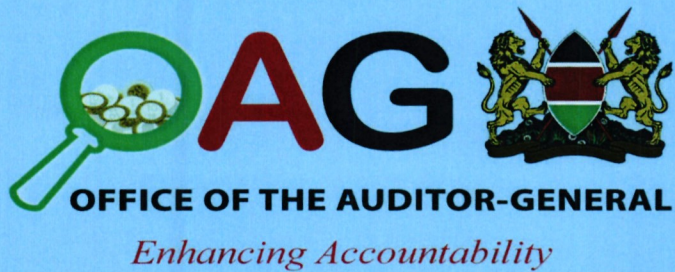


REPUBLIC OF KENYA



REPORT

OF

THE AUDITOR-GENERAL

ON

**STREET FAMILIES REHABILITATION
TRUST FUND**

FOR THE YEAR ENDED

30 JUNE, 2019

THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 11 FEB 2021

DAY:

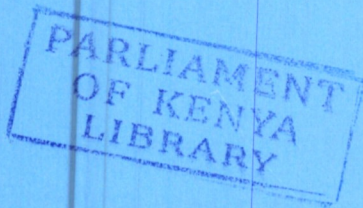
Thursday

TABLED
BY:

Leader of Majority

CLERK-AT
THE-TABLE:

Halima Ahmed





REPUBLIC OF KENYA



**MINISTRY OF LABOUR AND SOCIAL PROTECTION
STATE DEPARTMENT FOR SOCIAL PROTECTION**

STREET FAMILIES REHABILITATION TRUST FUND

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

JUNE 30, 2019

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

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I. KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background Information

The Street Families Rehabilitation Trust Fund (SFRTF) is a body corporate established on 11th March, 2003 through a Gazette Notice No. 1558. The key objective of the fund is to spearhead national Government response to restore dignity to street families.

(b) Principal Activities

The strategic goals of the Trust Fund are to safeguard and promote the rights of street families and to address the concerns of all homeless, destitute and vulnerable people in urban areas.

The mandate of the Trust Fund is: Coordinate rehabilitation programmes for street families, Conduct public education on street families issues, Mobilize resources, fundraise and receive donations and fund street families rehabilitation programmes, Managing donations for the rehabilitation of street families through a trust fund, Monitoring disbursement and expenditure of funds, Advise the government and other relevant agencies on matters relating to the rehabilitation of street families.

Vision: A country free of street families.

Mission: To coordinate, develop capacity and mobilize resources to facilitate and monitor rescue, rehabilitation, reintegration and resocialization programmes for street families.

Strategic Objectives

1. Build knowledge base on the plight of street families
2. Develop and implement policies on rehabilitation of street families
3. Establish and manage a fund for rescue, rehabilitation, re-integration and resocialization programmes for street families.
4. Design systems and structures for effective implementation rescue, rehabilitation, re-integration and resocialization programmes
5. Lobbying and advocacy.
6. Institutional strengthening of Street families Rehabilitation Trust Fund and implementing partners for effective programming.
7. Enact relevant legislation on issues of street families
8. Strategic planning, monitoring and evaluation
9. Develop and manage database on street families

(c) Key Management

The Secretary/Chief Executive Officer provides leadership to a Secretariat that manages the operations of the Trust Fund.

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2019 and who had direct fiduciary responsibility were:

| S/No | Names | Title designation | Responsibilities |
|------|----------------|---------------------------------|--------------------------------------|
| 1. | Nelson Marwa | Principal Secretary | Accounting Officer |
| 2. | Maria Cheronon | Secretary/CEO | CEO/Secretary to the board |
| 3. | Alice Mwaniki | Assistant Accountant General | Head Accounting Unit |
| 4. | Kennedy Okeyo | Deputy Chief Finance Officer | Head Finance Unit |
| 5. | Willis Olwalo | Procurement Officer | Head Supply Chain Management Unit |

(e) Fiduciary Oversight Arrangements

The Board of Trustees of Street Families Rehabilitation Trust Fund plays an oversight role on the management of Trust Fund's resources. With the help of ministerial Audit, Finance and Budget committee

(f) Trust Fund Headquarters

The Fund headquarters offices are at Bazaar Plaza, Nairobi County, Kenya.

P.O Box 40326-00100
Bazaar Plaza,
Moi Avenue
Nairobi.

(g) Trust Fund Contacts

Telephone: 0722-287105
E-mail: ceo.sfrtf@gmail.com
Website:

(h) Bankers

1. Central Bank of Kenya

Street Families Rehabilitation Trust Fund
1000398598
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
Nairobi, Kenya

(i) Independent Auditors

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

(j) Principal Legal Adviser

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

II. THE BOARD OF TRUSTEES

1. Hon. Lina Jebii Kilimo – Chairman
2. Mrs. Maria Cheron, HSC - CEO/Secretary to the Board
3. Mr. Alex Masibo – Trustee
4. Ms. Grace Mwangi – Trustee
5. Mr. Joseph Waiganjo – Trustee
6. Mr. Pius Wario Yatani – Trustee
7. Mr. George Maara - Trustee
8. Mrs. Mrs Fatma Ahmed - Alternate Principal Secretary, State Department for Social Protection
9. Emilio Mukira Gichigo - Alternate to Principal Secretary, State Department for Early Learning and Basic Education



Hon. Dr. Linah Jebii Kilimo is the former chair of Anti-Female Genital Mutilation Board, former Assistant Minister for Cooperative Development in Kenya Government (2008-2013); Minister of Immigration (2004-2005) and Minister of State, Office of the President (2003-2004). She was the immediate former Chairperson of the Kenya Women Parliamentary Association (KEWOPA), has previously worked as the Marakwet East representative to the Constitution of Kenya Review Commission (CKRC) referendum (2002). She also previously worked as a Banker with the Kenya Commercial Bank (KCB) and as a Paralegal / Human Rights Officer for the Education Centre for Women in Democracy (ECWD).




