

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

REPORT

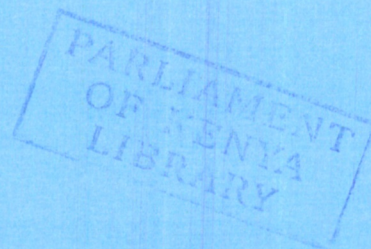
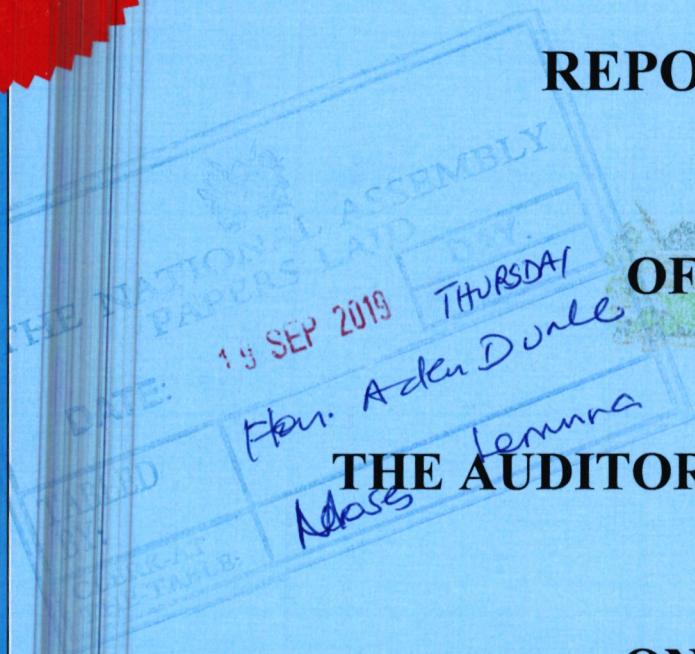
OF

THE AUDITOR-GENERAL

ON

THE FINANCIAL STATEMENTS OF
NATIONAL COUNCIL FOR POPULATION
AND DEVELOPMENT

FOR THE YEAR ENDED
30 JUNE 2018





NATIONAL COUNCIL FOR POPULATION AND DEVELOPMENT

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2018**

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

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KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

The National Council for Population and Development was established as a State Corporation on 29th October, 2004 through the legal Notice No. 120 contained in the Kenya Gazette Supplement No. 68. At Cabinet level, the NCPD is represented by the Cabinet Secretary for Devolution and Planning who is responsible for the general policy and strategic direction. The NCPD is governed by the Board of Directors who are responsible for the general policy and strategic direction of the Council.

(b) Principal Activities

The principal activity/mission of the National Council for Population and Development is to:

- Analyse population issues and develop policies related to population
- Provide leadership and mobilize support for population programmes including coordinating population programmes implemented by different organizations
- Assess the impact of population programmes and make recommendations arising from such assessments
- Assist other organizations in dealing with population issues
- Identify and advise on population issues that may not be adequately or appropriately dealt with by the Government
- Advocate for political and other support to address population issues.

“Population issues” mean:

- a) Issues that relate to, arise from, or influence mortality, reproduction or migration; and
- b) Other issues that relate to population; “Population Programmes” means programmes addressing population issues.

The Council has a Board whose membership is drawn from key Government Ministries handling population related issues, civil society and private sector organizations. A Chairman, who is appointed by the President for a period of three (3), years, heads the Board. The Director General, who is appointed by the Board, is the Chief Executive Officer of the Council and the secretary to the Board.

Vision of the Council

A well-managed population for quality life

Mission of the Council

To provide leadership in the development, coordination and implementation of population and related policies and programmes for improved quality of life

Objectives of the Council

Strategic Objective 1:

To enhance awareness on Population issues (Fertility, Mortality, Migration)

Strategic Objective 2:

To Improve Knowledge and Information base on Population Issues

Strategic Objective 3:

To improve Policy Framework and Environment on Population Issues

Strategic Objective 4:

To increase resources for population related programmes

Strategic Objective 5:

To enhance capacity for programme planning, coordination and M&E

Strategic Objective 6:

To satisfy customers with services provided by the Council

Core Values

Integrity, Team work, innovation, Non- Discrimination, Quality services

(c) Key Management

The National Council for Population and Development 's day-to-day management is under the following key organs:

- Director General (CEO)
- Senior Management

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(d) Fiduciary Management

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

NO	Designation	Name
1	Director General (CEO)	Dr. Josephine Kibaru- Mbae
2	Director Technical Services	Peter Arisi Nyakwara
3	Director Corporate Services	Margaret Muthoni Mwangi
4	Deputy Director CAPE	Charles Nyasura Oisebe
5	Deputy Director Policy & Research	Catherine Wanjiru Ndei
6	Deputy Director Programmes, Coordination& monitoring	Hosea Nzomo Mulatya
7	Deputy Director Finance & Accounting	Taslim Mueni Wason
8	Deputy Director HR & Administration	Dorothy Adhiambo Oliech
9	Chief Internal Auditor	Susan Njeri Meshack

(e) Fiduciary Oversight Arrangements

The Board of the National Council for Population & Development has the overall fiduciary responsibility of providing oversight and policy direction and ensuring that all activities are in the best interest of the Council. They have a fiduciary duty of due care skill and diligence.

The Board has appointed the Audit and Risk Committee which meet quarterly. The Audit committee is charged with oversight of financial reporting and disclosure. Committee members are drawn from members of the company's Board of Directors, with a chairperson selected from among the committee members

The committee is responsible for oversight of the financial reporting process, and receipt of audit results both internal and external. The committee assists the Board of Directors fulfil its corporate governance and overseeing responsibilities in relation to an entity's financial reporting, internal control system, risk management system and internal and external audit functions. Its role is to provide advice and recommendations to the Board within the scope of its terms of reference / charter.

The Council has Finance and General Purposes and a Technical Committees whose membership is drawn from the Board of Directors. They offer advice and guidance and leadership of financial matters, Human resources and any other matters that require direction. The Technical committee provides guidance and leadership on technical Population matters and reviews the activities and programmes.

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KEY ENTITY INFORMATION AND MANAGEMENT (Continued)

(f) Entity Headquarters

P.O. Box 48994-00100
Chancery Building
Valley Road
Nairobi, KENYA

(g) Entity Contacts

Telephone : (254) 2711600
E-mail: info@ncpd-ke.org
Website: www.ncpd-ke.org

(h) Entity Bankers

1. Barclays Bank of Kenya
Hurlingham Branch
P.O. Box 30074
GPO 00100
Nairobi, Kenya
2. Commercial Bank of Africa
Mama Ngina Branch
P.O Box
Nairobi- Kenya

(i) Independent Auditors

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

(j) Principal Legal Adviser

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

THE BOARD OF DIRECTORS

 Amb. Mohammed Mahat	Board Member	He is the secretary General for SUPKEM and worked as an Ambassador and currently stationed at Ministry of Foreign Affairs.	Oversight
Rev. Canon Peter Karanja	Board Member	Holds BA Hons (Philosophy & Literature), Master of Divinity. He is the General Secretary, NCKK; also worked as Provost All Saints Cathedral (ACK); Secretary General Church Army Africa; Lecturer Carile College; Company Director KEM Trust Ltd. Teacher Alliance High School	Oversight
 Mrs. Margaret Masibo	Board Member	Holds a bachelor of Arts Degree and MBA Arts. She is currently working with the Kenya Conference of Catholic Bishops She is a member of the Institute of Human Resource, a certified professional mediator. Has many years' experience in human resource Management	Oversight
Teresa Omondi-Adeitan	Board Member	She is the Executive director FIDA Kenya	Oversight
 Fredrick Mujumba	Board Member	Represents Director General Education	Oversight
Geoffrey M Wahungu	Board Member	Holds PhD in Ecology Masters of Science Wildlife Management Bachelor of Science. He is the Director General NEMA; and has Over 15 years as lead consultant in development of Natural Resource Management Plans; Over 10 years in research & monitoring of climate change influence on savanna ecosystem; lead consultant in regional and national ecological, social and Environmental Impact Assessment;	Oversight

