

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

|                                      |               |
|--------------------------------------|---------------|
| THE NATIONAL ASSEMBLY<br>PAPERS LAID |               |
| DATE: 14 FEB 2019                    | DAY: THURSDAY |
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**REPORT**

**OF**

**THE AUDITOR-GENERAL**

**ON**

**THE FINANCIAL STATEMENTS OF  
NATIONAL SAFETY NET PROGRAM**

**FOR THE YEAR ENDED  
30 JUNE 2018**







**Project Name: NATIONAL SAFETY NET PROGRAMME  
(PROJECT NUMBER: P131305)**

**Implementing Entity: MINISTRY OF LABOUR AND SOCIAL PROTECTION, STATE  
DEPARTMENT FOR SOCIAL PROTECTION (SOCIAL PROTECTION SECRETARIAT)**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**

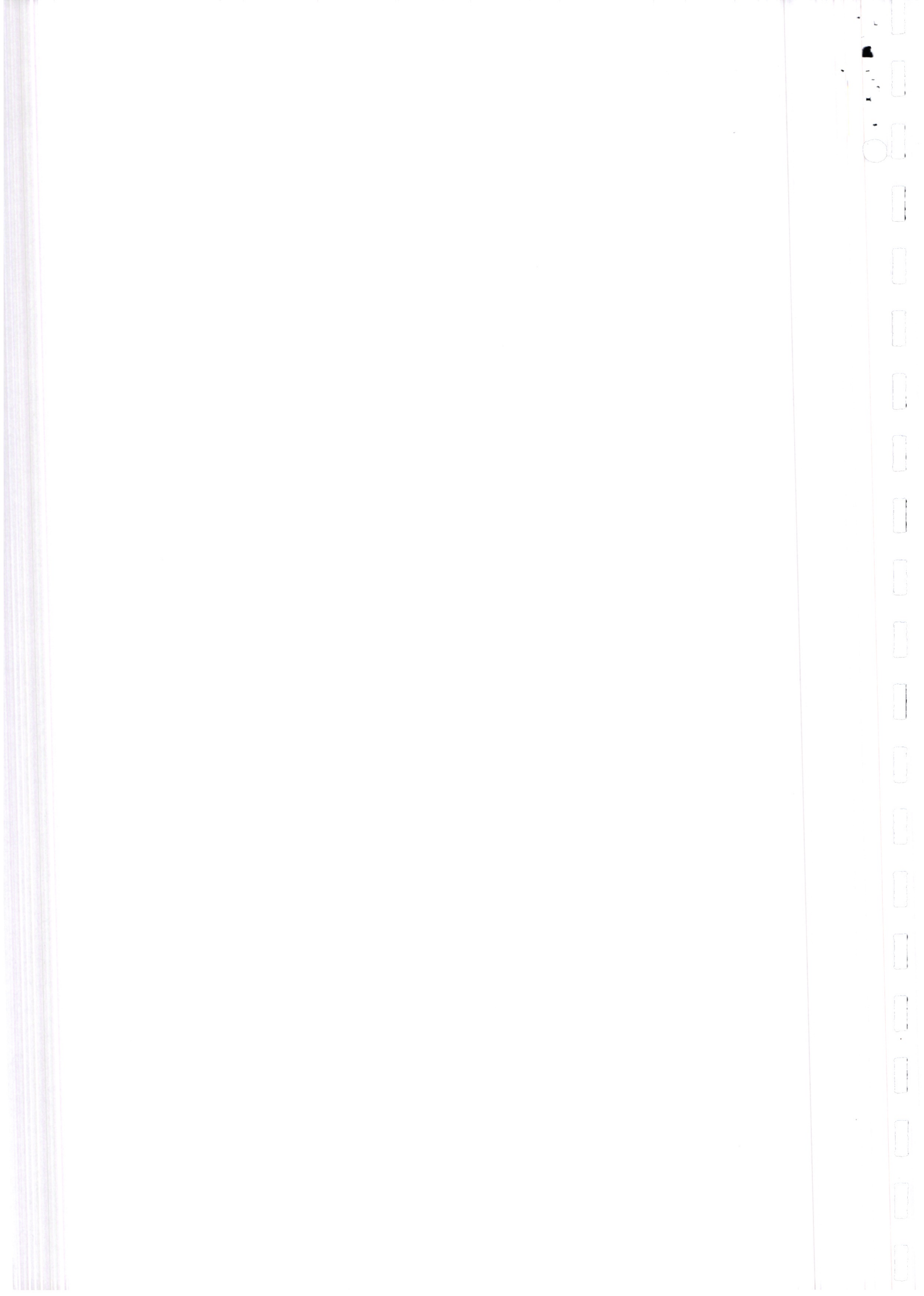
**FOR THE FINANCIAL YEAR ENDED  
JUNE 30, 2018**

