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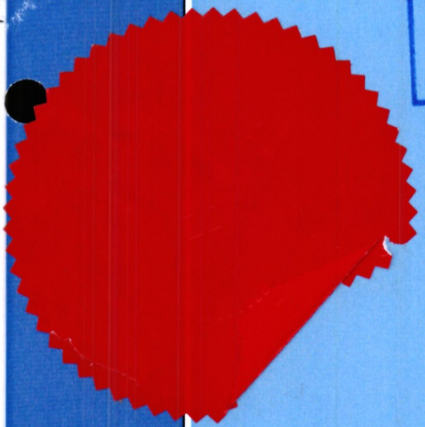


OAG



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability



REPORT

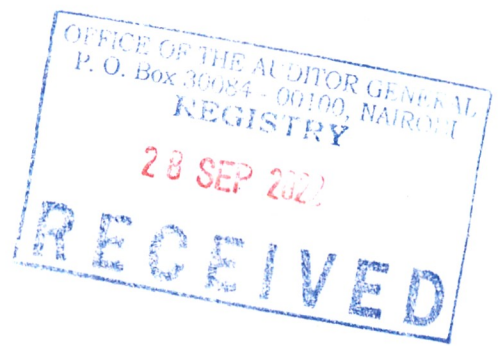
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| NATIONAL ASSEMBLY PAPERS LAID | |
| DATE: | 22 FEB 2023 |
| TABLED | HON DWEN BAYARTOP |
| OF: | DEPUTY LEADER OF MAJORITY |
| CLERK-AT THE-TABLE: | CHRISTINE JOIRITU |

THE AUDITOR-GENERAL

ON

NATIONAL HUMANITARIAN FUND

**FOR THE YEAR ENDED
30 JUNE, 2022**



**MINISTRY OF INTERIOR AND CO-ORDINATION OF
NATIONAL GOVERNMENT
STATE DEPARTMENT FOR INTERIOR AND CITIZEN SERVICES**

NATIONAL HUMANITARIAN FUND

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2022**

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



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1. KEY ENTITY INFORMATION AND MANAGEMENT

1.1 Background Information

National Humanitarian Fund was established under The Prevention, Protection and Assistance to Internally Displaced Persons and Affected Communities Act, 2012. The key objective of the Fund is to prevent, protect and offer assistance to internally displaced persons and affected communities and mitigate against the effects of displacement.

1.2 Name and registered office

Name: The Fund's official name is National Humanitarian Fund

Address: The Fund headquarters offices are at Harambee house, Nairobi County, Kenya.

The address of its registered office is:

P.O Box 30510-00100
Nairobi.

Contacts: The following are the Fund contacts

Telephone: (254) 020-227411

1.3 Fund Information

| | |
|------------------|--|
| Fund Start Date: | 15 TH FEBRUARY, 2008 |
| Fund End Date: | INFINITE |
| Fund Manager: | JOSEPH MUNGAI |
| Fund Sponsor: | Government of Kenya, Donors and other well wishers |

1.4 Fund Overview

| | |
|--|--|
| Line Ministry/State Department of the Fund | The Fund is under the supervision of State Department for Interior |
| Fund number | GOK FUND |
| Strategic goals of the Fund | The strategic goals of the Fund are as follows: |

NATIONAL HUMANITARIAN FUND
Reports and Financial Statements
For the year ended June 30, 2022.

| | |
|--|---|
| | (i) Provision of funding for resettling and Mitigation of the effects of the post-election violence victims |
|--|---|

| | |
|---|--|
| Achievement of strategic goals | The Fund management aims to achieve the goals through the following means: (i) Provision of ex – gratia assistance to Internally Displaced Persons (ii) Provision of food and logistical support until IDPs harvest their own food (iii) Construction and Reconstruction of basic housing and infrastructural facilities (iv) Any eventuality which might occur in the Country |
| Other important background information of the Fund | The Fund mandate was expanded to include forest evictees and any other forms of internally displaced persons. |
| Current situation that the Fund was formed to intervene | The Fund was formed to intervene in the following areas: (i) Post-election victims (ii) Forest evictees |
| Fund duration | The Fund started on 15 th February, 2008 and is expected to run infinitely. |

(a) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2022 and who had direct fiduciary responsibility were:

| Names | Title designation | Responsibilities |
|--------------------------|--------------------------|-------------------------|
| Dr. Eng. Karanja Kibicho | P.S | Accounting Officer |
| Al Hajj Adan Wachu | Chairman | Board Chairman |
| Joseph Mungai | Secretary | Secretary to the board |
| James Karori | D.A.G. | Accountant |