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		Head of Department of Wildlife Management; Dean in a University	
 Beatrice Manyonge	Board Member	She works in Ministry of Devolution & Planning and represents the Principal Secretary. She is an Economist by training	Oversight
 Isabel Ndolo	Board Member	Works as Programme Officer Representing Maendeleo Ya Wanawake Organization (MYWO) National Chairperson in the Board She has 18 years progressive experience in Community Development and Gender Programming work. Majoring on Wealth of experience in Projects and Programme management, capacity building, leadership and management, partnership building and networking, resource mobilization and grant management Education Isabel possess a Bachelor's degree in Leadership and Management from St. Paul's University and an ongoing Masters of Arts, Gender and Development Studies, Kenyatta University.	Oversight
 Dr. Josephine Kibaru Mbae	Director General	Holds a Master of Medicine (OBGYN) and a MB. CHB degrees. She has over 25 years' experience in the public health sector, with about 20 of these years in Leadership and Management positions at different levels of the health sector in the Republic of Kenya. She started at the District level and culminated at the National level as the Senior Deputy Director in charge of Family Health Services in the country. During her tenure in the Ministry of Health she supported the revision and implementation of several policy documents. Dr. Mbae instituted innovations in in-service training in new technologies and supported training institutions to revise	Project Coordinator

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		their curricula to strengthen pre-service training. She supported national supportive supervision for improvement of service delivery in the districts. She has been the Director General at the East, Central & Southern Africa Health Community (ECSA-HC) from 2010 to 2014.	
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VACANT POSITIONS

Name of Board Member	Date of appointment	Date of cessation	Position
Eng. Symon Pepee Kitambaa	18.3.2016	18.2.2017	Board Chairman Deceased
Lorna Otaro	2.9.2011	1.9.2014	Independent Member
Prof. Edward Mburugu	2.9.2011	1.7.2014	Independent Member

MANAGEMENT TEAM

NAME	QUALIFICATIONS	AREA OF RESPONSIBILITY
 Dr. Josephine Kibaru-Mbae	Master of Medicine (OBGYN)	Director General
 Peter Arisi Nyakwara	Masters in Demography	Director Technical Services
 Margaret M Mwangi	MBA - Finance	Director Corporate Services

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 Charles N Oisebe	Masters in Demography	Comm., Advocacy & Public Education
 Catherine Wanjeri Ndei	Masters in Applied Research	Policy & Research
 Hosea Nzomo Mulatya	Masters in Demography	Programmes & Monitoring/Cord
 Taslim Mueni Wason	MBA - Finance	Finance and Accounting
 Dorothy A. Oliech	BA – Human Resource & Higher Dip in HRM	Human Resources & Administration

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 Susan Njeri Meshack	MBA – Finance	Internal Auditor
 William O. Ochola	Post. Grad. Dip in Procure, BA Economics	Supply Chain Management

CHAIRMAN'S STATEMENT

The National Council for Population and Development was established as a state corporation in the year 2004. The Council's mandate is to provide guidance and leadership in the management of population matters in the country. Management of the Country's population is important as one means to match population growth with available resources. NCPD has continued to involve stakeholders in the conduct of its affairs to guarantee the support for population programmes. The Council received an international award for developing a Population policy that was all inclusive and comprehensive in addressing population and development issues.

During the year 2017-2018 the Council made important strides in ensuring sustainable long-term success. Advocacy programme at NCPD remained strong. New advocacy activities were initiated at the Council level to reach out to County Assembly members, National and County Government leaders for political and financial support of population and development programmes.

The NPCD Board appointed Board committees to oversee the affairs of the organisation to ensure accountability and transparency. The committees are Audit and Risk, Finance and General Purposes and the Technical Committee. Each of these committees meets quarterly and report to the main Board.

The Council signed a performance Contract with the State Department of Planning in 2017/2018. The evaluation process has not been done but the self-evaluation ranked the Council as "Very Good", which signifies commitment of the Board and Management to execute its duties and responsibilities and meeting the set targets and objectives.

As a quality-based organization, the Council maintained ISO 9001:2008 certification and ISMS certification status and continued improving its services to both external and internal customers. A recertification audit was carried out during the year and the Council was re-certificated.



Dr. Josephine Kibaru Mbae

For: Board Member

27.5.19
Date:.....

REPORT OF THE DIRECTOR GENERAL

The National Council for Population and Development, a semi-autonomous agency in The Treasury and Planning provides leadership in implementation of population and development policy and programmes. In order to meet both policy and management obligations, the Council maintained a team of officers assigned on different duties and responsibilities. There were also appointments of new technical and administrative staff to fill existing vacant positions.

During the year 2017-2018 the term of the Council Board ended when the chairman died. The Board was however reactivated on October 2018 following an advisory by the Attorney General.

During the year NCPD carried out a major review of Kenya's national population and development programme under the auspices of International Conference on Population and Development (ICPD 2014), and participated in the United Nations and Africa Union conferences on these themes in New York and Addis Ababa respectively. Other activities included finalized the Demographic Dividend Roadmap, this document is critical to assisting the country harness the potential of the Kenya's youthful population which comprises over 60% of the population. The Council also undertook a national survey known *the Service Delivery indicators/Kenya Health Facility Assessment* to access the state of the health facilities in all the 47 Counties. An agreement was also reached with a new development partner to support the Council's *programmes* in the Counties. This led to convening of meetings in 18 Counties with Members of the County Assembly and other county leaders to advocate for support of population and reproductive health programmes and activities.

With the available resources, the Council carried out other important activities during the year such advocacy with parliamentarians, and other leaders. The Council also undertook public education activities through different media. Family Planning messages were disseminated on both radio and TV. Through support of a number of development partners. NCPD staff and collaborating partners were trained on data management and communication.

Financial Statements

This Financial Statement is NCPD's record of financial transactions, obligations and value of assets. The accounts are submitted having been discussed and approved by the Board. During the 2017/2018 Financial Year, the Council received a government grant of Kshs 355,754,270 for its operations. It also received additional resources of Kshs 244,261,677 from Development partners for scheduled development activities. The Board was fully briefed and updated on the financial implications of the programmed activities of the Council and appraised on any constraints. With regard to the efficiency of the operating systems, the Board did note and

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appreciate the adoption by management of a computerized financial management system. Overall, the Board was satisfied that the Council's financial operations were prudent and generally satisfactory.

Results

In its efforts to raise additional funds, the Council undertook to provide technical services to other organizations and in the process charge an appropriate fee. Through this method, the Council was able to accrue some amount of AIA. The Council also facilitated a number of collaborating partners, including providing working space. The Government of Kenya increased its financial support for programmed activities. However, the Council still requires additional funding to fully achieve its mandate and follow the new constitution, by devolving its services to all the Counties.

Staff Recruitment and its Implications

Early in 2006, the Council commissioned a study to review and recommend appropriate staff levels, job designations and remunerations and the review was later updated as recommended by Ministry of State for Public Service in a follow-up study done in the year 2010. During the 2017/2018 Financial Years, the Council continued to implement the study recommendations on a phased approach. The major implication was the resulting higher requirements for staff salaries since these were now pegged on the experience and practice of comparable state corporations. The Council also received the evaluation report from SRC but did not implement the recommendations due to inadequate resources.

The Council is still lobbying for more funds to recruit personnel for key positions at the headquarters and the forty-seven Counties which are not currently fully filled. During the 2017/2018 financial year, only 11 officers were deployed to the regions to manage all of the 47 Counties. Limitations of funds are a major impediment in achieving optimal staffing level through a competitive recruitment.



Dr Josephine Kibaru Mbae OGW
Director General

Date: 27.5.19

MANAGEMENT DISCUSSION AND ANALYSIS

The entity's operational and financial performance

The Council Received Kshs 355,754,270 from the Government of Kenya and Kshs 244,629,831 from Development Partners to fulfil its mandate. A major Survey was carried out in the 47 Counties called the Service Delivery indicators/Kenya Health Facility Assessment that was funded jointly by GOK, World Bank, UNFPA, and JICA. The survey was on preparedness of Health Facilities to provide Quality Services to the Kenyans.