Dr. Linah holds an Honorary Doctor of Divinity Degree from Esther Mallet International Bible University in Norwalk, California, USA (2006), a Bachelors Degree (BA) in Counseling from the Kenya Methodist University (KeMU) and a Diploma in Control & Management of HIV/AIDS from Kenyatta University.


Currently, besides being the Chair of the Street Families Rehabilitation Trust Fund, Dr. Linah is also a Strategic Advisory Group member of the Girl Generation, British Funded project aimed at ending FGM within a generation. She is a Member of the Panel in the Commission of Inquiry into Childhood Pregnancies in Kenya, in relation to the practice of harmful cultural practices like FGM and Forced Early Childhood Marriages.




Mr. Alex Masibo holds a Master's degree in Counseling Psychology from Daystar University and a Bachelor's degree in Education Arts, from Moi University.

He has work experience spanning over 17 years in the areas of fundraising and grant management, project administration, development & oversight and

| | |
|-------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | <p>implementation of diverse programs. Alex has worked with Multi-donor funded projects that include PEPFAR- USAID, CDC, Global Fund and DfID programs in over 24 counties in Kenya & beyond. Mr. Masibo is currently the Executive Director of Undugu Society of Kenya. He is a firm believer in the Christian faith and has passion for street families.</p> |
|  | <p>Grace Mwangi is a Child Protection and Family Based care Specialist. She holds a Master’s Degree in Child Development (University of Haifa-Israel), Master’s Degree in Marriage and Family Therapy (Pan Africa Christian University-Kenya), Bachelor’s Degree in Social Work (University of Nairobi - Kenya) and Diploma in Social Work (Kenya Institute of Social Work Development).</p> <p>She has 20 years’ experience in Social Work and Child protection, having worked in different organizations which include Tumaini Kwa Watoto - Children of Hope (UK Charity) and Give a Child a Family. Besides, she was appointed in the government as a Secretariat member to the Committee of Experts on management of Child Adoptions (2015) and also served in the Technical Working Group tasked with the formulation of the Alternative Family Care Guidelines (2014).</p> <p>Currently Grace is the Programme Consultant in Kenya for LUMOS International.</p> |
|  | <p>Joseph Mburu Waiganjo was born in 1973. He is an environmentalist who is engaged in tree planting for forest restoration and carbon offsetting to sustainably combat climate change. Waiganjo is the Founder/Coordinator of Esconet (Escarpment Environment Conservation Network, a Community-based Organization (CBO) that works in partnership with Carbon Footprint Ltd (UK) on indigenous forest restoration in license agreement with the Kenya Forest Service.</p> <p>Waiganjo holds a Bachelor of Science degree in Mathematics and Chemistry.</p> <p>He has worked as a volunteer coordinator for Kenya Red Cross Society, Limuru Branch where he worked to alleviate the suffering of the most vulnerable in the society. He has also worked within the community to promote education, cooperatives and the Jua Kali sector.</p> |
|  | <p>Emilio Mukira Gichigo is the alternate member to the Principal Secretary, State Department of Early Learning and Basic Education, Ministry of Education. He is the Head of Accounting Unit with over twenty (20) years’ experience in the Accounting profession.</p> <p>He holds a Bachelor of Commerce—Accounting (UON) CPA (K). He is a member of Certified Public Accountants of Kenya (ICPAK).</p> |

| | |
|-------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Fatma Ahmed</p> | <p>Fatma Ahmed is the Alternate to the Principal Secretary, State Department for Social Protection in the Board.</p> |
| <p>Pius Wario Yatani Tume</p> | <p>Pius Wario Yatani Tume is a member of the Board of Trustees. He started his career as primary school teacher and later pursued higher education and attained a degree. In 2013, he joined politics as a member of county assembly</p> |
| | <p>George Maara is a businessman. He holds a Bachelor of Arts degree. He is a chartered insurer (Associate of the Chartered Insurance Institute of London) As an insurance consultant, George has been consulting for number of insurance companies helping them to develop suitable and customer oriented products, financial, marketing and management structures. He is the patron of Limuru County Club.</p> |
|  | <p>Maria K. Cherono is an educationist. She holds a Masters of Education degree from the University of Bristol (United Kingdom), Bachelors of Education degree from Kenyatta University, and a Post Graduate Diploma in Project Planning and Management from the University of Nairobi.</p> <p>Maria has 30 years' work experience in managing education, youth training and social rehabilitation of street families' programmes. She has served at the Ministry of Education, Ministry of Youth Affairs and Sports, Ministry of Devolution and Development of ASALs and Ministry of Labour and Social Protection. She has expertise in policy formulation and implementation, Budget Development and implementation, strategic planning, resource mobilization and management, capacity building, managing partnerships, fundraising, donor relationships and ensuring that programmes are based on innovative approaches. In her work, Maria has interacted with stakeholders that include Line Ministries, County Governments, Development Partners, Non-Governmental Organizations, Civil Society, Faith Based Organizations, Volunteers and Reformed Street persons,</p> <p>Currently Maria is the Secretary/Chief Executive officer at the Street Families Rehabilitation Trust Fund. She is the AIE holder and secretary to the Board of Trustees.</p> |

