1) of the Public Audit Act, 2015
	2018/2019	44. Un- Procedural Procurement	<p>The Committee recommends that:</p> <p>i. The Accounting Officer complies with the Public Procurement and Asset Disposal Act, 2015 Section 84 and Regulations when awarding tenders.</p> <p>ii. The Cabinet Secretary Ministry of Public Service, Gender and Affirmative Action should within three (3) months upon the adoption of this Report, institute disciplinary measures against the accounting Officer for violating the procurement procedures.</p>	<p>The recommendation has been implemented. The Public Procurement and Asset Disposal Act, 2015, and Regulations 2020 are applied in procurement processes. The Fund has also hired a qualified procurement officer who ensures compliance and issues professional opinions in all procurement processes.</p> <p>Parliamentary Committee report has been shared with the Parent Ministry.</p>
	2018/2019	48. Employee Costs- Compliance with the Human Resources Policies	<p>The Committee recommends that:</p> <p>i. The Accounting Officer recovers the amount paid to the relevant officers in contravention of the human resource policy within three (3) months upon the adoption of this report.</p> <p>ii. The Accounting officer complies with the Public Service Commission (PSC) Human Resource Policies & Procedures Manual and Women Enterprise Fund Human Resource Policy when dealing with human resource issues.</p>	<p>As per the submissions to the Committee, the decision to extend the acting period for the officers was guided by the merger circular which barred any recruitment until the conclusion of the merger process and therefore the Fund could not recruit substantive officers for these positions. The Committee is kindly requested to reconsider the recommendation to recover acting allowances paid as the officers were genuinely called upon to perform extra duties of higher positions and they discharged the additional duties in good faith.</p> <p>Recommendation implemented. Human resources processes adhere to the Public Service Commission (PSC) Human Resource Policies & Procedures Manual and Women Enterprise Fund Human Resource Policy</p>

IMPLEMENTATION STATUS ON SFAC RECOMMENDATIONS FYs 2018/2019 – 2021/2022

VOTE	FINANCIAL YEAR	PARAGRAPH NO & TITLE	RECOMMENDATIONS BY THE SFAC	ACTION TAKEN
	2018/2019	53. Compliance with the Income Tax Regulations	<p>The Committee recommends that:</p> <ul style="list-style-type: none"> i. The Accounting Officer recovers the applicable tax due from airtime allowances paid to staff of Kshs 6,224,923 and remits the recovered amount to KRA in compliance with the Income Tax Act within three months upon the adoption of this report. ii. The Accounting Officer ensures compliance with all the tax laws in the execution of the Fund’s mandate. 	<p>The issue has been resolved. Airtime was previously paid as reimbursable as officers were not provided for with airtime to cater for communication expenses with clients.</p> <p>Airtime to staff is currently processed through the payroll and subjected to tax in line with income tax provisions and the same is remitted to KRA as part of PAYE.</p> <p>The recommendation has been implemented. Operations of the Fund are undertaken in compliance with applicable tax laws. The Fund also regularly engages KRA for guidance on tax matters.</p>
	2019/2020	62. Doubtful Receivables – LPO Loans/Financing	<p>The Committee recommends that:</p> <ul style="list-style-type: none"> i. The Fund uses guarantors instead of security as one of the conditions to advance the loans to women entrepreneurs. ii. Within three (3) months of the adoption of this report, the Accounting Officer should submit the status report for LPO loan recoveries and long outstanding loan balances to the Auditor General for audit verification 	<p>The recommendation is noted, same will be considered in the credit policy being revised.</p> <p>The status report has been submitted to the Office of the Auditor General. (Annex 2 – LPO status report)</p>
	2019/2020	67. Doubtful Receivables – Constituency Women Enterprise Scheme Loans	<p>The Committee recommended that:</p> <ul style="list-style-type: none"> i. The management of the Fund recovers outstanding LPO financing loans of Kshs. 15,157,590 and Constituency Women Enterprise Scheme Loans of Kshs. 785,844,387. ii. Within three (3) months upon the adoption of this report, the Accounting Officer should submit the status report for non-performing loans and recoveries made to the Auditor-General for audit verification. iii. The Accounting Officer ensures that all contracts entered into by the Fund are lawful and are complied with. 	<p>Out of the queried amount of Ksh 15,157,590 recoveries have made leaving a balance of Ksh 11,971,500. The outstanding amounts are as a result of delay in payment by procuring entities and diversion of payments by some clients. These loans relate to pending bills by government institutions. The Fund has since listed the directors of respective companies with CRB and initiated loan recovery/legal proceedings with some, noting previous product was unsecured and only relied on undertakings from procuring entities.</p> <p>Recovery efforts have been made reducing the outstanding portfolio to Ksh. 1,979,275,850 for CWES loans out of which dormant accounts have been reduced to Ksh 39,780,500 out of the initial 50.3 Million.</p>

IMPLEMENTATION STATUS ON SFAC RECOMMENDATIONS FYs 2018/2019 – 2021/2022

VOTE	FINANCIAL YEAR	PARAGRAPH NO & TITLE	RECOMMENDATIONS BY THE SFAC	ACTION TAKEN
				<p>The Fund has adopted strategies to reduce loans outstanding including; reminders via bulk SMSs, and intensified loan recovery activities. However, loan Collections have partly been hampered by the directive for closure of the Fund's payment Paybill 830800 and subsequent integration with the government-designated Paybill 222222.</p> <p>The status report has been submitted to the Office of the Auditor General. (Annex 2 – LPO & CWES Status report). The recommendation has been implemented. All contracts are currently valid, and lawful and comply with the provisions of relevant legislation.</p>
	2019/2020	<p>73. Non-Performing Loans to Financial Intermediaries/ Partners</p> <p>-</p>	<p>The Committee recommends that:</p> <ul style="list-style-type: none"> i. The Accounting Officer enforces the Judgment issued in favor of the Fund within three months after the adoption of this report to recover the long-outstanding loans of Ksh. 71,330,000 from the eight (8) financial intermediary partners. ii. Within three (3) months of the adoption of this report, the Accounting Officer submits a status report for non-performing loans and recoveries made to the Auditor-General for audit verification. iii. The Accounting Officer should ensure that all contracts entered by the Fund are lawful and are complied with. 	<p>The Fund instituted legal proceedings against the Pamoja Women Development Program (PAWDEP) for Kshs 40Million), the Social Initiative and Development Entrepreneurs Program (SIDEPE) for Ksh 2 Million, Adok Timo for Kshs 20Million and the African Women Foundation for Kshs 2Million. Judgment was issued in favor of the Fund against Pamoja Women Development Program (PAWDEP) and Social Initiative and Development Entrepreneurs Program (SIDEPE) for outstanding loan balance plus cost and interest. The latter two, legal proceedings are underway. The Fund has further engaged EACC for assistance in tracing the accounts of intermediaries involved.</p> <p>Further, as pertains to the other four institutions, the Fund is in the process of enlisting new auctioneers after the failure of the previous one to deliver a successful auction of the properties.</p> <p>Recovery efforts are ongoing. (Attached Annex1 -FI status report)</p> <p>The status report has been submitted to Office of the Auditor General</p>

IMPLEMENTATION STATUS ON SFAC RECOMMENDATIONS FYs 2018/2019 – 2021/2022

VOTE	FINANCIAL YEAR	PARAGRAPH NO & TITLE	RECOMMENDATIONS BY THE SFAC	ACTION TAKEN
				The recommendation has been implemented. All contracts are currently valid, and lawful and comply with the provisions of relevant legislation.
	2019/2020	78. Piki Piki Loan Financing	<p>The Committee recommends that:</p> <ul style="list-style-type: none"> i. The Accounting Officer should come up with measures to recover the outstanding Piki Piki loans totaling Kshs. 150,000 from staff who exited from the Fund. ii. Within three (3) months upon the adoption of this report, the Accounting Officer should submit the status report for non-performing loans and recoveries made to the Auditor-General for audit verification. iii. The Accounting Officer ensures that all contracts entered into by the Fund are lawful and are complied with. 	<p>Piki-piki Loans were advanced to field officers to aid in their work specifically to assist in the recovery of loans. The amount of Ksh 283,333 was owed by four (4) former employees. The Fund has utilized the final dues for these employees amounting to Ksh 120,808 to offset part of their PikiPiki loans owed to the Fund. The outstanding balance of Pikipiki loans attributable to these four former employees is Ksh. 162,484 which would not be fully recovered from the final dues balance.</p> <p>The status report has been submitted to the Office of the Auditor General</p> <p>The recommendation has been implemented. All contracts are currently valid, lawful and complies with provisions of relevant legislation.</p>
	2019/2020	82. Imprests and Advances	The Committee recommends that the Accounting Officer ensures that all applicable accounting and financial controls, systems, standards, laws, and procedures are followed in the preparation of the financial statements in compliance with the Public Finance Management Act, 2012, and in accordance with the standards prescribed by the Public Sector Accounting Standards Board as per Regulation 101(4) of the Public Finance Management (National Government) Regulations, 2015.	The recommendation has been implemented. All applicable accounting and financial controls, systems, standards, laws, and procedures are adhered to in the preparation of the financial statements in compliance with application legislation and Standards.
	2019/2020	86. Unreconciled Training Expense Ledger	The Committee recommends that the Accounting Officer ensures that all applicable accounting and financial controls, systems, standards, laws, and procedures are followed in the preparation of the financial statements in compliance with the Public Finance Management Act, 2012, and in accordance with the standards prescribed by the Public Sector Accounting Standards Board as per Regulation 101(4) of the Public Finance Management (National Government) Regulations, 2015.	The recommendation has been implemented. All applicable accounting and financial controls, systems, standards, laws, and procedures are adhered to in the preparation of the financial statements in compliance with application legislation and Standards.

IMPLEMENTATION STATUS ON SFAC RECOMMENDATIONS FYs 2018/2019 – 2021/2022

VOTE	FINANCIAL YEAR	PARAGRAPH NO & TITLE	RECOMMENDATIONS BY THE SFAC	ACTION TAKEN
	2019/2020	90. Unsupported CWES Loans Adjustment	The Committee recommends that the Accounting Officer ensures that all applicable accounting and financial controls, systems, standards, laws, and procedures are followed in the preparation of the financial statements in compliance with the Public Finance Management Act, 2012, and in accordance with the standards prescribed by the Public Sector Accounting Standards Board as per Regulation 101(4) of the Public Finance Management (National Government) Regulations, 2015.	The recommendation has been implemented. All applicable accounting and financial controls, systems, standards, laws, and procedures are adhered to in the preparation of the financial statements in compliance with application legislation and Standards.
	2019/2020	94. Unresolved Prior Year Matters	<p>The Committee recommends that:</p> <p>i. The Accounting Officer takes appropriate measures to resolve the outstanding prior audit issues as required by Section 68(2)(l) of the Public Finance Management Act, 2012 and Section 53(1) of the Public Audit Act, 2015 within three (3) months upon the adoption of this report and submit the status report to the Auditor-General for audit verification</p> <p>ii. The Accounting Officer ensures compliance with Public Sector Accounting Standards when preparing financial statements as required by the Public Sector Accounting Standards Board</p>	<p>Status report on Prior year audit matters has been submitted to the Auditor- General in the Financial report as per the requirements of IPSAS reporting on the follow-up of Recommendations implemented in compliance with Section 68(2)(l) of the Public Finance Management Act, 2012 and Section 53(1) of the Public Audit Act, 2015</p> <p>The recommendation has been implemented. All applicable accounting and financial controls, systems, standards, laws, and procedures are adhered to in the preparation of the financial statements in compliance with application legislation and Standards.</p>
	2019/2020	98. Management and Control Imprest	The Committee recommended that the Accounting Officer should ensure that section 71(2) of the PFM Act, 2012, and Regulation 93 (5) and (6) of the Public Finance Management (National Government) Regulations, 2015 are always complied with when issuing imprest to staff.	The recommendation has been implemented, Provision of section 71(2) of the PFM Act 2012, and applicable regulations are applied in the processing of Imprests.
	2019/2020		<p>The Committee recommends that:</p> <p>i. The Accounting Officer should always ensure that the Public Service Commission's Human Resource Policies and Procedures and the Fund's Human resource policies are complied with when recruiting new employees.</p> <p>ii. The Accounting Officer submits a report to the Auditor-General and the National Assembly on the efforts made by</p>	<p>Recommendation implemented. Human resources processes adhere to the Public Service Commission (PSC) Human Resource Policies & Procedures Manual and Women Enterprise Fund Human Resource Policy.</p> <p>The three affected staff has since acquired the relevant professional certificates and a report has been submitted to the Auditor General (A copy of which is hereby submitted to</p>