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

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## I. PROJECT INFORMATION AND OVERALL PERFORMANCE

### 1.1 Name and registered office

*The project's official Name:*

**National Safety Net Programme**

*Physical Address :( Headquarters)*

**NSSF Building, Nairobi (city), Nairobi County, Kenya.**

**P. O. Box 46205-00100 GPO, Nairobi.**

*Contacts*

**Telephone: (254) 722 319 186**

**E-mail: [et\\_ovc@gmail.com](mailto:et_ovc@gmail.com) OR [ct\\_ovc@yahoo.com](mailto:ct_ovc@yahoo.com)**

**Project Coordinator**

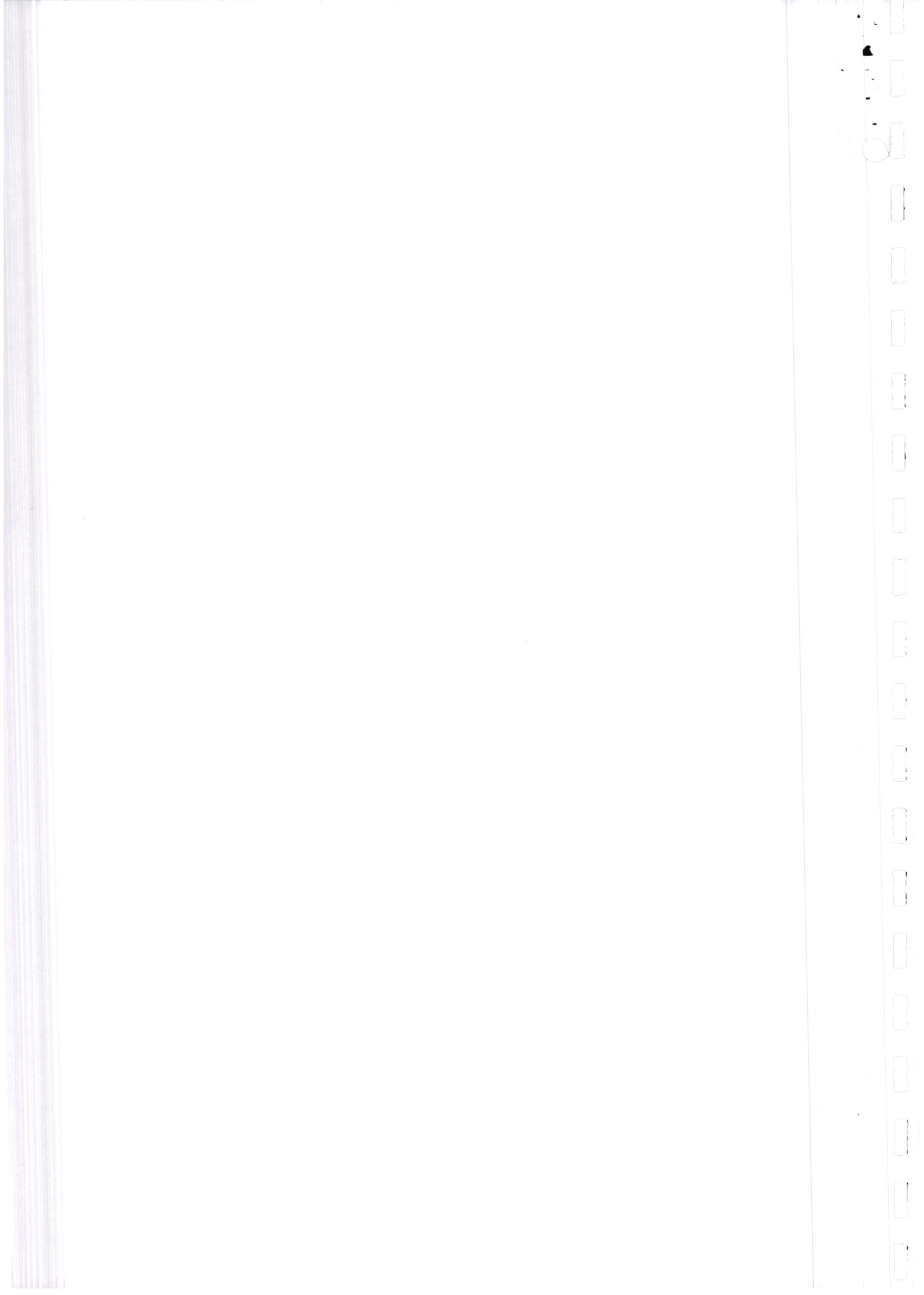
**John Gachigi**

### 1.2 Project Information

|                     |   |
|---------------------|---|
| Project Start Date: | 31 <sup>st</sup> March 2009             |
| Project End Date:   | 31 <sup>st</sup> December 2020          |
| Project Manager:    | <b>John Gachigi</b>                     |
| Project Sponsor:    | World Bank ,Government of Kenya and IDA |

### 1.3 Project Overview

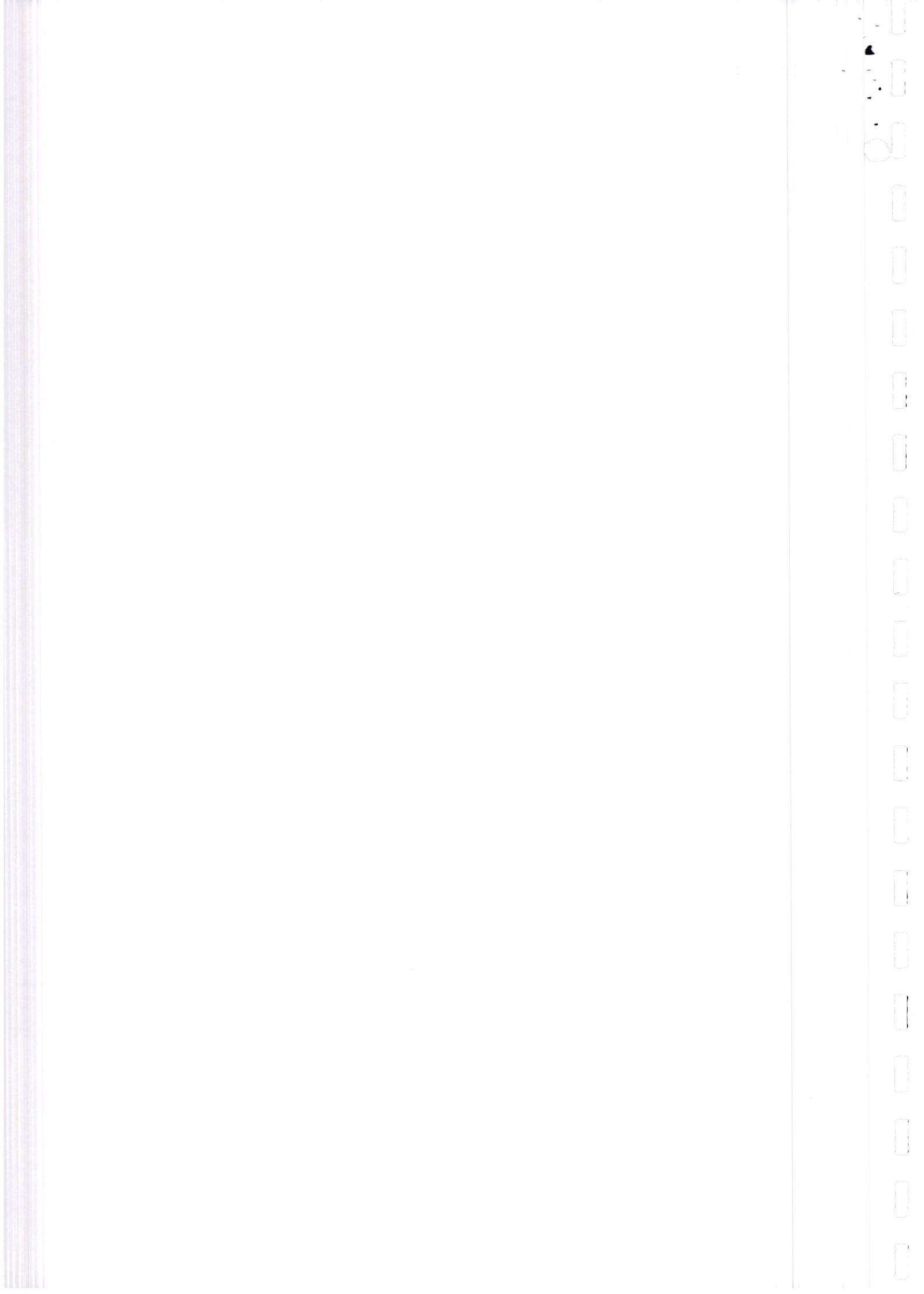
|                                |   |
|--------------------------------|---|
| Line Ministry/State Department | The project is under the supervision of the – Ministry of Labour and Social Protection, State Department for Social Protection. |
|--------------------------------|---|



|  |  |
|--|--|
| Strategic goals of the project                             | <p>The strategic goals of the project are as follows:</p> <ol style="list-style-type: none"> <li>1. Strengthening the capacity of families to protect and care for the Orphans and Vulnerable Children (OVC), Older Persons and Persons With severe disability;</li> <li>2. Mobilizing and supporting community response;</li> <li>3. Ensuring access to essential services including education, healthcare, Birth registration and others for OVC, Older Persons and Persons With Severe Disability;</li> <li>4. Improving Government Policy and Regulations;</li> <li>5. Creating a supportive environment through advocacy and social mobilization;</li> <li>6. Developing and improving the capacity to monitor and evaluate programme effectiveness;</li> <li>7. Strengthening, supporting and coordination of institutional structures;</li> </ol> |
| Achievement of strategic goals                             | <p>The project management aims to achieve the goals through the following means:</p> <ol style="list-style-type: none"> <li>(i) Increase social safety net access to extremely poor households in Kenya;</li> <li>(ii) Build the capacity of the Government systems to effectively deliver the safety net project to the vulnerable groups;</li> </ol>   |
| Current situation that the project was formed to intervene | <p>The project was formed to intervene in the following areas:</p> <ol style="list-style-type: none"> <li>(i) Address cases of vulnerable group and children and be integrated to Families. This was to be achieved by giving households bi-annual Cash subsidy to take care of the vulnerable persons.</li> </ol>   |
| Project duration   | <p>The project started on 31st March 2009 and is expected to run until 31<sup>st</sup> December, 2020</p>  |

#### **1.4 Bankers**

The following are the bankers for the current year:



- (i) Cooperative Bank of Kenya Limited -011411333228000.
- (ii) Cooperative Bank of Kenya Limited -02120134198100.
- (iii) Central Bank of Kenya – 1000311304.
- (iv) KCB Agency Account.

