

REPUBLIC OF KENYA



**KENYA NATIONAL AUDIT OFFICE**

PARLIAMENT  
OF KENYA  
LIBRARY



*Paper laid*

*Sp. leader of majority  
Hon. Ben Mutua  
Wednesday  
12/11/2014  
[Signature]*

**REPORT**

**OF**

**THE AUDITOR-GENERAL**

**ON**

**THE FINANCIAL STATEMENTS OF  
AGRICULTURAL SETTLEMENT FUND  
TRUSTEES**

**FOR THE YEAR ENDED  
30 JUNE 2013**



# REPUBLIC OF KENYA

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



P.O. Box 30084-00100  
NAIROBI

## KENYA NATIONAL AUDIT OFFICE

### **REPORT OF THE AUDITOR-GENERAL ON AGRICULTURAL SETTLEMENT FUND TRUSTEES FOR THE YEAR ENDED 30 JUNE 2013 –MINISTRY OF LANDS**

---

#### REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of the Agricultural Settlement Fund Trustees - Ministry of Lands, which comprise the balance sheet as at 30 June 2013 and the income and expenditure statement for the year then ended, and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 14 of the Public Audit Act, 2003.

#### **Officer Administering the Fund and Trustees Responsibility for the Financial Statements**

The Officer Administering the Fund and the Settlement Fund Trustees are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Officer Administering the Fund is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 14 of the Public Audit Act, 2003.

#### **Auditor-General's Responsibility**

My responsibility is to express an opinion on these financial statements based on the audit and report in accordance with the provisions of Section 15(2) of the Public Audit Act, 2003. The audit was conducted in accordance with International Standards on Auditing. Those standards require compliance with ethical requirements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation

and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the fund's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

Because of the matters described in the Basis for Disclaimer of Opinion paragraph, however, I am not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

## **Basis for Disclaimer of Opinion**

### **1. Presentation of the financial statements**

As similarly reported in the previous year, the financial statements do not include the following pertinent information: the financial reporting framework used to prepare the financial statements, the accounting policies and principles applied; a statement of cash flows; a statement of changes in net assets/equity, a fixed assets movement schedule which includes a provision for depreciation of assets, contrary to the requirements of International Accounting Standards 1.

No explanation has been given for failure to include or disclose the information and as a result of which, the accuracy, completeness and understandability of the Fund's financial statements for the year ended 30 June, 2013 is doubtful.

### **2. Fixed Assets**

The Fund's balance sheet as at 30 June 2013 reflects a balance of Kshs.41,625,205.45 against fixed and loose assets. The balance sheet also reflects sale of fixed and loose assets of Kshs.2,944,774.60. However, no fixed assets register was maintained for these assets during the year. As a result, the accuracy and completeness of the balances could not be confirmed.

The balance sheet also reflects a balance of Kshs.6,470,704,107.40 (2011/2012 Kshs.4,959,141,812.40) against land purchase - purchase of properties. In addition, the balance sheet shows Kshs.130,000,000 also relating to purchase of properties that has remained constant since 2006/2007 to date. However, no records and analyses have been provided to support these balances and the details of the properties purchased.

The balance sheet further reflects a balance of Kshs.194,214,407.35 as Land on Hand. However, ownership documents have not been availed for audit verification. In addition, no information has been provided to show details on acreage, location and valuation of the land. It was therefore not possible to confirm ownership, existence and value of land on hand as shown in the balance sheet as at 30 June, 2013.

### 3. Current Assets

The balance sheet reflects under current assets, the following loan balances for which loan registers and other records were, however, not provided for audit review:-

<u>Loan</u>	<u>Amount (Kshs)</u>
Land Loan Issued	280,142,463.95
Development Loans Issued	231,832,876.80
Reserve Loans Issued	550,018.60
Land Loans- Principal Billed	(545,454,418.47)
Development Loans- Principal Billed	(189,027,272.68)
Rescue Loans- Principal Billed	(240,197.90)
Billed Amount- Settlers	1,776,245,315.17
Loan Repayment- Collection	1,827,277,857.42

The existence and accuracy of these balances could not be confirmed.