III. MANAGEMENT TEAM

| | |
|------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Nelson Marwa Sospeter, EBS | Accounting Officer |
|  | <p>Maria K. Cherono is an educationist. She holds a Masters of Education degree from the University of Bristol (United Kingdom), Bachelors of Education degree from Kenyatta University, and a Post Graduate Diploma in Project Planning and Management from the University of Nairobi.</p> <p>Maria has 30 years' work experience in managing education, youth training and social rehabilitation of street family's programmes. She has served at the Ministry of Education, Ministry of Youth Affairs and Sports, Ministry of Devolution and Development of ASALs and Ministry of Labour and Social Protection. She has expertise in policy formulation and implementation, Budget Development and implementation, strategic planning, resource mobilization and management, capacity building, managing partnerships, fundraising, donor relationships and ensuring that programmes are based on innovative approaches. In her work, Maria has interacted with stakeholders that include Line Ministries, County Governments, Development Partners, Non-Governmental Organizations, Civil Society, Faith Based Organizations, Volunteers and Reformed Street persons,</p> <p>Currently Maria is the Secretary/Chief Executive officer at the Street Families Rehabilitation Trust Fund. She is the AIE holder and secretary to the Board of Trustees.</p> |
| CFO | <p>Mr. Kennedy Okeyo Ojwang is the current Chief finance Officer of the State Department for Social Protection. He holds a Bachelor of Arts (Economics) and Mast of Arts in Economics degrees, both from the University of Nairobi. In addition, he is a Certified Public Accountant I.</p> <p>Mr. Okeyo has over 14 years' experience in the civil service, having served in different capacities including as an economist in the Ministry of Water and Irrigation, Principal Economist and Deputy Head of the Central Planning and Projects Monitoring Unit in the Office of the Deputy President; District Development Officer, Kuria District and later Kuria West District; and Deputy Chief Finance Officer and Head of the Finance Division, State Department for Devolution.</p> |

| | |
|--------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Beatrice A. Igadwa | <p>Beatrice A. Igadwa is a Certified Public Accountant and a member of ICPAK. She holds a Bachelor of Business Management degree (BBM) from Moi University. She is a career civil servant who has work experience of over 29 years serving as an accountant in different capacities.</p> <p>She has worked in various ministries including The National Treasury, Ministry of Interior and Coordination of National Government and at the Ministry of Health as a Project Accountant. Currently, she is the Principal Accountant in the Ministry of Labour and Social Protection, State Department for Social Protection.</p> |
| Willis Olwalo | <p>Willis Olwalo is the Head of Supply Chain Management in the State Department for Social Protection.</p> |

IV. CHAIRMAN'S STATEMENT

The Street Families' Rehabilitation Trust Fund was established on 11th March 2003 by the Local Government Act CAP 265 through a Legal Gazette Notice No. 1558 to address the concerns of all homeless, destitute and vulnerable persons in urban areas. It was registered as a body corporate in August 2010 under the Trustees (Perpetual Succession) CAP 164 Laws of Kenya (LoK). The Executive Order No. 1 of 2018 (Revised) on organization of Government of the Republic of Kenya, June 2018, assigned the Street Families Rehabilitation Trust Fund (SFRTF) to the State Department of Social Protection, Ministry of Labour and Social Protection.

The Trust Fund is managed by a Board of Trustees (BOT) composed of a Chairperson and members drawn from diverse fields. The mandate of the Trust Fund include: The mandate of the Trust Fund is to Coordinate rehabilitation programmes for street families, Conduct public education on street families issues, Mobilize resources, fundraise and receive donations and fund street families rehabilitation programmes, Managing donations for the rehabilitation of street families through a trust fund, Monitoring disbursement and expenditure of funds, Advise the government and other relevant agencies on matters relating to the rehabilitation of street families.

In order to realize its mandate, the Trust Fund partners with stakeholders that include line ministries, County Governments, development partners, Non-Governmental organizations, Faith Based Organizations, Civil society Organizations, reformed street persons volunteers, among others to undertake rescue, rehabilitation, reintegration and re-socialization of street families.

During the financial year 2018/2019, a total of Kshs.105,543,095.00 (One hundred and five million, five hundred forty three thousand and ninety five shillings only) was disbursed to 25 institutions to facilitate rescue, rehabilitation, reintegration and resocialization of street families.

A national census of street families has been conducted to provide accurate data on street families which is crucial for planning, budgeting, policy and decision making. The census report is ready and results are expected to be released in 2019.

The Trust Fund has embarked on development of a national policy on rehabilitation of street families. This will provide guidelines on how to address the plight of street families in an effort to realize a county free of street families. The policy focuses on harmonizing and standardization of programme designs and implementation for sustainability and impact.

In order to create synergies, the Trust Fund has initiated establishment of County Chapters across the 47 counties. This will bring together key stakeholders to address the plight of street families with an aim of harnessing resources and enhancing effectiveness of programme implementation at the county level.

The SFRTF Strategic Plan covering the period 2010-2015 has since elapsed. In view of this and taking cognizance of the need to align the SFRTF programmes and activities to the requirements of the Constitution of Kenya, Kenya Vision 2030 MTP III. The Trust Fund embarked on developing Strategic Plan 2018-2022. The first draft is in place, awaiting review and completion.

The Revised Executive Order No. 1 of June, 2018 (Revised) transferred the Trust Fund from the State Department for Correctional Services to the State Department for Social Protection. The Fund, however, could not access its budgetary allocation for the financial year 2018/19 due to delays in effecting the budgetary transfer until March, 2019. This caused delay implementation of the planned activities for the financial year.



**HON. LINAH JEBII KILIMO
CHAIRPERSON BOARD OF TRUSTEES**

V. REPORT OF THE CHIEF EXECUTIVE OFFICER

SFRTF was established on 11th March 2003 through Kenya Gazette Notice No. 1558 to address the concerns of all homeless, destitute and vulnerable people in urban areas. It was registered as a body corporate under cap 164 Trustees (Perpetual Succession) Act in August 2010.

The Street Families Rehabilitation Trust Fund has been tasked with the responsibility of coordinating all activities related to the rehabilitation and empowerment of persons living and/or working in the streets. Consequently, the Trust Fund implements rehabilitation programmes that will lead to realization of a country free of street families is in line with the Constitution of Kenya, the country's long term development blue print of the Kenya Vision 2030 and the international commitments which Kenya is a signatory that include the Sustainable Development Goals, the United Nations Convention on the Rights of the Child, and the Universal Declaration of Human Rights, among others.