### 1.5 Auditors

The project is audited by Office of Auditor General.

### 1.6 Roles and Responsibilities

| Names            | Title designation                  | Key qualification                  | Responsibilities                                     |
|------------------|------------------------------------|------------------------------------|--|
| John Gachigi     | Senior Assistant Director          | Masters in Sociology               | Head of Social Assistance Unit (Project Coordinator) |
| Moses Muga       | Senior Accountant                  | MSC Com. CPA(K)                    | Project Accountant                                   |
| Cecilia Mbaka    | Deputy Director Social Development | Bachelor's Degree in Sociology     | Head of Social Protection Secretariat                |
| Franklyn Makhalu | Senior Children Officer            | Masters In Sociology and Economics | Head of MIS and Payments                             |

### 1.7 Funding summary

The Project is for duration of - years from 2013 to 2020 with an approved budget of US\$ 300,000,000 equivalent to Kshs.31, 560,011,400 as highlighted in the table below:

Below is the funding summary:

| Source of funds | Donor Commitment- | Amount received to date – (30 <sup>Th</sup> June 2018) | Undrawn balance to date       |
|-----------------|-------------------|--|-------------------------------|
|                 |                   |  | (30 <sup>Th</sup> June 2018)) |
|                 |                   |  |                               |

National Safety Net Programme  
*Reports and Financial Statements*  
 For the financial year ended June 30, 2018

|                        | Donor<br>currency  | <u>Kshs.</u>          | Donor<br>currency  | <u>Kshs.</u>          | Donor<br>currency | <u>Kshs.</u>        |
|------------------------|--------------------|-----------------------|--------------------|-----------------------|-------------------|---------------------|
|                        | (A)                | (A')                  | (B)                | (B')                  | (A)-(B)           | (A')-(B')           |
| IDA<br>CREDIT<br>52870 | 250,000,000        | 26,300,009,500        | 178,356,263        | 18,763,085,656        | 56,718,385        | 5,966,776,21        |
| IDA<br>CREDIT<br>59810 | 50,000,000         | 5,260,001,900         | 20,275,533         | 2,132,986,842         | 30,986,886        | 3,259,821,58        |
| <b>Total</b>           | <b>300,000,000</b> | <b>31,560,011,400</b> | <b>198,631,796</b> | <b>20,896,072,498</b> | <b>87,705,271</b> | <b>9,226,597,79</b> |

**1.8 Summary of Overall Project Performance:**

1. The Program has been gradually expanded its scope/support from 500 households pre-pilot in 2004 now reaching 730,000 households as at June, 30th 2018.
2. The Program has increased school enrolment and attendance and reduced rates of mortality and morbidity.



## **II. STATEMENT OF PROJECT MANAGEMENT RESPONSIBILITIES**

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

The Principal Secretary for the State Department for Social Protection and the Project Coordinator for National Safety Net Programme accept responsibility for the Project's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards.

The Principal Secretary for the State Department for Social Protection and the Project Coordinator for National Safety Net Programme are of the opinion that the Project's financial statements give a true and fair view of the state of Project's transactions during the financial year/period ended June 30, 2018, and of the Project's financial position as at that date. The Principal Secretary for the State Department for Social Protection and the Project Coordinator for National Safety Net Programme further confirms the completeness of the accounting records maintained for the Project, which have been relied upon in the preparation of the Project Financial Statements as well as the adequacy of the systems of internal financial control.

The Principal Secretary for the State Department for Social Protection and the Project Coordinator for National Safety Net Programme confirm that the Project has complied fully

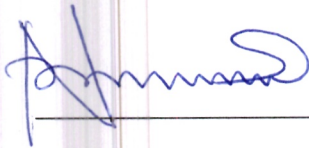
National Safety Net Programme  
***Reports and Financial Statements***  
***For the financial year ended June 30, 2018***

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

Approval of the Project financial statements

The Project financial statements were approved by the Principal Secretary, State Department for Social Protection and the Project Coordinator for National Safety Net Programme on 31/12/ 2018 and signed by them.



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Principal Secretary  
Nelson Marwa Sospeter, **EBS**



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Project Coordinator  
John Gachigi

# REPUBLIC OF KENYA

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NAIROBI

## OFFICE OF THE AUDITOR-GENERAL

### REPORT OF THE AUDITOR-GENERAL ON NATIONAL SAFETY NET PROGRAM FOR THE YEAR ENDED 30 JUNE 2018

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#### REPORT ON THE FINANCIAL STATEMENTS

#### **Qualified Opinion**

I have audited the accompanying financial statements of the National Safety Net Program set out on pages 1 to 19, which comprise the statement of financial assets and liabilities as at 30 June 2018, and the statement of receipts and payments, statement of cash flows and statement of comparative 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 Safety Net Program as at 30 June 2018, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Financing Agreement No. P131305 dated 09 September 2013.

#### **Basis for Qualified Opinion**

#### **Unconfirmed Beneficiary Payments**

During the year under review, the National Safety Net Program made transfer payments to Equity Bank service provider for onward transmission to beneficiaries. However, the management did not provide bank statements relating to the funds transfers to the beneficiaries under the Hunger Safety Net Programme for audit review. As a result, it was not possible to confirm the balances Kshs.2,119,239,700 and Kshs.2,744,213,700 reflected in the financial statements relating to the Government of Kenya and Donor funding respectively for the program.

Consequently, the propriety and validity of the payments of Kshs.4,863,453,400 to beneficiaries together with the accuracy and completeness of the cash and cash equivalents as at 30 June 2018 could not be ascertained.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of National Safety Net Program in accordance with

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*Report of the Auditor-General on the Financial Statements of the National Safety Net Program for the Year Ended 30 June 2018*

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 matter(s) described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

### Other Matter

### Budget and Budgetary Performance

#### 1. Receipts

The actual receipts amounted to Kshs.27,568,067,143 against the budgeted amount of Kshs.29,137,450,207 resulting to a shortfall of Kshs.1,569,383,064 or 5% as tabulated below:

| Receipts            | Budget<br>Kshs.       | Actual<br>Kshs.       | Excess/(Shortfall)<br>Kshs. | Variance<br>% |
|---------------------|-----------------------|-----------------------|-----------------------------|---------------|
| Government of Kenya | 25,995,108,459        | 24,425,725,395        | (1,569,383,064)             | 6             |
| External Financing  | 3,136,750,900         | 3,136,750,900         | 0                           | 0             |
| Miscellaneous       | 5,590,848             | 5,590,848             | 0                           | 0             |
| <b>Total</b>        | <b>29,137,450,207</b> | <b>27,568,067,143</b> | <b>(1,569,383,064)</b>      | <b>5</b>      |

#### 2. Payments

Overall, the Programme under spent its budget by Kshs.4,438,303,063 or 15%. The under expenditure mainly occurred under Old Persons Cash Transfer Programme, Persons with Severe Disabilities, Orphans and Vulnerable Children and Social Protection Secretariat at Kshs.2,732,727,671 or 19%, Kshs.430,339,951 or 25%, Kshs.1,878,523,050 or 22% and Kshs.76,766,647 or 22% respectively.

| Payments                            | Budget<br>Kshs. | Actual<br>Kshs. | Excess/(Shortfall)<br>Kshs. | Variance<br>% |
|-------------------------------------|-----------------|-----------------|-----------------------------|---------------|
| Old Persons Cash Transfer Programme | 14,165,450,581  | 11,432,722,910  | (2,732,727,671)             | 19            |
| Persons with Severe Disability      | 1,711,200,000   | 1,280,860,049   | (430,339,951)               | (25)          |
| Orphans and Vulnerable Children     | 8,422,752,973   | 6,544,229,923   | (1,878,523,050)             | (22)          |
| Hunger Safety Net Programme         | 4,496,000,000   | 5,176,054,256   | 680,054,256                 | 15            |

|                               |                       |                       |                        |             |
|-------------------------------|-----------------------|-----------------------|------------------------|-------------|
| Social Protection Secretariat | 342,046,653           | 265,280,006           | (76,766,647)           | (22)        |
| <b>Total</b>                  | <b>29,137,450,207</b> | <b>24,699,147,144</b> | <b>(4,438,303,063)</b> | <b>(15)</b> |

However, the variances relating to each of the components were not explained by way of notes in the financial statements.