### 4. Un- analysed balances

The balance sheet further reflects various balances under current assets, current liabilities and long term liabilities which were not analysed as detailed below:

<u>Item</u>	<u>Amount (Kshs)</u>
<b>Current assets</b>	
Cane Development Costs- Suspense	(5,139,966.65)
Other Recoverable Expense	9,820,460.00
Other Debtors- Debtors General	32,349,237.60
Trade Investment	59,263,386.65
Advances	10,590,567.50
Suspense- Debit items	64,507,005.25
Agency Accounts (Debits)	299,050.05
Billed Amounts- Settlers	1,776,245,315.17
Loan Repayment- Collection	1,827,277,857.42
Imprests	12,200,129.00
<b>Current Liabilities</b>	
Reserve for Bad Debts	6,602,797.20
Provisions	11,675.50
Deposits	77,897,588.35
Other Creditors	3,150,139.25
Accrued Interest on Loans	(6,000.00)
Suspense- Credit Items	(112,208,552.06)
Clearance Accounts (Credits)	2,034,239.80

Funds drawn from Treasury	5,153,814.20
Agency Accounts (Credits)	200.00

**Long Term Liabilities**

Loans Received	362,244,367.65
Loan Redemption	344,655,444.85

In the absence of supporting analyses, it was not possible to ascertain the existence, accuracy and validity of these balances.

**5. Cashbook Control Account**

The balance sheet reflects cashbook control account balance of Kshs.3,153,888,793.45 as at 30 June 2013. However, no bank reconciliation statements as at that date or certificates of bank balances were provided for audit review. As a result, the accuracy and existence of the balance could not be ascertained.

**6. Equity**

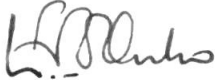
The balance sheet reflects under equity, balances of Kshs.1,733,741.20 and Kshs. 9,387,003,084.35 against revolving fund – seasonal loans and land purchase grant, respectively. However, the balances have not been supported with any records, documents or analyses. Consequently, the completeness, validity and accuracy of the balances could not be confirmed.

**7. Income and Expenditure Statement**

The income and expenditure statement for 2012/2013 reflects total income of Kshs.197,861,206.31 received from land loans' interest, other interest, settlement revenue and administration grant received; and a total expenditure of Kshs.172,136,811.44 incurred during the year. However, documents supporting the income and expenditure figures were not produced for audit review. Consequently, the accuracy of the recorded income and propriety of expenditure incurred could not be confirmed.

## Disclaimer of Opinion

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



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

**Nairobi**

**21 May 2014**



**Republic of Kenya**

---

**MINISTRY OF LAND, HOUSING & URBAN DEVELOPMENT**

**Agricultural Settlement Fund**

**P.O Box 30297-00100**

**Nairobi, Kenya**

**Balance Sheet, Income and Expenditure  
Statements and Trial Balance for the  
Financial Year Ended 30<sup>th</sup> June, 2013**