The Council justified its case of budget deficit and was awarded Kshs 65,000,000 to implement the recommendations of the Salaries and Remuneration Commission. The funds were not released by the State Department of Planning and Statistics.

The Councils Past performance may not reflect the future as the problem of underfunding was addressed and the Council's recurrent budget enhanced.

A parliamentary network on population is now functional to advocate for matters pertaining to Population with a view of ensuring that Population growth matches the available resources. A draft bill is being finalized to guide population matters.

The major challenge to the Council has been inadequate funding and inadequate technical staff.

Entity's compliance with statutory requirements

The National Council for Population and Development complied with the statutory requirements and there no major non-compliance that may expose the entity to potential contingent liabilities. Ongoing or potential court cases and defaults should be summarized here clearly indicating the total exposure).

Key projects and investment decisions the entity is planning/implementing

The major project being implemented by the council is Formulation, Coordination, Monitoring & Evaluation of Population & Development Policies and Programs. The project covers a number of activities that are planned to achieve the stated objective. These will be conducted through strengthening policy implementation including advocacy for population issues, coordination, monitoring and evaluation. The broad activities supported include (i) Coordinating population programmes by all stakeholders, Conducting relevant surveys on topic issues, preparation of State of Kenya Population Report. (ii) M & E of projects, (iii) Advocacy for population issues including Reproductive, Maternal New born, Child Adolescent and Health (RMNCAH) in six counties (Lamu, Marsabit, Isiolo, Mandera, Wajir and Migori) (iv) updating of population policy related instruments and, (v) implementation of interventions for realization of Demographic Dividend roadmap for Kenya including research, modeling and knowledge sharing.

The project is expected to achieve the following social economic benefits:

- Increased uptake of Maternal, Child health and Family planning services
- Harnessing of economic, health and education opportunities for youth (Demographic Dividend) in 47 counties
- sustainable population that matches available resources
- Reduction in maternal and infant mortality especially in six counties (Lamu, Marsabit, Isiolo, Mandera, Wajir and Migori)

Improved quality of life

The project is financed through grants from UNFPA, World Bank, USAID, Bill and Melinda Gates and JAICA

Major risks facing the entity

The major risks that are:

Liquidity. The council is service Organization with major donors being GOK and development partners who may change their priorities due to competing needs. This is being mitigated by diversifying sources of finances.

The council is also exposed to legal risks as it is formed through a legal notice. A draft bill is already in place to mitigate against this risk.

The council also faces reputation risks due to miss reporting and negative pronouncements by media. A Kenya media network for Population was set up to mitigate against this risk mainly to sensitize media about population matters.to capacity build media personality the journalists and editors

Another risk the council is exposed to is political especially on pronouncements regarding child birth, shifting government focus, and reorganization in government. This is being mitigated by setting up a Parliamentary Network on Population to advocate for population issues the country and create champions for political support.

Another risk is Market Risk. Some NGOs are competing with NCPD in carrying out the population related activities. This will be mitigated by the legal instruments.

Material arrears in statutory/financial obligations

The council has not implemented the results of SRC recommendations to staff due to limited finances

The entity's financial probity and serious governance issues

There is no major financial improbity reported by the by internal audit/Board audit committee, external auditors, or other National Government Agencies providing oversight; and there are no serious governance issues among the Board or member of the Board and top management including conflict of interest.)

CORPORATE GOVERNANCE STATEMENT

As a responsible corporate citizen, The National Council for Population and Development carries out CSR. In year 2017-2018 continued with the implementation of the Demographic Dividend Road Map in earnest. Key among the approaches to contribute to achieving accelerated economic growth for Kenya is to ensure a healthy population with skills to enable youth to participate in the economy. The County Population Coordinator, Upper Eastern, in collaboration with the County government of Embu, organized an integrated Medical Camp in Embu County, on 2nd April 2018 to provide health information and services to the members of the public. Information and service focused on:

- i. Health education and nutrition assessment
- ii. Population education and IEC materials distribution
- iii. Cervical, prostate and breast cancer screening
- iv. Eye check-up
- v. Family planning and immunization services
- vi. VCT counselling and testing
- vii. Diabetes/blood pressure evaluation and monitoring
- viii. Disability assessment and referral and,
- ix. General medical consultation and treatment



Members of the public listen to speeches during the Integrated Medical Camp in Embu County, 26th March 2018

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Results

The medical camp was very successful despite the cold and rainy weather was able to serve various categories of clients.

In the light of this the Council has continued to offer services and information on population and development to the citizens free of charge in many forums, including ASK Shows and other exhibitions. NCPD County staff also participated in career days in school to mentor young boys and girls and empower them with information

REPORT OF THE DIRECTORS

The Directors submit their report together with the audited financial statements for the year ended June 30, 2018 which show the state of the *entity's* affairs.

Principal activities

The principal activities of the entity are;

- Analyse population issues and develop policies related to population
- Provide leadership and mobilize support for population programmes including coordinating population programmes implemented by different organizations
- Assess the impact of population programmes and make recommendations arising from such assessments
- Assist other organizations in dealing with population issues
- Identify and advise on population issues that may not be adequately or appropriately dealt with by the Government
- Advocate for political and other support to address population issues.

Results

The results of the entity for the year ended June 30, 2018 are set out on page 1

Directors

The members of the Board of Directors who served during the year are shown on page Vi – Vii.

Dividends/Surplus remission

In accordance with Section 219 (2) of the Public Financial Management Act regulations, regulatory entities shall remit into Consolidated Fund, ninety per centum of its surplus funds reported in the audited financial statements after the end of each financial year. The entity is not under regulatory bodies and hence not entitled for remittance to consolidated fund account.

Auditors

The Auditor General is responsible for the statutory audit of the *entity* in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015

By Order of the Board



Dr. Josephine Kibaru Mbae
Board Member
Nairobi
Date: 27.5.19



John Makau
Chief Accountant
Nairobi
Date: 27.6.19

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Section 81 of the Public Finance Management Act, 2012 require the Directors to prepare financial statements in respect of that *entity*, which give a true and fair view of the state of affairs of the *entity* at the end of the financial year/period and the operating results of the *entity* for that year/period. The Directors are also required to ensure that the *entity* keeps proper accounting records which disclose with reasonable accuracy the financial position of the *entity*. The Directors are also responsible for safeguarding the assets of the *entity*.

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

The Directors accept responsibility for the *entity's* financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012. The Directors are of the opinion that the *entity's* financial statements give a true and fair view of the state of *entity's* transactions during the financial year ended June 30, 2018, and of the *entity's* financial position as at that date. The Directors further confirm the completeness of the accounting records maintained for the *entity*, which have been relied upon in the preparation of the *entity's* financial statements as well as the adequacy of the systems of internal financial control.

Nothing has come to the attention of the Directors to indicate that the *entity* will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The *entity's* financial statements were approved by the Board on _____ 2018 and signed on its behalf by:



Dr. Josephine Kibaru Mbae
For: Board Member
Nairobi
Date: 27.5.19



John Makau
Chief Accountant
Nairobi
Date: 27.5.2019

REPUBLIC OF KENYA

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OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON NATIONAL COUNCIL FOR POPULATION AND DEVELOPMENT FOR THE YEAR ENDED 30 JUNE 2018

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Council for Population and Development set out on pages 1 to 29, which comprise the statement of financial position as at 30 June 2018, and the statement of financial performance, statement of changes in net assets, 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 have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of National Council for Population and Development as at 30 June 2018, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Property, Plant and Equipment

As previously reported, property, plant and equipment balance of Kshs.71,129,065 as at 30 June 2018 excludes undetermined values of land situated at Upper Hill Nairobi, Muranga and Kisii counties without ownership documents. Information available indicates that land in Upper Hill Nairobi (LR No.209/13332-Plan No. 93637/11/724) measuring 0.63 hectares which had been reserved for the Council in 1989 to construct its offices was subsequently allocated to a private developer. Although the Council attempted to take possession of the property on 12 November 2016 following the Public Investment Committee recommendation, this did not however materialize.