(b) Fiduciary Oversight Arrangements

a. Auditors:

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

b. Principal Legal Advisor

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

(c) National Humanitarian Fund Headquarters

P.O. Box 30510
Harambee House
Harambee Avenue
NAIROBI, KENYA

Entity Contacts

Telephone: (254) 020-227411

(d) National Humanitarian Fund Bankers

Central Bank of Kenya

Humanitarian Fund for Mitigation Effects and Resettlement 2007
1000311339
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
Nairobi, Kenya

Other banks as appropriate

(i) Co-operative Bank

National Humanitarian Fund, State Department for Interior
01141010160000
Kimathi Street

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(ii) Equity Bank Ltd
National Humanitarian Fund State Department for Interior
0020261438740
Harambee Avenue Branch, Bima House

(iii) National Bank of Kenya
National Humanitarian Fund – State Department for Interior
01001033074100
Hill Plaza Branch

(iv) Kenya Commercial Bank
National Humanitarian Fund – State Department for Interior
01141010160000
Moi Avenue Branch

(e) Independent Auditors

Auditor General
Office of The Auditor General
Anniversary Towers, University Way
P.O. Box 30084
GPO 00100

Nairobi, Kenya

(f) Principal Legal Adviser

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

Nairobi, Kenya

2. STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES

Section 81 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the accounting officer when preparing financial statements of each National Government entity in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board includes a statement of the national government entity's performance against predetermined objectives.

In the year under review the Fund did not have planned activities to measure performance.

3. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY

The National Humanitarian Fund operates under the State department for Interior and Citizen Services and corporate social responsibility are carried out through the State Department.

4. STATEMENT OF FUND MANAGEMENT RESPONSIBILITIES

The Principal Secretary for State Department is responsible for the preparation and presentation of the Fund's financial statements which give a true and fair view of the state of affairs of the Fund for and as at the end of the financial year ended on June 30, 2022. These responsibilities include:

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


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

The Principal Secretary for the State Department for Interior are of the opinion that the Fund's financial statements give a true and fair view of the state of Fund's transactions during the financial year ended June 30, 2022, and of the Fund's financial position as at that date. The Principal Secretary State Department for Interior and the Secretary to the National Humanitarian Fund further confirm the completeness of the accounting records maintained for the Fund, which have been relied upon in the preparation of the Fund financial statements as well as the adequacy of the systems of internal financial control.

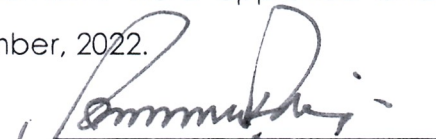
The Principal Secretary State Department for Interior confirm that the Fund has complied fully with applicable Government Regulations and that the funds received during the financial year under audit were used for the eligible purposes for which they were intended and were properly accounted for.

Approval of the financial statements

The National Humanitarian Fund financial statements were approved and signed by the Accounting Officer on 30th September, 2022.



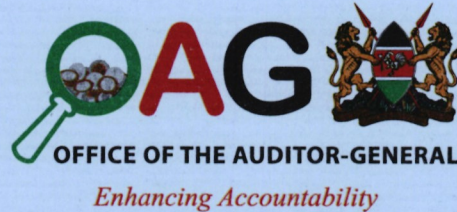
Principal Secretary
Dr. Eng. Karanja Kibicho, CBS



Deputy Accountant General
James K. Karori
ICPAK No. 3972

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
E-mail: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



HEADQUARTERS
Anniversary Towers
Monrovia Street
P.O. Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON NATIONAL HUMANITARIAN FUND FOR THE YEAR ENDED 30 JUNE, 2022

PREAMBLE

I draw your attention to the contents of my report which is in three parts:

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure Government achieves value for money and that such funds are applied for intended purpose.
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, the risk management environment, and the internal controls developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations, and that its internal controls, risk management and governance systems are properly designed and were working effectively in the financial year under review.

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012 and the Public Audit Act, 2015. The three parts of the report, when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of National Humanitarian Fund set out on pages 8 to 19, which comprise of the statement of financial assets and liabilities

as at 30 June, 2022, 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, the financial statements present fairly, in all material respects, the financial position of the National Humanitarian Fund as at 30 June, 2022, 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 Prevention, Protection and Assistance to Internally Displaced Persons and Affected Communities Act, 2012 and the Public Finance Management Act, 2012

Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Humanitarian Fund Management in accordance with ISSAI 130 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 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. There were no key audit matters to report in the year under review.