**Settlement Fund Trustees  
(SFT)**

**SETTLEMENT FUND TRUSTEES**

**Balance Sheet**

**As Of June 30, 2013**

<b>ASSETS</b>	<b>June 2013</b>	<b>June 2012</b>
<b>Fixed Assets</b>		
ADMIN GRANT - FIXED AND LOOSE ASSETS	41,625,205.45	41,779,391.45
ADMIN GRANT - SALE OF FIXED AND LOOSE ASSETS	-2,944,774.60	-2,944,774.60
LAND PURCHASE - PURCHASE OF PROPERTIES	6,470,704,107.40	4,959,141,812.40
LAND PURCHASE - SALE OF PROPERTIES	-277,729,728.16	-235,260,483.60
LAND PURCHASE - LAND ON HAND	194,214,407.35	194,241,407.35
LAND PURCHASE GRANT - PURCHASE OF PROPERTIES	130,000,000.00	130,000,000.00
<b>Total Fixed Assets</b>	<b>6,555,869,217.44</b>	<b>5,086,957,353.00</b>
<b>Current Assets</b>		
LAND LOAN ISSUED	280,142,463.95	280,142,463.95
DEVELOPMENT LOAN ISSUED	231,832,876.80	231,710,602.80
RESCUE LOANS ISSUED	550,018.60	550,018.60
LAND LOANS PRINCIPAL BILLED	-545,454,418.47	-369,731,098.09
DEVELOPMENT LOANS PRINCIPAL BILLED	-189,027,272.68	-188,107,818.70
RESCUE LOANS PRINCIPAL BILLED	-240,197.90	-240,197.90
CANE DEVELOPMENT COSTS - SUSPENSE	-5,139,966.65	-5,139,966.65
OTHER RECOVERABLE EXPENSES	9,820,460.00	9,820,460.00
BILLED AMOUNTS - SETTLERS	1,776,245,315.17	1,531,575,353.91
LOAN REPAYMENT - COLLECTION	-1,827,277,857.42	-1,654,305,901.12
OTHER DEBTORS - DEBTORS GENERAL	32,349,237.60	32,356,573.60
TRADE INVESTMENT	59,263,386.65	59,263,386.65
ADVANCES	10,590,567.50	10,590,567.50
SUSPENSE - DEBIT ITEMS	64,507,005.25	64,507,005.25
AGENCY ACCOUNTS (DEBITS)	299,050.05	299,050.05
IMPRESTS	12,200,129.00	8,769,050.00
CASH BOOK CONTROL ACCOUNT	3,153,888,793.45	4,004,054,859.25
<b>Total Current Assets</b>	<b>3,064,549,590.90</b>	<b>4,016,114,409.10</b>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
RESERVE FOR BAD DEBTS	6,602,797.20	6,602,797.20
PROVISIONS	11,675.50	11,675.50
DEPOSITS	77,897,588.35	69,415,806.10
OTHER CREDITORS	3,150,139.35	3,150,139.35
ACCRUED INTEREST ON LOANS	-6,000.00	-6,000.00
SUSPENSE - CREDIT ITEMS	-112,208,552.06	-114,065,664.00
CLEARANCE ACCOUNTS (CREDITS)	2,034,239.80	2,034,239.80
FUNDS DRAWN FROM TREASURY	5,153,814.20	5,153,814.20
AGENCY ACCOUNTS (CREDITS)	200.00	200.00
<b>Total Current Liabilities</b>	<b>-17,364,097.66</b>	<b>-27,702,991.90</b>
<b>Total Assets Less Current Liabilities</b>	<b>9,637,782,906.00</b>	<b>9,130,774,754.00</b>
<b>Long Term Liabilities</b>		

SETTLEMENT FUND TRUSTEES

Balance Sheet

As Of June 30, 2013

LOANS RECEIVED	362,244,367.65	362,244,367.65
LOAN REDEMPTION	- 344,655,444.85	- 343,532,455.98
<b>Total Long Term Liabilities</b>	<b>17,588,922.80</b>	<b>18,711,911.67</b>
<b>NET ASSETS</b>	<b>9,620,193,983.20</b>	<b>9,112,062,842.33</b>
<b>EQUITY</b>		
REVOLVING FUND - SEASONAL LOANS	1,733,741.20	1,733,741.20
PROFIT AND LOSS ITEMS	205,732,762.78	178,215,238.39
LAND PURCHASE GRANT - BALANCE CARRIED FORWARD	9,387,003,084.35	8,904,596,338.35
Net Income	25,724,394.87	27,517,524.39
<b>TOTAL EQUITY</b>	<b>9,620,193,983.20</b>	<b>9,112,062,842.33</b>