In order to realize its mandate, the Trust Fund partners with stakeholders that include line ministries, County Governments, development partners, Non-Governmental organizations, Faith Based Organizations, Civil society Organizations, Community Based Organizations, reformed street persons, volunteers, among others to undertake rescue, rehabilitation, reintegration and re-socialization of street families.

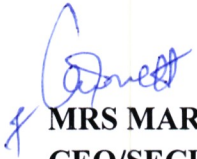
During the financial year 2018/2019, a total of Kshs. 105,543,095.00 (One hundred and five million, five hundred forty three thousand and ninety five shillings only) was disbursed to 25 institutions to facilitate rescue, rehabilitation, reintegration and resocialization of street families. The disbursed funds are supporting the following number of beneficiaries in the underlisted programmes.

| No. | Programmes | No. of Beneficiaries |
|------------|-----------------------------------|-----------------------------|
| 1. | Rescue | 602 |
| 2. | Rehabilitation | 748 |
| 3. | Reintegration and resocialization | 500 |
| 4. | Education Support | 414 |

In order to ensure prudent management of Government funds and effective implementation of rehabilitation programs, the Trust Fund held two (2) capacity building workshops. The workshops targeted one hundred and eight (108) participants drawn from the funded institutions who included Director/Manager, the Accountant/Financial manager and the Social workers or officers dealing with rehabilitation activities.

A national census of street families has been conducted to provide data on street families which is crucial for planning, budgeting, policy and decision making. The census, which was conducted in the urban areas of the forty-seven (47) counties, was spearheaded by the Trust Fund and Kenya National Bureau of Statistics in conjunction with the Technical Working Committee. The census report is ready and results are expected to be released in 2019.

The Trust Fund has embarked on development of a national policy on rehabilitation of street families. This will provide guidelines on how to address the plight of street families in an effort to realize a county free of street families. The policy focuses on harmonizing and standardization of programme designs and implementation for sustainability and impact.



**MRS MARIA CHERONO, HSC
CEO/SECRETARY TO THE BOARD**

VI. CORPORATE GOVERNANCE STATEMENT

The term for the former Board of Trustees for Street Families Rehabilitation Fund expired in May 2019. The current Board was appointed vide Gazette Notice No. 148 dated 3rd May 2019. The Board, which is comprised of a Chair and five Trustees was appointed by the Cabinet Secretary, Ministry of Labour and Social Protection. In addition, there are two members representing the Principal Secretaries State Department for Social Protection and State Department for Early Learning and Basic Education. The Board of Trustees Chairperson and members were inducted in May, 2019 by the Kenya School of Government.

Full Board meetings are held on a quarterly basis. The Board has four committees namely: Finance and Administration; Rescue, Rehabilitation Reintegration and Resocialization; Advocacy and Communication; and Audit Committee each chaired by a Trustee. The committees meet on a quarterly basis and when need arises.

During the former BOT's term, the Chairperson had declared her conflict of interest confirming she had relinquished her directorship of Wema Centre, an organization that has similar mandate with the Trust Fund. In the current Board, Mr. Alex Masibo, Executive Director Undugu Society declared conflict of interest citing that his organization shares similar mandate with the Trust Fund.

The Board of Trustees is remunerated as per the Salaries and Remuneration Commission circular dated 16th June, 2017 as shown on the Table below.

| Allowance | Chairman | Member |
|------------------|---------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------|
| Honoraria | Kshs.60,000 per month | - |
| Sitting | Kshs.20,000 per sitting | Kshs.20,000 per sitting |
| Lunch | Kshs.2,000 per day in lieu of lunch | Kshs.2,000 per day in lieu of lunch |
| Accommodation | As per equivalent Job Group 'R' provided by the Salaries and Remuneration Commission circular on review of allowances in the public service | As per equivalent Job Group 'R' provided by the Salaries and Remuneration Commission circular on review of allowances in the public service |
| Transport | AA rates subject to maximum of Kshs.20,000 per month. | AA rates subject to maximum of Kshs.20,000 per month. |
| Airtime | Kshs.6,000 per month | Kshs.5,000 per month |

In the financial year 2018/2019, the former Chairperson's (Lucy Yinda) honorarium was paid for the months of July 2018 to April, 2019. The current Chairperson's (Hon. Linah Jebii Kilimo) honorarium has been paid for the months of May to June, 2019.

VII. MANAGEMENT DISCUSSION AND ANALYSIS

The Principal Secretary for State Department for Social Protection and the Secretary to the Street Families Rehabilitation Trust Fund are responsible for the preparation and presentation of the Trust Fund's financial statement, which give a true and fair view of the state of affairs of the Trust Fund for and as at the end of the financial year ended on June 30, 2019. This responsibility includes:

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

The Principal Secretary for the State Department for Social Protection and the Secretary to the Street Families Rehabilitation Trust Fund accept responsibility for the Fund's financial statements, which have been prepared on the Accrual 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 Secretary to the Street Families Rehabilitation Trust Fund are of the opinion that the Fund's financial statements give a true and fair view of the state of Fund's transactions during the financial year/period ended June 30, 2019, and of the Fund's financial position as at that date. The Principal Secretary State Department for Social Protection and the Secretary to the Street Families Rehabilitation Trust 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 Social Protection and the Secretary to the Street Families Rehabilitation Trust Fund confirm that the Fund has complied fully with applicable Government Regulations and the terms of external financing covenants, and that funds received during the financial year/period under audit were used for the eligible purposes for which they were intended and were properly accounted for.