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 described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources 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

Dormant Bank Accounts

Review of records provided for audit indicated that the Fund operated four commercial bank accounts and one account at Central Bank which were established for the purpose of disbursing grants to Internally Displaced Persons (IDPs) under the cash payment programme. Review of the bank statements revealed that the bank accounts have been

dormant for over two years with a balance of Kshs.272,621,261 as at 30 June, 2022 despite the conclusion of disbursement of grants to IDPs under the cash payment programme. This is in contravention of the provision of Section 16 (2) of the Prevention, Protection and Assistance to Internally Displaced Persons and Affected Communities Act, 2012 which provides that the Accounting Officer may, with the approval of the Cabinet Secretary for the time being responsible for finance, invest or place on a deposit interesting earning account any of the moneys of the Fund and any interest earned on moneys so invested or deposited shall be placed to the credit of the Fund.

In the circumstances, the effective use of the Fund's resources could not be confirmed.

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 EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matter described in the Conclusion on Effectiveness of Internal Controls, Risk management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

Non-Functioning Fund Committee

As reported in the previous year, although the Prevention, Protection and Assistance to Internally Displaced Persons and Affected Communities Act, 2012 prescribes the Fund Administration procedures including the composition and functions of the Committee and Secretariat, there was no evidence in form of minutes to indicate that the Committee deliberated on the matters of the Fund and directed its administration in the year under audit as provided for under the Act. Further, no evidence was provided of an active Secretariat as provided for in the enabling Act.

In the circumstances, the adequacy and effectiveness or otherwise of risk management and oversight on the Fund could not be confirmed.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether 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.

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 controls 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 controls, risk management and overall governance.

In preparing the financial statements, Management is responsible for assessing the Fund's ability to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the Fund or to cease operations.

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 Fund's financial reporting process, reviewing the effectiveness of how Management 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 controls 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 controls 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 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 controls.
- 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 applicable 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 of the National Humanitarian Fund to continue 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 Fund to cease 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 Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

25 November, 2022


NATIONAL HUMANITARIAN FUND
Reports and Financial Statements
For the year ended June 30, 2022.

6. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30TH JUNE 2022

| | Note | 2021/2022 Kshs | 2020/2021 Kshs |
|---|------|-------------------|-------------------------|
| RECEIPTS | | | |
| Transfer from Government entities | 1 | 0.00 | 0.00 |
| Reverse of dormant Act fee 20.2.2021 | 2 | 240.00 | 0.00 |
| Total receipts | | 240.00 | 0.00 |
| PAYMENTS | | | |
| Transfers to other government entities | 3 | 0.00 | 0.00 |
| Other grants and transfers and payments/expenses- bank charges Nat.Bank | 4 | 1200.00 | 116,198,000.60 |
| TOTAL PAYMENTS | | 1200.00 | 116,198,000.60 |
| SURPLUS/DEFICIT FOR THE YEAR | | (960.00) | (116,198,000.60) |

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


 Principal Secretary
 Dr. Eng. Karanja Kibicho, CBS

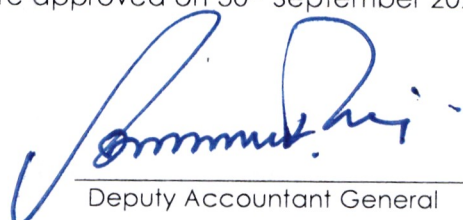

 Deputy Accountant General
 James K. Karori
 ICPAK No. 3972

7. STATEMENT OF FINANCIAL ASSETS AND LIABILITIES AS AT 30TH JUNE 2022

| | Note | 2021/2022 Kshs | 2020/2021 Kshs |
|----------------------------------|------|-----------------------|-----------------------|
| FINANCIAL ASSETS | | | |
| Cash and Cash Equivalents | | | |
| Bank Balances | 5A | 272,621,261.80 | 272,622,221.80 |
| | | 272,621,261.80 | 272,622,221.80 |
| Imprests and Advances | 5B | 0.00 | 0.00 |
| TOTAL FINANCIAL ASSETS | | 272,621,261.80 | 272,622,221.80 |
| REPRESENTED BY: | | | |
| Cash and cash equivalents b/fwd. | | 272,622,221.80 | 388,820,222.40 |
| Surplus/Deficit for the year | | (960.00) | (116,198,000.60) |
| NET FINANCIAL POSITION | | 272,621,261.80 | 272,622,221.80 |

The accounting policies and explanatory notes to these financial statements form integral part of the financial statements. The financial statements were approved on 30th September 2022 and signed by:


 Principal Secretary
 Dr. Eng. Karanja Kibicho, CBS


 Deputy Accountant General
 James K. Karori
 ICPAK No. 3972


NATIONAL HUMANITARIAN FUND
 Reports and Financial Statements
 For the year ended June 30, 2022.