SETTLEMENT FUND TRUSTEES

Balance Sheet

As Of June 30, 2013

X   
Mariamu El Maawy

27.09.13

~~27.3.14~~

DATE

OFFICER ADMINISTERING THE FUND

PRINCIPAL SECRETARY  
MINISTRY OF LANDS, HOUSING  
& URBAN DEVELOPMENT  
Ardhi House  
P. O. Box 30450-00100, NAIROBI

**SETTLEMENT FUND TRUSTEES**  
**Income Expenditure Statement**  
**For The Year Ended June 30, 2013**

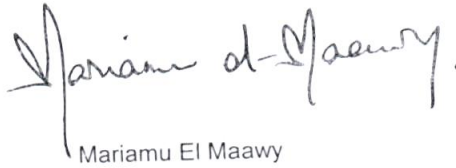
	June 2013	June 2012
<b>Income</b>		
LAND LOANS INTEREST	9,834,876.13	4,308,863.66
DEVELOPMENT LOANS INTEREST	3,790.77	16.45
RESCUE LOANS INTEREST	0.00	0.00
OTHER INTEREST	112,798,474.50	63,535,987.70
SETTLEMENT REVENUE	7,630,810.87	4,489,834.50
ADMINISTRATIVE LEVY	0.00	0.00
TRANSPORT POOL RECOVERIES	0.00	0.00
MISCELLANEOUS RECEIPTS	0.00	0.00
ADMIN GRANT - GRANTS RECEIVED	67,593,254.04	85,044,192.00
ADMIN GRANT - BALANCE CARRIED FORWARD	0.00	0.00
FARM OPERATIONS - SALE OF LIVESTOCK	0.00	0.00
FARM OPERATIONS - SALE OF CROPS	0.00	0.00
FARM OPERATIONS - MISCELLANEOUS RECEIPTS	0.00	0.00
FARM OPERATIONS - PROFIT AND LOSS ITEMS	0.00	0.00
LAND PURCHASE - PROFIT AND LOSS ITEMS	0.00	0.00
<b>Total Income</b>	<b>197,861,206.31</b>	<b>157,378,894.31</b>
<b>Expense</b>		
INTEREST PAYABLE ON LOANS	971,972.89	1,031,166.87
LOSSES AND WRITE-OFFS	0.00	0.00
BAD DEBTS ON EVICTIONS - EXPANDED SCHEMES	0.00	0.00
BAD DEBTS ON EVICTIONS - SHIRIKA	0.00	0.00
BAD DEBTS ON EVICTIONS - HARAKA SCHEMES	0.00	0.00
BAD DEBTS ON EVICTIONS - OL KALOU SALIENT	0.00	0.00
BAD DEBTS ON EVICTIONS - MAGARINI	0.00	750.00
BAD DEBTS ON EVICTIONS - STATELAND SCHEMES	0.00	51,565.65
MISCELLANEOUS EXPENSES	172,681.15	0.00
ADMIN GRANT - PERSONAL EMOLUMENTS	0.00	0.00
ADMIN GRANT - HOUSE ALLOWANCE	0.00	0.00
ADMIN GRANT - LEAVE TRAVEL ALLOWANCE	0.00	0.00
ADMIN GRANT - TRANSPORT OPERATING EXPENSES	3,275,355.00	3,418,096.00
ADMIN GRANT - WORKSHOP PLANT AND EQUIPMENT	0.00	0.00
ADMIN GRANT - TRAVELLING AND ACCOM.	10,376,923.00	6,640,457.00
ADMIN GRANT - POSTAL AND TELECOM. EXPENSES	391,537.00	349,987.50
ADMIN GRANT - ELECTRICITY WATER AND CONSERVANCY	0.00	0.00
ADMIN GRANT - HIRING RENTS AND RATES	0.00	0.00
ADMIN GRANT - MAINTAINANCE OF BUILDINGS FURNITURE AND EQUIPMENT	1,387,645.50	1,212,650.00
ADMIN GRANT - MISCELLANEOUS EXPENSES	87,830,694.00	47,183,089.40
ADMIN GRANT - PRE-SETTLEMENT DEVELOPMENT COST	67,584,402.90	68,807,807.50
ADMIN GRANT - LAND DEVELOPMENT	145,600.00	816,000.00