## 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 matter(s) 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.

### Basis for Conclusion

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, 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.

### Basis for Conclusion

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

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by IDA and Financing Agreement No. P131305, I report based on my audit, that:

- i. 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;
- ii. In my opinion, adequate accounting records have been kept by the Project, so far as appears from the examination of those records; and,
- iii. The Project financial statements are in agreement with the accounting records and returns.

### **Responsibilities of Management and Those Charged with Governance**

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

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

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

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

Those charged with governance are responsible for overseeing the Project's 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 non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the Project 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:

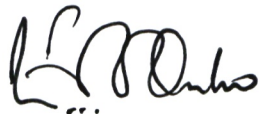
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting 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 Project's 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 Project 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 Project 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**

**31 December 2018**

National Safety Net Programme  
**Reports and Financial Statements**  
**For the financial year ended June 30, 2018**

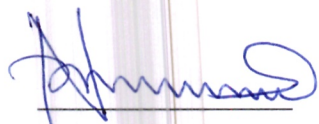
**1. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE PERIOD ENDED 30TH  
JUNE 2018**

|   | Note | 2017/18<br>Receipts and<br>payments<br>controlled by the<br>entity | 2016/17<br>Receipts and<br>payment controlled<br>by the entity<br>(Certified) |
|---|------|--|---|
|   |      | Ksh  | Ksh   |
| <b>RECEIPTS</b>   |      |  |   |
| Government of Kenya                                     | 3    | 24,093,033,194.75  | 11,740,702,508  |
| External Financing                                      | 1&2  | 3,136,750,900.00   | 2,672,529,542   |
| Miscellaneous Receipts                                  | 3    | 5,268,979.00   | 4,337,910   |
| <b>TOTAL RECEIPTS</b>                                   |      | <b>27,235,053,073.56</b>   | <b>14,417,569,960</b>   |
| <b>PAYMENTS</b>   |      |  |   |
| <b>Old Persons Cash Transfer Programme</b>              |      | <b>11,432,722,910.00</b>   | <b>2,643,569,737</b>  |
| Compensation of employees                               | 4    | 15,750,000.00  | 14,972,460  |
| Purchase of goods and services                          | 5    | 297,349,696.00   | 279,990,010   |
| Acquisition of non-financial assets                     | 7    | 9,378,920.00   | 14,094,304  |
| Other grants and transfers payments                     | 6    | 11,110,244,294.00  | 2,334,512,963   |
| <b>Cash Transfer for Persons with Severe Disability</b> |      | <b>974,406,177.00</b>  | <b>1,647,035,730</b>  |
| Compensation of employees                               | 4    | 80,719,546.00  | 96,670,525  |
| Purchase of goods and services                          | 5    | 96,928,711.00  | 5,807,845   |
| Acquisition of non-financial assets                     | 7    | 1,176,000.00   | 3,343,500   |
| Other grants and transfer payments                      | 6    | 795,582,920.00   | 1,541,213,860   |
| <b>Cash Transfer for OVC</b>                            |      | <b>6,544,229,923.00</b>  | <b>8,596,178,454</b>  |
| Compensation of employees                               | 4    | 2,113,835.00   | 3,705,864   |
| Purchase of goods and services                          | 5    | 185,767,797.00   | 555,533,788   |
| Acquisition of non-financial assets                     | 7    | 22,939,729.00  | 118,806,209   |
| Other grants and transfer payments                      | 6    | 6,333,408,562.00   | 7,918,132,593   |
| <b>Hunger Safety Net Programme</b>                      |      | <b>5,171,323,602.00</b>  | <b>4,246,185,684</b>  |
| Compensation of employees                               | 4    | 34,507,022.00  | 333,102,252   |
| Purchase of goods and services                          | 5    | 234,996,579.00   | 335,455,914   |

National Safety Net Programme  
**Reports and Financial Statements**  
**For the financial year ended June 30, 2018**

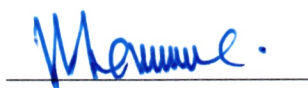
|                                      |   |                          |                       |
|--------------------------------------|---|--------------------------|-----------------------|
| Acquisition of non-financial assets  | 7 | 38,366,601.00            | 4,274,818             |
| Other grants and transfer payments   | 6 | 4,863,453,400.00         | 3,573,352,700         |
| <b>Social Protection Secretariat</b> |   | <b>265,280,006.00</b>    | <b>397,381,916</b>    |
| Compensation of employees            | 4 | 86,396,444.00            | 69,407,933            |
| Purchase of goods and services       | 5 | 134,730,091.00           | 209,343,105           |
| Acquisition of non-financial assets  | 7 | 44,153,471.00            | 118,630,878           |
| Other grants and transfer payments   | 6 |                          |                       |
| <b>TOTAL PAYMENTS</b>                |   | <b>24,387,962,618.00</b> | <b>17,530,351,521</b> |
| <b>SURPLUS/DEFICIT</b>               |   | <b>2,847,090,455.56</b>  | <b>-3,112,781,561</b> |

The accounting policies and explanatory notes to these financial statements are an integral part of the financial statements. The financial statements were approved on 31/12/ 2018 and signed by:



Principal Secretary  
 Nelson Marwa Sospeter, **EBS**

**14266**



Project Coordinator  
 John Gachigi

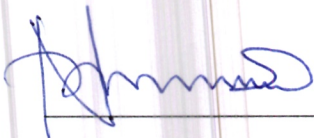


Project Accountant  
 Moses O. Muga  
 ICPAK M/Number:

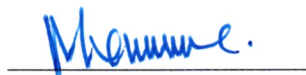
**2. STATEMENT OF FINANCIAL ASSETS AND LIABILITIES AS AT 30TH JUNE 2018**

|  | Note | 2017/18<br>KShs                | 2016/17<br>KShs                |
|--|------|--------------------------------|--------------------------------|
| <b>FINANCIAL ASSETS</b>                |      |                                |                                |
| <b>Cash and Cash Equivalents</b>       |      |                                |                                |
| Bank Balances                          | 8    | 6,074,221,595.06               | 3,227,131,139.50               |
| <b>Total Cash and Cash Equivalents</b> |      | <b>6,074,221,595.06</b>        | <b>3,227,131,139.50</b>        |
| <b>TOTAL FINANCIAL ASSETS</b>          |      | <b><u>6,074,221,595.06</u></b> | <b><u>3,227,131,139.50</u></b> |
| <b>REPRESENTED BY</b>                  |      |                                |                                |
| Fund balance b/fwd                     | 8    | 3,227,131,139.50               | 6,339,912,701.03               |
| Surplus/Deficit for the year           |      | 2,847,090,455.56               | (3,112,781,561.10)             |
| <b>NET FINANCIAL POSITION</b>          |      | <b><u>6,074,221,595.06</u></b> | <b><u>3,227,131,139.50</u></b> |

