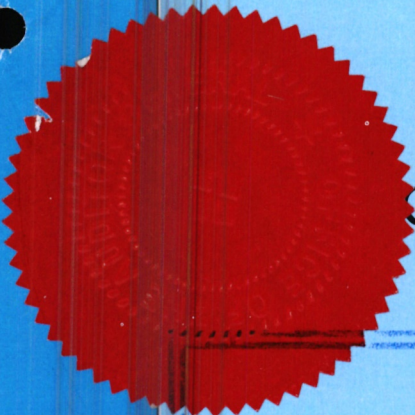

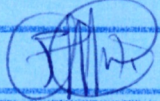


REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL



 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 30 JUL 2019	DAY: TUESDAY
TABLED BY:	MAJORITY LEADER
CLERK-AT-THE-TABLE:	

REPORT

PARLIAMENT
OF KENYA
LIBRARY

OF

THE AUDITOR-GENERAL

ON

**THE FINANCIAL STATEMENTS OF
RELIEF AND REHABILITATION CASH
TRANSFERS FUND**

**FOR THE YEAR
ENDED 30 JUNE 2018**

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR GENERAL
P.O. BOX 30984 - 00100, NAIROBI
KENYA

26 MAR 2019

RECEIVED

**MINISTRY OF DEVOLUTION AND PLANNING
STATE DEPARTMENT FOR SPECIAL PROGRAMMES**

RELIEF AND REHABILITATION CASH TRANSFERS FUND

FUND GRANT/CREDIT NUMBER GOK

ANNUAL FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

JUNE 30, 2018

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

RELIEF AND REHABILITATION CASH TRANSFERS FUND
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30TH 2018 (Kshs)

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Chakula kwa Jamii banner in Mirera, Laikipia County.

Chakula kwa Jamii banner in Mirera, Laikipia County.

1.0 KEY ENTITY INFORMATION AND MANAGEMENT

1.1 Background Information

The Relief and Rehabilitation Trust Fund is a body corporate established on June 2017. The key objective of the fund is to spearhead national drought relief emergency response.

1.1.1 CASH TRANSFER FOR RELIEF ASSISTANCE

The Government is adopting the use of cash-transfer to mitigate the effects of acute food shortage amongst families in arid and semi-arid counties deemed to be in most need of food assistance. The initiative known as 'Chakula kwa Jamii', is being implemented by the State Department for Special Programs in Partnership with **World Food Programme** (WFP) and other Coordinating Partners.

The Government will disburse an estimated Ksh. 1.8 billion through this Programme to supplement households' food needs. Reaching an estimated 1.6 million Kenyans drawn from 13 out of the 23 drought affected counties. Targeted households in arid areas get **ksh. 3,000** while those in semi-arid areas get Ksh.2,300 per month for the next three months during this period of acute food shortage.

Chakula kwa Jamii is a rapid food assistance intervention which uses electronic cash transfer in form of a scratch card. The cards are redeemed through the M-Pesa money transfer platform and targeted households are then able to purchase food of their choice. Technical support to set up the system was provided by World Food Programme (WFP) with the generous financial contribution from the United States Agency for International Development (USAID). The teams undertook the identification and registration of targeted communities as well as setting up the infrastructure to securely deliver the cash, monitor and report in a transparent manner.

The thirteen Counties targeted are **Kilifi, Kitui, Kwale, Lamu, Makueni, Laikipia, Taita-Taveta, Baringo, Garissa, Isiolo, Samburu, Tana River and West Pokot**. Both the National and County Government are working very closely and complementing each other's efforts to ensure no lives are lost.

This initiative is part of Government's relief response, through the State Department for Special Programs that aims to use cash transfers instead of in-kind food. Delivering cash is viewed as being much more efficient in targeted areas where functional markets exists. The funds are expected to support local markets and provide more food choices to beneficiaries in the affected areas. Those who receive cash through *Chakula kwa Jamii* will not receive in-kind relief from the National Government during the same period.

IMPLEMENTATION

The programme is being implemented in two phases. Phase one was implemented in July to early August 2017, and it covered five Counties (5), this included **West Pokot, Kilifi, Isiolo, Samburu and Laikipia**. The official launch was done in Kilifi County.

Phase two, was implemented in September, 2017, which covered eight (8) Counties namely: **Kwale, Baringo, Makueni, Kitui, Garissa, Tana River, Taita Taveta and Lamu**.

RELIEF AND REHABILITATION CASH TRANSFERS FUND
 REPORTS AND FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30TH 2018 (Kshs)

Name and Registered Office

Name: The Fund's official name is **Relief and Rehabilitation Fund**

Address: The Fund headquarters offices are at Extelcoms House, Nairobi County, Kenya.

The address of its registered office is:

P.O Box 40213-00200
 Nairobi.

Contacts: The following are the Fund contacts

Telephone: +254-202217475

E-mail:

Website:

1.2 Fund Information

Fund Start Date:	2017
Fund End Date:	10 YRS
Fund Manager:	VINCENT MATIOLI
Fund Sponsor:	Government of Kenya

1.3 Fund Overview

Line Ministry/State Department of the Fund	The Fund is under the supervision of State Department for Special Programmes.
Fund number	GOK FUND
Strategic goals of the Fund	The strategic goals of the Fund are as follows: (i) To cater for immediate food needs of the drought affected communities against the adversities of drought.