**SETTLEMENT FUND TRUSTEES**  
**Income Expenditure Statement**  
**For The Year Ended June 30, 2013**

ADMIN GRANT - WATER DEVELOPMENT	0.00	0.00
ADMIN GRANT - ROADS DEVELOPMENT	0.00	0.00
ADMIN GRANT - INVESTIGATION AND DEMONSTRATION	0.00	349,800.00
ADMIN GRANT - GRANTS TO CO-OPERATIVES	0.00	0.00
FARM OPERATIONS - PURCHASES	0.00	0.00
FARM OPERATIONS - DIRECT EXPENSES - LIVESTOCK	0.00	0.00
FARM OPERATIONS - DIRECT EXPENSES - CROPS	0.00	0.00
FARM OPERATIONS - OTHER EXPENSES - PLANT & MACHINERY	0.00	0.00
FARM OPERATIONS - ADMIN. AND GENERAL - INDIRECT EXPENSES	0.00	0.00
FARM OPERATIONS - HOUSE ALLOWANCE	0.00	0.00
FARM OPERATIONS - TRANSPORT OPERATING EXPENSES	0.00	0.00
FARM OPERATIONS - TRAVELLING AND ACCOMMODATION EXPENSES	0.00	0.00
FARM OPERATIONS - POSTAL AND TELEPHONE EXPENSES	0.00	0.00
FARM OPERATIONS - ELECTRICITY WATER AND CONSERVANCY	0.00	0.00
FARM OPERATIONS - MISCELLANEOUS OTHER CHARGES	0.00	0.00
FARM OPERATIONS - FARM MAINTENANCE	0.00	0.00
FARM OPERATIONS - LOSSES AND WRITE OFFS	0.00	0.00
<b>Total Expenses</b>	<b>172,136,811.44</b>	<b>129,861,369.92</b>
<b>Net Income</b>	<b>25,724,394.87</b>	<b>27,517,524.39</b>

SETTLEMENT FUND TRUSTEES  
Income Expenditure Statement  
For The Year Ended June 30, 2013

---

  
Mariamu El Maawy

27.09.13

DATE

OFFICER ADMINISTERING THE FUND

PRINCIPAL SECRETARY  
MINISTRY OF LANDS, HOUSING  
& URBAN DEVELOPMENT  
Ardhi House  
P. O. Box 30450-00100, NAIROBI

Account	Debit	Credit
		362,244,367.65
LOANS RECEIVED	344,655,444.85	
LOAN REDEMPTION		6,602,797.20
RESERVE FOR BAD DEBTS		11,675.50
PROVISIONS		77,897,588.35
DEPOSITS		3,150,139.35
OTHER CREDITORS	6,000.00	
ACCRUED INTEREST ON LOANS	112,208,552.06	
SUSPENCE - CREDIT ITEMS		2,034,239.80
CLEARANCE ACCOUNTS (CREDITS)		5,153,814.20
FUNDS DRAWN FROM TREASURY		200.00
AGENCY ACCOUNTS (CREDITS)	280,142,463.95	
LAND LOAN ISSUED	231,832,876.80	
DEVELOPMENT LOAN ISSUED	550,018.60	
RESCUE LOANS ISSUED		545,454,418.47
LAND LOANS PRINCIPAL BILLED		189,027,272.68
DEVELOPMENT LOANS PRINCIPAL BILLED		240,197.90
RESCUE LOANS PRINCIPAL BILLED		5,139,966.65
CANE DEVELOPMENT COSTS - SUSPENSE	9,820,460.00	
OTHER RECOVERABLE EXPENSES	1,776,245,315.17	
BILLED AMOUNTS - SETTLERS		1,827,277,857.42
LOAN REPAYMENT - COLLECTION		1,733,741.20
REVOLVING FUND - SEASONAL LOANS	32,349,237.60	
OTHER DEBTORS - DEBTORS GENERAL	59,263,386.65	
TRADE INVESTMENT	10,590,567.50	
ADVANCES	64,507,005.25	
SUSPENCE - DEBIT ITEMS	299,050.05	
AGENCY ACCOUNTS (DEBITS)	12,200,129.00	
IMPRESTS	971,972.89	
INTEREST PAYABLE ON LOANS	172,681.15	
MISCELLANEOUS EXPENSES		9,834,876.13
LAND LOANS INTEREST		3,790.77
DEVELOPMENT LOANS INTEREST		112,798,474.50
OTHER INTEREST		7,630,810.87
SETTLEMENT REVENUE		205,732,762.78
PROFIT AND LOSS ITEMS	41,625,205.45	
ADMIN GRANT - FIXED AND LOOSE ASSETS		