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 31/12/ 2018 and signed by:



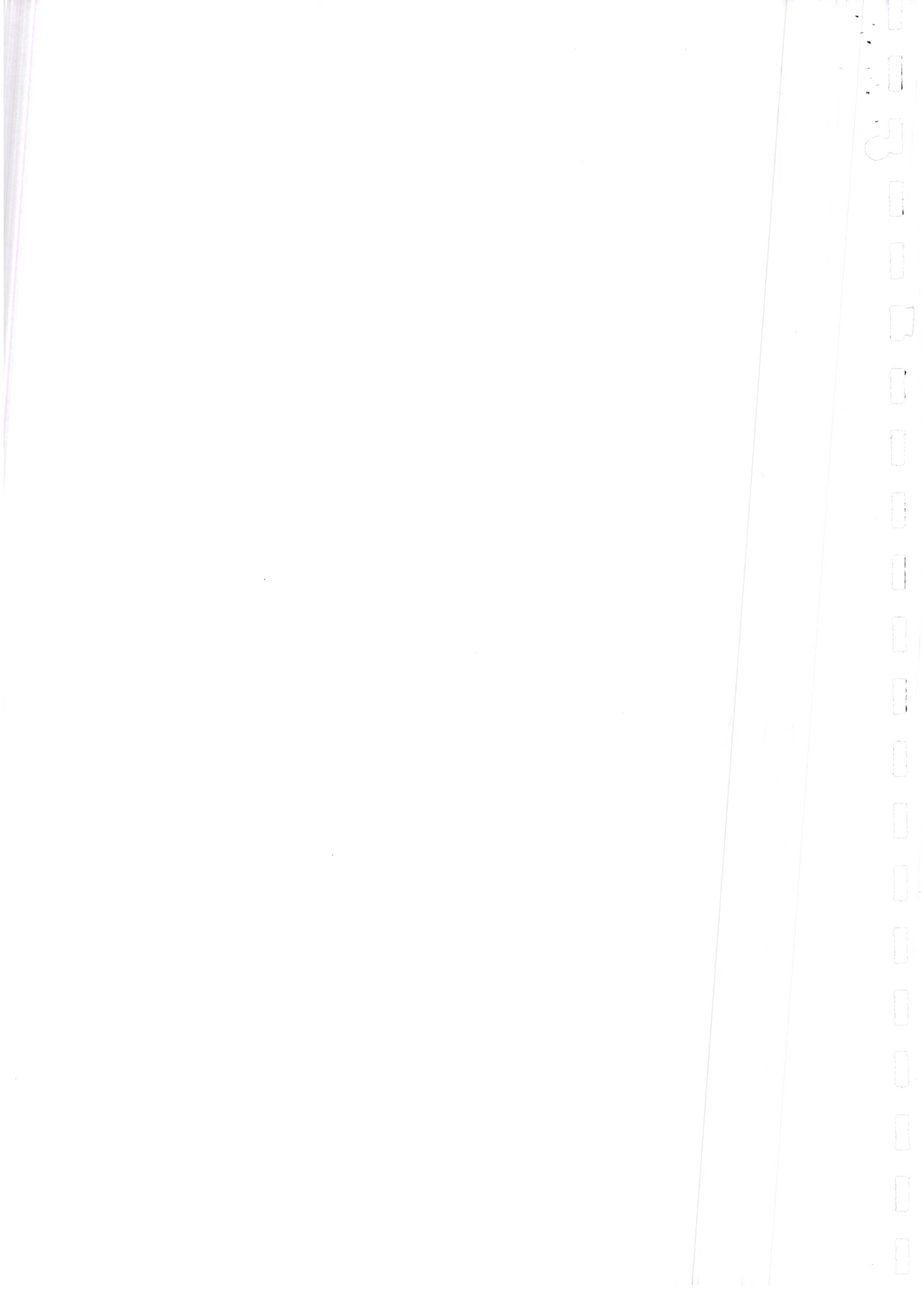
Principal Secretary  
 Nelson Marwa Sospeter, **EBS**