Additional information indicates that the National Lands Commission made a ruling on 8 March 2016 granting the land to the private developer without making references to the Council. According to the ruling, the Commission determined that allocation of the land to

Report of the Auditor-General on the Financial Statements of National Council For Population And Development for the year ended 30 June 2018

the private developer was irregular but ordered the title to be re-issued in the name of the developer on grounds of public interest since the land had already been charged with a collapsed bank and the depositors in the bank needed not lose out. Further, although the National Land Commission indicated in the ruling that it could assist the National Council for Population and Development to acquire alternative land, this has not been done to date.

In consequence, the accuracy, completeness, valuation and safety of the property, plant and equipment balance of Kshs.71,129,065 could not be ascertained as at 30 June 2018.

2. Long Outstanding Trade Receivables

The statement of financial position and Note 19 to the financial statements reflects receivables from exchange transactions figure of Kshs.28,935,076 which includes trade receivable balance of Kshs.5,892,243. Included in the trade receivables of Kshs.5,892,243 is Kshs.3,909,489 relating to 2016/2017 and prior years which is long outstanding for which no provision has been done. No explanation has been provided why the long outstanding balance were not recovered or provided for.

Consequently, the accuracy and collectability of the trade receivable balance of Kshs.5,892,243 as at 30 June 2018 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of National Council for Population and Development in accordance with ISSAI 30 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Key Audit Matters

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial

statements are in compliance, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON INTERNAL CONTROLS EFFECTIVENESS, GOVERNANCE AND RISK MANAGEMENT SYSTEMS

Conclusion

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

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 (Accrual Basis) and for maintaining effective internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, risk management and governance.

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

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

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

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

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error,

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability to continue as a going concern or to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Board to cease to continue as a going concern or to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Council to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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



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

Nairobi

13 August 2019

National Council for Population and Development
Annual Reports and Financial Statements
For the year ended June 30, 2018

STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2018

			RESTATED	
	Notes	2017-2018	2016-2017	2016-2017
		Kshs	Kshs	Kshs
Revenue from non-exchange transactions				
Donor Income	6	249,261,677	63,433,426	63,392,253
Transfers from Ministry	7	355,754,270	345,679,269	345,679,269
		605,015,947	409,112,695	409,071,522
Revenue from exchange transactions				
Finance income	8	7,566	3,906	3,906
Other income	9	5,868,079	18,286,419	17,723,860
Total revenue		610,891,592	427,403,020	426,799,288
Expenses				
Employee costs	10	153,657,575	153,310,780	153,310,780
Remuneration of directors	11	2,822,581	5,957,696	5,365,696
Depreciation and amortization expense	12	21,634,610	17,011,591	17,011,591
Repairs and maintenance	13	3,630,414	8,492,210	8,492,210
Project Expenses	14	249,261,677	59,048,324	64,048,324
General expenses	15	134,114,950	153,264,589	153,264,589
Finance costs	16	1,042,371	657,486	657,486
Provision for bad debts		-	3,767,697	
Total expenses		566,164,177	401,510,373	402,150,676
Other gains/(losses)				
Gain on sale of assets	17	-	1,058,594	1,058,594
Net Surplus for the year		44,727,415	26,951,241	25,707,206

The notes set out on pages 5 to 25 form an integral part of these Financial Statements

National Council for Population and Development
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STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018

			RESTATED	
	Notes	2017-2018	2016-2017	2016-2017
		Kshs	Kshs	Kshs
Assets				
Current assets				
Cash and cash equivalents	18	51,892,833	67,540,675	67,540,675
Receivables from exchange transactions	19	28,935,076	2,744,181	3,336,181
		80,827,909	70,284,856	70,876,856
Non-current assets				
Property, plant and equipment	20	71,129,065	57,504,779	57,504,779
Intangible assets	21	6,793,131	6,329,131	6,329,131
		77,922,196	63,833,910	63,833,910
Total assets		158,750,104	134,118,766	134,710,766
Liabilities				
Current liabilities				
Trade and other payables from exchange transactions	22	7,987,064	6,867,676	8,662,538
Unexpended Grants	25	15,625,267	36,840,727	36,881,900
Total liabilities		23,612,331	43,708,403	45,544,438
Net assets		135,137,773	90,410,363	89,166,328
Capital Reserves				
Reserves		87,699,686	42,972,272	41,728,237
Accumulated surplus		47,438,087	47,438,087	47,438,087
Total net assets and liabilities		135,137,773	90,410,363	89,166,328

The Financial Statements set out on pages 1 to 25 were signed on behalf of the Board of Directors by:


Director General
Dr. Josephine Mbae


Chief Accountant
John Makau
ICPAK Member Number: 6571

Date: 27.5.19

Date: 27.5.2019

National Council for Population and Development
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STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED 30 JUNE 2018

	Capital Reserves	Retained earnings	Total
At July 1, 2016 - Restated	47,438,087	16,021,031	63,459,118
Surplus for the year	-	25,707,206	25,707,206
At June 30, 2017	47,438,087	41,728,237	89,166,324
Adjustment for the period		1,244,035	1,244,035
Restated at June 30, 2017	47,438,087	42,972,272	90,410,359
At July 1, 2017 - Restated	47,438,087	42,972,272	90,410,359
Surplus for the year	-	44,727,415	44,727,415
At June 30, 2018	47,438,087	87,699,686	135,137,774

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2018

				RESTATED	
	Notes	2017-2018	2016-2017	2016-2017	
		Kshs	Kshs	Kshs	
Cash flows from operating activities					
Receipts					
Public contributions and donations	6	249,261,677	63,433,426	63,392,253	
Government grants and subsidies	7	355,754,270	345,679,269	345,679,269	
Finance income	8	7,566	3,906	3,906	
Other income, rentals and agency fees	9	5,868,079	18,286,419	17,723,860	
Total Receipts		610,891,592	427,403,020	426,799,288	
Payments					
Compensation of employees	10	153,657,575	153,310,780	153,310,780	
Goods and services	11,13,15	140,567,944	171,482,192	167,122,495	
Finance cost	16	1,042,371	657,486	657,486	
Project Expenses paid	14	249,261,677	59,048,324	64,048,324	
Total Payments		544,529,567	384,498,782	385,139,085	
Changes in Working capital					
(Increase)/ decrease in debtors	19	(26,190,895)	3,058,392	2,466,392	
Increase / (decrease) in payables	22	1,119,382	(17,595,622)	(15,800,760)	
Increase / (decrease) in unexpended grants	25	(21,215,460)	22,832,797	22,873,970	
Net changes in working capital		(46,286,973)	8,295,567	9,539,602	
Net cash flows from operating activities		20,075,052	51,199,805	51,199,805	
Cash flows from investing activities					
Purchase of property, plant, equipment and intangible assets	20	(35,026,896)	(24,098,995)	(24,098,995)	
Purchase of intangible assets	21	(696,000)	(6,329,131)	(6,329,131)	
Proceeds from sale of property, plant and Equipment		-	3,400,000	3,400,000	
Net cash flows used in investing activities		(35,722,896)	(27,028,126)	(27,028,126)	
Net increase/(decrease) in cash and cash equivalents		(15,647,843)	24,171,679	24,171,679	
Cash and cash equivalents at 1 JULY	18	67,540,675	43,368,996	43,368,996	
Cash and cash equivalents at 30 JUNE	18	51,892,833	67,540,675	67,540,675	

National Council for Population and Development
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STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
FOR THE YEAR ENDED 30 JUNE 2018

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference
	2017-2018	2017-2018	2017-2018	2017-2018	2017-2018
Revenue	Kshs	Kshs	Kshs	Kshs	Kshs
Public contributions and donations	244,629,831	4,631,846	249,261,677	249,261,677	-
Government grants and subsidies	420,754,270	(24,805,000)	395,949,270	355,754,270	40,195,000
Finance Income	7,566	-	7,566	7,566	-
Other Income	4,132,581	1,735,499	5,868,079	5,868,079	-
Total income	669,524,248	(18,437,656)	651,086,592	610,891,592	40,195,000
Expenses					
Compensation of employees	151,176,366	2,481,209	153,657,575	153,657,575	-
Goods and services	12,067,483	(5,614,488)	6,452,995	6,452,995	-
Finance cost	938,183	104,188	1,042,371	1,042,371	-
Other payments	150,908,641	(16,793,691)	134,114,950	134,114,950	-
Grants and subsidies paid	244,629,831	4,631,846	249,261,677	249,261,677	-
Depreciation & Amortization	21,634,610	(0)	21,634,610	21,634,610	-
Total expenditure	581,355,113	(15,190,936)	566,164,177	566,164,177	-
Surplus for the period	88,169,134	(3,246,719)	84,922,415	44,727,415	40,195,000

Budget notes

- (i) Government grants and subsidies – The Entity did not receive budgeted development funds from the government to the tune of Ksh.40,195,000
- (ii) Public contributions and donations were from development partners.