Achievement of strategic goals	The Fund management aims to achieve the goals through the following means: i. Coordinating activities related to emergency drought response ii. Provision of cash to food insecure households. iii. Resource mobilization iv. Capacity building and support scheme; v. Monitoring and evaluation of programme activities.
Other important background information of the Fund	The Fund was formed to counter the effects of drought that left many communities food insecure.

**RELIEF AND REHABILITATION CASH TRANSFERS FUND
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30TH 2018 (Kshs)**

Current situation that the Fund was formed to intervene	The Fund was formed to intervene in the following areas: (i) To provide relief assistance to drought affected populations in arid and semi-arid areas.
Fund duration	The Fund started on June, 2017 and is expected to run for 10 years.

1.4 Bankers

The following are the bankers for the current year:

1. Central Bank of Kenya

Relief and rehabilitation fund
A/C no.
Haile Selassie Avenue
P.O. Box 40213
City Square 00200
Nairobi, Kenya

1.5 Auditors:

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

1.6 Principal Legal Advisor

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

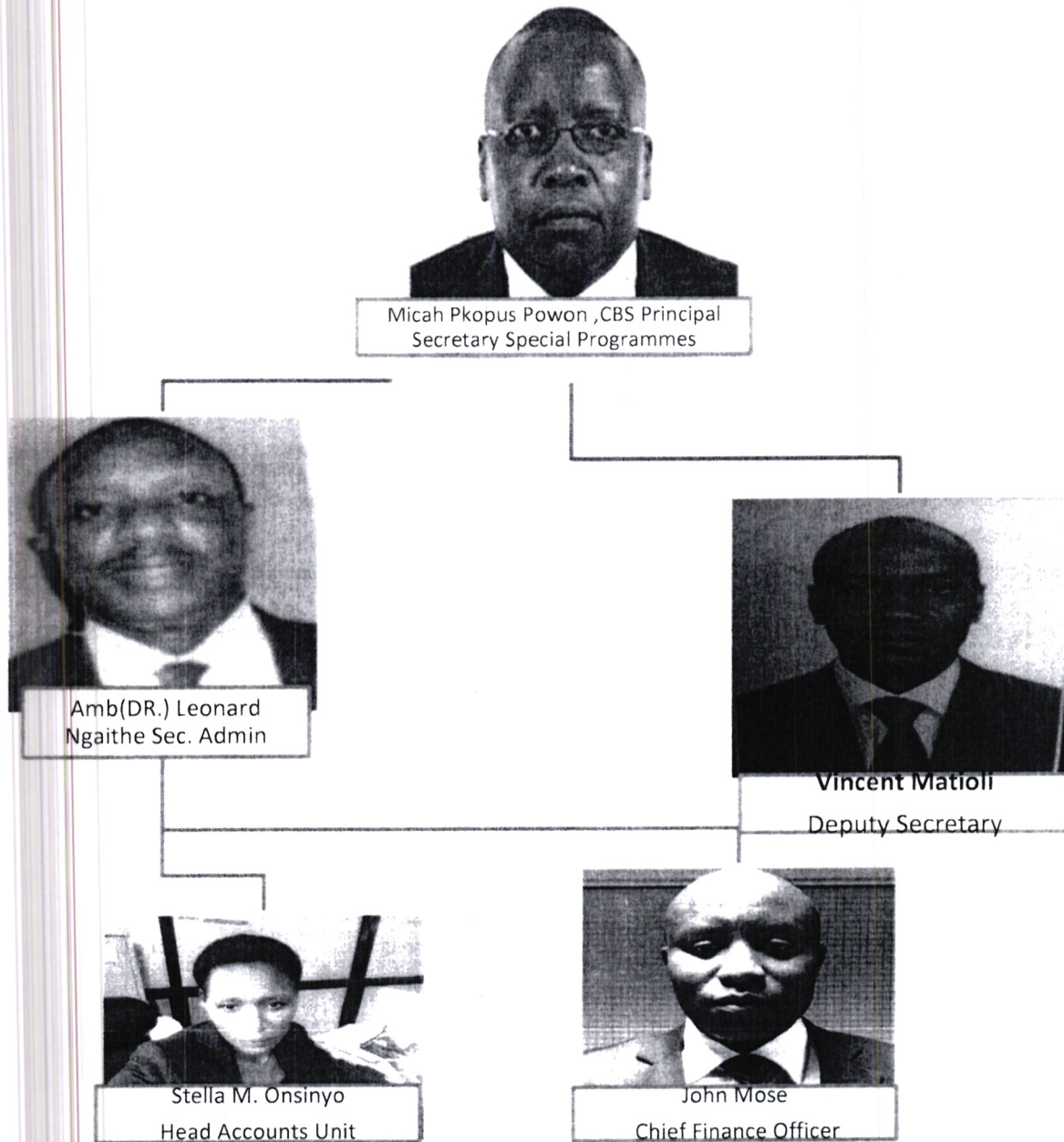
RELIEF AND REHABILITATION CASH TRANSFERS FUND
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30TH 2018 (Kshs)

1.7 Fiduciary Management

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

S/No	Names	Title designation	Responsibilities
1.	Micah P. Powon	Principal Secretary	Accounting Officer
2.	Vincent Matioli	Secretary	Secretary to the board
3.	Amb. Leonad Ngaithe	Secretary Admin.	Altn. Board Member
4.	Stella M. Onsinyo	D/PAC	Head Accounts Unit
5.	John Mose	Chief Finance Officer	Head Finance Unit

Senior Management in Fund Management (Continued)



	<p>Mr. Micah Pkopus Powon, CBS is currently the Principal Secretary, Ministry of Devolution and Planning, State Department for Special Programmes, a position he was appointed in April 2017 after serving as Principal Secretary, State Department for Correctional Services, by H.E. the President in November 2015. Powon holds a Bachelor of Science in Agriculture and Master of Science in Horticulture from University of Nairobi and Egerton University respectively</p>
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RELIEF AND REHABILITATION CASH TRANSFERS FUND
 REPORTS AND FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30TH 2018 (Kshs)



Mr. Vincent Matioli assumed the position of Acting Secretary State Department of Special Programs in February 2017. He is in charge of distribution of relief food to 23 Arid and semi-Arid Counties in Kenya and other Counties that may be food insecure due to other emergencies. He holds a Masters of Public Administration Degree from Moi University and a Bachelor of Arts Degree from the University of Nairobi.