IMPLEMENTATION STATUS ON SFAC RECOMMENDATIONS FYs 2018/2019 – 2021/2022

VOTE	FINANCIAL YEAR	PARAGRAPH NO & TITLE	RECOMMENDATIONS BY THE SFAC	ACTION TAKEN
			the affected staff to acquire membership of the professional body within three months of the adoption of this report.	the National Assembly)
	2020/2021	107. Doubtful Receivables from Exchange Transactions	<p>The Committee recommends that:</p> <ul style="list-style-type: none"> i. The Accounting Officer should come up with strategies to recover the long-overdue loans within three months of the adoption of this report. ii. Within three (3) months of the adoption of this report, the Accounting Officer should submit the status report for non-performing loans and recoveries made to the Auditor-General for audit verification. 	<p>The Fund has adopted strategies to reduce loans outstanding including; reminders via bulk SMSs, and intensified loan recovery activities.</p> <p>The status report has been submitted to the Office of the Auditor General</p>
	2020/2021	108. Doubtful Receivables - Constituency Women Enterprise Scheme (CWES)	<p>The Committee recommends that:</p> <ul style="list-style-type: none"> i. Management to come up with measures to recover the long outstanding loans from the financial intermediaries. ii. Within three (3) months of the adoption of this report, the Accounting Officer should submit the status report for non-performing loans and recoveries made to the Auditor-General for audit verification 	<p>The Fund has adopted strategies to reduce loans outstanding including; reminders via bulk SMSs, and intensified loan recovery activities.</p> <p>The status report has been submitted to the Office of the Auditor General</p>
	2020/2021	123. Non-Performing Loans to Financial Intermediaries	<p>The Committee recommends that:</p> <ul style="list-style-type: none"> i. The Accounting Officer enforces the judgment within three months of the adoption of this report to recover the long-outstanding loans of Ksh. 71,330,000 from the eight (8) financial intermediary partners. ii. Within three (3) months of the adoption of this report, the Accounting Officer submits the status report for non-performing loans and recoveries made to the Auditor General for audit verification. iii. The Accounting Officer ensures that all contracts entered into by the Fund are lawful and are complied with in accordance with Section 68(2)(d) of the PFM Act 2012. 	<p>The Fund instituted legal proceedings against the Pamoja Women Development Program (PAWDEP) for Kshs 40Million), the Social Initiative and Development Entrepreneurs Program (SIDEPE) for Ksh 2 Million, Adok Timo for Kshs 20Million and African Women Foundation for Kshs 2Million. Judgment was issued in favor of the Fund against Pamoja Women Development Program (PAWDEP) and Social Initiative and Development Entrepreneurs Program (SIDEPE) for outstanding loan balance plus cost and interest. The latter two, legal proceedings are underway. The Fund has further engaged EACC for assistance in tracing the accounts of intermediaries involved.</p> <p>Further, as pertains to the other four institutions, the Fund is in the process of enlisting new auctioneers after the failure of the previous one to deliver a successful auction of the</p>

IMPLEMENTATION STATUS ON SFAC RECOMMENDATIONS FYs 2018/2019 – 2021/2022

VOTE	FINANCIAL YEAR	PARAGRAPH NO & TITLE	RECOMMENDATIONS BY THE SFAC	ACTION TAKEN
				<p>properties. Recovery efforts are ongoing. (Attached Annex1 - FI status report). The status report has been submitted to the Office of the Auditor General</p> <p>The recommendation has been implemented. All contracts are currently valid, and lawful and comply with the provisions of relevant legislation.</p>
	2020/2021	128. Unsupported Travel, Conferences and Accommodation	The Committee recommends that the Accounting Officer ensures that all applicable accounting and financial controls, systems, standards, laws, and procedures are followed in the preparation of the financial statements in compliance with the Public Finance Management Act, 2012, and in accordance with the standards prescribed by the Public Sector Accounting Standards Board as per Regulation 101(4) of the Public Finance Management (National Government) Regulations, 2015.	The recommendation has been implemented. All applicable accounting and financial controls, systems, standards, laws, and procedures are adhered to in the preparation of the financial statements in compliance with the Public Finance Management Act, 2012, and in accordance with the standards prescribed by the Public Sector Accounting Standards Board as per Regulation and Standards.
	2020/2021	136. Unresolved Prior Year Audit Matters	<p>The Committee recommends that:</p> <p>i. Within three months of the adoption of this report the Accounting Officer resolves the outstanding prior year audit issues as required by Section 68(2)(l) of the Public Finance Management Act, 2012 and Section 53(1) of the Public Audit Act, 2015 and submits a report to Office of the Auditor General.</p> <p>ii. The Accounting Officer should ensure compliance with Public Sector Accounting Standards when preparing financial statements as required by the Public Sector Accounting Standards Board.</p>	<p>Status report on Prior year audit matters has been submitted to the Auditor- General in the Financial report as per requirements of IPSAS reporting on the follow-up of Recommendations implemented in compliance with Section 68(2)(l) of the Public Finance Management Act, 2012 and Section 53(1) of the Public Audit Act, 2015</p> <p>Resolved. All applicable accounting and financial controls, systems, standards, laws, and procedures are adhered to in the preparation of the financial statements in compliance with application legislation and Standards.</p>
	2020/2021	140. Irregular Procurement of Motor Vehicle Repairs	<p>The Committee recommended that:</p> <p>i. The Accounting Officer submits the procurement records, such as, original tender bid documents, tender evaluation minutes, professional opinion, and award minutes to the Office of the Auditor General for audit verification within three months upon the adoption of this report.</p>	<p>Matter resolved. Procurement documents were submitted to the Auditor General for verification.</p> <p>The recommendation has been implemented. The Public Procurement and Asset Disposal Act, 2015, and Regulations 2020 are applied in procurement processes.</p>

IMPLEMENTATION STATUS ON SFAC RECOMMENDATIONS FYs 2018/2019 – 2021/2022

VOTE	FINANCIAL YEAR	PARAGRAPH NO & TITLE	RECOMMENDATIONS BY THE SFAC	ACTION TAKEN
			ii. The Accounting Officer should always ensure that the Public Procurement Act, 2015, and Regulations are complied with when procuring goods and services. iii. The Cabinet Secretary reprimands the Accounting Officer for violating the Public Procurement Asset Disposal Act.	The recommendations of the Parliamentary Committee have been shared with the Parent Ministry.

3. COFFEE CHERRY ADVANCE REVOLVING FUND

VOTE	FINANCIAL YEAR	PARAGRAPH NO & TITLE	RECOMMENDATIONS BY THE SFAC	ACTION TAKEN
1173	2020/2021	155 (i) Interest earned from funds at Cooperative Bank from 1st January – 30th June, 2020	The Board of New KPCU opens a bank account for Cherry Fund and transfers its funds in compliance with the PFM Act, 2023, and Coffee Cherry Advance Revolving Fund Regulations, 2019 within three months of the adoption of this report.	A letter dated 3 rd November 2023, Ref: NKPCU/MD/Ext/VOL5/790 has been written to the National Treasury through the PS, State Department for Cooperatives to grant New KPCU authority to open an independent account for the Coffee Cherry Advance Revolving Fund.
1173	2020/2021	158 (ii) Observations and findings of the Committee	The management of the New KPCU should within three months of the adoption of this report, keep separate books and financial records of Coffee Cherry Advance Revolving Fund per Sections k29 (1) and 29 (1), (2) and (3) of the PFMR (Coffee Cherry Advance Revolving Fund) Regulations, 2019	Commencing FY 2024/2025, the Coffee Cherry Advance Revolving Fund shall have a book of accounts separate from New KPCU.

4. STRATEGIC FOOD RESERVE TRUST FUND

VOTE	FINANCIAL YEAR	PARAGRAPH NO. AND TITLE	RECOMMENDATIONS BY SPECIAL FUNDS COMMITTEE	ACTION STATUS
	2020/2021	166. Unexplained Variances Between the Statement of Financial Position and the Statement of Changes in Net Assets	i.) Within three months of the adoption of the report, the Accounting Officer ensures that the variances of Kshs 4,023,711,573.80 and Kshs 13,466.959.272.48 are reconciled and analyzed with necessary supporting documents submitted to the Auditor-General for audit verification; ii) The Accounting Officer ensures that all applicable accounting	The variance has been corrected in the revised financial statements for the year 2020/21 which was received at the Office of the Auditor General. The State Department endeavors and is committed in ensuring that all applicable accounting and financial controls, systems, standards, laws, and procedures are

IMPLEMENTATION STATUS ON SFAC RECOMMENDATIONS FYs 2018/2019 – 2021/2022

VOTE	FINANCIAL YEAR	PARAGRAPH NO. AND TITLE	RECOMMENDATIONS BY SPECIAL FUNDS COMMITTEE	ACTION STATUS
			and financial controls, systems, standards, laws, and procedures are followed in the preparation of the financial statements in compliance with the Public Finance Management Act 2012, and in accordance with the standards prescribed by the Public Sector Accounting Standards Board as per Regulation of the Public Finance Management (National Government) Regulations, 2015.	followed in the preparation of the Financial Statement in compliance with the Public Finance Management Act,2012, and in accordance with the standards prescribed by the Public Sector Accounting Standards Board as per Regulation 101 (4) of the Public Finance Management (National Government) Regulation,2015.
	2020/2021	170. Inconsistencies Between the Statement of Comparison of Budget and Actual Amounts and the Statement of Financial Performance	<p>i)The Accounting Officer reconciles the unexplained variance or Kshs 7,764,164,275 within three months of the adoption of this report and submits the reconciliations to the Auditor-General for verification and reporting in the next audit cycle.</p> <p>ii) The Accounting Officer to ensure timely provision of accounting documentation required for audit verification as per the provision Section 31 of the Public Audit Act, 2015</p> <p>iii) The Accounting Officer ensures that all applicable accounting and financial controls, systems, standards, and procedures followed in the preparation of the financial statements in compliance with the Public Finance Management Act, 2012, and in accordance with the standards prescribed by the Public Sector Accounting Standard Board as per Regulation 101(4) Of the Public Finance Management (National Government) Regulations, 2015</p>	<p>The inconsistencies has been corrected in the revised financial statements for the year 2020/21 which was received at the Office of the Auditor General.</p> <p>The State Department ensures the timely provision of accounting documentation required for audit verification as per the provision of section 31 of the Public Audit Act,2015.</p> <p>The State Department endeavors and is committed to ensuring that all applicable accounting and financial controls, systems, standards, laws, and procedures are followed in the preparation of the Financial Statement in compliance with the Public Finance Management Act,2012, and in accordance with the standards prescribed by the Public Sector Accounting Standards Board as per Regulation 101 (4) of the Public Finance Management (National Government) Regulation,2015.</p>
	2020/2021	174 & 175 Inaccurate Disclosures in the Notes to the Financial Statements	<p>i)Within three months of the adoption of this report, the Accounting Officer is to reconcile and analyze the Kshs 2,074,562,537 interest expenses and submit the necessary supporting documents to the Auditor-General for audit verification;</p> <p>ii) The Accounting Officer ensures that all applicable accounting and financial controls. systems, standards, laws, and procedures are followed in the preparation of the financial statements in compliance with the Public Finance Management Act, 2012, and in accordance with the standards prescribed by the Public Sector</p>	<p>The inaccurate disclosures have been corrected in the revised financial statements for the year 2020/21 which was received at the Office of the Auditor General.</p> <p>The State Department endeavors and is committed to ensuring that all applicable accounting and financial controls, systems, standards, laws, and procedures are followed in the preparation of the Financial Statement in compliance with the Public Finance Management Act,2012, and in accordance with the standards prescribed by the Public Sector Accounting Standards Board as per Regulation</p>

IMPLEMENTATION STATUS ON SFAC RECOMMENDATIONS FYs 2018/2019 – 2021/2022

VOTE	FINANCIAL YEAR	PARAGRAPH NO. AND TITLE	RECOMMENDATIONS BY SPECIAL FUNDS COMMITTEE	ACTION STATUS
			Accounting Standards Board as per Regulation 101(4) of the Public Finance Management (National Government) Regulations, 2015.	101 (4) of the Public Finance Management (National Government) Regulation,2015.
	2020/2021	179 & 180 Statement of Cash Flows	<p>i)Within three months of the adoption of the report the Accounting Officer ensures Kshs 2,689,496,699 and Kshs 2,074,562,537 from non-exchange transactions and interest expense are reconciled and analyzed with the necessary supporting documents submitted to the Auditor-General for verification and reporting in the next audit cycle.</p> <p>ii) The Accounting Officer ensures that all applicable accounting and financial control systems, standards, laws, and procedures are followed in the preparation of the financial statements in compliance Public Finance Management Act, 2012, and in accordance with the standards prescribed by the Public Sector Accounting Standards Board as per Regulation 101(4) of the Public Finance Management (National Government) Regulation, 2015</p>	<p>The variances have been corrected in the revised financial statements for the year 2020/21 which was received at the Office of the Auditor General.</p> <p>The State Department endeavors and is committed to ensuring that all applicable accounting and financial controls, systems, standards, laws, and procedures are followed in the preparation of the Financial Statement in compliance with the Public Finance Management Act,2012, and in accordance with the standards prescribed by the Public Sector Accounting Standards Board as per Regulation 101 (4) of the Public Finance Management (National Government) Regulation,2015.</p>
	2020/2021	184 &185 Unsupported Receivables from Exchange Transactions	<p>i)The Accounting Officer should ensure the timely provision of accounting documentation required audit verification as per the provision or Section 31 of the Public Audit.</p> <p>ii)The Accounting Officer ensures that all applicable accounting and financial controls, systems, Standards, Jaws, and procedures are followed in the preparation of the financial statements in compliance with the Public Finance Management Act, 2012, and in accordance with the standards prescribed by the Public Sector Accounting Standards Board as per Regulation 101(4) of the Public Finance Management (National Government) Regulations, 2015,</p>	<p>The state department ensures the timely provision of accounting documentation required for audit verification as per the provision of section 31 of the Public Audit Act,2015.</p> <p>The State Department endeavors and is committed to ensuring that all applicable accounting and financial controls, systems, standards, laws, and procedures are followed in the preparation of the Financial Statement in compliance with the Public Finance Management Act,2012, and in accordance with the standards prescribed by the Public Sector Accounting Standards Board as per Regulation 101 (4) of the Public Finance Management (National Government) Regulation, 2015</p>
	2020/2021	190 & 191 (i)Long Outstanding Receivables from Non-Exchange	i) The Committee recommends that, within three (3) months after the adoption of this report, the Ethics and Anti-Corruption Commission (EACC) should investigate the purported inventories paid for and held by New Kenya Cooperative Creameries (New	The State Department waiting for the Ethics and Anti-Corruption Commission (EACC) report.