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The National Council for Population and Development was established as a State Corporation on 29th October, 2004 through the legal Notice No. 120 contained in the Kenya Gazette Supplement No. 68. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the *entity's* accounting policies. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the *entity*.

The financial statements have been prepared in accordance with the PFM Act, and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

3. ADOPTION OF NEW AND REVISED STANDARDS

i. Relevant new standards and amendments to published standards effective for the year ended 30 June 2018

Standard	Impact
IPSAS 39: Employee Benefits	Applicable: 1st January 2018 The objective to issue IPSAS 39 was to create convergence to changes in IAS 19 Employee benefits. The IPSASB needed to create convergence of IPSAS 25 to the amendments done to IAS 19. The main objective is to ensure accurate information relating to pension liabilities arising from the defined benefit scheme by doing away with the corridor approach.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3 ADOPTION OF NEW AND REVISED STANDARDS (Continued)

ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2018

Standard	Effective date and impact:
IPSAS 40: Public Sector Combinations	Applicable: 1st January 2019: The standard covers public sector combinations arising from exchange transactions in which case they are treated similarly with IFRS 3 (applicable to acquisitions only) Business combinations and combinations arising from non-exchange transactions which are covered purely under Public Sector combinations as amalgamations.

iii. Early adoption of standards

The entity did not early – adopt any new or amended standards in year 2018.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Revenue recognition

i) Revenue from non-exchange transactions – IPSAS 23

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on approval by parliament through the appropriation and the supplementary bill upon printing of the printed estimates and supplementary estimates.

Grants from Donor

Grants received for specific purposes are treated as deferred income and are only credited to statement of financial performance when activities for which they were provided have been undertaken.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

a) Revenue recognition (Continued)

ii) Revenue from exchange transactions – IPSAS 9

Rendering of services

The council recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to completion of activities.

Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

The council is a service organisation and does not render any services for a fee. It is therefore not therefore pay taxes.

Interest income

Interest income is accrued using the effective yield method. The effective yield discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this yield to the principal outstanding to determine interest income each period.

b) Budget information – IPSAS 24

The annual budget is prepared on the accrual basis, that is, all planned costs and income are presented in a single statement to determine the needs of the council. As a result of the adoption of the accrual basis for budgeting purposes, there are no basis, timing or entity differences that would require reconciliation between the actual comparable amounts and the amounts presented as a separate additional financial statement in the statement of comparison of budget and actual amounts. The movements in the budgets was as a result of deductions in the revised estimates by the Government. Some Activities under the UNFPA were financed through Government Funding.

c) Property, plant and equipment - IPSAS 17

All property, plant and equipment are stated at net book value and modified to include revaluations, less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value. Full year's depreciation is recognized in the year of purchase.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property, plant and equipment - IPSAS 17 (continued...)

The rate of depreciation are as follows:

Furniture and Fittings	12.50%
Computers and Accessories	30%
Office equipment	12.50%
Motor Vehicles	25%

d) Intangible assets - IPSAS 31

The council entered into a consultancy to install an ERP system of Kshs 8,417,331.00. As at June 2017, the process of installation was not complete. The cost of work in progress was Kshs 6,329,131. When the ERP is commissioned, it will be recognised as an intangible asset and amortized for three years.

e) Provisions

Provisions are recognized when the Entity has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Entity expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain.

The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

Contingent liabilities

The Entity does not recognize a contingent liability, but discloses details of any contingencies in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

f) Nature and purpose of reserves

The Entity creates and maintains reserves in terms of specific requirements. The capital reserves were created when the council become a SAGA and assets transferred to it.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

g) Changes in accounting policies and estimates -IPSAS 3

The Entity recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

h) Employee benefits - IPSAS 25

Retirement benefit plans

The Council provides retirement benefits for its employees. Defined contribution plans are postemployment benefit plans under which a council pays 15% and employee 7.5% contributions into to a custodian & Fund manager (a fund), and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets today all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable.

The council also provides for 31% Gratuity for employees on contract a term which is paid upon expiry of the contract.

i) Foreign currency transactions - IPSAS 4

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. While preparing the financial statements the closing rate was used and the difference accounted for in the statement of financial performance. Exchange differences arising from reporting at rates different from those at which they were initially recorded during the period, are recognized as income or expenses in the period in which they arise. The transactions in foreign exchange are for grants and funds are wired in foreign currency and converted at the time of transactions. These are short term projects negotiated every year and there is therefore the risk of fluctuations in the rate is minimal.

j) Related parties – IPSAS 20

The Entity regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the Entity, or vice versa. Members of key management are regarded as related parties and comprise the directors, the CEO and senior managers.

k) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank. Bank account balances include amounts held at the various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term cash imp rests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

l) Comparative figures

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

m) Subsequent events – IPSAS 14

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

n) Financial Risk Management – IPSAS 30

Currently, the Entity does not face any financial risk in terms of credit risk, Liquidity risk and market risk

5 SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the Entity's financial statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods. State all judgements, estimates and assumptions made: e.g.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Entity based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Entity. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

Useful lives and residual values

The useful lives and residual values of assets are assessed using the following indicators to inform potential future use and value from disposal:

- The condition of the asset based on the assessment of experts employed by the Entity
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes
- The nature of the processes in which the asset is deployed
- Availability of funding to replace the asset
- Changes in the market in relation to the asset

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6 PUBLIC CONTRIBUTIONS AND DONATIONS

The Entity received restricted donations from several development partners. The Grants are recognized as income on a systematic and rational basis over the period necessary to match them with the related project costs. Details of the donor funds are tabulated below;

Description		RESTATED	
	2017-2018	2016-2017	2016-2017
	KShs	KShs	KShs
PRB	-	(366)	(366)
PRB Kshs	5,051,806	3,844,489	3,844,489
UNFPA Revenue Through Treasury	25,096,417	56,553,519	56,553,519
UNICEF	61,400	1,450,759	1,409,586
World Bank	214,800,114	-	
Kuhri Kshs	4,251,940	1,585,025	1,585,025
Total (Note 25)	249,261,677	63,433,426	63,392,253

7 TRANSFERS FROM OTHER GOVERNMENTS

Description	2017-2018	2016-2017
	Kshs	Kshs
Unconditional grants		
Operational Grant	235,979,270	235,979,269
Development Grant	119,775,000	109,700,000
Total government grants and subsidies	355,754,270	345,679,269

8 FINANCE INCOME

Description	2017-2018	2016-2017
	Kshs	Kshs
PRB	7,566	3,766
Other Interest	-	140
Total finance income	7,566	3,906

9 OTHER INCOME

Description		RESTATED	
	2017-2018	2016-2017	2016-2017
	KShs	KShs	KShs
Sale of tender Documents & Assets	-	91,560	91,560
Gain /loss on conversion	-	182,476	182,476
Miscellaneous Receipts	5,868,079	7,658,903	7,658,903
Support by Partners for GOK Activities	-	10,353,480	9790921
Total Other Income	5,868,079	18,286,419	17,723,860

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

10 EMPLOYEE COSTS

Description	2017-2018	2016-2017
	KShs	KShs
Basic Pay	91,267,727	138,171,991
Temporary staff Salary	2,605,973	-
House Benefit and Allowances	31,361,937	-
Travel, motor car, accommodation, subsistence and other allowances	10,250,170	34,879
Gratuity & Pensions	15,408,636	14,727,412
Leave allowance	2,171,728	
Stipend for interns	591,404	376,498
Employee costs	153,657,576	153,310,780