Ambassador (Dr.) Leonard N. Ngaithe assumed the position of Director of Administration in 2016. Formerly he was the Director of Administration, Ministry of Trade and Tourism. He is in charge of promoting gender equality and social economic empowerment of women and youth. He holds a PHD in Business Administration from USIU Nairobi, Masters of Business Administration from USIU and Columbia Business School, Post Graduate diploma in International Relations and BA Honors(Government, Economics, Sociology) from University of Nairobi



Mrs Stella M. Onsinyo has been acting in the position of Head of Accounting Unit since the month of June 2018. She is in charge of accounting and financial reporting as well as designing, implementing and monitoring internal controls relevant to the preparation and fair presentation of financial statements. She is a Certified Public Accountant in Kenya-CPA (K) and holds Bachelors of Commerce from CUEA Finance Option



Mr. John Mose is a highly talented and enthusiastic professional with over 12 years of experience working with public service. Self-motivated with proven track record of success in implementing projects. He is currently undertaking a PhD in Economics at Kenyatta University, holds Masters and Bachelors of Arts (Economics) from the University of Nairobi. He has undertaken several short-term courses, among them Senior Management, Public Financial Management, Project Management, among others. He has worked with Ministry of Regional Development Authorities, Ministry of Planning, National Development and Vision 2030, Office of the Controller of Budget, The Commission on Revenue Allocation, currently working with The National Treasury as Deputy Director Budget/ Chief Finance Officer seconded to the State Department for Development of Arid and Semi-Arid Lands.

RELIEF AND REHABILITATION CASH TRANSFERS FUND
 REPORTS AND FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30TH 2018 (Kshs)

Members of the Fund

	Name	Designation
1	Mr. Micah P. Powon	Accounting Officer
2	Mr. Vincent Matioli	Chairman
3	Mrs Stella M. Onsinyo	Member
4	Mr. James Oduor	Member
5	Mrs. Truphena Mokaya	Member
6	Ms. Farah Asinduah	Secretary
7	Mr. John Mose	Member

1.8 Funding Summary

The Fund is for a duration of fiscal year from 2017 with an approved budget as determined by National Government highlighted in the table below:

Funding summary:

Source of funds	Ministry's Contribution	Amount paid to date (30th June, 2018)	Balance yet to be paid to date (30 th June, 2018)
	<i>Kshs</i>	<i>Kshs</i>	<i>Kshs</i>
	(A)	(B)	(A)-(B)
(i) Counterpart funds			
Government of Kenya Exchequer	2,000,017,657.00	1,921,450,388.00	78,567,269.00
(ii) Bank Interests	-	-	-
Total	2,000,017,657.00	1,921,450,388.00	78,567,269.00

1. 0. Summary of Overall Fund Performance:

1. Issuance of cash to drought affected and food insecure persons.
2. Monitoring the cash transfer programs

1.9 Summary of Fund Compliance:

There have been no cases of non-compliance with applicable laws and regulations.

RELIEF AND REHABILITATION CASH TRANSFERS FUND
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30TH 2018 (Kshs)

2.0 STATEMENT OF FUND MANAGEMENT RESPONSIBILITIES

The Principal Secretary for the State Department for Special Programs, the Authorizing officer and the Chairman of the Technical Committee are responsible for the preparation and presentation of the Fund's financial statements, which give a true and fair view of the state of affairs of the Fund for and as at the end of the financial year ended on June 30, 2018. This responsibility includes:

- (i) Maintaining adequate financial management arrangement and ensuring that these continue to be effective throughout the reporting period;
- (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Fund;
- (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statement, and ensuring that they are free from material misstatements, whether due to error or fraud;
- (iv) Safeguarding the assets of the Fund;
- (v) Selecting and applying appropriate accounting policies; and
- (vi) Making accounting estimates that are reasonable in the circumstances.

The Principal Secretary for the State Department for Special Programs and the Chairman Relief and Rehabilitation Fund accept responsibility for the Fund's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards.

The Principal Secretary for the State Department for Special Programs and the Chairman Relief and Rehabilitation Fund are of the opinion that the Fund's financial statements give a true and fair view of the state of Fund's transactions during the financial year/period ended June 30, 2018, and of the Fund's financial position as at that date. The Principal Secretary State Department for Special Programs and the Chairman Relief and Rehabilitation Fund further confirm the completeness of the accounting records maintained for the Fund, which have been relied upon in the preparation of the Fund financial statements as well as the adequacy of the systems of internal financial control.

The Principal Secretary State Department for Special Programs and the Chairman Technical Committee confirm that the Fund has complied fully with applicable Government

**RELIEF AND REHABILITATION CASH TRANSFERS FUND
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30TH 2018 (Kshs)**

Regulations and the terms of external financing covenants, and that funds received during the financial year/period under audit were used for the eligible purposes for which they were intended and were properly accounted for.