IMPLEMENTATION STATUS ON SFAC RECOMMENDATIONS FYs 2018/2019 – 2021/2022

VOTE	FINANCIAL YEAR	PARAGRAPH NO. AND TITLE	RECOMMENDATIONS BY SPECIAL FUNDS COMMITTEE	ACTION STATUS
		Transactions	KCC) and submit a report of the investigations to the National Assembly.	
	2020/2021	196. (ii)Unsupported Inventories	<p>i) Within three months of the adoption of this report, the Accounting Officer should provide supporting documents for the inventories balance of Kshs 34,802,500 to the Auditor-General for audit verification and reporting in the next audit.</p> <p>ii) The accounting officer ensures timely provision of accounting documentation required for audit verification as per the provision of Section 31 of the Public Audit Act, 2015;</p> <p>iii) The accounting officer ensures that applicable accounting and financial controls, systems, standards, laws, and procedures are followed in the preparation of the financial statements in compliance with the Public Finance Management Act, 2012, and in accordance With the standards prescribed by the Public Sector Accounting Standards Board as per Regulation 101(4) of the Public Finance Management (National Government) Regulations, 2015.</p>	<p>The State Department has provided a summarized analysis of maize inventory to the Office of the Auditor General for audit verification.</p> <p>The State Department ensures the timely provision of accounting documentation required for audit verification as per the provision of section 31 of the Public Audit Act,2015.</p> <p>The State Department endeavors and is committed to ensuring that all applicable accounting and financial controls, systems, standards, laws, and procedures are followed in the preparation of the Financial Statement in compliance with the Public Finance Management Act,2012, and in accordance with the standards prescribed by the Public Sector Accounting Standards Board as per Regulation 101 (4) of the Public Finance Management (National Government) Regulation,2015</p>
	2020/2021	200. (iii)Unsupported Trade and Other Payables	<p>i) The Accounting Officer should within three months upon the adoption of this report provide the supporting documentation relating io the variance of Kshs 2,074,562,538 on interest expense to the Auditor General for audit verification;</p> <p>ii) The Accounting Officer to ensure timely provision of accounting documentation required for audit verification as per the provision of Section 31 of the Public Audit Act, 2015;</p> <p>iii.) The Accounting Officer ensures that all applicable accounting and financial controls, systems, standards, laws, and procedures are followed in the preparation of the financial statements in compliance with the Public Finance Management Act; 2012, and in accordance with the standards prescribed by the Public Sector Accounting Standards Board as per Regulation 101(4) of the Public Finance Management (National Government) Regulations, 2015.</p>	<p>The variances have been corrected in the revised financial statements for the year 2020/21 which was received at the Office of the Auditor General.</p> <p>The State Department ensures the timely provision of accounting documentation required for audit verification as per the provision of section 31 of the Public Audit Act,2015.</p> <p>The State Department endeavors and is committed to ensuring that all applicable accounting and financial controls, systems, standards, laws, and procedures are followed in the preparation of the Financial Statement in compliance with the Public Finance Management Act,2012, and in accordance with the standards prescribed by the Public Sector Accounting Standards Board as per Regulation 101 (4) of the Public Finance Management (National Government) Regulation,2015</p>

IMPLEMENTATION STATUS ON SFAC RECOMMENDATIONS FYs 2018/2019 – 2021/2022

5. EQUALIZATION FUND

VOTE	FINANCIAL YEAR	PARAGRAPH NO & TITLE	RECOMMENDATIONS BY THE SFAC	ACTION TAKEN																					
	2020/2021	50 Non-Compliance with the Constitution and the Law	The Committee recommends that the National Treasury disburses Kshs.18,386,056,051.00 owed to the Equalization Fund in the 2023/24 Financial Year.	<p>The National Treasury committed to pay the arrears as follows:</p> <p>Proposed Plan on Appropriation of Equalisation Fund Arrears:</p> <table border="1"> <thead> <tr> <th>Financial Year (A)</th> <th>Budget Estimates (B)</th> <th>Equalisation Fund Arrears (C)</th> </tr> </thead> <tbody> <tr> <td>2023/24</td> <td>8,368,574,000</td> <td>-</td> </tr> <tr> <td>2024/25</td> <td>8,368,574,000</td> <td>9,976,766,000</td> </tr> <tr> <td>2025/26</td> <td>9,590,000,000</td> <td>9,976,766,000</td> </tr> <tr> <td>2026/27</td> <td>10,960,000,000</td> <td>9,976,766,000</td> </tr> <tr> <td>2027/28</td> <td>14,393,000,000</td> <td>9,976,766,000</td> </tr> <tr> <td>Grand Total</td> <td>51,680,148,000</td> <td>39,907,064,000</td> </tr> </tbody> </table>	Financial Year (A)	Budget Estimates (B)	Equalisation Fund Arrears (C)	2023/24	8,368,574,000	-	2024/25	8,368,574,000	9,976,766,000	2025/26	9,590,000,000	9,976,766,000	2026/27	10,960,000,000	9,976,766,000	2027/28	14,393,000,000	9,976,766,000	Grand Total	51,680,148,000	39,907,064,000
Financial Year (A)	Budget Estimates (B)	Equalisation Fund Arrears (C)																							
2023/24	8,368,574,000	-																							
2024/25	8,368,574,000	9,976,766,000																							
2025/26	9,590,000,000	9,976,766,000																							
2026/27	10,960,000,000	9,976,766,000																							
2027/28	14,393,000,000	9,976,766,000																							
Grand Total	51,680,148,000	39,907,064,000																							

6. MECHANICAL AND TRANSPORT FUND

VOTE	FINANCIAL YEAR	PARAGRAPH NO. AND TITLE	RECOMMENDATIONS BY SPECIAL FUNDS COMMITTEE	ACTION STATUS
	2021/2022	237 Inaccuracy of non-current assets	The Committee recommends that the Accounting Officer puts in place adequate measures to ensure all applicable accounting and financial policies, controls, systems, standards, laws, and procedures are followed in accounting and preparation of financial statements in compliance with the provisions of the Public Finance Management Act, 2012 and its Regulations.	The Service has finalized the phase II valuation of all assets and an updated Assets Register maintained. The council has approved the Finance and Accounting Policies and Procedure Manual that holds among other issues in it, that depreciation is captured well and applicable. Appendix I.
	2021/2022	250 Unresolved prior Audit issues	The Committee recommends that the Accounting Officer should within three months of the adoption of this report, take appropriate measures to resolve any audit issues that remain outstanding as required by Section 68 (2) (i) of the Public Finance	In the year 2018/2019 there was an issue of prepayments of Kshs.40,996 which were long outstanding over 4 years. The issue was addressed internally and rectified in the subsequent financial year. Currently all our prepayments

IMPLEMENTATION STATUS ON SFAC RECOMMENDATIONS FYs 2018/2019 – 2021/2022

VOTE	FINANCIAL YEAR	PARAGRAPH NO. AND TITLE	RECOMMENDATIONS BY SPECIAL FUNDS COMMITTEE	ACTION STATUS
			Management Act, 2012 and Section 53 (l) of the Public Audit Act, 2015 and submit status to the Office of the Auditor General for audit verification.	range within one year as guided in our credit policy manual.
	2021/2022	254. Grounded motor vehicles	<p>The Committee recommends that:</p> <p>i. The Accounting Officer should seek approval from the Cabinet as per Circular Ref: OP/CAB.39/1A to dispose of the grounded vehicles.</p> <p>ii. The Accounting Office to ensure compliance with the provisions of the Procurement and Asset Disposal Act, 2015, and its Regulations in the disposal of the grounded vehicles.</p>	The service sought the approval for disposal and it was granted. Some of the idle assets were disposed while those were never bought are being tagged for disposal.

7. NATIONAL RESEARCH FUND

VOTE	FINANCIAL YEAR	PARAGRAPH NO. AND TITLE	RECOMMENDATIONS BY SPECIAL FUNDS COMMITTEE	ACTION STATUS
N/ A	2019/2020	286-271 Unconfirmed Research Program Funds	The National Treasury should fund the entity to effectively achieve its objective	<p>The Funding from the National Treasury is still inadequate.</p> <p>The Fund is trying to lobby funds from Development Partners and donors.</p> <p>Issue not reserved.</p>
	2020/2021	297-300 Financial Performance	The National Treasury should ensure the timely disbursement of Funds	<p>There is still a delay in the Government exchequer</p> <p>The issue is still not resolved.</p>

IMPLEMENTATION STATUS ON SFAC RECOMMENDATIONS FYs 2018/2019 – 2021/2022

8. YOUTH ENTERPRISE DEVELOPMENT FUND

VOTE	FINANCIAL YEAR	PARAGRAPH NO. AND TITLE	RECOMMENDATIONS BY SPECIAL FUNDS COMMITTEE	ACTION STATUS
n/a	2018/2019	320.Unsupported Cash Flow Statements	<p>The Committee recommends that:</p> <p>i. The Accounting Officer should within three months of the adoption of this report submit the supporting schedules of Ksh.2,160,330 and accumulated depreciation</p> <p>ii. The Accounting Officer fast-tracks the process of digitizing the Fund's accounting operations;</p> <p>iii.The Accounting Officer to ensure timely provision of accounting documentation required for audit verification as per the provision of Section 31 of the Public Audit Act, 2015; and</p> <p>iv.The Accounting Officer ensures that all applicable accounting and financial controls, systems, standards, laws, and procedures are followed in the preparation of the financial statements and in accordance with the standards prescribed by the public sector Accounting Standards Board and in compliance with regulation 101 (4) of the public finance management (National Government) Regulations, 2012</p>	<p>The schedule has been provided for verification to the Committee (find attached).</p> <p>The fund has acquired an ERP system which is in the final stage of completion.</p> <p>This has been complied with in the subsequent financial years.</p> <p>This has been implemented in the subsequent financial years.</p>
	2018/2019	324-325 Non-Compliance with IPSAS Accrual Basis of Accounting – Tuck Shops rental	<p>The Committee recommends that:</p> <p>i. Within three (3) months after the adoption of this report, the Accounting Officer provides documentary evidence to show that the Fund did not receive rent revenue from the premises that were not occupied and that there was a waiver of payments during the incubation period; and;</p> <p>ii. The Accounting Officer prepares the financial statements in a form that complies with the relevant accounting standards prescribed by the Public Sector Accounting Standards Board in compliance with Regulation 101 (4) of the Public Finance Management (National Government)</p>	<p>Attached is a schedule of variance between the expected amount but reduced due to occupancy of the tuck shops.</p> <p>This has been implemented in the subsequent financial years</p>

IMPLEMENTATION STATUS ON SFAC RECOMMENDATIONS FYs 2018/2019 – 2021/2022

VOTE	FINANCIAL YEAR	PARAGRAPH NO. AND TITLE	RECOMMENDATIONS BY SPECIAL FUNDS COMMITTEE	ACTION STATUS
			Regulations	
	2018/2019	329-330 Depletion of Revolving Fund	<p>The Committee recommends that:</p> <ul style="list-style-type: none"> i. The Accounting Officer takes appropriate measures to resolve the outstanding audit issue as required by Section 68(2) (1) of the Public Finance Management Act, 2012, and Section 53(1) of the Public Act, 2015 within three months upon adoption of this report. ii. The Accounting Officer provides supporting documents on journal entries approval of the journals, revised ledgers, and approved budgets to the Auditor General for Audit verification within three months upon the adoption of this report. 	This has been complied with in the subsequent financial years
	2018/2019	335. Statement of Changes in Net Assets No.335	<p>The Committee recommends that:</p> <ul style="list-style-type: none"> iii. The Accounting Officer ensures the timely provision of accounting documentation required for audit verification as per the provision of Section 31 of the Public Audit Act, 2015; iv. The Accounting Officer should within three months of the adoption of this report ensure that financial statements are accurate, reliable, and complete and ensure adherence to accounting standards prescribed by the Public Sector Accounting Standards Board as provided by Section 81(3) of the Public Finance Management Act, No. 18 of 2012 and PFM (NG) Regulation 100 and 101(4); and v. The Accounting Officer should within three months of the adoption of this report ensure that the Fund maintains a complete asset register as per the requirements of Regulation 143 of the Public Finance Management (National Government) Regulations. 	<p>This has been complied with in the subsequent financial years</p> <p>Currently, the fund has maintained a complete asset register as per the requirements of Regulation 143 of the Public Finance Management (National Government) Regulations.</p>

IMPLEMENTATION STATUS ON SFAC RECOMMENDATIONS FYs 2018/2019 – 2021/2022

VOTE	FINANCIAL YEAR	PARAGRAPH NO. AND TITLE	RECOMMENDATIONS BY SPECIAL FUNDS COMMITTEE	ACTION STATUS
	2018/2019	340. Accumulated Surplus No.340	<p>The Committee recommends that:</p> <ul style="list-style-type: none"> i. The Accounting Officer should within three months of the adoption of this report provide the supporting documentation and schedules of the prior year adjustment of Ksh.2,160,330 and the variance of Ksh.2,839,675 to the Auditor General for verification. ii. The Accounting Officer ensures the timely provision of accounting documentation required for audit verification as per the provision of Section 31 of the Public Audit Act, 2015; iii. The Accounting Officer ensures that financial statements are accurate, reliable, and complete and ensure adherence to accounting standards prescribed by the Public Finance Management Act, No. 18 of 2012 and PFM (NG) Regulation 100 and 101 (4). 	<p>The schedule has been provided for verification to the Committee (find attached).</p>
	2018/2019	344. Undisclosed material uncertainty No.344	<p>The Committee recommends that:</p> <ul style="list-style-type: none"> i. The Accounting Officer puts in place appropriate recovery strategies, institutional policies and procedures, and good business practices to ensure improved financial performance; ii. Within three months after the adoption of this report by the House, the Accounting Officer submits to the Auditor General a report on the actions taken to ensure improved financial performance as per Section 53(1) of the Public Audit Act, 2015; and iii. The Accounting Officer prepares the financial statements per the standards prescribed by the Public Sector Accounting Standards Board and in compliance with Regulation 101(4) of the Public Finance Management (National Government) Regulations, 2015. 	<p>This has been complied with in the subsequent financial years.</p> <p>The fund has continued to improve its financial performance as approved of the same the fund has reported a surplus of Ksh. 5,048,222 in the last financial year 2022/2023.</p> <p>This has been complied with in the subsequent financial years.</p>