**Trial Balance**  
**As Of June 30, 2013**

Account	Debit	Credit
ADMIN GRANT - SALE OF FIXED AND LOOSE ASSETS		2,944,774.60
ADMIN GRANT - TRANSPORT OPERATING EXPENSES	3,275,355.00	
ADMIN GRANT - TRAVELLING AND ACCOM.	10,376,923.00	
ADMIN GRANT - POSTAL AND TELECOM. EXPENSES	391,537.00	
ADMIN GRANT - MAINTAINANCE OF BUILDINGS FURNITURE AND EQUIPMENT	1,387,645.50	
ADMIN GRANT - MISCELLANEOUS EXPENSES	87,830,694.00	
ADMIN GRANT - PRE-SETTLEMENT DEVELOPMENT COST	67,584,402.90	
ADMIN GRANT - LAND DEVELOPMENT	145,600.00	
ADMIN GRANT - GRANTS RECEIVED		67,593,254.04
LAND PURCHASE - PURCHASE OF PROPERTIES	6,470,704,107.40	
LAND PURCHASE - SALE OF PROPERTIES		277,729,728.16
LAND PURCHASE - LAND ON HAND	194,214,407.35	
LAND PURCHASE GRANT - PURCHASE OF PROPERTIES	130,000,000.00	
LAND PURCHASE GRANT - BALANCE CARRIED FORWARD		9,387,003,084.35
CASH BOOK CONTROL ACCOUNT	3,153,888,793.45	
<b>TOTAL</b>	<b>13,097,239,832.57</b>	<b>13,097,239,832.57</b>

## **NOTES TO SFT'S FINANCIAL STATEMENTS FOR YEAR ENDING 30<sup>TH</sup> JUNE 2013.**

### **1. Land loans interest.**

Accrued Land loan interest increased significantly from Ksh. 4.3 million in F/Y 2011/12 to Ksh 9.8 million in F/Y 2012/13. This was mainly due to increased number of settlers as a result of creation of more schemes countrywide and by the same settlers not paying their loans in due time. The Fund intends to increase accrued land loan interest which is an income by ensuring all settlers are incorporated into the billing system.

### **2. Development loans interest.**

Accrued Development loan interest increased significantly from Ksh. 16.45 in F/Y 2011/12 to Ksh.3,790.77 in 2012/13. This was due to repayment of development loans by settlers.

### **3. Other Interest.**

Other interest consists of all accrued land and development loan arrears due to non-payment of loan repayments on time hence attracting interest arrears at the rate of 3.25% bi annually on the arrears. Other interest increased significantly from Ksh. 63.5 million in F/Y 2011/12 to Ksh. 112.8 million in F/Y 2012/13. This was achieved by capturing more settlers in the billing system and updating their outstanding bills through adjustments of billing periods not earlier billed. The Fund intends to increase other interest which is an income by ensuring all settlers are incorporated into the billing system.