Approval of the Fund Financial Statements

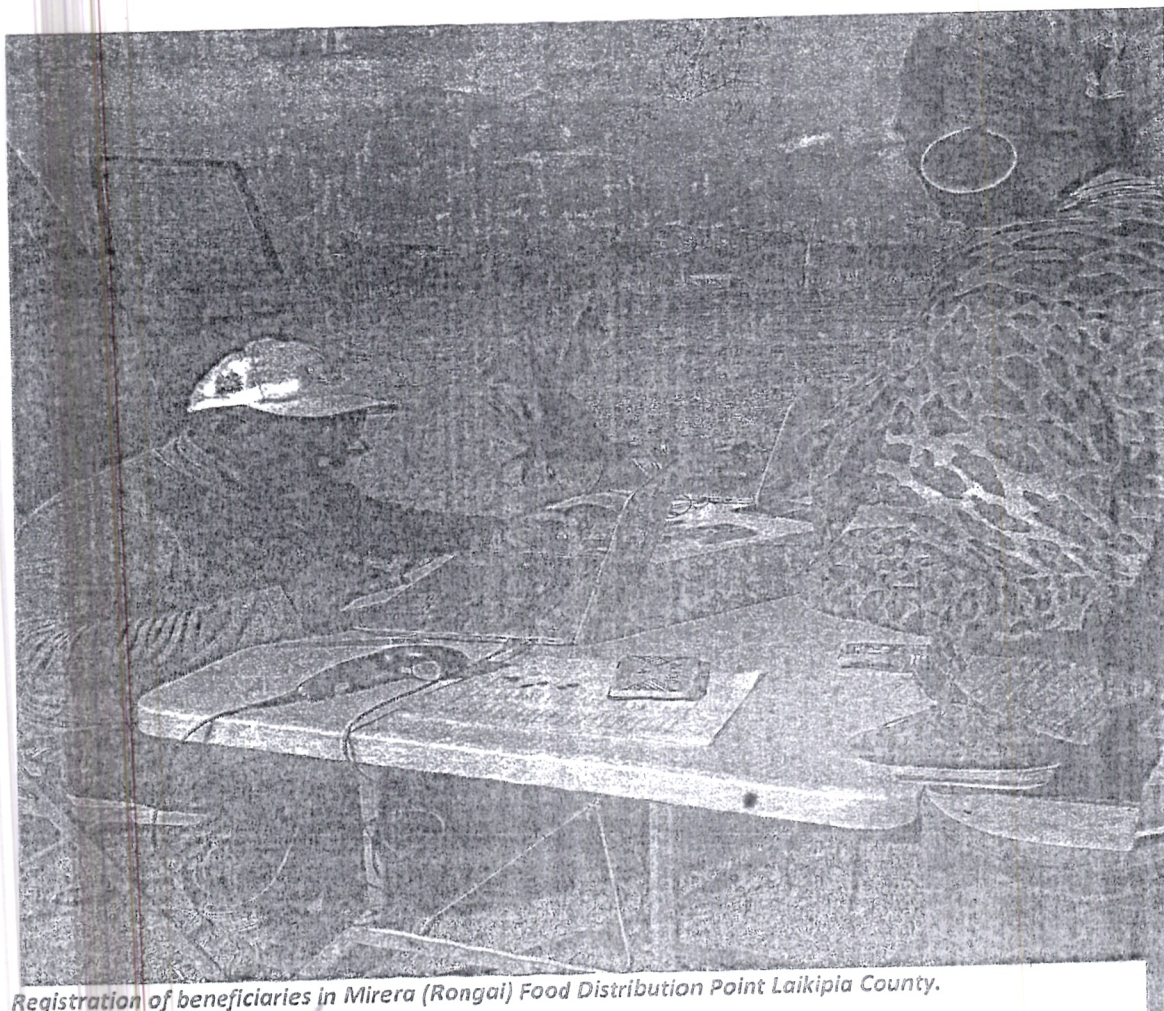
The Fund financial statements were approved by the Principal Secretary State Department for Special Programs and the Deputy Secretary to the Relief and Rehabilitation Fund on 28th September, 2018 and signed by them.

Micah Pkopus Powon, CBS

Principal Secretary

Vincent Matioli

Deputy Secretary



Registration of beneficiaries in Mirera (Rongai) Food Distribution Point Laikipia County.

REPUBLIC OF KENYA

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Fax: +254-20-311482
E-Mail: oag@oagkenya.go.ke
Website: www.kenao.go.ke



P.O. Box 30084-00100
NAIROBI

OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON THE RELIEF AND REHABILITATION CASH TRANSFERS FUND FOR THE YEAR ENDED 30 JUNE 2018

REPORT ON THE FINANCIAL STATEMENTS

Disclaimer of Opinion

I have audited the accompanying financial statements of Relief and Rehabilitation Cash Transfers Fund set out on pages 1 to 10 which comprise financial position as at 30 June 2018, and the statement of financial performance, statement of changes in equity, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015.

I do not express an opinion on the accompanying financial statements. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of my report, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for Disclaimer of Opinion

1. Other Grants and Transfers and Payments/Expenses

The statement of receipts and payments reflects other grants and transfers and payments/expenses amounting to Kshs.1,921,450,388 all of which relate to amounts transferred to World Food Programme in line with the service provision agreement between the Fund and World Food Programme. However, no accountability documentation including details of beneficiaries were provided for audit verification to show how the World Food Programme utilized the funds. There were no confirmation or acknowledgment of receipt of the cash by the beneficiaries. Further, though the agreement requested World Food Programme to submit a monthly return on all expenditure, no such returns had been filed as they were not produced for audit review.