1.1 Funding summary

The Fund is for a duration of infinite years from 2003 with an approved budget as determined by National Government highlighted in the table below:

Below is the funding summary:

| Source of funds | Ministry Budgetary Allocation | Amount received to date (30th June, 2019) | Balance yet to be Received to date (30 th June, 2018) |
|----------------------------------|-------------------------------------|-------------------------------------------------|------------------------------------------------------------------------|
| | Kshs | Kshs | Kshs |
| | (A) | (B) | (A)-(B) |
| (i) Counterpart funds | | | |
| Government of Kenya Exchequer | 244,358,492.00 | 153,000,000.00 | 91,358,492 |
| (ii) Bank Interests | - | | |
| Total | 244,358,492.00 | 153,000,000.00 | 91,358,492 |

VIII. STATEMENT OF DIRECTORS' RESPONSIBILITIES

Section 81 of the Public Finance Management Act, 2012 and (section 14 of the State Corporations Act), require the Directors to prepare financial statements in respect of that **Street Families Rehabilitation Trust Fund**, which give a true and fair view of the state of affairs of the **Street Families Rehabilitation Trust Fund** at the end of the financial year/period and the operating results of the **Street Families Rehabilitation Trust Fund** for that year/period. The Directors are also required to ensure that the **Street Families Rehabilitation Trust Fund** keeps proper accounting records which disclose with reasonable accuracy the financial position of the entity. The Directors are also responsible for safeguarding the assets of the **Street Families Rehabilitation Trust Fund**.

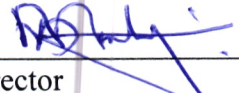
The Directors are responsible for the preparation and presentation of the **Street Families Rehabilitation Trust Fund** financial statements, which give a true and fair view of the state of affairs of the **Street Families Rehabilitation Trust Fund** for and as at the end of the financial year (period) ended on June 30, 2019. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the **Street Families Rehabilitation Trust Fund**; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Directors accept responsibility for the **Street Families Rehabilitation Trust Fund** financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and (the State Corporations Act). The Directors are of the opinion that the entity's financial statements give a true and fair view of the state of **Street Families Rehabilitation Trust Fund** transactions during the financial year ended June 30, 2019, and of the **Street Families Rehabilitation Trust Fund** financial position as at that date. The Directors further confirm the completeness of the accounting records maintained for the **Street Families Rehabilitation Trust Fund** which have been relied upon in the preparation of the **Street Families Rehabilitation Trust Fund** financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

The **Street Families Rehabilitation Trust Fund** financial statements were approved by the Board on _____ and signed on its behalf by:

Mr. Alex Masibo


Director

FATMA SAHIB
Rahnd

Director

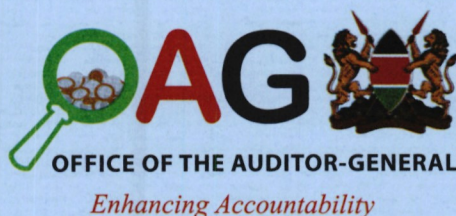


Director

**IX. REPORT OF THE INDEPENDENT AUDITORS ON THE STREET FAMILIES
REHABILITATION TRUST FUND.**

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 STREET FAMILIES REHABILITATION TRUST FUND FOR THE YEAR ENDED 30 JUNE, 2019

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Street Families Rehabilitation Trust Fund set out on pages 1 to 22, which comprise of the statement of financial position as at 30 June, 2019, and the statement of financial performance, the statement of changes in net assets, the 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 the Street Families Rehabilitation Trust Fund as at 30 June, 2019, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with a Gazette Notice No. 1558 of 11 March, 2003.

Basis for Qualified Opinion

1.0 Lack of Ownership Documents

The statement of financial position reflects Kshs.1,738,520 in respect of property, plant and equipment as at 30 June, 2019. The balance excludes the values of various parcels of land that have no ownership documents as indicated below:

1.1. Land - LR No. 209/11325 at Mukuru Kwa Njenga Slum

As previously reported, Kenya Pipeline Corporation (KPC) donated and surrendered to the Trust Fund a piece of land L.R No.209/11325 on 23 August, 2007 vide a letter Ref. No. LE/LA/ 25/4 addressed to the Commissioner of Lands by the Managing Director of the Company. The title was surrendered to the Commissioner of Lands on 6 August, 2007 for purposes of transferring and registering the property in the name of the Trust Fund. A review of the position in the month of March, 2020, twelve (12) years after the donation

revealed that the transfer has not been effected and the land in Mukuru Kwa Njenga slum has since been encroached upon by members of the public.

1.2 Parcels of Land in Embu, Murang'a and Laikipia

Information available indicates that the defunct Local Authorities of Embu, Murang'a and Laikipia allocated land to the Trust Fund informally as captured in the Minutes dated 19 September, 2016. The Trust Fund is however, yet to identify where the pieces of land are located or to obtain either title deeds or any legal or formal documents of allocation. In addition, Management has not demonstrated any efforts put in place to acquire ownership documents.

1.3. LR. NO. Mavoko Town Block 3/2545

As was reported in the previous year, the Trust Fund purchased land measuring 8.090 hectares in Mavoko Town at a cost of Kshs.38 Million on 6 December, 2013. The original title was surrendered to the Ministry of Land for subsequent transfer in the same month. A review of the position during the audit, in the month of March, 2020, revealed that the said property had not been transferred to the Trust Fund and no further information was available for audit verification.

In the circumstances, it has not been possible to confirm the completeness and accuracy of the property, plant and equipment balance of Kshs.1,738,520 reflected in the statement of financial position as at 30 June, 2019.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Street Families Rehabilitation Trust 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 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. There were no key audit matters to report in the year under review.

Other Matter

Budget Control and Performance

The statement of comparative budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.244,358,492 and Kshs.153,000,000 respectively, resulting to an over-funding by Kshs.91,358,492 or 37% of the budget. Similarly, the Trust Fund expended Kshs.147,104,302 against an approved budget of Kshs.244,358,492 resulting to an under-expenditure of Kshs. 97,254,190 or 40% of the budget.