8. STATEMENT OF CASH FLOW FOR THE YEAR ENDED 30TH JUNE 2022

| | | 2021/2022 | 2020/2021 |
|--|-------|-----------------------|-----------------------|
| | Notes | Kshs | Kshs |
| Receipts for operating income | | | |
| Contributions | 1 | 0.00 | 0.00 |
| Net Miscellaneous receipts | 2 | 240.00 | 0.00 |
| Payments for operating expenses | | | |
| Transfers to other government entities | 3 | 0.00 | 0.00 |
| Other grants and transfers and payments/expenses | 4 | 1200.00 | 116,198,000.60 |
| Net cash flow from operating activities | | 960.00 | 116,198,000.60 |
| Net Surplus | | 960.00 | 116,198,000.60 |
| NET INCREASE IN CASH AND CASH EQUIVALENT | | | |
| | | 272,622,221.80 | 388,820,222.40 |
| Surplus/Deficit | | (960.00) | (116,198,000.60) |
| Cash and cash equivalent at the end of the year | | 272,621,261.80 | 272,622,221.80 |

The accounting policies and explanatory notes to these financial statements form integral part of the financial statements. The Fund financial statements were approved on 30th September 2022 and signed by:


 Principal Secretary
 Dr. Eng. Karanja Kibicho, CBS


 Deputy Accountant General
 James K. Karori
 ICPAK No. 3972

NATIONAL HUMANITARIAN FUND
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 For the year ended June 30, 2022.

9. STATEMENT OF COMPARATIVE BUDGET AND ACTUAL AMOUNTS

| | Original Budget | Adjustments | Final Budget | Actual on Comparable Basis | Variance | % of Variance |
|--|-----------------|-------------|--------------|----------------------------|-----------------|---------------|
| | a | b | c=a+b | d | e=c-d | f=e/c % |
| Receipts | | | | | | |
| Transfer from Government entities | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.0 |
| Miscellaneous Receipts | 0.00 | | 0.00 | 240.00 | 240.00 | 0.0 |
| Total Receipts | 0.00 | 0.00 | 0.00 | 240.00 | (240.00) | 0.0 |
| Payments | | | | | | |
| Transfers to other government entities | - | - | - | 0.00 | 0.00 | 0.0 |
| Other grants and transfers and payments/expenses | 0.00 | 0.00 | 0.00 | (1200) | (1200) | 100% |
| Total Payments | 0.00 | 0.00 | 0.00 | 1200.00 | 1200.00 | 100% |

Note: The budget utilization/performance differences in the last column are explained in **Annex 1** to these financial statements

Principal Secretary

Dr. Eng. Karanja Kibicho, CBS

Deputy Accountant General

James K. Karori

ICPAK No. 3972

10. SIGNIFICANT ACCOUNTING POLICIES

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

(i) Statement of compliance and basis of preparation

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

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

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

(ii) Recognition of revenue and expenses

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

(iii) Cash and cash equivalents

Cash and cash equivalents comprise cash at 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 advances to authorised public institutions which had not been surrendered or accounted for at the end of the financial year.

(iv) Budget

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

(v) Related Parties

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

NATIONAL HUMANITARIAN FUND
Reports and Financial Statements
For the year ended June 30, 2022.

(vi) Honoraria and sitting allowances

| | 2021/2022 | 2020/2021 |
|----------------------------|------------------|------------------|
| Chairman Honoraria | 0.00 | 0.00 |
| Members sitting Allowances | <u>0.00</u> | <u>0.00</u> |
| TOTAL | 0.00 | 0.00 |

(vii) Comparative figures

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

(viii) Subsequent events

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, 2022.

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11. NOTES TO THE FINANCIAL STATEMENTS

1. RECEIPTS

These represent Government funding and other receipts from government as follows:

| | 2021/2022 | 2020/2021 |
|--|------------|------------|
| | Kshs | Kshs |
| Counterpart funding through Ministry of Interior and Co-ordination of National Government | | |
| Government funds Quarter 1 | NIL | NIL |
| Government funds Quarter 2 | NIL | NIL |
| Government funds Quarter 3 | NIL | NIL |
| Government funds Quarter 4 | NIL | NIL |
| Other transfers from government entities | NIL | NIL |
| Total | NIL | NIL |

2. MISCELLANEOUS RECEIPTS

| | 2021/2022 | 2020/2021 |
|---|---------------|-------------|
| | Kshs | Kshs |
| Interest Earned - reversal-Equity bank- | 240.00 | 0.00 |
| Total | 240.00 | 0.00 |