Under the circumstances, the accuracy, validity, completeness and propriety of other transfers amounting to Kshs.1,921,450,388 for the year ended 30 June 2018 could not be ascertained.

2. Receipts

In the Statement of receipts and payments under transfer from Government entities there are nil receipts. The fund was to receive and implicitly received technical Support from the World Food Programme and the Parent Ministry to set up and operate the system. However, there are no disclosures in the financial statements for the technical support. In addition, the management responsibility of the Relief and Rehabilitation Cash Transfer fund is vested in a

Report of the Auditor-General on the Financial Statements of Relief and Rehabilitation Cash Transfers Fund for the year ended 30 June 2018

project team comprising employees of the parent ministry appointed by the Principal Secretary and drawing salaries from the ministry. This is a benefit in kind to the fund for the services rendered from the project team which have not been accounted for in the Fund's financial statements. The financial statements therefore do not show a fair statement of receipts of the Fund for the year ended 30 June 2018.

In the circumstances, the accuracy and completeness of the financial statements as at 30 June 2018 could not be confirmed.

3. Fund Implementation

The State Department for Special Programmes on behalf of the Government signed an Agreement with World Food Programme (WFP) on 9 June 2017 through which WFP agreed to facilitate in implementation of emergency cash transfers to 1.3 million drought affected people in thirteen Arid and Semi-Arid Counties. However, no documentation was made available for audit review on how the World Food Programme was procured as the service provider for the fund.

Consequently, the identification and procurement of the World Food Programme as a service provider could not be confirmed.

4. Beneficiaries Identification

The objective of the Relief and Rehabilitation cash transfer fund is to mitigate the effects of acute shortage amongst families in arid and semi-arid counties. The Government as indicated in the Agreement was to conduct the targeting, registration and transfer cash to 1.3 million drought affected people in 13 arid and semi-arid counties. The process of identifying the house holds targeted have not been ascertained since no documents were availed to support the same. It is therefore not possible to ascertain whether the above target was achieved or not.

In addition, the implementation as stated was to be in two phases in July to August 2017 while phase two was to be implemented in September 2017. It was not possible to ascertain the exact amount of disbursements that each household was to get and the duration over which they received the cash disbursements. It was also not possible to ascertain actual payments made and the beneficiaries.

In the circumstances, the accuracy, validity and completeness of the financial statements as at 30 June 2018 could not be confirmed.

5. Legislative Framework

The financial statements information available indicates that Relief and Rehabilitation cash Transfer fund was established on unspecified date in the year 2017 following the Government's declaration of drought and famine facing parts of the country as a national disaster.

However, no documentation has been provided in support of the establishment of the Relief and Rehabilitation Cash Transfer fund as required by the law. This then implies the budget allocation and the appropriation there from is inappropriate utilization of public funds as the

section of the fund including the mode of operation have not been done in line with the existing laws.

In consequence, legality and validity of the operations of the fund could not be ascertained.

6. Previous Year Issues not Resolved

Non-Compliance with the Law

According to Regulation 208 of the Public Finance Management (National Government Regulations) 2015, the Cabinet Secretary responsible for matters relating to Finance is required to provide for management, operation and winding up procedures in the guideline for establishing each National Public Fund pursuant to Section 24(11) of Public Finance Management Act, 2012. Information available indicates that Relief and Rehabilitation Cash Transfer Fund was established on unspecified date in the year 2017 following the Government's declaration of drought and famine facing parts of the country as a national disaster in February, 2017.

Further, the State Department for Special Programme on behalf of the government signed an Agreement with World Food Programme (WFP) on 9 June 2017 through which, WFP agreed to facilitate in implementation of emergency cash transfers to 1.3 million drought affected people in thirteen arid and semi-arid counties. During the year under review, an amount of Kshs.2,000,017,657 was transferred to the Fund account. However, no documents have been provided in support of the management, operation and winding up procedures in respect of this Fund as required under the law.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of Street Families Rehabilitation Trust Fund in accordance with ISSAI 30 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

I do not express a conclusion on the lawfulness and effectiveness in the use of public resources as required by Article 229(6) of the Constitution. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of my report, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for my audit conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

I do not express a conclusion on the effectiveness of internal controls, risk management and governance as required by Section 7 (1) (a) of the Public Audit Act, 2015. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of my report, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for my audit conclusion.

Basis for Conclusion

Responsibilities of Management and Those Charged with Governance

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

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue sustaining services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless the management either intends to liquidate the Fund or to cease operations, or have no realistic alternative but to do so.

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

In addition to the responsibility for the preparation and presentation of the financial statements described above, management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities which govern them, and that public resources are applied in an effective way. Those charged with governance are responsible for overseeing the financial reporting process, reviewing the effectiveness of how the Fund monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

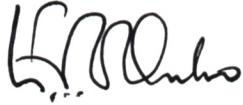
Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with International Standards of Supreme Audit Institutions (ISSAIs) and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. However, because of the matters described in the Basis for Disclaimer of Opinion section of my report, I was not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

In addition, my responsibility is to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them, and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution. I also consider internal control, risk management and governance processes and systems in order to give an assurance on the effectiveness of internal controls, risk management and governance in accordance with the provisions of Section 7 (1) (a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. However, because of

the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources, and Internal Controls, Risk Management and Governance sections of my report, I was not able to obtain sufficient appropriate audit evidence to provide a basis for an audit conclusion.