#### **4. Admin Grants – Grants received.**

These consist of all pre settlement costs incurred being matched to revenue as approved by The Trustees. These grants decreased from 85.04 million in F/Y 2011/12 to 67.6 million in F/Y 2012/13 due to decreased activity in settlement of internally displaced persons and forest evictees.

#### **5. Interest payable on loans.**

The Fund has two Government loans which it is repaying. The interest payable decreased significantly from Ksh. 1.03 million in F/Y 2011/12 to Ksh 0.971 million in F/Y 2012/13. This was due to prompt remittance of principal and interest payable on time.

#### **6. Miscellaneous Expenses.**

This caters for any unforeseen expenses especially impromptu cases that require urgent investigations. Miscellaneous expenses increased from 0.05 million in F/Y 2011/12 to Ksh. 0.17 million in F/Y 2012/13 due to increased revenue collection campaign by District Land Adjudication and Settlement Officers in their respective districts and unforeseen National Land Commission activities.

#### **7. Transport operating expenses.**

This decreased from Ksh. 3.41 million in the F/Y 2011/12 to Kshs. 3.3 million in the F/Y 2012/13. This decrease was due to minimal activity on IDPs which was mainly financed as pre-settlement development costs.

#### **8. Workshop plant and equipment.**

During the financial year 2012-2013 no allocation was provided.

#### **9. Travelling and Accommodation.**

There was an increase from Ksh. 6.64 million in the F/Y 2011/12 to 10.37 million in the F/Y 2012/13. This increase was due to additional settlement activities countrywide activated by the National Land Commission requiring several briefings and comprehensive inventory belonging to SFT.

#### **10. Postal and Telecommunication expenses.**

This increased from Ksh. 0.34 million in the F/Y 2011/12 to Ksh. 0.39 million in the F/Y 2012/13. This increase was due to increased postage transactions by sending bulk settler bills, full balance statements to settlers within stipulated time.

#### **11. Maintenance of Buildings furniture and equipment.**

This increased from Ksh. 1.21 million in the F/Y 2011/12 to Ksh. 1.38 million in the F/Y 2012/13. This increase was due to increased costs of maintaining the buildings and furniture repair in the district offices. This was due to ongoing ownership tussle between SFT and Ministry of Housing in Magarini and Lamu settlement schemes.

## **12. Admin Grant- Miscellaneous expenses.**

This increased from Ksh. 47.18 million in the F/Y 2011/12 to Ksh. 87.8 million in the F/Y 2012/13. This increase was due to increased settlement activity in Malindi, Nakuru, Lamu, Tana River and Naivasha which was mainly financed through re-allocation of funds from purchase of fixed and loose assets.

## **13. Land Purchase.**

This increased from Ksh. 3.41 billion in the F/Y 2011/12 to Ksh.4.95 billion in the F/Y 2012/13. This increase was due to purchase of properties to re-settle the landless and IDPs as per attached matrix annexed.

## **14. Pre- settlement development cost**

This decrease from kshs. 68.8 million In 2011/12 to Kshs. 67.5 million in 2012/13 was due to acquisition of larger farms for resettlement compared to previous periods where small farms were purchased and therefore more efficient economies of scale in the whole exercise.

## **15. Imprest.**

This increased from Ksh8.76 million in the F/Y 2011/12 to Ksh12.2 million in the F/Y 2012/13. This increase was due to late submission of surrender documents by field officers under IDP programme.

#### **16. Cash Book control.**

This decreased from Ksh. 4.0billion in the F/Y 2011/12 to Kshs. 3.0 billion in the F/Y 2012/13. This decrease was due to more farms having been purchased for IDP resettlement.

#### **17. Land Purchase grants.**

This increased from Ksh. 8.9 billion in the F/Y 2011/12 to Ksh. 9.3billion in the F/Y 2012/13. This increase was due to grants received during the year totaling to ksh.0.550 to purchase farms to resettle the IDPs and forest evictees from Kenyan Government less admin grant totaling Kshs. 67.5 million being pre-development costs incurred.