(Temporary staff Salary represents the salary paid to an M&E officer who was employed on contract / temporary basis under a donor funded project)

11 REMUNERATION OF DIRECTORS

Description		RESTATED	
	2017-2018	2016-2017	2016-2017
	KShs	KShs	KShs
Chairman's Honoraria	-	-	-
Directors emoluments	2,822,581	5,957,696	5,365,696
Total director emoluments	2,822,581	5,957,696	5,365,696

12 DEPRECIATION AND AMORTIZATION EXPENSE

Description	2017-2018	2016-2017
	Kshs	Kshs
Property, plant and equipment	21,402,610	17,011,591
Intangible assets	232,000	-
Total depreciation and amortization	21,634,610	17,011,591

13 REPAIRS AND MAINTENANCE

Description	2017-2018	2016-2017
	KShs	KShs
Repair of Motor Vehicle	1,851,894	7,267,390
Plant, Machinery & Equipment	674,273	1,224,820
Building repairs	1,104,246	0
Total repairs and maintenance	3,630,414	8,492,210

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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14 PROJECT EXPENSES

Description		RESTATED	
	2017-2018	2016-2017	2016-2017
	KShs	KShs	KShs
PRB KSHS*	5,051,806	3,998,617	3,998,617
UNICEF	61,400	1,446,469	1,446,469
UNFPA Revenue Through Treasury	25,096,417	52,100,638	57,100,638
Kuhri Kshs*	4,251,940	1,487,200	1,487,200
World Bank	214,800,114	-	-
Demographic Dividend LQAS Kshs	-	15,400	15,400
Total Project Expenses	249,261,677	59,048,324	64,048,324

15 GENERAL EXPENSES

Description	2017-2018	2016-2017
	KShs	KShs
GOK -Utilities Supplies and Services	891,353	1,525,048
GOK-Communication Supplies and Services	7,289,131	7,125,108
GOK-Domestic Travel & Subsistence & Other	16,898,894	32,447,660
GOK-Foreign Travel & Subsistence & Trans	1,897,787	1,211,295
GOK-Printing Advert Info Supplies & Serv	6,106,225	13,277,157
GOK -Rentals of Produced Assets	18,673,411	32,867,285
GOK -Training Expenses	2,956,605	2,138,447
GOK -Hospitality supplies and Services	9,343,330	15,179,776
Insurance	11,404,390	19,841,029
GOK-Office and General supplies & service	8,102,684	10,615,585
GOK -Fuel and Lubricants	3,614,500	3,600,500
Other Operating expenses	24,901,176	8,027,725
Contracted Professional Services	9,441,992	
Membership to Partners, UNFPA	6,502,486	3,087,167
Purchase of Office Stationery	-	69,250
Contract Staff Gratuity	-	1,319,743
Other Operating expenses	5,940,985	188,168
Research Feasibility Study & Design	150,000	12,900
Foreign Travel-UNFPA	-	472,716
Training	-	258,030
Total general expenses	134,114,950	153,264,589

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

16 FINANCE COSTS

Description	2017-2018	2016-2017
	KShs	KShs
PRB (US\$)	1,133	3,401
PRB khs	33,138	26,181
UNFPA	57,740	106,708
UNICEF	83	4,290
Recurrent	361,443	348,033
Development	228,651	159,875
miscellaneous	17,403	8,152
KUHRI Kshs		825
World Bank	252,824	-
2034520928 Dev ii	-	21
Forex loss	89,957	-
Total finance costs	1,042,371	657,486

17 GAIN ON SALE OF ASSETS

Description	2017-2018	2016-2017
	Kshs	Kshs
Profit on disposal of Motor vehicles	0	1,058,594
Total gain on disposal	0	1,058,594
Summary on computation		
Cost/ Valuation	3,700,000	3,700,000
Accumulated Depreciation	2,529,297	2,529,297
NBV	1,170,703	1,170,703
sold at	1,650,000	1,750,000
Gain on disposal	479,297	579,297
	579,297	1,058,594

18 CASH AND CASH EQUIVALENTS

Description	2017-2018	2016-2017
	Kshs	Kshs
Current account	51,892,833	67,540,675
Total cash and cash equivalents	51,892,833	67,540,675

NOTES TO THE FINANCIAL STATEMENTS (Continued)

18 (a). DETAILED ANALYSIS OF THE CASH AND CASH EQUIVALENTS

Financial institution	Account number	Foreign Amount	2017-2018 Kshs	2016-2017 Kshs
		USD @		
a) Current account		100.8985		
BBK -Recurrent	045-1547933		223,488	449,295
BBK-Development	045-1548190		11,949,569	2,100,021
CBA-UNFPA	6427120041		1,445,213	24,052,415
CBA-MACRO (US\$) (USAID)	6427120036	\$10,990	1,108,923	1,139,823
CBA-PRB (US\$) (USAID)	6427120015	\$65,693	6,628,282	7,026,437
CBA-PRB Kshs (USAID)	6427120172		1,901,846	1,935,990
CBA-UNICEF	6427120028		96,989	158,471
CBA-SDI-HFA-World Bank			(443,422)	-
BBK-NCPD	045-1548204		18,056,863	18,906,617
BBK-Miscellaneous dollar	221012119	\$91,632	9,245,516	8,622,411
CBA-LQAS Dollar (USAID)	6427120104	\$3,807	384,123	394,826
BBK-Miscellaneous	045-1099655		-	220,647
CBA-Kuhri Kshs (Bill & Melida gates)	6427120151		(310,893)	522,842
CBA-Kuhri (US\$) (Bill & Melida gates)	6427120167	\$15,920	1,606,336	1,651,096
BBK	2034520928		-	6,946
RPC VARIOUS			-	352,838
Grand total			51,892,833	67,540,675

19 RECEIVABLES FROM EXCHANGE TRANSACTIONS

Description	2017-2018	RESTATED 2016-2017	2016-2017
	KShs	KShs	KShs
Current receivables			
Trade Receivables	5,892,243	6,511,878	3,336,181
Other Receivables	690,752	-	
Prepayments (Rent and Insurance)	21,885,405		
Imprests Account - Main	2,139,563	-	
UNFPA Imprests Account	171,850	-	
KURHI KSHS IMPREST ACCOUNT	261,195	-	
Imprests World Bank	1,661,765	-	
Less: Provision for Bad debts	(3,767,697)	(3,767,697)	
Total receivables	28,935,076	2,744,181	3,336,181

(Included in other receivables is an amount of Ksh.500,000 which was paid in advance to Jambo jet and Kenya airways for air tickets)

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20 PROPERTY, PLANT AND EQUIPMENT

	Motor Vehicles	Computers	Office Equipment	Furniture fittings	Total
	25%	30%	12.50%	12.50%	
Cost	Kshs	Kshs	Kshs	Kshs	Kshs
At 1 July 2017	118,544,444	19,629,862	13,859,877	15,462,750	167,496,933
Additions	29,034,400	2,824,496	-	3,168,000	35,026,896
As at 30th June 2018	147,578,844	22,454,358	13,859,877	18,630,750	202,523,829
DEPRECIATION					
At 1 July 2017	79,588,427	14,812,365	8,338,581	7,252,781	109,992,154
Charge for the year	16,997,604	2,292,598	690,162	1,422,246	21,402,610
As at 30th June 2018	96,586,031	17,104,963	9,028,743	8,675,027	131,394,764
NET BOOK VALUE					
At 30th June 2018	50,992,813	5,349,395	4,831,134	9,955,723	71,129,065

FY 2016/2017

At 1 July 2016	99,782,850	18,721,862	13,836,882	13,397,750	145,739,344
Additions	21,103,000	908,000	22,995	2,065,000	24,098,995
Disposal	(2,341,406)	-	-	-	(2,341,406)
As at 30th June 2017	118,544,444	19,629,862	13,859,877	15,462,750	167,496,933
DEPRECIATION					
At 1 July 2016	71,661,682	12,747,723	7,549,824	6,079,928	98,039,157
Charge for the year	12,985,339	2,064,642	788,757	1,172,853	17,011,591
Disposal	(5,058,594)	-	-	-	(5,058,594)
As at 30th June 2017	79,588,427	14,812,365	8,338,581	7,252,781	109,992,154
NET BOOK VALUE					
At 30th June 2017	38,956,017	4,817,497	5,521,296	8,209,969	57,504,779