Project Coordinator  
 John Gachigi

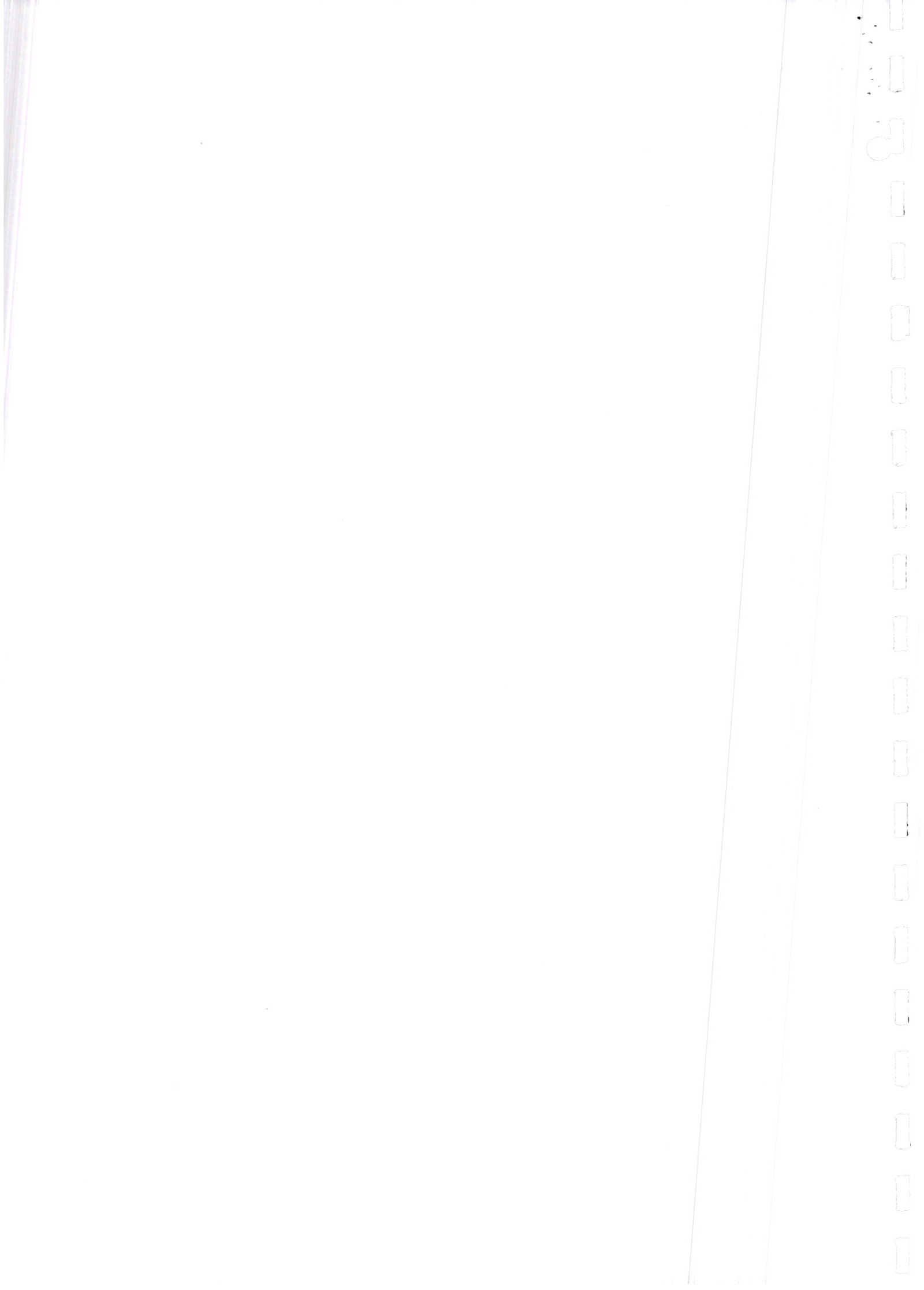


Project Accountant  
 Moses O. Muga  
 ICPAKM/Number: **14266**



**3. STATEMENT OF CASHFLOW FOR THE PERIOD 30TH JUNE 2018**

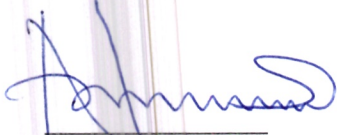
|  |     | 2017/18(Ksh)                   | 2016/17(Ksh)                |
|--|-----|--------------------------------|-----------------------------|
| <b>Receipts for operating activities</b>                     |     |                                |                             |
| Transfer from The National Treasury                          | 3   | 24,093,033,194.75              | 11,740,702,508              |
| Proceeds from domestic and foreign grants-External Financing | 1&2 | 3,136,750,900.00               | 2,581,449,542               |
| Miscellaneous Receipts                                       | 3   | 5,268,978.81                   | 4,337,909                   |
|  |     | <b>27,235,053,073.56</b>       | <b>14,326,489,959</b>       |
| <b>Payments for operating activities</b>                     |     |                                |                             |
| Compensation of employees                                    | 4   | 219,486,847.00                 | 517,859,034                 |
| Purchase of goods and services                               | 5   | 949,772,874.00                 | 1,386,130,662               |
| Other grants and transfers                                   | 6   | 23,102,688,176.00              | 15,367,212,116              |
|  |     | <b>24,271,947,897.00</b>       | <b>17,271,201,812</b>       |
| Adjustments during the year                                  |     |                                |                             |
| Receivables  |     |                                |                             |
| <b>Net cash flow from operating activities</b>               |     | <b>2,963,105,177.00</b>        | <b>(2,944,711,852)</b>      |
| <b>CASHFLOW FROM INVESTING ACTIVITIES</b>                    |     |                                |                             |
| Acquisition of Assets  | 7   | 116,014,721.00                 | 259,149,709                 |
| <b>Net cash flows from Investing Activities</b>              |     | <b>(116,014,721.00)</b>        | <b>(259,149,709)</b>        |
| <b>CASHFLOW FROM BORROWING ACTIVITIES</b>                    |     |                                |                             |
| Proceeds from domestic and foreign borrowing                 | 2   | 0                              | 91,080,000                  |
| <b>Net cash flow from financing activities</b>               |     | <b>0</b>                       | <b>91,080,000</b>           |
| <b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>              |     | <b>2,847,090,456.00</b>        | <b>(3,112,781,561)</b>      |
| <b>Cash and cash equivalent at BEGINNING of the year</b>     |     | <b>3,227,131,140.00</b>        | <b>6,339,912,701</b>        |
| <b>Cash and cash equivalent at END of the year</b>           |     | <b><u>6,074,221,596.00</u></b> | <b><u>3,227,131,139</u></b> |



National Safety Net Programme  
**Reports and Financial Statements**  
**For the financial year ended June 30, 2018**

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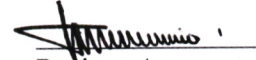
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 31/12/ 2018 and signed by:



Principal Secretary  
Nelson Marwa Sospeter, **EBS**



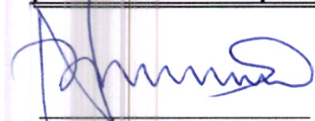
Project Coordinator  
John Gachigi



Project Accountant  
Moses O. Muga  
ICPAK M/No. **14266**

**4. STATEMENT OF COMPARATIVE BUDGET AND ACTUAL AMOUNTS**

| Receipts/Payments Item                           | Original Budget       | Adjustments          | Final Budget          | Actual on Comparable Basis | Budget Utilization Difference | % of Utilization |
|--|-----------------------|----------------------|-----------------------|----------------------------|-------------------------------|------------------|
|  | a                     | b                    | c=a+b                 | d                          | e=c-d                         | f=d/c %          |
| <b>Receipts</b>                                  |                       |                      |                       |                            |                               |                  |
| Government of Kenya                              | 21,611,181,322        | 4,383,927,137        | 25,995,108,459        | 24,093,033,195             | 1,902,075,264                 | 93%              |
| External Financing                               | 3,136,750,900         | -                    | 3,136,750,900         | 3,136,750,900              | -                             | 100%             |
| Miscellaneous                                    | 5,590,848             | -                    | 5,590,848             | 5,268,979.00               | 321,869.00                    | 94%              |
| <b>Total Receipts</b>                            | <b>24,753,523,070</b> | <b>4,383,927,137</b> | <b>29,137,450,207</b> | <b>27,235,053,074</b>      | <b>1,902,397,133</b>          |                  |
| <b>Payments</b>                                  |                       |                      |                       |                            |                               |                  |
| Old Persons Cash Transfer Programme              | 7,956,700,610         | 6,208,749,971        | 14,165,450,581        | 11,432,722,910             | 2,732,727,671                 | 81%              |
| Urban and Safety                                 |                       |                      |                       |                            | -                             |                  |
| Cash Transfer for Persons with Severe Disability | 1,711,200,000         |                      | 1,711,200,000         | 974,406,177                | 736,793,823                   | 57%              |
| Cash Transfer for OVC                            | 9,494,109,874         | (1,071,356,901)      | 8,422,752,973         | 6,544,229,923              | 1,878,523,050                 | 78%              |
| Hunger Safety Net Programme                      | 4,496,000,000         | -                    | 4,496,000,000         | 5,171,323,602              | (675,323,602)                 | 115%             |
| Social Protection Secretariat                    | 1,095,512,586         | (753,465,933)        | 342,046,653           | 265,280,006                | 76,766,647                    | 78%              |
| <b>Total Payments</b>                            | <b>24,753,523,070</b> | <b>4,383,927,137</b> | <b>29,137,450,207</b> | <b>24,387,962,618</b>      | <b>4,749,487,589</b>          |                  |



Principal Secretary  
 Nelson Marwa Sospeter, EBS



Project Coordinator  
 John Gachigi



Project Accountant  
 Moses O. Muga  
 ICPAK M/No.14266

## **5. NOTES TO THE FINANCIAL STATEMENTS**

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

### **8.1. Basis of Preparation**

#### **8.1.1. Statement of compliance and basis of preparation**

The financial statements have been prepared in accordance with Cash-basis IPSAS financial reporting under the cash basis of Accounting, as prescribed by the PSASB and set out in the accounting policy note below. This cash basis of accounting has been supplemented with accounting for; a) receivables that include imprests and salary advances and b) payables that include deposits and retentions. The financial statements comply with and conform to the form of presentation prescribed by the PSASB.

The accounting policies adopted have been consistently applied to all the years presented.

#### **8.1.2. Reporting entity**

The financial statements are for the National Safety Net Programme under The Government of Kenya. The financial statements encompass the reporting entity as specified in the relevant legislation PFM Act, 2012 .

#### **8.1.3. Reporting currency**

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

## **8.2. Significant Accounting Policies**

### **a) Recognition of receipts**

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

- **Transfers from the Exchequer**

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

- **External Assistance**

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

## **SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **Donations and grants**

Grants and donations shall be recognized in the books of accounts when cash is received. Cash is considered as received when a payment advice is received by the recipient entity or by the beneficiary. In case of grant/donation in kind, such grants are recorded upon receipt of the grant item and upon determination of the value. The date of the transaction is the value date indicated on the payment advice.