IMPLEMENTATION STATUS ON SFAC RECOMMENDATIONS FYs 2018/2019 – 2021/2022

VOTE	FINANCIAL YEAR	PARAGRAPH NO. AND TITLE	RECOMMENDATIONS BY SPECIAL FUNDS COMMITTEE	ACTION STATUS
	2018/2019	348.Revenue from Exchange Transaction – Interest and Fees No.348	<p>The Committee recommends that:</p> <ul style="list-style-type: none"> i. The Accounting Officer ensures the timely provision of accounting documentation required for audit verification as per the provision of Section 31 of the Public Audit Act, 2015; and ii. The Accounting Officer should within three months of the adoption of this report submit supporting documents on the reported interest of Ksh.41,199,302 to the Auditor General for audit verification. 	This has been complied with in the subsequent financial years. (Attached)
	2018/2019	352-353. Irregular payment of Commuted Leave for Cash No.352 and No.353	<p>The Committee recommends that:</p> <ul style="list-style-type: none"> i. The Accounting Officer ensures compliance with the Human Resource Policies & Procedures of the Fund; ii. The Accounting Officer should within three months of the adoption of this report recover from the concerned officer, the overpayment of Ksh.237,226; 	<p>This has been complied with in the subsequent financial years</p> <p>The amount will be recovered in November 2023</p>
	2018/2019	357.Inadequately Supported Travel Costs No.357	<p>The Committee recommends that:</p> <ul style="list-style-type: none"> i. The Accounting Officer should within three months of the adoption of this report provide the supporting documents on surrenders of imprests of Ksh,160,000 to the Auditor General for audit verification; and ii. The Accounting Officer ensures the timely provision of accounting documentation required for audit verification as per the provision of Section 31 of the Public Audit Act, 2015. 	<p>The surrender documents for the Maisha Certification capacity building workshop have been attached.</p> <p>This has been complied with in the subsequent financial years</p>
	2018/2019	361-363 Non-Current Assets 10.1 Intangible Assets Nos.361, 362 and 363	<p>The Committee recommends that:</p> <ul style="list-style-type: none"> i. The Accounting Officer should within three months upon the adoption of this report provide the supporting documentation for assets acquired in the financial year 2014/2015 at a total cost of Ksh.2,670,648 to the Auditor General for verification; 	<p>A schedule of Ksh. 2,670, 648 has been attached (Attached)</p> <p>Reclassification was done (find attached)</p> <p>This has been complied with in the subsequent financial years</p>

IMPLEMENTATION STATUS ON SFAC RECOMMENDATIONS FYs 2018/2019 – 2021/2022

VOTE	FINANCIAL YEAR	PARAGRAPH NO. AND TITLE	RECOMMENDATIONS BY SPECIAL FUNDS COMMITTEE	ACTION STATUS
			<ul style="list-style-type: none"> ii. The Accounting Officer should within three months upon the adoption of this report provides proof of reclassification of assets to the Office of the Auditor General; and iii. The Accounting Officer ensures all applicable accounting and financial controls, systems, standards, laws, and procedures are followed in the preparation of the financial statements and in accordance with the standards prescribed by the Public Sector Accounting Standards Board and in compliance with Regulation 101(4) of the Public Finance Management (National Government) Regulations, 2015. 	
	2018/2019	367-368 Property, Plant, and Equipment	<p>The Committee recommends that:</p> <ul style="list-style-type: none"> i. The Accounting Officer ensures that the Fund’s assets are handed over by the Board upon the expiry of the term; ii. The Accounting Officer seeks authority for the disposal of grounded motor vehicles and motorcycles within three months upon the adoption of this report; iii. The Accounting Officer to ensure compliance with the provisions of the Public Procurement and Asset Disposal Act, 2015, and its regulations in the disposal of grounded vehicles and motorcycles. iv. The Accounting Officer to ensure there are proper control systems to eliminate theft, losses, wastage, and misuse of the Fund’s assets in compliance with Regulation 139 of the Public Finance Management(National Government) Regulations, 2012; and v. The Accounting Officer ensures that all the applicable accounting and financial controls, systems, standards, laws, and procedures are followed in the preparation of the financial statements and accordance with the standards 	<p>This has been complied with in the subsequent financial years</p> <p>The fund is currently in the process of disposing of its unserviceable assets including grounded motor vehicles attached is the appointment letter for the disposal committee (Attached)</p> <p>The Fund is currently in the process of disposing of its unserviceable assets including grounded motor vehicles attached is the appointment letter for disposal Committee (Attached)</p> <p>This has been complied with in the subsequent financial years</p> <p>This has been complied with in the subsequent financial years</p>

IMPLEMENTATION STATUS ON SFAC RECOMMENDATIONS FYs 2018/2019 – 2021/2022

VOTE	FINANCIAL YEAR	PARAGRAPH NO. AND TITLE	RECOMMENDATIONS BY SPECIAL FUNDS COMMITTEE	ACTION STATUS
			prescribed by the Public Sector Accounting Standards Board and in compliance with Regulation 101(4) of the Public Finance Management (National Government) Regulations, 2015.	
	2018/2019	373-375 Investment Property	<p>The Committee recommends that :</p> <p>The Accounting Officer ensures that all applicable accounting and financial controls, systems, standards, laws, and procedures are followed in the preparation of the financial statements and accordance with the standards prescribed by the Public Sector Accounting Standards Board and in compliance with Regulation 101 (4) of the Public Finance Management (National Government) Regulations, 2015.</p>	The matter is resolved
	2018/2019	379-380 Trade Debtors Unsupported Trade Debtors Balances –NO. 379 & 380	<p>The Committee recommends that:</p> <p>i. The Accounting Officer should ensure that the Fund Keeps adequate financial and accounting records in compliance with the provisions of the Public Finance Management Act,2012 section 68(2)(b) and (c) and Regulation 100 of the Public Finance Management (National Government) Regulations, 2015; and</p> <p>ii. The Accounting Officers should within three months upon the adoption of this report resolve the outstanding audit issue as required by section 68(2)(l) of the Public Finance Management Act,2012 and Section53(l) of The Public Audit Act, 2015.</p>	<p>This has been complied with in the subsequent financial years</p> <p>This has been complied with in the subsequent financial years</p>
		384. Loans to Untraceable Welfare Group	<p>The Committee recommends that:</p> <p>i. The Accounting Officer should ensure that the loans owed by the welfare groups are fully recovered; and</p> <p>ii. The Accounting Officer should ensure the Fund revises its credit policies on issuance of loans by introducing a thorough</p>	<p>The fund has continued to make efforts to recover outstanding loan amounts from youth groups.</p> <p>The fund has since revised its credit policy and reengineered its loan products.</p>

IMPLEMENTATION STATUS ON SFAC RECOMMENDATIONS FYs 2018/2019 – 2021/2022

VOTE	FINANCIAL YEAR	PARAGRAPH NO. AND TITLE	RECOMMENDATIONS BY SPECIAL FUNDS COMMITTEE	ACTION STATUS
			vetting process of persons seeking loans from the Fund as a measure of enhancing loan recoverability.	
		388. Other Exchange Debtors	<p>The Committee recommends that:</p> <p>The Accounting Officer should within three months of the adoption of this report request writing off the losses of Ksh. 2,287,648 (relating to imprest issued to the late Catherine Namuye and the late Bruce Odhiambo) per Section 69 of the PFM Act, 2012, and Regulation 148 of the Public Finance Management (National Government) Regulations, 2015 within three months of the adoption of this report.</p>	The Fund is in the process of writing –off the losses of Ksh. 2,287,648 (relating to imprest issued to the late Catherine Namuye and the late Bruce Odhiambo) Currently the fund is obtaining board approval for the same.
		395. Unsupported Loan balances	<p>The Committee recommends that:</p> <p>The Accounting Officer submitted an update to the Auditor-General on the recovery of Ksh. 180,184,855 within three months of the adoption of this report.</p>	The fund is in the process of recovering 180,184,855. (Attached are letters for ongoing recovery civil suit.)
		399. Default Penalty on Loans to Financial Intermediaries	<p>The Committee recommends that:</p> <ol style="list-style-type: none"> i. The Accounting Officer should within three months upon the adoption of this report provides a comprehensive ageing analysis in support of default penalty on loans of Kshs. 300,550,837 to the Auditor-General; and ii. The Accounting Officer ensures that all contacts entered into by the Fund are lawful and are complied with in compliance with section 68(2)(d) of the Public Finance Management Act 2012 	<p>Find attached the aging analysis for default penalty on the outstanding FI loan balances.</p> <p>This has complied with the PFM Act and Regulations 2015 in the subsequent financial years.</p>
	2018/2019	408-409 Trade Payables	<p>The Committee recommends that:</p> <ol style="list-style-type: none"> i. The Accounting Officer should within three months of adoption of the report submit a reconciliation of the outstanding payables of Ksh. 5,511,045 and Ksh. 4,650,750 to the office of the Auditor-General for audit verification. 	A reconciliation of the amount owed to suppliers (long outstanding payables) was done and the amount due was paid to the suppliers.

IMPLEMENTATION STATUS ON SFAC RECOMMENDATIONS FYs 2018/2019 – 2021/2022

VOTE	FINANCIAL YEAR	PARAGRAPH NO. AND TITLE	RECOMMENDATIONS BY SPECIAL FUNDS COMMITTEE	ACTION STATUS
			<p>ii. The Accounting Officer is to ensure that the Fund settles its payables within three months upon the adoption of this report in compliance with the Public Finance Management Act, 2012, and Public Procurement and Asset Disposal Act, 2015</p>	
	2018/2019	412-415 Inventories	<p>The Committee recommends that:</p> <p>i. The Accounting Officer seeks approval to dispose of the hatcheries within three months upon the adoption of this report.</p> <p>ii. The Accounting Officer ensures that all applicable accounting and financial controls, systems, standards, laws, and procedures are followed in the preparation of the financial statements in accordance with the standards prescribed by the Public Sector Accounting Standards Board and in compliance with Regulation 101(4) of the Public Finance Management (National Government) Regulations, 2015.</p>	<p>The Fund revalued its inventories FY 2022/2023 under the Public Sector Accounting Standards Board and in compliance with Regulation 101(4) of the Public Finance Management (National Government) Regulations. 2015.</p> <p>This has complied with the PFM Act and Regulations 2015 in the subsequent financial years.</p>
	2018/2019	419. General Expenses	<p>The Committee recommends that:</p> <p>The Accounting Officer ensures that all applicable accounting and financial policies, controls, laws, and procedures are followed in the procurement of goods and services in compliance with the provisions of the Public Procurement and Asset Disposal Act, 2015, and its Regulations.</p>	<p>This has complied with the PFM Act and Regulations 2015 in the subsequent financial years.</p>

IMPLEMENTATION STATUS ON SFAC RECOMMENDATIONS FYs 2018/2019 – 2021/2022

VOTE	FINANCIAL YEAR	PARAGRAPH NO. AND TITLE	RECOMMENDATIONS BY SPECIAL FUNDS COMMITTEE	ACTION STATUS
	2018/2019	423. Unresolved Prior Year Issues-	<p>The Committee recommends that:</p> <p>The Accounting Officer resolves all audit issues that remain outstanding as required by Section 68(2)(l) of the Public Finance Management Act, 2012 within three months upon the adoption of this report.</p>	This has complied with the PFM Act and Regulations 2015 in the subsequent financial years.
	2019/2020	427. Undisclosed Materials Uncertainty	<p>The Committee recommends that:</p> <p>The Accounting Officer ensures that all applicable accounting and financial controls, systems, standards, laws, and procedures are followed in the preparation of the financial statements in compliance with the Public Finance Management Act, 2012, and in accordance with the standards prescribed by the Public Sector Accounting Standards Board as per Regulation 101(4) of the Public Finance Management (National Government) Regulations, 2015.</p>	This has complied with the PFM Act and Regulations 2015 in the subsequent financial years.
	2019/2020	431 Errors in Financial Statements – un supported statement of cash flow	<p>The Committee recommends that:</p> <p>Within three (3) months after the adoption of this report, the Accounting Officer provides documentary evidence to show the unexplained prior-year adjustments of Ksh.84,855 under operating profit before working capital changes to the Auditor General for audit verification.</p>	The adjustment has since been made and the response given in 2019/2020. (Find attached)
	2019/2020	435. Receivable for Non-Exchange Transactions	<p>The Committee recommends that:</p> <ol style="list-style-type: none"> i. The Accounting Officer pursues the recovery of the outstanding deposits of Kshs.761,593.60 within three months of the adoption of this report. ii. The Accounting Officer ensures that all contracts entered into by the Fund are lawful and are complied with and per Section 68(2)(d) of the Public Finance Management Act 2012 	<p>The fund has and continues to make an effort to recover the rent deposits</p> <p>This has complied with the PFM Act and Regulations 2015 in the subsequent financial years</p>

IMPLEMENTATION STATUS ON SFAC RECOMMENDATIONS FYs 2018/2019 – 2021/2022

VOTE	FINANCIAL YEAR	PARAGRAPH NO. AND TITLE	RECOMMENDATIONS BY SPECIAL FUNDS COMMITTEE	ACTION STATUS
	2019/2020	440/441 Tuck Shops Rental Income	The Committee recommends that within three (3) months after the adoption of this report, the Accounting Officer provides documentary evidence to the office of the Auditor-General to explain the difference in the expected revenue of Kshs.2,916,000 as compared to the reported revenue of Kshs.1,999,500 leading to an understatement of revenue by Kshs.916,500.	Attached is a schedule of variance between the expected amount but reduced due to occupancy of the tuck shops.
	2019/2020	445-446 Unauthorized Utilization of Revolving Funds No. 445 and 446.	The Committee recommends that: i. The Accounting Officer takes appropriate measures to resolve the outstanding audit issues as required by Section 68(2)(l) of the Public Finance Management Act, 2012, and Section 53(l) of the Public Audit Act,2015; ii. Within three months of the adoption of this report, the Accounting Officer provides the supporting documentation ledgers showing original entries, journal entries, approval of the journals, and revised ledgers to the office of the Auditor General to support the utilization of the Revolving Fund.	This has complied with PPDA 2015 and its regulation in the subsequent financial years Currently, the fund utilizes the revolving fund for loan disbursement only.
		B465 Other Exchange Debtors	The Committee recommends that the Accounting Officer should within three months of the adoption of this report, write off the losses of Kshs.2,287,648 (relating to imprest issued to the late Catherine Namuye and the late Bruce Odhiambo) per Section 69 of the PFM Act, 2012, and Regulation 148 of the Public Finance Management (National Government) Regulations, 2015.	The Fund is in the process of writing –off the losses of Ksh. 2,287,648 (relating to imprest issued to the late Catherine Namuye and the late Bruce Odhiambo) Currently the fund is obtaining board approval to write off the losses.
	2019/2020	466.Unsupported Loan Balances	The Committee recommends that: i. The Accounting Officer should provide a status update to the office of the Auditor General on the pending civil case against Quarandum Limited in the subsequent financial year; Within three months of the adoption of this report, the	The Fund is in the process of recovering 180,184,855. (Attached are letters for ongoing recovery civil suit.) The Fund has since streamlined its procedures by developing policies and procedure manuals to strengthen its internal controls.