In the circumstances, the Trust Fund's objective of spearheading National Government response to restore dignity to street families and the strategic goal of safeguarding and promoting the rights of street families and addressing the concerns of all homeless, destitute and vulnerable people in urban areas, may not have been achieved as planned.

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, I confirm that, nothing 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 EFFECTIVENESS 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 matters described in the Basis for 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 overall governance were not effective.

Basis for Conclusion

1. Lack of Information Technology and Risk Management Policies and Data Recovery Strategy

A review of the internal controls at the Trust Fund revealed weaknesses that included the absence of documented Data Recovery Strategy, Risk Management Policy or an Information Technology Policy. There were no measures in place to counter risks. Thus the Trust Fund is exposed to threats in terms of loss of strategic data and information regarding its operations, exposure to cyber-attacks, poor response to fire outbreaks and unsafe storage of information technology resources.

2. Weak Internal Controls

A review of internal controls at the Trust Fund revealed weaknesses that included lack of effective accounting function since all the accounting transactions are executed from the State Department for Social Protection. The Trust Fund also largely depends on the staff seconded from the State Department for Social Protection to discharge its mandate, which negatively affects its operations due to a lean staff establishment.

3. Lack of Assets Register

During the year under review, the Trust Fund did not maintain an assets register and the assets acquired in the financial year had not been tagged. From the foregoing, the ownership, valuation and safety of the Trust Fund's assets could not be ascertained or 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 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.

Responsibilities of Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the Trust Fund 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 Trust 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 Street Families Rehabilitation Trust Fund financial reporting process, reviewing the effectiveness of how the entity monitors compliance with relevant legislative and regulatory requirements,

ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

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

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

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



Nancy Gathungu

AUDITOR-GENERAL


Nairobi


20 January, 2021

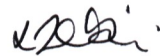
1. STATEMENT OF FINANCIAL PERFORMANCE

| | Notes | 2018-2019 | 2017-2018 |
|---------------------------------------------------------------|-------|-----------------------|-------------------------|
| | | Kshs | Kshs |
| Revenue from non-exchange transactions | | | |
| Transfers from other governments – gifts and services-in-kind | 1 | 153,000,000.00 | 213,675,000.00 |
| Total revenue | | 153,000,000.00 | 213,675,000.00 |
| Expenses | | | |
| Employee costs | 3 | 17,968,795.00 | 76,252,970.60 |
| Remuneration of directors | 5 | 2,776,900.00 | - |
| Depreciation and amortization expense | 8 | 745,080.00 | - |
| Repairs and maintenance | 6 | 1,476,300.00 | 14,933,782.00 |
| Grants and subsidies | 7 | 105,543,095.00 | 273,709,276.00 |
| General expenses | 4 | 16,855,611.80 | 25,509,228.00 |
| Total expenses | | 145,365,781.80 | 390,405,256.60 |
| SURPLUS/DEFICIT | | 7,634,218.20 | (176,730,256.60) |

The accounting policies and explanatory notes to these financial statements are an integral part of the financial statements. The Financial Statements were approved on 22/1/20 2019 and signed by:


 Chief Executive Officer
Maria Cheron HSC


 Head of Finance
Beatrice Igadwa
 ICPAK: 11359


 Chairman of the Board
Hon. Jebii Kilimo

Date 22/1/2021.....

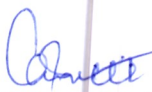
Date 22/1/2021

Date 22/1/21.....


2. STATEMENT OF FINANCIAL POSITION

| | Notes | 2018-2019 | 2017-2018 |
|-----------------------------------------|-------|-----------------------|-----------------------|
| | | Kshs | Kshs |
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | | 159,739,493.25 | 153,843,795.05 |
| | | 159,739,493.25 | 153,843,795.05 |
| Non-current assets | | | |
| Property, plant and equipment | 8 | 1,738,520.00 | - |
| Total assets | | 161,478,013.25 | 153,843,795.05 |
| Net assets | | 161,478,013.25 | 153,843,795.05 |
| Reserves | | 153,843,795.05 | 330,574,051.65 |
| Accumulated surplus | | 7,634,218.20 | - |
| | | | 176,730,256.60 |
| Total net assets and liabilities | | 161,478,013.25 | 153,843,795.05 |


The accounting policies and explanatory notes to these financial statements are an integral part of the financial statements. The Financial Statements were approved on 22/1/2021 and signed by:


 Chief Executive Officer
Maria Cheron, HSC

Date 22/1/2021


 Head of Finance
Beatrice Igadwa

ICPAK: 11359
 Date 22/1/2021


 Chairman of the Board
Hon Jebii Kilimo


Date 22/1/21


3. STATEMENT OF CHANGES IN NET ASSETS

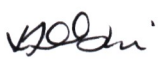
| | Reserves | Capital/Development Grants/Fund | Total |
|------------------------------------------------------|----------------|---------------------------------|----------------|
| | Kshs | Kshs | Kshs |
| At July 1, 2017 | 152,025,277.80 | - | 152,025,277.80 |
| Prior Year Adjustments | 1,818,517.25 | - | 1,818,517.25 |
| At June 30, 2018 | 153,843,795.05 | - | 153,843,795.05 |
| At July 1, 2018 | 153,843,795.05 | - | 153,843,795.05 |
| Net increase/(decrease) in cash and cash equivalents | 5,895,698.20 | - | 5,895,698.20 |
| At June 30, 2019 | 159,739,493.25 | - | 159,739,493.25 |

Note: Prior year adjustments was due to a difference between the closing cash balance for financial year 2017/2018 and opening balance for financial year 2018/2019 of ksh 1,818,517.25.