### **Proceeds from borrowing**

Borrowing includes Treasury Bill, Treasury Bonds, Corporate Bonds, Sovereign Bonds and external loans acquired by the Project or any other debt the Project may take on will be treated on cash basis and recognized as a receipt during the year they were received.

### **Undrawn external assistance**

These are loans and grants at reporting date as specified in a binding agreement and relate to funding for the Project currently under development where



conditions have been satisfied or their ongoing satisfaction is highly likely and the project is anticipated to continue to completion. An analysis of the Project's undrawn external assistance is shown in the funding summary

- **Other receipts**

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

**b) Recognition of payments**

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

- **Compensation of employees**

Salaries and Wages, Allowances, Statutory Contribution for employees are recognized in the period when the compensation is paid.

- **Use of goods and services**

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

- **Interest on borrowing**

Borrowing costs that include interest are recognized as payment in the period in which they incurred and paid for.

**SIGNIFICANT ACCOUNTING POLICIES (Continued)**

- **Repayment of borrowing (principal amount)**

The repayment of principal amount of borrowing is recognized as payment in the period in which the repayment is made. The stock of debt is disclosed as an annexure to the consolidated financial statements.

- **Acquisition of fixed assets**

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

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

- c) **In-kind donations**

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

- d) **Cash and cash equivalents**

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



**Restriction on cash**

Restricted cash represents amounts that are limited/restricted from being used to settle a liability for at least twelve months after the reporting period. This cash is limited for direct use as required by stipulation. Amounts maintained in deposit bank accounts are restricted for use in refunding third part deposits

**SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**e) Accounts receivable**

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

**f) Pending bills**

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

**g) Budget**

The budget is developed on a comparable accounting basis (cash basis), the same accounts classification basis (except for accounts receivable - outstanding imprest and clearance accounts and accounts payable - deposits, which are

accounted for on an accrual basis), and for the same period as the financial statements. The Project's budget was approved as required by Law and National Treasury Regulations, as well as by the participating development partners, as detailed in the Government of Kenya Budget Printed Estimates for the year. The Development Projects are budgeted for under the MDAs but receive budgeted funds as transfers and account for them separately. These transfers are recognised as inter-entity transfers and are eliminated upon consolidation.

A high-level assessment of the Project's actual performance against the comparable budget for the financial year/period under review has been included in an annex to these financial statements.

### **SIGNIFICANT ACCOUNTING POLICIES (Continued)**

#### **h) Exchange rate differences**

The accounting records are maintained in the functional currency of the primary economic environment in which the Project operates, Kenya Shillings. Transactions in foreign currencies during the year/period are converted into the functional currency using the exchange rates prevailing at the dates of the transactions. Any foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statements of receipts and payments.

#### **i) Comparative figures**

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

#### **j) Subsequent events**

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

**k) Errors**

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

**NOTES TO THE FINANCIAL STATEMENTS**

**1. PROCEEDS FROM DOMESTIC AND FOREIGN GRANTS-EXTERNAL FINANCING**

During the 12 months to 30 June 2018 we received grants from donors as detailed in the table below:

| Name of Donor  | FY 2017/18<br>Ksh       |                       |                         | FY 2016/17            |
|--|-------------------------|-----------------------|-------------------------|-----------------------|
|  | Direct Receipt          | Receipt in Cash       | Total Receipts          |                       |
| <b>Grants Received from World Bank</b>                   |                         |                       |                         |                       |
| Grant-World Bank(Kenya National Hunger Safety Net)       | 2,744,213,700.00        |                       | 2,744,213,700.00        |                       |
| Grant-World Bank(State Department for Social Protection) |                         | 392,537,200.00        | 392,537,200.00          | 838,758,520.00        |
| <b>Total</b>   | <b>2,744,213,700.00</b> | <b>392,537,200.00</b> | <b>3,136,750,900.00</b> | <b>838,758,520.00</b> |

National Safety Net Programme  
**Reports and Financial Statements**  
**For the financial year ended June 30, 2018**

**2. PROCEEDS FROM DOMESTIC AND FOREIGN LOAN**

During the 12 months to 30 June 2018 we received Loan from IDA Credit as detailed in the table below:

| Name of Donor                        | FY 2017/18     |                 | FY 2016/17     |                         |
|--------------------------------------|----------------|-----------------|----------------|-------------------------|
|                                      | Kshs           | Kshs            | Kshs           |                         |
| <b>Loan Received from IDA Credit</b> | Direct Receipt | Receipt in Cash | Total Receipts |                         |
| IDA Credit                           |                |                 |                | 91,080,000.00           |
| Other External Financing             |                |                 |                | 1,742,691,022.00        |
| <b>Total</b>                         |                |                 |                | <b>1,833,771,022.00</b> |

**3. RECEIPTS FROM GOVERNMENT OF KENYA**

During the 12 months to 30 June 2018 we received cash from Government of Kenya as detailed in the table below:

|                          | FY 2017/18            | FY 2016/17               |
|--------------------------|-----------------------|--------------------------|
|                          | Ksh                   | Ksh                      |
| <b>Receipts from GOK</b> |                       |                          |
| GOK                      | 24,093,033,195        | 11,740,702,508.00        |
| Misc Receipt             | 5,268,978.81          | 4,337,909.90             |
| <b>Total</b>             | <b>24,098,302,174</b> | <b>11,745,040,417.90</b> |

National Safety Net Programme  
*Reports and Financial Statements*  
*For the financial year ended June 30, 2018*

**ANALYSIS OF RECEIPT FROM GOVERNMENT OF KENYA PER PROGRAMME**

| <b>PROGRAMME</b>                                 | <b>TRANSFERS FROM TREASURY</b> | <b>MISC RECEIPTS</b> | <b>TOTAL</b>          |
|--|--------------------------------|----------------------|-----------------------|
| Old Persons Cash Transfer Programme              | 12,858,015,509.00              |                      | 12,858,015,509.00     |
| Urban and Safety                                 |                                |                      | -                     |
| Cash Transfer for Persons with Severe Disability | 885,000,000                    |                      | 885,000,000           |
| <b>Cash Transfer for OVC</b>                     | 7,594,237,679.50               |                      | 7,594,237,679.50      |
| Hunger Safety Net Programme                      | 2,490,500,000                  | 5,268,978.81         | 2,495,768,978.81      |
| Social Protection Secretariat                    | 265,280,006                    |                      | 265,280,006           |
| <b>TOTAL</b>                                     | <b>24,093,033,195</b>          | <b>5,268,978.81</b>  | <b>24,098,302,174</b> |

**4 COMPENSATION OF EMPLOYEES-BASIC WAGES TO TEMPORARY EMPLOYEES**

| <b>PROGRAMME</b>                                 | <b>FY/2017/18</b>  | <b>FY/2016/17</b>     |
|--|--------------------|-----------------------|
|  | <b>KSH</b>         | <b>KSH</b>            |
| Old Persons Cash Transfer Programme              | 15,750,000.00      | 14,972,460.00         |
| Urban and Safety                                 |                    |                       |
| Cash Transfer for Persons with Severe Disability | 80,719,546         | 96,670,525.00         |
| <b>Cash Transfer for OVC</b>                     | 2,113,835.00       | 3,705,864.00          |
| Hunger Safety Net Programme                      | 34,507,022.00      | 333,102,252.00        |
| Social Protection Secretariat                    | 86,396,444.00      | 69,407,933.00         |
| <b>Total</b>                                     | <b>219,486,847</b> | <b>517,859,034.00</b> |