IMPLEMENTATION STATUS ON SFAC RECOMMENDATIONS FYs 2018/2019 – 2021/2022

VOTE	FINANCIAL YEAR	PARAGRAPH NO. AND TITLE	RECOMMENDATIONS BY SPECIAL FUNDS COMMITTEE	ACTION STATUS
			Accounting Officer provides a status report to the Auditor General on measures it has put in place to strengthen its internal controls to minimize opportunities for fraud.	
	2019/2020	470-471 Unsupported Interest on Investment	The Committee recommends that The Accounting Officer ensures that all supporting documentation are provided for audit verification within the timelines stipulated under section 31 of the Public Audit Act.	The matter was resolved
	2019/2020	475-475 Long Outstanding Payables Trade	The Committee recommends that the Accounting Officer ensures that the Fund verifies and settles its outstanding payables within three months upon the adoption of this report, in compliance with the Public Finance Management Act, 2012, and Public Procurement and Assets Disposal Act, 2015.	A reconciliation of the amount owed to suppliers (long outstanding payables) was done and the amount due was paid to the suppliers.
	2019/2020	480-481 Revaluation of Inventories	The Committee recommends that the Accounting Officer ensures that all applicable accounting and financial controls, systems, standards, laws, and procedures are followed in the preparation of the financial statements and accordance with the standards prescribed by the Public Sector Accounting Standards Board and in compliance with Regulation 101(4) of the Public Finance Management (National Government) Regulations. 2015.	The Fund revalued its inventories FY 2022/2023 per the Public Sector Accounting Standards Board and in compliance with Regulation 101(4) of the Public Finance Management (National Government) Regulations. 2015.
	2019/2020	485. Other matters: 14) Unresolved prior-year issues	The Committee recommends that the Accounting Officer resolve all the audit issues that remain outstanding as required by per section 68 (2) (I) of the office of the Public Finance Management Act, 2012 and Section 53(1) of the Public Audit Act, 2015 within three months upon the adoption of this report and submit a status report to the Auditor General for verification and reporting in the next audit cycle.	This has complied with the PFM Act and Regulations 2015 in the subsequent financial years
	2019/2020	REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF THE PUBLIC	The Committee recommends that: The Accounting Officer ensures that all applicable accounting, and financial policies, controls, laws, and procedures are	This has complied with PPDA 2015 and its regulation in the subsequent financial years

IMPLEMENTATION STATUS ON SFAC RECOMMENDATIONS FYs 2018/2019 – 2021/2022

VOTE	FINANCIAL YEAR	PARAGRAPH NO. AND TITLE	RECOMMENDATIONS BY SPECIAL FUNDS COMMITTEE	ACTION STATUS
		<p>RESOURCES. 489-490.Non-Compliance with the Public Procurement and Asset Disposal Act 2015</p> <p>A.Procurement of legal services</p>	<p>followed in the procurement of goods and services in compliance with the provision of the Public Procurement and Asset Disposal Act, 2015, and its regulations.</p>	
	2019/2020	<p>REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF THE PUBLIC RESOURCES. 489-490.Non-Compliance with the Public Procurement and Asset Disposal Act 2015</p> <p>A.Procurement of legal services</p>	<p>The Committee recommends that:</p> <p>The Accounting Officer ensures that all applicable accounting, and financial policies, controls, laws, and procedures are followed in the procurement of goods and services in compliance with the provision of the Public Procurement and Asset Disposal Act, 2015, and its regulations.</p>	<p>This has complied with PPDA 2015 and its regulation in the subsequent financial years</p>
		<p>494. General Expenses.</p>	<p>The Committee recommends that the Accounting Officer ensure that all applicable accounting and financial policies, controls, laws, and procedures are followed in the procurement of goods and services in compliance with the provisions of the Public Procurement and Disposal Act, 2015 and it is Regulations.</p>	<p>This has complied with PPDA 2015 and its regulation in the subsequent financial years</p>
		<p>498. Intangible Assets.</p>	<p>The Committee recommends that the Accounting Officer ensure that all applicable accounting and financial controls, systems, standards, laws, and procedures are followed in the procurement of goods and services in compliance with the Public Procurement and Disposal Act, 2015, and its Regulations.</p>	<p>This has complied with PPDA 2015 and its regulation in the subsequent financial years</p>

IMPLEMENTATION STATUS ON SFAC RECOMMENDATIONS FYs 2018/2019 – 2021/2022

VOTE	FINANCIAL YEAR	PARAGRAPH NO. AND TITLE	RECOMMENDATIONS BY SPECIAL FUNDS COMMITTEE	ACTION STATUS
		REPORT ON THE EFFECTIVENESS OF INTERNATIONAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE. 502. Motor Vehicles and Motorcycles	The Committee recommends that: i. The Accounting Officer should seek the approval of the Cabinet as per the circular REF OP/CAB.39/1A to dispose of grounded vehicles within three months upon the adoption of this report. ii. The Accounting Officer should ensure compliance with the provisions of The Public Procurement and Disposal Act, 2015, and its Regulations in the disposal of grounded vehicles.	The fund is currently disposing of its unserviceable assets including grounded motor vehicles as per the Public Procurement and Asset Disposal Act, 2015 attached is an appointment letter for the disposal Committee. This has complied with PPDA 2015 and its regulation in the subsequent financial years
	2020/2021	506. Unexplained Revolving Fund Variance.	The Committee recommends that i. The Accounting Officer provides supporting documents on journal entries, approval of journals, and revised ledgers to the Auditor General for audit verification within three months upon the adoption of this report: and, ii. The Accounting Officer takes the appropriate measures to resolve the outstanding audit issue as required by Section 68(2) (1) of The Public Finance Management Act, 2012, and Section 53(1) of the Public Audit Act, 2015.	Currently, the fund utilizes the revolving fund for loan disbursement only. This has been complied with the PFM Act and Regulations 2015 in the subsequent financial years
	2020/2021	512-514. Unconfirmed Receivables from Exchange Transactions	The Committee recommends that: i. The Accounting Officer write off the loss of the Kshs.2,196,848 (relating to the imprest issued to the late Catherine Namuye and the late Bruce Odhiambo) per section 69 of the PFM Act, 2012, and regulation 148 of the Public Finance Management (National Government) regulations, 2015 within three months upon the adoption of this report; ii. The Accounting Officer should ensure that the Fund keeps the required financial and accounting records in compliance with the provisions of the Public Finance Management Act, 2012 section 68(2)(b) and (c) and Regulation 100 of the Public Finance (National Government) Regulations, 2015.	The Fund is in the process of writing –off the losses of Ksh. 2,287,648 (relating to imprest issued to the late Catherine Namuye and the late Bruce Odhiambo) Currently, the fund is obtaining Board approval to write off the losses.

IMPLEMENTATION STATUS ON SFAC RECOMMENDATIONS FYs 2018/2019 – 2021/2022

VOTE	FINANCIAL YEAR	PARAGRAPH NO. AND TITLE	RECOMMENDATIONS BY SPECIAL FUNDS COMMITTEE	ACTION STATUS
			iii. The Accounting Officer takes appropriate measures to resolve the outstanding audit issues as required by section 68(2)(1) of the Public Finance Management Act, 2012 and section 53(1) of the Public Audit Act, 2015.	
	2020/2021	518.Doubtful Recovery of Receivables from Non-Exchange Transactions	<p>The Committee Recommends that:</p> <p>i. The Accounting Officer should ensure full recovery of the outstanding deposits of Ksh 761,593.60 within three months of this report.</p> <p>ii. The Accounting Officer ensures that all contracts entered into by the Fund are lawful and are compiled in accordance with Section 68 (2) (d) of The Public Finance Management Act 2012.</p>	<p>The fund has and continues to make an effort to recover the rent deposits</p> <p>This has complied with the PFM Act and Regulations 2015 in the subsequent financial years</p>
	2020/2021	529. Growing Concern of the Fund	<p>The Committee recommends that:</p> <p>i. The Accounting Officer puts in place appropriate recovery strategies, institutional policies and procedures, and good business practices to ensure improved financial performance within three months after the adoption of the report.</p> <p>ii. Within three months after the adoption of the report, the Accounting Officer submits to the National Assembly a report on the actions taken to ensure improved financial performance; and.</p> <p>iii.The Cabinet Secretary, the National Treasury, and Economic Planning assess whether there is a need for intervention in the fund in accordance to the provisions of Article 225 of the constitution and section 93 of the PFM Act within three months after the adoption of this report.</p>	<p>The Fund has continued to improve its financial performance as approved of same. The Fund has reported a surplus of Kshs. 5,048,222 in the last financial year 2022/2023.</p>
	2020/2021	Long outstanding payables	<p>The Committee recommends that the Accounting Officer ensures that the funds settle their payables within a reasonable time and in compliance with the Public Finance Management Act, 2012, and Public Procurement and Asset Disposal Act, 2015</p>	<p>A reconciliation of the amount owed to suppliers (long outstanding payables) was done and the amount due was paid to the suppliers.</p>

IMPLEMENTATION STATUS ON SFAC RECOMMENDATIONS FYs 2018/2019 – 2021/2022

VOTE	FINANCIAL YEAR	PARAGRAPH NO. AND TITLE	RECOMMENDATIONS BY SPECIAL FUNDS COMMITTEE	ACTION STATUS
	2020/2021	539-540. Incomplete Fixed Asset Register	The Committee recommends that the Accounting Officer ensures that the fund maintains a complete asset register as per the requirements of Regulation 143 of The Public Finance Management (National Government) Regulations within three months of the adoption of this report.	Currently, the fund has maintained a complete asset register as per the requirements of Regulation 143 of The PFM Act and Regulations 2015
	2020/2021	544. Grounded motors vehicles	The Committee recommends that i. The Accounting Officer seeks approval from the Cabinet as per the circular REF OP/CAB 39/I A to dispose of the grounded vehicles and motorcycles within three months of the adoption of this report. ii. The Accounting Officer is to ensure compliance with the provisions of the Public Procurement and Asset Disposal Act, 2015, and its regulations regarding the disposal of grounded vehicles.	The fund is currently disposing of its unserviceable assets including grounded motor vehicles as per the Public Procurement and Asset Disposal Act, 2015 attached is an appointment letter for the Disposal Committee.

8. UWEZO FUND

VOTE	FINANCIAL YEAR	PARAGRAPH NO. AND TITLE	RECOMMENDATIONS BY SPECIAL FUNDS COMMITTEE	ACTION STATUS
N/A	2018/2019	559 Unsupported Constituencies Administration costs	i. The Accounting Officer should ensure that accounting documentation is submitted on time in compliance with the provisions of section 68(2)(b) and (c) Public Finance Management Act of 2012 and regulation 100 of Public Finance Management (National Government) Regulations 2015. ii. Within three (3) months, of the adoption of the report, the Accounting Officer should submit expenditure returns for the remaining balance of Kshs. 50,306,246 to the Auditor General for audit verification for reporting in the next audit cycle.	Communication to the Constituency Committees on the timely submission of financial returns was done and improvement in the submission of the returns noted to almost 95% (Appendix 1) The Fund has initiated the re-engineering process which includes digitalization of the Fund for ease of reporting. Expenditure returns supporting Kshs.50,306,246 were received and submitted to the Auditor General for audit verification. The office of the Auditor General reviewed the documents in the audit cycle 2020/2021 and the issue was resolved. (Appendix II)

IMPLEMENTATION STATUS ON SFAC RECOMMENDATIONS FYs 2018/2019 – 2021/2022

VOTE	FINANCIAL YEAR	PARAGRAPH NO. AND TITLE	RECOMMENDATIONS BY SPECIAL FUNDS COMMITTEE	ACTION STATUS
N/A	2018/2019	564 Cash and Cash Equivalents	<ul style="list-style-type: none"> i. Within three (3) months, of the adoption of the report, the Accounting Officer submits the bank reconciliations statements for the 13 constituencies and the reported bank balance of Kshs. 129,673,210 to the Auditor General for audit verification for reporting in the next audit cycle. ii. The Accounting Officer ensures that all applicable accounting and financial controls, systems standards, laws, and procedures are followed in the preparation of the financial statements in compliance with the PFM Act, 2012, and in accordance with the PSASB as per regulation 101(4) of the PFM (National Government) Regulations, 2015. iii. The Principal Secretary, State Department for Youth Affairs considers deploying youth officers in each constituency for efficient administration of the Fund. 	<ul style="list-style-type: none"> i. Bank reconciliation statements, for the 13 constituencies were received in full as of 30th June 2021. A list of the returns from the 13 constituencies is attached as (Appendix III) ii. The Fund complies with all the applicable accounting and financial controls, standards, laws, and procedures in the preparations of its financial statements in adherence with the PFM Act 2012 and per PSASB as per regulation 101(4) of the PFM (National Government) Regulations, 2015. iii. Through Executive Order No. 01/2023, the Fund was moved to the Ministry of Cooperatives and MSMEs Development. Subsequently, the Fund has forwarded a request for additional staff to the State Department of MSMEs, who will ensure efficient reporting and accountability of expenditures and improved administration of the Fund activities in the constituencies. (Appendix IV)
	2018/2019	568 Unreconciled Bank balances	<ul style="list-style-type: none"> i. Within three (3) months, of the adoption of the report, the Accounting Officer submit the bank reconciliation statements for the 127 constituencies and for the reported bank balance of Kshs. 2,333,718,282 to the Auditor for audit verification and reporting in the next audit cycle. ii. The Accounting Officer complies with Sections 90(1),(3), and (4) of the PFM (National Government) Regulations 2015 when preparing bank reconciliations statements 	<ul style="list-style-type: none"> i. The Fund has since received bank reconciliation statements from 277 constituencies for balances amounting to Kshs. 1,949,077,260 out of the reported ii. Kshs. 2,333,718,282. Although bank reconciliations for 13 constituencies for the year ended June 2019 were not received, in the subsequent years, bank reconciliation statements from the 13 constituencies have been received. (Appendix V) iii. Subsequently, the Fund has endeavored to comply with Section 90(1),(3), and (4) of the PFM (National Government) Regulations 2015 when preparing bank reconciliation statements.