I am independent of the Fund in accordance with ISSAI 30 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya.



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

Nairobi

24 May 2019

**RELIEF AND REHABILITATION CASH TRANSFERS FUND
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30TH 2018 (Kshs)**

3.0 STATEMENT OF RECEIPTS AND PAYMENTS

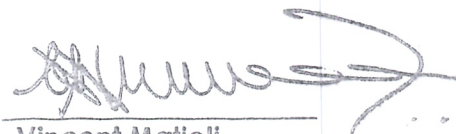
	Note	2017/2018 Kshs	2016/ 2017 Kshs
RECEIPTS			
Transfer from Government entities	1	00.00	2,000,017,657.00
Miscellaneous Receipts	2	-	-
Total receipts		00.00	2,000,017,657.00
PAYMENTS			
Transfers to partner institutions	3	-	-
Other grants and transfers and payments/expenses	4	1,921,450,388.00	-
TOTAL PAYMENTS		1,921,450,388.00	2,000,017,657.00
SURPLUS/DEFICIT FOR THE YEAR		(1,921,450,388.00)	2,000,017,657.00

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



Micah Pkopus Powon, CBS

Principal Secretary



Vincent Matlioli

Deputy Secretary

RELIEF AND REHABILITATION CASH TRANSFERS FUND
 REPORTS AND FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30TH 2018 (Kshs)

4.0 STATEMENT OF FINANCIAL ASSETS AND LIABILITIES

	Note	2017/2018 Kshs	2016/2017 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	5A	78,567,269.00	2,000,017,657.00
		<u>78,567,269.00</u>	<u>2,000,017,657.00</u>
Receivables			
Imprests and Advances	5B	-	-
TOTAL FINANCIAL ASSETS		<u>78,567,269.00</u>	<u>2,000,017,657.00</u>
REPRESENTED BY:			
Cash and cash equivalents b/fwd		2,000,017,657.00	-
Surplus/Deficit for the year		(1,921,450,388.00)	-
NET FINANCIAL POSITION		<u>78,567,269.00</u>	-

The accounting policies and explanatory notes to these financial statements form integral part of the financial statements. The financial statements were approved on 28/7/18 and signed by:



Micah Pkopus Powon, CBS
 Principal Secretary




Vincent Matioli
 Deputy Secretary

RELIEF AND REHABILITATION CASH TRANSFERS FUND
 REPORTS AND FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30TH 2018 (Kshs)

5.0 STATEMENT OF CASHFLOW FOR THE PERIOD

	Notes	2017/2018 Kshs	2016/2017 Kshs
Receipts			
Balance brought forward	1	2,000,017,657.00	-
Quarter transfers	2	-	-
Payments for operating expenses			
Transfers to partner institutions	3	-	-
Other grants and transfers and payments/expenses	4	1,921,450,388.00	-
Net cash flow from operating activities		78,567,269.00	-
Net Surplus		78,567,269.00	-
NET INCREASE IN CASH AND CASH EQUIVALENT			
Cash and cash equivalent at beginning of the year		-	-
Surplus /Deficit		78,567,269.00	-
Cash and cash equivalent at end of the year		78,567,269.00	-

The accounting policies and explanatory notes to these financial statements form integral part of the financial statements. The Fund financial statements were approved on 28/9/18 and signed by:



 Micah Pkopus Powon, CBS
 Principal Secretary



 Vincent Matioli
 Deputy Secretary

RELIEF AND REHABILITATION CASH TRANSFERS FUND
 REPORTS AND FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30TH 2018 (Kshs)

6.0 STATEMENT OF COMPARATIVE BUDGET AND ACTUAL AMOUNTS

Receipts/Payments Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Variance	% of Variance
	a	b	c=a+b	d	e=c-d	f=e/c %
Receipts						
Transfer from Government entities	341,000,000.00	341,000,000.00	341,000,000.00	00.00	341,000,000.00	100%
Miscellaneous Receipts	00.00	00.00	00.00	0.00	00.00	-
Total Receipts	341,000,000.00	341,000,000.00	341,000,000.00	00.00	341,000,000.00	100%
Payments						
Transfers to partner institution	-	-	-	-	-	-
Other grants and transfers and payments/expenses	00.00	341,000,000.00	341,000,000.00	1,921,450,388.00	1,580,450,388.00	4.63%
Total Payments	00.00	341,000,000.00	341,000,000.00	1,921,450,388.00	1,580,450,388.00	4.63%



Micah Pkopus Powon CBS

Principal Secretary



Vincent Matioli

Fund Secretary

RELIEF AND REHABILITATION CASH TRANSFERS FUND
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30TH 2018 (Kshs)

7.0 SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below:

(i) Statement of compliance and basis of preparation

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

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

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

(ii) Recognition of revenue and expenses

The Fund recognises all revenues when the event occurs and the related cash has actually been received by the Fund. In addition, the Fund recognises all expenses when the event occurs and the related cash has actually been paid out by the Fund.

(iii) Cash and cash equivalents

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

(iv) Budget

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

(v) Related Parties

The Fund regards a related party as a person or an Authority with the ability to exert control individually or jointly, or to exercise significant influence over the Fund, or vice versa. Members of the National Consultative Co-ordination Committee on Internally Displaced Persons are regarded as related parties.