**5 PURCHASE OF GOODS AND SERVICES PER PROGRAMME**

| <b>PROGRAMME</b>                                 | <b>FY/2017/18</b>     | <b>FY/2016/17</b>    |
|--|-----------------------|----------------------|
|  | <b>KSH</b>            | <b>KSH</b>           |
| Old Persons Cash Transfer Programme              | 297,349,696.00        | 279,990,010          |
| Urban and Safety                                 |                       |                      |
| Cash Transfer for Persons with Severe Disability | 96,928,711.00         | 5,807,845            |
| <b>Cash Transfer for OVC</b>                     | 185,767,797.00        | 555,533,788          |
| Hunger Safety Net Programme                      | 234,996,579.00        | 335,455,914          |
| Social Protection Secretariat                    | 134,730,091.00        | 209,343,105          |
| <b>Total</b>                                     | <b>949,772,874.00</b> | <b>1,386,130,662</b> |

**6. CASH TRANSFERS PER PROGRAMME**

| <b>PROGRAMME</b>                                 | <b>FY/2017/18</b>        | <b>FY/2016/17</b>     |
|--|--------------------------|-----------------------|
|  | <b>KSH</b>               | <b>KSH</b>            |
| Old Persons Cash Transfer Programme              | 11,110,244,294.00        | 2,334,512,963         |
| Urban and Safety                                 |                          |                       |
| Cash Transfer for Persons with Severe Disability | 795,581,920.00           | 1,541,213,860         |
| <b>Cash Transfer for OVC</b>                     | 6,333,408,562.00         | 7,918,132,593         |
| Hunger Safety Net Programme                      | 4,863,453,400.00         | 3,573,352,700         |
| Social Protection Secretariat                    | -                        |                       |
| <b>Total</b>                                     | <b>23,102,688,176.00</b> | <b>15,367,212,116</b> |

**7. ACQUISITION OF NON-FINANCIAL ASSETS**

| <b>PROGRAMME</b>                                 | <b>FY/2017/18</b>     | <b>FY/2016/17</b>  |
|--|-----------------------|--------------------|
|  | <b>KSH</b>            | <b>KSH</b>         |
| Old Persons Cash Transfer Programme              | 9,378,920.00          | 14,094,304         |
| Urban and Safety                                 |                       |                    |
| Cash Transfer for Persons with Severe Disability | 1,176,000.00          | 3,343,500          |
| <b>Cash Transfer for OVC</b>                     | 22,939,729.00         | 118,806,209        |
| Hunger Safety Net Programme                      | 38,366,601.00         | 4,274,818          |
| Social Protection Secretariat                    | 44,153,471.00         | 118,630,878        |
| <b>Total</b>                                     | <b>116,014,721.00</b> | <b>259,149,709</b> |

**8. CASH AND CASH EQUIVALENTS CARRIED FORWARD**

|                  | <b>2017/18</b>          | <b>2016/17</b>          |
|------------------|-------------------------|-------------------------|
|                  | <b>Kshs</b>             | <b>Kshs</b>             |
| Cash equivalents | 6,074,221,596.00        | 3,227,131,139.50        |
| <b>Total</b>     | <b>6,074,221,596.00</b> | <b>3,227,131,139.50</b> |

The project has eight Bank accounts spread within the project implementation area and foreign currency designated accounts managed by the National Treasury as listed below:

**8A. BANK ACCOUNTS**  
**Project Bank Accounts**

|  | <b>2017/18</b>          | <b>2016/17</b>          |
|--|-------------------------|-------------------------|
|  | <b>Usd</b>              | <b>Usd</b>              |
| Foreign Currency Accounts                    |                         |                         |
| Co-operative Bank of Kenya [02120134198100]  | 466.23                  | 466.23                  |
|  |                         |                         |
| <b>Total Foreign Currency balances</b>       | <b>466.23</b>           | <b>466.23</b>           |
|  |                         |                         |
| Local Currency Accounts                      | <b>KES</b>              | <b>KES</b>              |
| Central Bank of Kenya [1000311304]           | 102,522,733.30          | 27,781,584.00           |
| KCB Agency for Cash Transfer(1168237459)     | 3,832,746,764.20        | 3,155,391,087           |
| Cooperative Bank of Kenya                    | 30,588,000.00           | -                       |
| Equity Bank                                  | 1,626,222,681.75        |                         |
| Post Bank                                    | 94,644,000.00           |                         |
| Kenya Hunger Safety Net(NIC Bank)            | 112,617,629             | 43,958,468.00           |
| National Council for Persons With Disability | 274,879,787             |                         |
| <b>Total Local Currency balances</b>         | <b>6,074,221,596.00</b> | <b>3,227,131,139.00</b> |

National Safety Net Programme  
**Reports and Financial Statements**  
**For the financial year ended June 30, 2018**

**9. CONSOLIDATED STATEMENT OF RECEIPTS AND PAYMENTS FOR YEAR ENDED JUNE 2018**

|                       | Older Persons Cash | Urban Foo  | Cash Transfer for   | Cash Transfer for   | Hunger Safety Net | Social Protection | Total          |
|-----------------------|--------------------|------------|---------------------|---------------------|-------------------|-------------------|----------------|
|                       | Transfer Program   | Subsidy Ca | Persons with        | Orphans and         | Programme         | Secretariat       |                |
|                       |                    | Transfer P | Severe Disabilities | Vulnerable Children |                   |                   |                |
|                       | Ksh                | Ksh        | Ksh                 | Ksh                 | Ksh               | Ksh               | Ksh            |
|                       |                    | b          | c                   | d                   |                   | e                 | g=a+b+c+d+e    |
| CASH BALANCE B/F      | 985,572,000        |            | 364,285,964         | 1,833,314,624       | 43,958,552        | -                 | 3,227,131,140  |
| RECEIPTS              |                    |            |                     |                     |                   |                   | -              |
| Government of Ken     | 12,858,015,509     | -          | 885,000,000         | 7,594,237,680       | 2,490,500,000     | 265,280,006       | 24,093,033,195 |
| External Financing    |                    |            |                     |                     | -                 |                   | -              |
| (a) World Bank Loan   |                    |            |                     | 392,537,200         | 2,744,213,700     |                   | 3,136,750,900  |
| (b) Foreign Grant     |                    |            |                     | -                   | -                 |                   | -              |
| © Miscellaneous       |                    |            |                     |                     | 5,268,978.81      |                   | 5,268,979      |
| Total                 | 13,843,587,509     | -          | 1,249,285,964       | 9,820,089,504       | 5,283,941,231     | 265,280,006       | 30,462,184,214 |
| Payments              |                    |            |                     |                     |                   |                   | -              |
| Compensation of En    | 15,750,000         |            | 80,719,546          | 2,113,835           | 34,507,022.00     | 86,396,444        | 219,486,847    |
| Other grants and t    | 11,110,244,294     |            | 795,581,920         | 6,333,408,562       | 4,863,453,400.00  |                   | 23,102,688,176 |
| Use of goods and se   | 297,349,696        |            | 96,928,711          | 185,767,797         | 234,996,579.00    | 134,730,091       | 949,772,874    |
| Acquisition of non fi | 9,378,920          |            | 1,176,000           | 22,939,729          | 38,366,601.00     | 44,153,471        | 116,014,721    |
| Total Payments        | 11,432,722,910     | -          | 974,406,177         | 6,544,229,923       | 5,171,323,602.00  | 265,280,006       | 24,387,962,618 |
| CASH BALANCE C/F      | 2,410,864,599      |            | 274,879,787         | 3,275,859,581       | 112,617,629       | -                 | 6,074,221,596  |

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