IMPLEMENTATION STATUS ON SFAC RECOMMENDATIONS FYs 2018/2019 – 2021/2022

VOTE	FINANCIAL YEAR	PARAGRAPH NO. AND TITLE	RECOMMENDATIONS BY SPECIAL FUNDS COMMITTEE	ACTION STATUS
	2018/2019	576. Kshs. 7,548,545 for Marakwet Constituency Loan	<ul style="list-style-type: none"> i. The Accounting Officer should ensure that accounting documentation is submitted on time in compliance with the provisions of the PFM Act 2012 section 68(2)(b) and (c) Public and Regulation 100 of Public Finance Management (National Government) Regulations 2015. ii. The Accounting Officer complies with the provision of Regulation section 90(3) of the PFM (National Government) Regulations 2015 when preparing bank reconciliation statements. iii. Within three (3) months, of the adoption of this report, the Accounting Officer should reconcile and clear the outstanding balance of Kshs.1,522,395 and submit the bank reconciliation statements and the supporting documents to the Auditor General for audit verification and reporting in the next audit cycle. 	<ul style="list-style-type: none"> i. The Fund has put in place measures to ensure the timely submission of documents in compliance with the provisions of the PFM Act 2012 section 68(2)(b) and (c) Public and Regulation 100 of Public Finance Management (National Government) Regulations 2015 (Appendix I). ii. Subsequently, the Fund has endeavored to comply with section 90 (3) of the PFM (National Government) Regulations 2015 when preparing bank reconciliation statements. iii. The Fund has made progress in reconciling the outstanding balances from Kshs.1,522,395 to Kshs.1,143,740 and the reconciliation of the remaining balance is underway. (Appendix VI)
	2018/2019	581 Loans to the Groups	<ul style="list-style-type: none"> i. The Accounting Officer ensures that necessary financial and accounting records are kept in compliance with the provisions of section 68(2)(b) of the PFM Act 2012 and section 100 of Public Finance Management (National Government) Regulations 2015. ii. The Accounting Officer takes appropriate measures to resolve any audit issues that remain outstanding as required by regulation 68(2)(1) of the PFM Act 2012 and section 53(1) of the Public Audit Act 2015 iii. Within three (3) months upon the adoption of this report, the Accounting Officer should submit the supporting documents for monies held at Central Bank of Kenya – Kshs.29,133,230, loan repayment accounts – Kshs.1,318,113,323 and the main account – Kshs. 959,279,966 to the Auditor General for audit verification and reporting in the next audit cycle. 	<ul style="list-style-type: none"> i. Consequently, the Fund has endeavored to comply with section 68(2)(b) of the PFM Act 2012 and section 100 of Public Finance Management (National Government) Regulations 2015 when preparing bank reconciliation statements ii. The Fund has proactively engaged the office of the Auditor General toward the closure of outstanding audit issues. (Appendix VII) iii. The Fund has prepared schedules in support of Kshs.29,133,230 held at the Central Bank of Kenya, Kshs. 1,231,752,939.93 for loan repayment and Kshs.917,310,733.02 for the main account for 277 Constituencies (Appendix VIII)

IMPLEMENTATION STATUS ON SFAC RECOMMENDATIONS FYs 2018/2019 – 2021/2022

VOTE	FINANCIAL YEAR	PARAGRAPH NO. AND TITLE	RECOMMENDATIONS BY SPECIAL FUNDS COMMITTEE	ACTION STATUS
	2018/2019	586 Work in Progress	<ul style="list-style-type: none"> i. The Accounting Officer should ensure that the latest technology of the ERP system is implemented without further delay. ii. The Accounting Officer should ensure that all contracts entered into by the entity are lawful and are compiled in compliance with Regulation 68(2)(d) of the PFM Act, 2012. iii. Within three (3) months of the adoption of this report, the Accounting Officer submit a status report and supporting documents on the implementation of the ERP to the Auditor General for audit verification iv. The Accounting Officer takes appropriate measures to resolve any audit issues that remain outstanding as stipulated in section 53 of the Public Audit Act 2015 and section 53(1) of the Public Audit Act 2015. 	<ul style="list-style-type: none"> i. The Fund has installed four (4) modules namely Finance and Accounts, Procurement, records, Loans, and Credit, and installation of the remaining modules is in progress. ii. In compliance with regulations 68(2)(d) of the PFM Act 2012, the Fund has ensured that all contracts entered into are lawful and comply with the relevant regulations. iii. The Fund has prepared a report on the status of installation, and supporting documents for the ERP implementation, and invited the Auditor General's office to review it. iv. The Fund has proactively engaged the office of the Auditor General toward the closure of outstanding audit issues. (Appendix VII)
	2018/2019	590 Unsupported Balances	<ul style="list-style-type: none"> i. The Accounting Officer submits the supporting documents on the balance of Kshs.4,171,786 to the Auditor General for audit verification and report in the subsequent audit cycle within three months of the adoption of the report. ii. The Accounting Officer institutes a payment mechanism that requires inputting the group names for easy identification and reconciliation of trade and other payables. iii. The Accounting Officer takes appropriate measures to resolve any audit issues that remain outstanding as required by section 68(2)(1) of the PFM Act 2012 and section 53(1) of the Public Audit Act 2015 	<p>The Fund received bank reconciliation statements from the constituencies reconciling the Kshs.4,171,786 receipts in a bank not recorded in the cashbook (Appendix IX)</p> <p>The Fund introduced pay bills as an alternative mode of payment in 2022, with each group provided a unique identifier for easy identification.</p> <p>The Fund has proactively engaged the office of the Auditor General towards the closure of outstanding audit issues per section 68(2)(1) of the PFM Act 2012 and section 53(1) of the Public Audit Act 2015. (Appendix VII)</p>
	2018/2019	602 Financial misconduct	<ul style="list-style-type: none"> i. Within three (3) months of the adoption of this report EACC should deposit the recovered money to the Bumula constituency Uwezo Fund bank account 	<p>The EACC is yet to deposit the recovered money despite the Fund writing several reminder letters requesting that the funds be deposited back into the Uwezo Fund Bumula constituency loan repayment bank account. (Appendix X).</p>

IMPLEMENTATION STATUS ON SFAC RECOMMENDATIONS FYs 2018/2019 – 2021/2022

VOTE	FINANCIAL YEAR	PARAGRAPH NO. AND TITLE	RECOMMENDATIONS BY SPECIAL FUNDS COMMITTEE	ACTION STATUS
			ii. The DCI, DPP, and EACC take appropriate action against the concerned individuals for financial misconduct	The appropriate action was taken against the individuals involved, and the case was processed to court and filed under case No. ACC 2/2021 at Kakamega Law Courts. The matter is awaiting court determination.
	2018/2019	606 Un-resolved prior years' issues	i. The Committee recommended that the Accounting Officer should take appropriate measures to resolve the outstanding prior audit issues as required by section 68(2)(1) of the PFM Act 2012 and section 53(1) of the Public Audit Act 2015 within three months upon the adoption of the report and submit the status report to the Auditor General for audit verification	The Fund has proactively engaged the office of the Auditor General towards the closure of outstanding audit issues as required by section 68(2)(1) of the PFM Act 2012 and section 53(1) of the Public Audit Act 2015. (Appendix VII)
	2019/2020	611 Accuracy of Financial Statements	<p>i. The Accounting Officer ensures that all applicable accounting and financial controls, systems standards, laws, and procedures are followed in the preparation of the financial statements and accordance with standards prescribed by PSASB and in compliance with regulation 101(4) of the PFM (National Government) Regulations 2015.</p> <p>ii. The Accounting Officer should within three months of the adoption of the report submit to the Auditor General the detailed ledger relating to the reported figures of Kshs.1,114,669 and Kshs.118,282,727 in the statements of cash flow for trade and other payables and non-current receivables for audit verification and reporting in the subsequent audit cycle.</p>	<p>The Fund complies with all the applicable accounting and financial controls, standards, laws, and procedures in the preparations of its financial statements in accordance with standards prescribed by PSASB and in adherence with regulation 101(4) of the PFM (National Government) Regulations 2015.</p> <p>The reported figures of Kshs.1,114,669 and Kshs.118,282,727 for trade and other payables and non-current receivables represent movements in the cash and cash equivalents during the year under review.</p>
	2019/2020	625 Unsupported Constituencies Administration costs	<p>i. The Accounting Officer should ensure that relevant accounting documentation is submitted within a reasonable time in compliance with provisions of Section 68(2) (b) of the Public Finance Management Act 2012 and IPSAS 1(27)</p> <p>iii. Within three (3) months upon the adoption of this report the Accounting Officer should address all the unresolved prior year matters in the audit report as provided in section 53 of the Public Audit Act, 2015, and submit the status</p>	<p>In compliance with provisions of section 68(2) (b) of the Public Finance Management Act, 2012 and IPSAS 1 (27), the Fund issued a communication to the Constituency Committees concerning the timely submission of financial returns. This has resulted in an improvement in returns submission to almost 95% compliance (Appendix I)</p> <p>The Fund has continuously engaged the office of the Auditor General towards the closure of outstanding audit</p>

IMPLEMENTATION STATUS ON SFAC RECOMMENDATIONS FYs 2018/2019 – 2021/2022

VOTE	FINANCIAL YEAR	PARAGRAPH NO. AND TITLE	RECOMMENDATIONS BY SPECIAL FUNDS COMMITTEE	ACTION STATUS
			report to the Auditor General for audit verification	issues as required by section 53(1) of the Public Audit Act 2015. (Appendix VII)
	2019/2020	633 Unsupported and unreconciled cash and cash equivalents	<ul style="list-style-type: none"> i. The Accounting Officer should within (3) months upon the adoption of this report submit supporting documents for 343 bank account balances to the Auditor General for audit verification and reporting in the subsequent audit cycle ii. The Accounting Officer should ensure that all accounting documentation is submitted within a reasonable time in compliance with the provision of the Public Finance Management Act, 2012 section 68(2)(b). ii. The Principal Secretary State Department for Youth Affairs considers deploying a Youth Officer in each constituency for efficient reporting and accountability of expenditure and improved the administration of the Fund. 	<p>The Fund maintains three bank accounts in each of the 290 constituencies namely main, loan repayment, and administration totaling 870 bank accounts. At the time of audit review, the Fund had received supporting documents for 527 bank accounts leaving a balance of 343 bank accounts. The Fund has since received an additional 304 supporting documents from 343. bank accounts out the 343. This brings the total number of bank accounts with supporting documents to 831 out of 870. (Appendix XI)</p> <p>In compliance with provisions of Section 68(2) (b) of the Public Finance Management Act 2012, the Fund issued a communication to the Constituency Committees concerning the timely submission of accounting documentation. In the subsequent financial years, there has been an improvement to almost 95% compliance. (Appendix I)</p> <p>Through Executive Order No. 01/2023, the Fund was moved to the Ministry of Cooperatives and MSMEs Development. Subsequently, the Fund has forwarded a request for additional staff for the State Department of MSMEs, who will ensure efficient reporting and accountability of expenditures and improved administration of the Fund activities in the constituencies. (Appendix IV)</p>
	2019/2020	638 Unsupported and Unaccountable for Loan Groups	<ul style="list-style-type: none"> i. The Accounting Officer should ensure that all financial and accounting records are kept in compliance with the provision of the Public Finance Management Act 2012 section 68(2)(b) and (c) and Regulations 100 of the Public Finance Management (National Government) Regulations, 2015. 	<ul style="list-style-type: none"> i. In compliance with the provision of the Public Finance Management Act 2012 section 68(2)(b) and (c) and regulation 100 of the Public Finance Management (National Government) Regulations 2015, the Fund issued a communication to constituency Committees about the proper maintenance of financial and