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3. Transfers to other government entities

During the 12 months to 30 June 2022

| | 2021/2022 | 2020/2021 |
|----------------------------------|------------------|------------------|
| | Kshs | Kshs |
| Transfers to Government entities | - | - |
| Various | 0.00 | 0.00 |
| | <hr/> | |
| TOTAL | 0.00 | 0.00 |
| | <hr/> | |

4 Other grants and transfers and payments

| | 2021/2022 | 2020/2021 |
|--|------------------|-----------------------|
| | Kshs | Kshs |
| Grants to IDPs under Cash Payment Programme | 0.00 | 115,760,000.00 |
| Procurement transfers to rec. and dev accounts | 0.00 | 0.00 |
| Other Office Running Expenses (P.A.Y.E for previous years) | | 438,000.00 |
| Bank charges (Nat. bank) | 1200.00 | 0.60 |
| | <hr/> | |
| Total | 1,200.00 | 116,198,000.60 |
| | <hr/> | |

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5 CASH AND CASH EQUIVALENTS C/FWD

| | 2021/2022 | 2020/2021 |
|---|-----------------------|-----------------------|
| | Kshs | Kshs |
| Bank accounts (Note 5A) | 272,621,261.80 | 272,622,221.80 |
| Outstanding imprests and advances (Note 5B) | 0.00 | 00.00 |
| Total | 272,621,261.80 | 272,622,221.80 |

5A Bank Account Balances

| | 2021/2022 | 2020/2021 |
|--|-----------------------|-----------------------|
| | Kshs | Kshs |
| Central Bank of Kenya [A/c No. 1000311339] | 272,250,155.80 | 272,250,155.80 |
| Co-operative Bank of Kenya [A/c No.01141010160000] | 12,985.00 | 12,985.00 |
| Kenya Commercial Bank [A/c No.1145110983] | .00 | 0.00 |
| National Bank of Kenya [A/c No.01001033074100] | 258,121.00 | 259,321.00 |
| Equity Bank [A/c No.0020261438740] | 100,000.00 | 99,760.00 |
| Total bank account balances | 272,621,261.80 | 272,622,221.80 |

5B Imprests & Advances

| | 2021/2022 | 2020/2021 |
|----------------------|------------------|------------------|
| | Kshs | Kshs |
| Outstanding advances | 0.00 | 00.00 |
| Total | 0.00 | 00.00 |

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Outstanding Advances


| Name of Institution | AIE NO | Amount Issued | Amount Surrendered | 2021-2022 |
|---------------------|--------|---------------|--------------------|-------------|
| - | - | - | - | 0.00 |
| - | - | - | - | 0.00 |
| - | - | - | - | 0.00 |
| - | - | - | - | 0.00 |
| - | - | - | - | 0.00 |
| GRAND TOTAL | | | | 0.00 |

10. PROGRESS ON FOLLOW UP OF PRIOR YEARS AUDITORS

RECOMMENDATIONS

OUTSTANDING ISSUES -2014-2015

| Reference No. | Issue/Observations from Auditor | Management comments | Focal Point person to resolve the issue | Status: |
|---------------|--|---|---|---|
| 967 | Outstanding AIEs issues to various Government Ministries and Departments | Issues to be dealt with at the Headquarters | PAC | Outstanding issues were handled at the Ministry Headquarters and resolved |
| | | | | |



Principal Secretary

Dr. Eng. Karanja Kibicho, CBS



Deputy Accountant General

James K. Karori

ICPAK No. 3972

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ANNEX 1. VARIANCE EXPLANATION AND ACTUAL BUDGET

| Receipts/Payments Item | Final Budget | Actual on Comparable Basis | Variance | % of Variance | Comments |
|--|--------------|----------------------------|----------------|---------------|------------------------------------|
| | a | b | c=a-b | d=c/a % | |
| Receipts | | | | | |
| Transfer from Government entities | 0.00 | 0.00 | 0.00 | | |
| Miscellaneous Receipts | | 240.00 | (240.00) | 0.00 | Reversal - dormant fee-equity bank |
| Total Receipts | 0.00 | 240.00 | 240.00 | 0.00 | |
| Payments | | | | | |
| Transfers to other government entities | 0.00 | 0.00 | 0.00 | 0.00 | |
| Other grants and transfers and payments/expenses | 0.00 | (1200) | (1200) | 100% | Bank charges (Nat. bank) |
| Total Payments | 0.00 | 1200.00 | 1200.00 | 100% | |