NOTES TO THE FINANCIAL STATEMENTS (Continued)

21 INTANGIBLE ASSETS-SOFTWARE

Description	Cost	WIP	Total
	Kshs	Kshs	Kshs
COST			
At 1 July 2017	-	6,329,131	6,329,131
Additions	696,000	-	696,000
As at 30th June 2018	696,000	6,329,131	7,025,131
AMORTIZATION			
At 1 July 2017	-	-	-
Charge for the year	232,000	-	232,000
As at 30th June 2018	232,000	-	232,000
NET BOOK VALUE			
At 30th June 2018	464,000	6,329,131	6,793,131

COST			
At 1 July 2016	-	-	-
Additions	-	6,329,131	6,329,131
As at 30th June 2017	-	6,329,131	6,329,131
AMORTIZATION			
At 1 July 2016	-	-	-
Charge for the year	-	-	-
As at 30th June 2017	-	-	-
NET BOOK VALUE			
At 30th June 2017	-	6,329,131	6,329,131

22 TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS

Description		RESTATED	
	2017-2018	2016-2017	2016-2017
	KShs	KShs	KShs
Trade payables	36,000	503,855	503,855
Employee advances	1,023,722	449,791	2,244,653
Salary & statutory	546,847	2,760,242	2,760,242
Gratuity & Pensions	6,380,495	3,153,788	3,153,788
Total trade and other payables	7,987,064	6,867,676	8,662,538

NOTES TO THE FINANCIAL STATEMENTS (Continued)

23 CASH GENERATED FROM OPERATIONS

Description		RESTATED	
	2017-2018	2016-2017	2016-2017
	KShs	KShs	KShs
Surplus for the year before tax	44,727,415	26,951,241	25707206.5
Adjusted for:			
Depreciation	21,634,610	17,011,591	17,011,591
Gains and losses on disposal of assets	-	(1,058,594)	(1,058,594)
Working Capital adjustments			
(Increase)/ decrease in debtors	(26,190,895)	3,058,392	2466392
Increase / (decrease) in payables	1,119,382	(17,595,622)	-15800760
Increase / (decrease) in unexpended grants	(21,215,460)	22,832,797	22873970
Net cash flow from operating activities	20,075,052	51,199,805	51,199,805

24 RELATED PARTY BALANCES

Entities and other parties related to the entity include those parties who have ability to exercise control or exercise significant influence over its operating and financial decisions. Related parties include management personnel, Board of directors and Government of Kenya

	2018	2017
	Kshs	Kshs
Transactions with related parties		
Grants from the Government		
Grants from National Government	355,754,270	345,679,269
Total	355,754,270	345,679,269
Key management compensation		
Directors' emoluments	2,822,581	-
Compensation to the CEO	5,952,000	5,952,000
Compensation to key management	32,339,678	30,520,032
Total	41,114,259	36,472,032

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25 UNEXPENDED GRANTS

Donor	USAID - PRB USD	USAID - PRB Kshs	USAID - MACRO	UNFPA	UNICEF	World Bank	Bill & Melida gates - Kuhri Kshs	Bill & Melida gates - Kuhri US\$	USAID Demographic Dividend LQAS	USAID Demographic Dividend LQAS Kshs	Total
As at 1 July 2016	83,421	5,780,479	1,121,798	3,153,338	1,568,057	-	287,267	1,624,987	388,583	-	14,007,930
Funds Received from Development Partners	6,943,016	154,128	-	72,999,715	-	-	1,722,775	-	-	15,400	81,835,034
Project Expenditure		(3,998,617)		(52,100,638)	(1,446,469)	-	(1,487,200)			(15,400)	(59,048,324)
Forex gain/(loss)			18,025		(4,290)			26,109	6,243		
As at 30 June 2017 – Restated	7,026,437	1,935,990	1,139,823	24,052,415	117,298	-	522,842	1,651,096	394,826	-	36,840,727
As at 1 July 2017 – Restated	7,026,437	1,935,990	1,139,823	24,052,415	117,298	-	522,842	1,651,096	394,826	-	36,840,727
Funds Received from Development Partners	4,871,178			2,735,855		216,271,280	4,472,800				228,351,113
Project funds transfer	(5,050,800)	5,050,800									0
Total Project Expenditure		(5,051,806)		(25,096,417)	(61,400)	(214,800,114)	(4,251,940)				(249,261,677)
Forex gain/(loss)	(218,533)		(30,900)					(44,760)	(10,703)		(304,896)
As at 30 June 2018	6,628,282	1,934,984	1,108,923	1,691,853	55,898	1,471,166	743,702	1,606,336	384,123	-	15,625,267

Unexpended grant Recognized

FY 2017-2018	-	5,051,806	-	25,096,417	61,400	214,800,114	4,251,940	-	-	-	249,261,677
FY 2016-2017	(366)	3,844,489	-	56,553,519	1,450,759	-	1,585,025	-	-	-	63,433,426

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UNEXPENDED GRANTS (CONTINUED)

Donors	Funds received at 30/06/2017	Deferred Income	Recognized as income
USAID - PRB USD	7,026,071	7,026,437	(366)
USAID - PRB Kshs	5,780,479	1,935,990	3,844,489
USAID - MACRO	1,139,823	1,139,823	-
UNFPA	80,605,934	24,052,415	56,553,519
UNICEF	1,568,057	158,471	1,409,586
World Bank			-
Bill & Melida gates - Kuhri Kshs	2,107,867	522,842	1,585,025
Bill & Melida gates - Kuhri US\$	1,651,096	1,651,096	-
USAID Demographic Dividend LQAS	394,826	394,826	-
USAID Demographic Dividend LQAS Kshs			
Total at June 30, 2017	100,274,153	36,881,900	63,392,253

26 EVENTS AFTER THE REPORTING PERIOD

There were no material adjusting and non- adjusting events after the reporting period.

27 ULTIMATE AND HOLDING ENTITY

The entity is a State Corporation/ or a Semi- Autonomous Government Agency under the Ministry of planning and Development. Its ultimate parent is the Government of Kenya.

28 CURRENCY

The financial statements are presented in Kenya Shillings (Kshs).

APPENDIX 1: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	Property Plant and equipment excluded value of un determined land	- The council has been following up with the Commissioner of Lands and NLC for allocation of alternative land - The process of obtaining title of Murang'a land is at an advanced stage - The process for Kisii land is at negotiation stage with the Ministry of Lands at both Headquarters and county	Dr. Josephine Kibaru Mbae- Director General	Unresolved	This is a Policy Matter involving other Public Institutions and it's very difficult to have a time frame.
	Ownership documents for two motor Vehicles could not be verified as these are registered in the names of other parties	The council is following up with the Kenya Revenue Authority and NTSA for provision of log Book	Mr. Robert Okumu senior Administration Officer	unresolved	By June 2019
	Receivables	Other imprests were surrendered and a provision has been made for 3,767,697. The matter is in court	Director General	Unresolved	The court to determine

NB: All other issues were resolved

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Guidance Notes:

- (i) Use the same reference numbers as contained in the external audit report;
- (ii) Obtain the “Issue/Observation” and “management comments”, required above, from final external audit report that is signed by Management;
- (iii) Before approving the report, discuss the timeframe with the appointed Focal Point persons within your entity responsible for implementation of each issue;
- (iv) Indicate the status of “Resolved” or “Not Resolved” by the date of submitting this report to National Treasury.



Director General

Date.....27.5.19.....



Chief Accountant

Date.....27/05/2019.....