The accounting policies and explanatory notes to these financial statements are an integral part of the financial statements. The Financial Statements were approved on 22/1/2021 and signed by:


 Chief Executive Officer
 Maria Cherono HSC


 Head of Finance
 Beatrice Igadwa
 ICPAK: 11359


 Chairman of the Board
 Hon Chebii Kilimo

Date: 22/1/2021

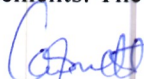
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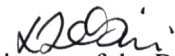
4. STATEMENT OF CASH FLOWS

| | Notes | 2018-2019 | 2017-2018 |
|---------------------------------------------------------------|-------|-----------------------|-------------------------|
| | | Kshs | Kshs |
| Cash flows from operating activities | | | |
| Receipts | | | |
| Transfers from other governments – gifts and services-in-kind | 1 | 153,000,000.00 | 213,675,000.00 |
| Total Receipts | | 153,000,000.00 | 213,675,000.00 |
| Payments | | | |
| Employees Cost | 3 | 17,968,795.00 | 76,252,970.60 |
| General Expenses | 4 | 16,855,611.80 | 25,509,228.00 |
| Remuneration of directors | 5 | 2,776,900.00 | - |
| Repairs and maintenance | 6 | 1,476,300.00 | 14,933,782.00 |
| Grants and subsidies | 7 | 105,543,095.00 | 273,709,276.00 |
| Total Payments | | 144,620,701.80 | 390,405,256.60 |
| Net cash flows from operating activities | | 8,379,298.20 | (176,730,256.60) |
| Cash flows from investing activities | | | |
| Purchase of property, plant, equipment | 8 | 2,483,600.00 | - |
| Net cash flows used in investing activities | | 2,483,600.00 | - |
| Net increase/(decrease) in cash and cash equivalents | | 5,895,698.20 | |
| Cash and cash equivalents at 1 JULY | | 153,843,795.05 | - |
| Cash and cash equivalents at 30 JUNE | | 159,739,493.25 | 153,843,795.05 |

The accounting policies and explanatory notes to these financial statements form integral part of the financial statements. The Fund financial statements were approved on 22/1/2021 and signed by:


 Chief Executive Officer
Maria Cheron, HSC


 Head of Finance
Beatrice Igadwa


 Chairman of the Board
Hon. Jebii Kilimo

Date 22/1/2021


ICPAK: 11359
 Date 22/1/2021

Date 22/1/21


5. STATEMENT OF COMPARATIVE BUDGET AND ACTUAL AMOUNTS

| Receipts/Payments Item | Original Budget | Adjustments | Final Budget | Actual on Comparable Basis | Variance | % of Variance |
|------------------------------------|--------------------|-------------|--------------------|----------------------------|-------------------|---------------|
| | 2018-2019 | 2018-2019 | 2018-2019 | 2018-2019 | 2018-2019 | 2018-2019 |
| | a | b | c=a+b | d | e=c-d | f=e/c % |
| Receipts | Kshs | Kshs | Kshs | Kshs | Kshs | Kshs |
| Transfer from Government Exchequer | 244,358,492 | 0 | 244,358,492 | 153,000,000 | 91,358,492 | 63% |
| Total Receipts | 244,358,492 | | 244,358,492 | 153,000,000 | 91,358,492 | 63% |
| Payments | | | | | | |
| Employees Cost | 41,247,412 | - | 41,247,412 | 17,968,795 | 23,278,617 | 44% |
| General Expenses | 39,626,397 | - | 39,626,397 | 16,855,612 | 22,770,785 | 43% |
| Board Expenses | 2,968,956 | - | 2,968,956 | 2,776,900 | 192,056 | 94% |
| Repairs and maintenance | 3,291,829 | - | 3,291,829 | 1,476,300 | 1,815,529 | 45% |
| Government transfers | 136,723,897 | - | 136,723,897 | 105,543,095 | 31,180,802 | 77% |
| Acquisition of Assets | 20,500,000 | - | 20,500,000 | 2,483,600 | 18,016,400 | 12% |
| Total Payments | 244,358,492 | - | 244,358,492 | 147,104,302 | 97,254,190 | |

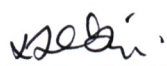
NOTE: The Fund operated for only the Last quota of the financial year due to transition challenge under Ministry of Devolution and ASAL to Ministry of Labour and Social protection hence low absorption in all the receipts and expenditure item.


 Chief Executive Officer
Maria Cherono HSC

Date 22/1/2021.....


 Head of Finance
Beatrice Igadwa
 ICPAK: 11359

Date 22/1/2021.....


 Chairman of the Board
Hon. Jebii Kilimo

Date 22/1/21.....

6. SIGNIFICANT ACCOUNTING POLICIES

6.1.1 GENERAL INFORMATION

The Street Families Rehabilitation Trust Fund (SFRTF) is established by and derives its authority and accountability from a Gazette Notice No. 1558 of 11th March, 2003. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is to spearhead national Government response to restore dignity to street families.

6.2 STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

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

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the entity.

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

6.3 ADOPTION OF NEW AND REVISED STANDARDS

i. Early adoption of standards

The Street Families Rehabilitation Trust Fund (SFRTF) did not early – adopt any new or amended standards in year 2018-2019.

6.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Revenue recognition

i) Revenue from non-exchange transactions

Fees, taxes and fines

The entity recognizes revenues from fees, taxes and fines when the event occurs and the asset recognition criteria are met. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, deferred income is recognized instead of revenue. Other non-exchange revenues are recognized when it is probable that the future economic benefits or

service potential associated with the asset will flow to the entity and the fair value of the asset can be measured reliably.

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the entity and can be measured reliably. Recurrent grants are recognized in the statement of comprehensive income. Development/capital grants are recognized in the statement of financial position and realised in the statement of comprehensive income over the useful life of the assets that has been acquired using such funds

ii) Revenue from exchange transactions

Rendering of services

The entity recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours.

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

Sale of goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of the goods and when the amount of revenue can be measured reliably and it is probable that the economic benefits or service potential associated with the transaction will flow to the entity.