RELIEF AND REHABILITATION CASH TRANSFERS FUND
 REPORTS AND FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30TH 2018 (Kshs)

(vi) Honoraria and sitting allowances

	2017/2018
	Kshs
Chairman Honoraria	-
Members sitting Allowances	-----
Total	-----

(vii) Comparative figures

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

(vii) Subsequent events

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



Principal Secretary, State Department for Special Programs undertaking registration of beneficiaries during the Launch in Kilifi County

RELIEF AND REHABILITATION CASH TRANSFERS FUND
 REPORTS AND FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30TH 2018 (Kshs)

8.0 NOTES TO THE FINANCIAL STATEMENTS

1. RECEIPTS

These represent balance brought forward and other receipts from government as follows:

	2017/2018	2016/2017
	Kshs	
Counterpart funding through State Department for Special Program		
Balance brought forward		-
Counterpart funds Quarter 1		-
Counterpart funds Quarter 2		-
Counterpart funds Quarter 3		-
Counterpart funds Quarter 4	00.00	2,000,017,657.00
Total	00.00	2,000,017,657.00

2. MISCELLANEOUS RECEIPTS

	2017/2018	2016/2017
	Kshs	
Total	-	-

3. Transfers to other partner institutions

	2017/2018	2016/2017
	Kshs	Kshs
Transfers to partner institutions	-	-
Various	-	-
TOTAL	-	-

RELIEF AND REHABILITATION CASH TRANSFERS FUND
 REPORTS AND FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30TH 2018 (Kshs)

4. Other grants and transfers and payments

	2017/2018 Kshs	2016/2017
Allowances and Board meetings		-
Workshops		-
Suppliers		-
Operating Expenses	1,921,450,388.00	-
Total	1,921,450,388.00	-

5. CASH AND CASH EQUIVALENTS C/FWD

	2017/2018 Kshs	2016/2017
Bank accounts (Note 5A)	78,567,269.00	2,000,017,657.00
Outstanding imprests and advances (Note 5B)	-	-
Total	78,567,269.00	2,000,017,657.00

5A. Bank Account Balances

	2017/2018 Kshs	2016/2017
Central Bank of Kenya [A/c No.]	78,567,269.00	-
Total	78,567,269.00	-

RELIEF AND REHABILITATION CASH TRANSFERS FUND
 REPORTS AND FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30TH 2018 (Kshs)

ANNEX 1. VARIANCE EXPLANATION AND ACTUAL BUDGET

Receipts/Payments Item	Final Budget	Actual on Comparable Basis	Variance	% of Variance	Comments
	a	b	c=a-b	d=c/a %	
Receipts					
Transfer from Government entities	341,000,000.00	00.00	341,000,000.00	100%	Delay in funding from exchequer delayed the implementation of the fund
Miscellaneous Receipts	-	-	-	-	
Total Receipts	341,000,000.00	00.00	341,000,000.00	100%	
Payments					
Transfers to partner institutions	-	-	-	-	
Other grants and transfers and payments/expenses	341,000,000.00	00.00	341,000,000.00	100%	Delay in funding from exchequer delayed the implementation of the fund
Total Payments	341,000,000.00	00.00	341,000,000.00	100%	



Principal Secretary, State Department for Special Programs (Left) and Hon. Peter Shehe (Right) with Disabled Beneficiary during the Launch of Chakula Kwa Jamii programs in Ganze, Kilifi County.



World Food Programme

Programme Alimentaire Mondial

Programa Mundial de Alimentos

برنامج الأغذية العالمي

Ref: WFP/FIN/017/2019

Date: 20 March 2019

The Permanent Secretary
Ministry of Devolution and ASALS
State Department for Special Programmes
Nairobi

Dear Sir,

Re: Confirmation of amounts received by World Food Programme for the Drought Emergency Cash Transfer programme (Chakula Kwa Jamii).

World Food Programme Kenya wishes to confirm the amounts received from you as at 30 June 2018 as indicated in the table below.

Confirmation of amounts received by/dispensed to (Insert name of MDA/SAGA/SC/Fund/Project) as at 30 June 2018							
Reference Number/ Pr No.	Date Disbursed	Amounts Disbursed/Received by (Insert name of MDA) as at 30 June 2018			Total (KShs) (D)=(A+B+C)	Amount Received by World Food Programme as at 30 June 2018 (KShs) (E)	Differences (KShs) (F)=(D-E)
		Recurrent (KShs) (A)	Development (KShs) (B)	Inter-Ministerial (KShs) (C)			
1	31/07/2017	257,202,280.00			257,202,280.00	257,202,280.00	-
2	24/08/2017	421,228,372.00			421,228,372.00	421,228,372.00	-
3	25/10/2017	643,165,913.00			643,165,913.00	643,165,913.00	-
4	07/12/2017	599,853,823.00			599,853,823.00	599,853,823.00	-
Total		1,921,450,388.00			1,921,450,388.00	1,921,450,388.00	-

I confirm that the amounts shown above are correct as of the date indicated.

Head of Finance and Administration

Name: NEON CHANDE

Signature

Date: 20/03/2019



REPUBLIC OF KENYA

Date 4th July, 2018

Report of the Board of Survey on the Cash and Bank Balances of

R C T Fund - 1033

Account No.1000340991

as at the close of

business on 30th June, 2018

The Board, consisting of- (Names and Official titles)

1. Paul Koros - Chairman

2. Dr. Hulda Ogoti - Member

3. Mr. Samuel Ojwang - Secretary

Assembled at the office of The Cashier - SDSP

at 9.00 am (time) on the 4th July, 2017

Notes	(Shs.	00.00
Silver	Shs.	00.00
copper	Shs.	NIL
Cheques (as per details on reverse)	Shs.	NIL
		00.00

It was observed that cheques amounting to Shs. NIL cts NIL

had been on hand for more than 14 days prior to the date of the survey.