APPENDIX II: INTER-ENTITY TRANSFERS

ENTITY NAME:		NATIONAL COUNCIL FOR POPULATION AND DEVELOPMENT		
Break down of Transfers from the State Department of Planning and Development				
FY 17/18				
a.	Recurrent Grants			
		<u>Bank Statement Date</u>	<u>Amount (Kshs)</u>	<u>Indicate the FY to which the amounts relate</u>
	Ministry of Planning and Development	17/08/2017	58,994,817	FY 2017/2018
	Ministry of Planning and Development	08/12/2017	58,994,817	FY 2017/2018
	Ministry of Planning and Development	07/03/2018	58,994,817.50	FY 2017/2018
	Ministry of Planning and Development	09/05/2018	19,664,939.80	FY 2017/2018
	Ministry of Planning and Development	27/06/2018	19,664,939.40	FY 2017/2018
	Ministry of Planning and Development	30/06/2018	19,664,939.30	FY 2017/2018
		Total	235,979,270.00	
b.	Development Grants			
		<u>Bank Statement Date</u>	<u>Amount (Kshs)</u>	<u>Indicate the FY to which the amounts relate</u>
	Ministry of Planning and Development	22/01/2018	39,925,000	FY 2017/2018
	Ministry of Planning and Development	13/04/2018	79,850,000	FY 2017/2018
		Total	119,775,000	
c.	Donor Receipts			
		<u>Bank Statement Date</u>	<u>Amount (Kshs)</u>	<u>Indicate the FY to which the amounts relate</u>
	United states Agency for International development (USAID)	15/09/2017 \$490	49,440.27	FY 2017/2018
	United states Agency for International development (USAID)	18/01/2018 \$46,788	4,720,839.02	FY 2017/2018
	United states Agency for International development (USAID)	03/04/2018 \$1000	100,898.50	FY 2017/2018

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	United states Agency for International development (USAID)	20/12/2017	1,366,800	FY 2017/2018	
	United states Agency for International development (USAID)	22/12/2017	714,000	FY 2017/2018	
	United states Agency for International development (USAID)	03/05/2018	2,970,000	FY 2017/2018	
	Bill & Melida Gates	02/11/2017	3,472,800	FY 2017/2018	
	Bill & Melida Gates	02/02/2018	1,000,000	FY 2017/2018	
	UNFPA	12/04/2018	2,593,455	FY 2017/2018	
	World Bank	01/02/2018	10,519,950	FY 2017/2018	
	World Bank	26/02/2018	63,604,330	FY 2017/2018	
	World Bank	18/04/2018	122,147,000	FY 2017/2018	
	World Bank	30/06/2018	20,000,000	FY 2017/2018	
		Total	228,208,713		

The above amounts have been communicated to and reconciled with the parent Ministry

Management Accountant
National Council for Population and Development
Sign 

National Council for Population and Development
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APPENDIX III: POST AUDIT JOURNAL ENTRIES

No.	Account Code	Description	Statement of financial performance		Statement of financial position	
			Debit	Credit	Debit	Credit
1		Prepaid Insurance			8,881,153	
	2630/904	Motor Vehicle Insurance		1,074,831		
	2630/901	Group Personal		437,532		
	2630/907	Insurance		7,368,791		
		<i>(Being prepaid insurance amounts now recognized)</i>				
2	2120/000	Employee advances			2,528,899	
	1000/037	Other income		2,528,899		
		<i>(Being deferred amount on Revenue M&E officer in FY 2016/17 now recognized)</i>				
3	1850/024	Receipts from dollar KUHRI-NCAPD Borrowed funds			793,400	
	1200/015	Borrowing from development				793,400
		<i>(Reversal of journal wrongly posted now adjusted)</i>				
4		Prepaid rent			13,004,252	
	2500/603	Rent & Rates		13,004,252		
		<i>(Being recognition of rent prepaid portion)</i>				
5	3052/003	Travel Expense	25,200			
	3022/006	DSA for Drivers		25,200		
		<i>(wrong classification of the project expense now adjusted)</i>				
6	8360/204	John Makau			25,200	
	8387/002	John Makau				25,200
		<i>(wrong classification of the project staff imprest now adjusted)</i>				
7	9250/010	PAYE				4,677
	9250/015	NSSF				9,200
	9250/025	Cooperative Society				23,396
	9250/040	welfare				1,900
	9250/055	HELB				4,177
	9250/075	Comissions				65,456
	9250/080	Overpayment				52,460

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	Gratuity and Pensions provision				3,153,788
	Employee advances <i>(Realigning of the opening balances to the respective accounts)</i>			3,315,055	
8	2995/100 Borrowing KHFA		5,000		
	3371/008 Advocacy & Public Education <i>(reclassification of the project expenditure now adjusted)</i>	5,000			
9	2997/701 SDI/KHFA	14,880			
	2997/701 SDI/KHFA	1,500			
	2997/701 SDI/KHFA	15,000			
	5005/004 Maintenance of motor vehicles		14,880		
	5005/004 Maintenance of motor vehicles		1,500		
	5005/004 Maintenance of motor vehicles <i>(reclassification of the project expenditure now adjusted)</i>		15,000		
10	5005/004 Supervisors DSA	1,426,600			
	3025/019 Overhead to NCPD		33,250		
	2997/701 SDI/KHFA <i>(reclassification of the project expenditure now adjusted)</i>		1,393,350		
11	2120/000 Salary & Allowances for M&E officer	1,633,776			
	4800/003 Transfers to Recurent <i>(Being correction of wrong entry posted in 4800/003 instead of 2120/000 now adjusted)</i>		1,633,776		
12	2995/026 Borrowing Recurrent	1,000,000			
	1200/015 Other Expense		1,000,000		
	1200/015 Other Expense	57,975			
	8430/000 Barclays Bank -Miscellaneous <i>(Adjustment for the wrongly classified amounts now adjusted)</i>				57,975
13	9990/005 Receivables			250,000	
	2350/301 Travel Costs (Airline Bus Railway) <i>(Being prepaid Jambo jet air ticket now adjusted to the correct account)</i>		250,000		

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14	2998/000 Bank Charges 8400/000 Barclays Bank -Re-Current 8420/000 Barclays Bank Development Proper <i>(Being recognition of bank charges in the books of account now adjusted)</i>	4,824			3,339 1,485
15	8800/000 Receivables 2350/301 Travel cost <i>(Being prepaid Kenya airways air ticket now adjusted to the correct account)</i>		250,000	250,000	
16	2120/000 Salary & Allowances for M&E officer 2160/000 Stipend for interns 2200/404 Leave Expenses 2350/303 Daily Subsistence 2150/301 House Allowances 9250/010 PAYE <i>(Being correction of amounts posted as PAYE instead of expense amounts to respective expense accounts now adjusted)</i>	90,464 14,247 188,882 15,600 141,900			451,094
17	2150/301 House Allowances 2160/000 Stipend for interns 2200/404 Leave Expenses 9250/010 PAYE <i>(Being correction of tax amounts for interns posted in PAYE instead of respective expense accounts)</i>	144,300 14,247 99,079			257,627
18	2150/312 Other allowances 2100/000 GOK-Basic Salaries -Permanent Employees <i>(Being correction of wrong posting)</i>	144,000	144,000		
19	2150/301 House Allowances 9250/010 PAYE <i>(Being correction of wrong posting)</i>	132,750			132,750

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20	2150/301 House Allowances	132,750			
	2200/404 Leave Expenses (Being correction of wrong posting)		132,750		
21	2100/000 GOK-Basic Salaries -Permanent Employees	21,563			
	9250/010 PAYE (Being correction of wrong posting)				21,563
22	2150/311 Hardship Allowance	1,800			
	2150/312 Other allowances (Being correction of wrong posting)		1,800		
23	9250/097 Population Staff Welfare			209,000	
	9250/040 welfare (Being correction of wrong posting)				209,000
24	9250/065 Salary Advance Recovery			242,604	
	2995/026 Borrowing Recurrent (Being correction of wrong posting)		242,604		
25	9250/065 Salary Advance Recovery			228,340	
	2995/026 Borrowing Recurrent		65,340		
	1200/015 Other Expense		163,000		
	(Being correction of wrong posting)				
Grand Totals		4,184,755	29,036,260	29,047,959	4,196,454

Reconciling grand totals

Total debits 33,232,714

Total credits 33,232,714