IMPLEMENTATION STATUS ON SFAC RECOMMENDATIONS FYs 2018/2019 – 2021/2022

VOTE	FINANCIAL YEAR	PARAGRAPH NO. AND TITLE	RECOMMENDATIONS BY SPECIAL FUNDS COMMITTEE	ACTION STATUS
			<ul style="list-style-type: none"> ii. The Accounting Officer takes appropriate measures to resolve any audit issues that remain outstanding as required by section by section 68(2) (1) of the Public Finance Management Act 2012 and Section 53(1) of the Public Audit Act, 2015 iii. Within three (3) months of the adoption of this report the Accounting Officer submits the supporting documents for monies held at Central Bank Kenya Kshs.44,747,632 loan repayment Accounts Kshs.1,267,738,578 and the main account Kshs.1,076,007,578 to the Auditor General for audit verification and reporting in the subsequent audit cycle. iv. 	<p>accounting records. (Appendix I)</p> <ul style="list-style-type: none"> ii. The Fund has proactively engaged the office of the Auditor General towards the closure of outstanding audit issues as required by section 68(2)(1) of the PFM Act 2012 and section 53(1) of the Public Audit Act 2015. (Appendix VII) iii. The Fund has prepared schedules in support of Kshs.44,747,632 held at the Central Bank of Kenya, Kshs. 1,267,738,578 for loan repayment and Kshs.1,076,007,578 for the main account (Appendix XII)
	2019/2020	644 Work In Progress (WIP) – Stalled Projects	<ul style="list-style-type: none"> i. The Accounting Officer ensures that the latest technology of the ERP system is implemented without further delay. ii. The Accounting Officer ensures that all the contracts entered into by the entity are lawfully compiled in compliance with section 68(2)(d) of the PFM Act 2012; and iii. Within three (3) months of the adoption of this report the Accounting Officer should submit the status report and the relevant supporting documents on the implementation of the ERP to the Auditor General for audit verification and reporting in the subsequent audit cycle. 	<ul style="list-style-type: none"> i. The Fund has installed four (4) modules, namely Finance and Accounts, Procurement, Records, Loans, and Credit, and the installation of the remaining modules is in progress. ii. The Fund will ensure that all future contracts are entered in compliance with section 68(2)(d) of the PFM Act 2012 iii. The Fund has prepared a report on the status of installation, and supporting documents for the ERP implementation, and invited the Auditor General's office to review it.
	2019/2020	663 Supply and Delivery of Publicity Materials	<ul style="list-style-type: none"> i. The Committee recommends that the Accounting Officer ensures that all the applicable accounting and financial controls, systems standards, laws, and procedures are followed in the procurement of goods and services in compliance with the Public Procurement and Asset Disposal Act 2015 and its Regulations. 	<p>The Fund ensures that all the applicable accounting and financial controls, systems standards, laws, and procedures are followed in the procurement of goods and services and compliance with the Public Procurement and Asset Disposal Act 2015 and its Regulations.</p>

IMPLEMENTATION STATUS ON SFAC RECOMMENDATIONS FYs 2018/2019 – 2021/2022

VOTE	FINANCIAL YEAR	PARAGRAPH NO. AND TITLE	RECOMMENDATIONS BY SPECIAL FUNDS COMMITTEE	ACTION STATUS
	2019/2020	669 Motor Vehicle Repairs	<ul style="list-style-type: none"> i. Within three (3) months of the adoption of this report the Accounting Officer submits supporting documents for Ksh 1,156,305 on repairs and maintenance to the Auditor General for auditor verification and reporting in the subsequent audit cycle. ii. The Accounting Officer should always ensure that all applicable accounting and financial controls, systems, standards, laws, and procedures are followed in the Procurement And Asset Disposal Act, 2015, and its regulations 	<p>The supporting documents for Kshs.1,156,305 relating to motor vehicle repairs and maintenance are available. (Appendix XIII)</p> <p>The Fund ensures that all the applicable accounting and financial controls, systems standards, laws, and procedures are followed in the procurement of goods and services and compliance with the Public Procurement and Asset Disposal Act 2015 and its Regulations.</p>
	2019/2020	689 Unsupported and unreconciled Cash and Cash Equivalents	<ul style="list-style-type: none"> i. The Accounting Officer should ensure that all the accounting documentation is received within a reasonable time in compliance with provisions of the Public Finance Management Act 2012 section 68(2) (b) and (c) and Regulation 100 of the Public Finance Management (National Government) Regulations, 2015 ii. The Principal Secretary State Department for Youth Affairs considers to deploying a youth officer in each constituency for efficient reporting and accountability of expenditures and improved administration of the funds. iii. The Accounting Officer ensures that the Fund automates its functions for efficient reporting and accountability of expenditures ii. Within three (3) months of the adoption of this report the Accounting Officer submits bank reconciliation statements confirmation certificates of bank balance board of survey reports and copies of cash book extract for the 291 bank accounts to the Auditor General for the audit verification and reporting in the subsequent audit cycle 	<p>In compliance with provisions of the Public Finance Management Act 2012 section 68(2) (b) and (c) and regulations 100 Of Public Finance Management (National Government) Regulations, 2015, the Fund issued a communication to the Constituency Committees concerning the timely submission of accounting documentation. In the subsequent financial years, there has been an improvement to almost 95% compliance. (Appendix I)</p> <p>Through Executive Order No. 01/2023, the Fund was moved to the Ministry of Cooperatives and MSMEs Development. Subsequently, the Fund has forwarded a request for additional staff for the State Department of MSMEs, who will ensure efficient reporting and accountability of expenditures and improved administration of the Fund activities in the constituencies. (Appendix IV)</p> <p>The Fund has initiated the re-engineering process which includes digitalization of the Fund for ease of reporting.</p> <p>The Fund has received 277 bank reconciliation statements, confirmation certificates of bank balance, board of survey reports, and copies of cash book extract. (Appendix XIV)</p>

IMPLEMENTATION STATUS ON SFAC RECOMMENDATIONS FYs 2018/2019 – 2021/2022

VOTE	FINANCIAL YEAR	PARAGRAPH NO. AND TITLE	RECOMMENDATIONS BY SPECIAL FUNDS COMMITTEE	ACTION STATUS
	2019/2020	694 Unsupported Long-Term Receivables	<ul style="list-style-type: none"> i. The Accounting Officer should ensure that necessary financial and accounting records are kept in compliance with the provision of the Public Finance Management Act 2012 Section 68(2) (b) and (c) and Regulations 100 of the Public Finance Management (National Government) regulations 2015; ii. The Principal Secretary of the State Department For Youth Affairs considers deploying a youth officer in each constituency for efficient reporting and accountability of expenditures and improved administration of the fund. iii. The Accounting Officer ensures that all outstanding audit issues are resolved as required by section 68(2)(1) of the Public Finance Management Act 2012 and section 53(1) of the Public Audit Act 2015. iv. Within three (3) months of the adoption of this report the Accounting Officer should submit the following documents to the Auditor General for audit verification and reporting in the subsequent audit cycle: <ul style="list-style-type: none"> a) Bank reconciliation statements, confirmation certificate of balance, board of survey report, and copies of cash book extracts for the 291 bank accounts; b) Comprehensive loan listing and aging analysis supporting the outstanding loans. v. Debtors' ledger detailing the loans issued by the fund since inception and the repayment made over the years for the audit review. 	<p>In compliance with the provision of the Public Finance Management Act 2012 section 68(2)(b) and (c) and regulation 100 of the Public Finance Management (National Government) Regulations 2015, the Fund issued a communication to constituency Committees concerning the proper maintenance of financial and accounting records. (Appendix I)</p> <p>Through Executive Order No. 01/2023, the Fund was moved to the Ministry of Cooperatives and MSMEs Development. Subsequently, the Fund has forwarded a request for additional staff for the State Department of MSMEs, who will ensure efficient reporting and accountability of expenditures and improved administration of the Fund activities in the constituencies. (Appendix IV)</p> <p>The Fund has proactively engaged the office of the Auditor General towards the closure of outstanding audit issues as required by section 68(2)(1) of the PFM Act 2012 and section 53(1) of the Public Audit Act 2015 (Appendix VII)</p> <p>a)The Fund has prepared 277 banks reconciliation statements, confirmation certificates of bank balance, board of survey reports and copies of cash book extract are available for review and verification by the Auditor General.(Appendix XIII)</p> <p>b)The Fund has prepared a summary loan listing and aging analysis supporting the outstanding loans and is available for audit review and verification by the Auditor General(Appendix XV)</p> <p>c)The Fund has prepared a summary of the debtors' ledger detailing the loans issued by the Fund since inception and</p>

IMPLEMENTATION STATUS ON SFAC RECOMMENDATIONS FYs 2018/2019 – 2021/2022

VOTE	FINANCIAL YEAR	PARAGRAPH NO. AND TITLE	RECOMMENDATIONS BY SPECIAL FUNDS COMMITTEE	ACTION STATUS
				the repayment made over the years for audit review and verification.
	2019/2020	698 Unsupported Constituencies Administration Costs	<p>i. Within three months after the adoption of this report, the Accounting Officer should provide the expenditure returns of the administration costs of Kshs 42,645,156 in respect of 77 constituencies to the Auditor General for the audit verification and reporting in the next audit cycle</p> <p>ii. The Accounting Officer should ensure that necessary accounting documentation is submitted within a reasonable time in compliance with the provisions of the Public Finance Management National Government Regulations 2012 Section 68(2)(b) and (c) and regulations 100 of the Public Finance Management (National Government) regulation 2015</p> <p>iii. The Principal Secretary State Department for Youths Affairs considers deploying a youth officer for efficient reporting and accountability of expenditures and improved administration of the fund</p>	<p>The Fund has received expenditure returns from 64 out of the 77 Constituencies accounting for Kshs. 17,197,950 out of the Kshs.42,645, 156 administration cost.</p> <p>In compliance with provisions of the Public Finance Management Act 2012 section 68(2) (b) and (c) and regulations 100 of Public Finance Management (National Government) Regulations, 2015, the Fund issued a communication to the Constituency Committees concerning the timely submission of accounting documentation. In the subsequent financial years, there has been an improvement to almost 95% compliance. (Appendix 1)</p> <p>Through Executive Order No. 01/2023, the Fund was moved to the Ministry of Cooperatives and MSMEs Development. Subsequently, the Fund has forwarded a request for additional staff for the State Department of MSMEs, who will ensure efficient reporting and accountability of expenditures and improved administration of the Fund activities in the constituencies. (Appendix IV Letter requesting additional staff)</p>
	2019/2020	702 Unresolved Prior Years Audit Matters	<p>i. The Committee recommends that within three months of the adoption of this report, the Accounting Officer should resolve all the outstanding audit issues as required under section 68(2)(l) of the Public Finance Management Act 2012 and section 53(l) of the Public Audit Act 2015.</p>	<p>The Fund has proactively engaged the office of the Auditor General towards the closure of outstanding audit issues as required by section 68(2)(1) of the PFM Act 2012 and section 53(1) of the Public Audit Act 2015 (Appendix vii)</p>
	2019/2020	706 Internal Control Weaknesses in Fund Administration at the Constituency	<p>i. Within three months of the adoption of this report the Accounting Officer should ensure that all the accounting documentation is submitted within reasonable time in compliance with provisions of Public Finance Management (National Government) Regulations 2015</p>	<p>i. In compliance with provisions of the Public Finance Management Act 2012 section 68(2) (b) and (c) and regulations 100 of Public Finance Management (National Government) Regulations, 2015, the Fund issued a communication to the Constituency</p>

IMPLEMENTATION STATUS ON SFAC RECOMMENDATIONS FYs 2018/2019 – 2021/2022

VOTE	FINANCIAL YEAR	PARAGRAPH NO. AND TITLE	RECOMMENDATIONS BY SPECIAL FUNDS COMMITTEE	ACTION STATUS
			<p>ii. The Accounting Officer should ensure that all the accounting and financial controls systems standards always and procedures are followed in procuring or in preparation and filing of accounting documentation in compliance with the provisions of the Public Finance Management Act 2012 and its regulations as well as the Public Procurement and Asset Disposal Act,2015.</p> <p>ii. The Principal Secretary State Department for Youth Affairs considers deploying a youth officer in each constituency for efficient reporting and accountability of expenditures and improved administration of the fund.</p>	<p>Committees concerning the timely submission of accounting documentation. In the subsequent financial years, there has been an improvement to almost 95% compliance. (Appendix 1)</p> <p>ii. The Fund has ensured that all the applicable accounting and financial controls, systems standards, and procedures are followed in procuring goods and services including the filing of accounting documentation in compliance with the provisions of the Public Finance Management Act 2012 and its regulations as well as the public procurement and asset Disposal Act 2015.</p> <p>Through Executive Order No. 01/2023, the Fund was moved to the Ministry of Cooperatives and MSMEs Development. Subsequently, the Fund has forwarded a request for additional staff for the State Department of MSMEs, who will ensure efficient reporting and accountability of expenditures and improved administration of the Fund activities in the constituencies. (Appendix IV)</p>

9. CIVIL SERVANTS HOUSING SCHEME FUND

VOTE	FINANCIAL YEAR	PARAGRAPH NO. AND TITLE	RECOMMENDATIONS BY SPECIAL FUNDS COMMITTEE	ACTION TAKEN
1094	2020-2021	712 Inaccuracies in Statement of Change in Net Assets	<p>i. The Accounting Officer ensures that all applicable accounting and financial controls, systems, standards, laws, and procedures are followed in the preparation of financial statements and accordance with the standard prescribed by the Public Sector Accounting Standards Board in compliance with Regulation 101(4) of the Public Finance Management (National Government) Regulations, 2015</p>	<p>The financial reports were revised per the standard prescribed by the Public Sector Accounting Standards Board in compliance with Regulation 101(4) of the Public Finance Management (National Government) Regulations, 2015, and submitted to the Auditor for verification</p> <p>All the audit evidence and documentation were submitted</p>