The cash consists of East African currency and does not contain any demonetized coin or notes

The Cash Book reflected the following balances as at the close of business on the 30th June, 2018

Cash on hand	(Shs.	00.00
Bank balance	Shs.	78,567,269.00
		78,567,269.00

The Bank Certificate of Balance showed a sum of Shs. Seventy Eight Million, Five Hundred and Sixty Seven thousand, Two Hundred and Sixty Nine

cts Nil (shs. 78,567,269 cts 00

Standing to the credit of the account on 30th June, 2018

The difference between this figure and the Bank Balance as shown by the Cash Book is accounted for in the Bank Reconciliation Statement (F.O. 30) attached.

Date 4th July, 2018

Paul M. Koros Chairman 4/7/2018
 Samuel O. Ojwang Secretary 4/7/2018
 Hulda Ogoti Member 4/7/2018

F.O. 30

REPUBLIC OF KENYA

MINISTRY OF DEVOLUTION & PLANNING

STATE DEPARTMENT FOR SPECIAL PROGRAMMES

RELIEF CASH TRANSFER ACCOUNT BANK RECONCILIATION STATEMENT AS AT 30.6.2018

		Shs.	Cts.	Shs.	Cts.
Balance as per Bank Statement				78,567,269.00	
Less: 1	Payments in Cash Book not recorded in Bank Statement (Unpresented)		-		
2	Receipts in Bank Statement not recorded in Cash Book		-		
Add: 3	Payments in Bank Statement not recorded in Cash Book		-		
4	Receipts in Cash Book not recorded in Bank Statement.....		-		
Balance as per Cash Book				78,567,269.00	

prep So. Sando sig [Signature]
by date 30/6/2018

I certify that I have verified the Bank Balance in the Cash Book with the Bank Statement and that the above Reconciliation is correct.

Chiq. Accountant [Signature] 04/07/18
Designation Signature Date

BANKI
KUU YA
KENYA

CENTRAL
BANK OF
KENYA

Halle Selassie Avenue
P.O. Box 60000-00201 Nairobi, Kenya
Telephone: 2350074, Fax: 340192



July 04, 2018

CERTIFICATE OF BALANCES

Customer : 131146

STATE DEPT. FOR SPECIAL
PROGRAMMES

Balance Date: 30-Jun-18

Account No.	Account Name	Currency	Balance
1000302108	REC-STATE DEPT.FOR SPECIAL PROGRAMMES	KES	60,144,824.15
1000302143	DEV-STATE DEPT.FOR SPECIAL PROGRAMMES	KES	208,991.90
1000302167	DEP-STATE DEPT.FOR SPECIAL PROGRAMMES	KES	10,899,114.45
1000302186	CBK165-STATE DEPT.- SPECIAL PROGRAMMES	KES	0.00
1000307487	STREET FAMILIES REHABILITATION TRUST FUND	KES	208,621,713.65
1000340991	RELIEF CASH TRANSFER FUND	KES	78,567,269.00

L. K. RWERIA
AUTHORISED SIGNATORY
BANKING SERVICES

P. S. LENKUME
AUTHORISED SIGNATORY
BANKING SERVICES

PAYMENTS

Whom Paid	Description of Payment	Allocation	Voucher No.	Cheque No.	Sh.	cts.	Sh.	
							Cash	Bank
30/6/2017	Total Payments							
30/6/17	Bal. old							2000017657.00
30/6/17	GROSS							2000017657.00
		CHAIRMAN			RICHARD M. NABEJUN			3/7/17
		SECRETARY			SHADRACK C. ATIKI			3/6/17
		MEMBER			HULDAH OGIOTI			3/6/17
	World Food Program 4-1033-6550116			001				2572022800
	Total payments							2572022800
	Bal old							1742815377.00
								2000017657.00
	World food programme			002				421228372.00
	Bal old							1321527005.00
								1742815377.00
	World Food Programme 4-000-000-6550116			003				643165913.00
	Total payments							643165913.00
	Bal old							678421092.00
								1321527005.00
	World Food Programme 4-000-000-6550116			004				599253923.00
								599253923.00
								78567269.00
								678421092.00

PAUL MARITIM HOROS CHAIRMAN 4/7/2018
 SAMUEL OGIOLA DJWANGI SECRETARY 4/7/2018
 Hulda Ogioti Member 4/7/2018

GNK (SP)

RECEIPTS

Date	From whom Received	Description of Receipt	Allocation	Voucher No.	Receipt No.	Sh.	cts.	Sh.	cts.	Sh.	cts.
01/7/2017		Opening Balance			001						
29/06/2017										1,500,000	0000
29/06/2017										1,500,000	0000
29/06/2017										1,500,000	0000
29/06/2017										500,000	6570
30/06/2017										2,000,000	17,6570
01/7/2017	Brid.	B/F								2,000,000	17,6570
31/12	BALANCE	B/F								2,000,000	17,6570
31/12	BALANCE	B/F								1,742,215	3700
31/12	BALANCE	B/F								1,742,815	3710
31/12	BALANCE	B/F								1,321,587	0050
31/12	BALANCE	B/F								678,421	0920
31/12	BALANCE	B/F								72,567	2690