IMPLEMENTATION STATUS ON SFAC RECOMMENDATIONS FYs 2018/2019 – 2021/2022

VOTE	FINANCIAL YEAR	PARAGRAPH NO. AND TITLE	RECOMMENDATIONS BY SPECIAL FUNDS COMMITTEE	ACTION TAKEN
			ii. The Accounting Officer ensures the timely provision of accounting documentation required for audit verification as per the provisions of sections 31(4), and 53 of the Public Audit Acts, 2015	to the Auditor for further verification per the provisions of sections 31(4), and 53 of the Public Audit Acts, 2015
1094	2020-2021	719 Unsupported Advertisement, Awareness, and Publicity	<p>i. The Accounting Officer ensures that all applicable accounting and financial controls, systems, standards, laws, and procedures are followed in the preparation of financial statements and accordance with the standard prescribed by the Public Sector Accounting Standards Board in compliance with Regulation 101(4) of the Public Finance Management (National Government) Regulations, 2015</p> <p>ii. The Accounting Officer ensures the timely provision of accounting documentation required for audit verification as per the provisions of sections 31(4), and 53 of the Public Audit Act, 2015</p> <p>iii. The Accounting Officer submits the correctional Journal entries for KShs.19,816,522 and KShs.29,294,888 to the office of the Auditor-General for verification within three months of the adoption of this report</p>	<p>The financial reports were revised per the standard prescribed by the Public Sector Accounting Standards Board in compliance with Regulation 101(4) of the Public Finance Management (National Government) Regulations, 2015, and submitted to the Auditor for verification</p> <p>All the audit evidence and documentation were submitted to the Auditor General for verification in accordance to provisions of sections 31(4), and 53 of the Public Audit Acts, 2015.</p> <p>The correctional Journal entries of Kshs. 19,816,522 and KShs.29,294,888 were submitted to the Auditor General for verification.</p>
1094	2020-2021	723 Unreconciled Training Expenses	The Committee recommends that the Accounting Officer liaise with the Office of the Auditor General to identify the KShs.2,511,880 training expenses, which were traced in the cash book but were not included in the ledger and provided the supporting schedules to the Auditor-General for verification within three months of the adoption of this report for audit verification and reporting in the next audit cycle	The payment vouchers ledger totaling Kshs. 2,511,880 on training expenses were identified and submitted to the Auditor-General for verification
1094	2020-2021	736 Receivables from Exchange Transactions	<p>i. The Accounting Officer submits a status report on the recovery of the KShs.109,647,558 paid to the PS Lands to the Auditor-General within three months of the adoption of this report.</p> <p>ii. The Accounting Officer submits details of the composition of long-term receivables of KShs. 5,704,391,996 to the</p>	<p>The status report on the recovery of the KShs. 109,647,558 was submitted to the Auditor General. The recovery will be gradual.</p> <p>The details of the composition of long-term receivables of KShs. 5,704,391,996 which include Mortgage Refinancing</p>

IMPLEMENTATION STATUS ON SFAC RECOMMENDATIONS FYs 2018/2019 – 2021/2022

VOTE	FINANCIAL YEAR	PARAGRAPH NO. AND TITLE	RECOMMENDATIONS BY SPECIAL FUNDS COMMITTEE	ACTION TAKEN
			<p>Auditor-General for verification within three months of the adoption of this report by the National Assembly.</p> <p>iii. Within three months of the adoption of this report, the Accounting Officer submits a progress report, on the digitization of the system, to ensure the by-product is generated through the ERP system and is integrated into the IPPD system to provide monthly statements to facilitate clearance of balances in each client's account to the Auditor- General verification and reporting in the next audit cycle.</p>	<p>Scheme, HFCK, and KCB banks were submitted to the Auditor-General for verification</p> <p>The procurement process of a new ERP system is on course and progress of the same is communicated to the Auditor.</p>
1094	2020-2021	745 Cash and Cash Equivalent	<p>i. The Accounting Officer verifies and clears the outstanding balance of KShs.1,009,090, which is a payment in the cashbook, not in the bank within three months of the adoption of this report by the National Assembly and submits documentation to the Auditor-General for audit review and reporting in the subsequent audit cycle.</p> <p>ii. The Accounting Officer undertakes monthly bank reconciliations as per regulation 90(1) of the PFM (National Government) Regulations 2015</p> <p>iii. The Accounting Officer should, within three months of the adoption of this report to the National Assembly, on follow up with MDAs and County Governments to provide documentation for remittances.</p> <p>iv. The Accounting Officer reconciles the outstanding balance of KShs. 3,118,175.00 within three months of the adoption of this report and present the reconciliations to the Auditor-General for audit verification and reporting in the subsequent audit cycle</p>	<p>The Accounting Officer reconciled and cleared the outstanding balance of KShs.1,009,090 of payments in the cash book not in the bank and submitted the report to the Auditor General for review.</p> <p>Bank reconciliations were done and submitted to the Auditor as per regulation 90(1) of the PFM (National Government) Regulations 2015</p> <p>The Accounting Officer revised the financial report and provided all documentation to the Auditor for verification</p> <p>The Accounting Officer reconciled and cleared the outstanding balances of KShs.3,118,175.00 and a report was presented to the Auditor General for verification.</p>

IMPLEMENTATION STATUS ON SFAC RECOMMENDATIONS FYs 2018/2019 – 2021/2022

VOTE	FINANCIAL YEAR	PARAGRAPH NO. AND TITLE	RECOMMENDATIONS BY SPECIAL FUNDS COMMITTEE	ACTION TAKEN
1094	2020-2021	752 Budgetary Control and Performance	<ul style="list-style-type: none"> i. The Accounting Officer engages the services of an actuarial Scientist to predict the uncertain revenues in subsequent financial years. ii. The Accounting Officer ensures the timely provision of accounting documentation required for audit verification as per the provisions of sections 31(4), and 53 of the Public Audit Act, 2015 	<p>The Accounting Officer is in the process of analyzing data to ascertain revenues for the subsequent years</p> <p>Accounting documentation required for audit verification was provided to the Auditor as per the provisions of sections 31(4), and 53 of the Public Audit Act, of 2015</p>
1094	2020-2021	777 Inaccuracies in the Financial Stated.	<ul style="list-style-type: none"> i. Within three months of the adoption of this report, the Accounting Officer submits an explanation or reconciliation on the variances of Kshs. 2,978,615,639 and Kshs. 2,926,443,708 noted in the budget to the Auditor-General for audit verification. ii. The Accounting Officer ensures that all applicable accounting and financial controls, systems, standards, laws, and procedures are followed in the preparation of financial statements and accordance with the standard prescribed by the Public Sector Accounting Standards Board in compliance with Regulation 101(4) of the Public Finance Management (National Government) Regulations, 2015 	<p>The Variance was reconciled and a report was submitted to the Auditor-General for Verification</p> <p>Revised and compiled per the standard prescribed format by the Public Sector Accounting Standards Board in compliance with Regulation 101(4) of the Public Finance Management (National Government) Regulations, 2015</p>
1094		782 Unsupported Revenue balances	<ul style="list-style-type: none"> i. The Accounting Officer ensures the timely provision of accounting documentation required for audit verification as per the provisions of sections 31(4), and 53 of the Public Audit Act, 2015; and ii. The Accounting Officer provides to the Auditor-General for audit verification and reporting in the subsequent audit cycle the detailed analysis/workings/ indicating amounts accrued from each loan within three months of the adoption of this report 	<p>All required documentation, analysis, and schedules were provided to the Auditor for review as per the provisions of sections 31(4), and 53 of the Public Audit Acts, 2015</p>
1094		786 Finance Income – Investment Interest	<p>The Accounting Officer ensures the timely provision of accounting documentation required for audit verification as per the provisions of sections 31(4), and 53 of the Public Audit Act, 2015</p>	<p>All documentations were provided to the auditor for review as per the provisions of sections 31(4), and 53 of the Public Audit Acts, 2015</p>

IMPLEMENTATION STATUS ON SFAC RECOMMENDATIONS FYs 2018/2019 – 2021/2022

VOTE	FINANCIAL YEAR	PARAGRAPH NO. AND TITLE	RECOMMENDATIONS BY SPECIAL FUNDS COMMITTEE	ACTION TAKEN
1094		790 Rental Income	<ul style="list-style-type: none"> i. The Accounting Officer ensures the timely provision of accounting documentation required for audit verification as per the provisions of sections 31(4), and 53 of the Public Audit Acts, 2015; and ii. The Accounting Officer provides a detailed analysis supporting the additional rental income of KShs.46,008,856 for verification and reporting in the subsequent audit cycle by the Auditor-General within three months of tabling of this report 	<p>All documentations were provided to the Auditor for review as per the provisions of sections 31(4), and 53 of the Public Audit Acts, 2015</p> <p>A detailed analysis of the additional rental incomes which relates to billing from prior years was submitted to the Auditor-General for verification</p>
1094		794 Unsupported Refurbishment and of Residential Buildings	<ul style="list-style-type: none"> i. Within three months of the adoption of this report, the Accounting Officer submits the supporting schedules with details of the refurbished houses to account for the expenditure of KShs.10,797,713 to the Auditor General for the Audit verification and reporting in the subsequent audit cycle ii. The Accounting Officer ensures the timely provision of accounting documentation required for audit verification as per the provision sections 31(4), and 53 of the Public Audit Act, 2015 	<p>The supporting schedules with details of the refurbished houses to account for the expenditure of KShs.10,797,713 were provided to the Auditor-General for verification</p> <p>All documentations were provided to the auditor for review as per the provisions of sections 31(4), and 53 of the Public Audit Acts, 2015</p>
1094		806 Rent and Service Charge arrears	<ul style="list-style-type: none"> i. The Accounting Officer submits a status report on the recovery of the KShs.109,647,558 paid to the PS Lands to the Auditor-General within three months of the adoption of this report for audit verification and reporting in the subsequent audit cycle. ii. The Accounting Officer submits a progress report, on the digitization of the system, to ensure the by-product is generated through the ERP system and is integrated into the IPPD system to provide monthly statements to facilitate clearance of balances in each client's account to the Auditor- General verification and reporting in the next audit cycle 	<p>The status report on the recover recovery of the KShs. 109,647,558 was submitted to the Auditor General. The recovery will be gradual.</p> <p>The procurement process of a new ERP system is on course and the progress of the same is communicated to the Auditor.</p> <p>All the audit evidence and documentation were submitted to the Auditor as provided under Section31(4) of the Public Audit Act, 2015</p>

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VOTE	FINANCIAL YEAR	PARAGRAPH NO. AND TITLE	RECOMMENDATIONS BY SPECIAL FUNDS COMMITTEE	ACTION TAKEN
			iii. The Accounting Officer Submits all relevant documents during the audit for subsequent financial years to the Auditor-General as provided under Section31(4) of the Public Audit Act, 2015	
1094		810 Unsupported Long-Term Receivables from Exchange Transactions	<p>i. The Accounting Officer submits a progress report, on the digitization of the system, to ensure the by-product is generated through the ERP system and is integrated into the IPPD system to provide monthly statements to facilitate the clearance of balances in each client’s account to the Auditor- General within three months of the adoption of this report; and</p> <p>ii. The Accounting Officer to provide to the Auditor General key beneficiary information relating to the long-term receivables of KShs. 6,558,557,448 within three months of the adoption of this report</p>	<p>The procurement process of a new ERP system is on course and the progress of the same is communicated to the Auditor.</p> <p>Detailed analysis of key beneficiary information relating to the long-term receivables of KShs 6,558,557,448 which included Mortgage recoverable Scheme, HFCK bank and KCB bank were provided to the Auditor-General review.</p>
1094		816 Inaccuracies in Work in Progress	<p>i. The Accounting Officer provides an analysis of the balances per project to support the work in progress of KShs. 2,597,267,587 to the Auditor-General for audit verification and reporting in the subsequent audit cycle, within three months of adoption of this report;</p> <p>ii. The Accounting Officer ensures the timely provision of accounting documentation required for audit verification as per the provisions of sections 31(4), and 53 of the Public Audit Act, 2015</p>	<p>The analysis of the balances per project to support the work in progress of KShs. 2,597,267,587 was provided to the Auditor-General for audit verification</p> <p>All the accounting documentations required for audit verification were submitted to the Auditor as per the provisions of sections 31(4), and 53 of the Public Audit Act, 2015.</p>
1094		820 Variance between Property Plant and Equipment and Asset Register balances	<p>i. The Accounting Officer corrects the misclassification within three months of the adoption of this report and submits the documentation to the Auditor-General for audit verification and reporting in the subsequent audit cycle;</p> <p>ii. The Accounting Officer complies with the reporting format on assets by investing in accounting personnel and training them on the ERP system; and</p>	<p>The misclassification of Fixed Assets was corrected and support documentation submitted to the Auditor-General for audit verification</p> <p>The procurement process of a new ERP system is on course and progress communicated to the Auditor General</p> <p>The financial reports were revised per the Public Finance Management Act 2012 and as per the standard prescribed</p>

IMPLEMENTATION STATUS ON SFAC RECOMMENDATIONS FYs 2018/2019 – 2021/2022

VOTE	FINANCIAL YEAR	PARAGRAPH NO. AND TITLE	RECOMMENDATIONS BY SPECIAL FUNDS COMMITTEE	ACTION TAKEN
			iii. The Accounting Officer ensures that all applicable accounting and financial controls, systems, standards, laws, and procedures are followed in the preparation of the financial statements in compliance with the Public Finance Management Act 2012 and accordance with the standards prescribed by the Public Sector Accounting Standards Board as per Regulation 101(4) of the Public Finance Management (National Government) Regulations, 2015	by the Public Sector Accounting Standards Board as per Regulation 101(4) of the Public Finance Management (National Government) Regulations, 2015
1094		825 Untitled Investment Properties	The Committee recommends that the Accounting Officer provides a progress report to the Auditor General on the engagement with the State Department of Lands and other relevant stakeholders to fast-track the titling processing within three months of the adoption of this report for audit verification and reporting in the subsequent audit cycle	The Accounting Officer has engaged the State Department for Lands to fast-track the titling process. An inter-departmental taskforce has been formed to address the delays in title processing
1094		829 Budgetary Control and Performance	The Committee recommends that the Accounting Officer takes appropriate measures to ensure efficient budget utilization and implementation of the FY-planned activities	Going forward, the Accounting Officer will enhance budget planning implementation and monitoring to improve budget absorption
1094		833 Unresolved Prior Year Matters	The Committee recommends that the Accounting Officer takes appropriate measures to resolve the outstanding prior audit issues as required by Section 68(2)(1) of the Public Finance Management Act, 2012, and Section 53(1) of the Public Audit Act, 2015 within three (3) months upon the adoption of this report and submits the status report to the Auditor-General for audit verification	Appropriate actions and resolutions were undertaken to address prior audit issues and reports were sent to the Auditor General for verification