Interest income

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

Dividends

Dividends or similar distributions must be recognized when the shareholder's or the entity's right to receive payments is established.

Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and included in revenue.

b) Budget information

The original budget for FY 2018-2019 was approved by the National Assembly on 17th August 2018. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the entity recorded additional appropriations of Ksh 244,358,492 on the 2018-2019 budget following the governing body's approval.

The entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts.

In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget.

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section B of these financial statements.

c) Taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the area where the Entity operates and generates taxable income.

Current income tax relating to items recognized directly in net assets is recognized in net assets and not in the statement of financial performance. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except in respect of taxable temporary differences associated with investments in controlled entities, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except in respect of deductible temporary differences associated with investments in controlled entities, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside surplus or deficit is recognized outside surplus or deficit. Deferred tax items are recognized in correlation to the underlying transaction in net assets.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Sales tax

Expenses and assets are recognized net of the amount of sales tax, except:

- When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of sales tax included

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

d) Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property.

Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over a 30-year period.

Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition.

Transfers are made to or from investment property only when there is a change in use.

e) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

f) Leases

Finance leases are leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item to the Entity. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The Entity also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition.

Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit.

An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Entity will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the Entity. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

g) Intangible assets

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred.

The useful life of the intangible assets is assessed as either finite or indefinite.

h) Research and development costs

The Entity expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the Entity can demonstrate:

- The technical feasibility of completing the asset so that the asset will be available for use or sale
 - Its intention to complete and its ability to use or sell the asset
 - How the asset will generate future economic benefits or service potential
 - The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development.
- Following initial recognition of an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized over the period of expected future benefit. During the period of development, the asset is tested for impairment annually with any impairment losses recognized immediately in surplus or deficit.

i) Financial instruments

Financial assets

Initial recognition and measurement

Financial assets within the scope of IPSAS 29 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. The Entity determines the classification of its financial assets at initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Losses arising from impairment are recognized in the surplus or deficit.

Held-to-maturity

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the Entity has the positive intention and ability to hold it to

maturity. After initial measurement, held-to-maturity investments are measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The losses arising from impairment are recognized in surplus or deficit.

Impairment of financial assets

The Entity assesses at each reporting date whether there is objective evidence that a financial asset or an entity of financial assets is impaired. A financial asset or a entity of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the entity of financial assets that can be reliably estimated. Evidence of impairment may include the following indicator

- The debtors or a entity of debtors are experiencing significant financial difficulty
- Default or delinquency in interest or principal payments
 - The probability that debtors will enter bankruptcy or other financial reorganization
 - Observable data indicates a measurable decrease in estimated future cash flows (e.g. changes in arrears or economic conditions that correlate with defaults)

Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The Entity determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

Loans and borrowing

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in surplus or deficit when the liabilities are derecognized as well as through the effective interest method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

i) Inventories

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition.

Costs incurred in bringing each product to its present location and conditions are accounted for, as follows:

- Raw materials: purchase cost using the weighted average cost method
- Finished goods and work in progress: cost of direct materials and labuor and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost.

Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution.

Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Entity.

j) Provisions

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

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

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

Contingent liabilities

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

Contingent assets

The Entity does not recognize a contingent asset, but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Entity in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

k) Nature and purpose of reserves

The Entity creates and maintains reserves in terms of specific requirements. Entity to state the reserves maintained and appropriate policies adopted.

l) Changes in accounting policies and estimates

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

m) Employee benefits

Retirement benefit plans

The Entity provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund), and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to

employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable.

Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

n) Foreign currency transactions

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Trade creditors or debtors denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date. Exchange differences arising from the settlement of creditors, or from the reporting of creditors at rates different from those at which they were initially recorded during the period, are recognized as income or expenses in the period in which they arise.

o) Borrowing costs

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment. Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

p) Related parties

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

q) Service concession arrangements

The Entity analyses all aspects of service concession arrangements that it enters into in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the Entity recognizes that asset when, and only when, it controls or regulates the services the operator must provide together with the asset, to whom it must provide them, and at what price. In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement or otherwise – any significant residual interest in the asset at the end of the arrangement. Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, the Entity also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

r) 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,

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cash and cash equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

s)Comparative figures

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

t)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, 2019.

6.5 SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

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

Estimates and assumptions

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

Useful lives and residual values

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

The condition of the asset based on the assessment of experts employed by the Entity.

The nature of the asset, its susceptibility and adaptability to changes in technology and processes.

The nature of the processes in which the asset is deployed.

Availability of funding to replace the asset.

Changes in the market in relation to the asset.

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in.

Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value where the effect is material.(include provisions applicable for your organisation e.g provision for bad debts, provisions of obsolete stocks and how management estimates these provisions).

6.5 NOTES TO THE FINANCIAL STATEMENTS
1 EXCHQUER RELEASES

| Description | 2018-2019 KES | 2017-2018 KES |
|--------------------------------------|-----------------------|--------------------|
| Total Exchequer Releases for quota 4 | 153,000,000.00 | 198,675,000 |
| Total | 153,000,000.00 | 198,675,000 |

2.A OTHER RECEIPTS

| | 2018-2019 KES | 2017-2018 KES |
|--------------|------------------|----------------------|
| A-I-A | 0.00 | 15,000,000.00 |
| Total | 0.00 | 15,000,000.00 |

3 EMPLOYEE COSTS

| | 2018-2019 KShs | 2017-2018 KShs |
|---------------------------------------------------------------------|----------------------|----------------------|
| Salaries and wages | - | - |
| Employee related costs - contributions to pensions and medical aids | - | - |
| Travel, motor car, accommodation, subsistence and other allowances | 17,968,795.00 | 76,252,970.60 |
| Employee costs | 17,968,795.00 | 76,252,970.60 |

4 GENERAL EXPENSES

| Description | 2018-2019 KShs | 2017-2018 KShs |
|--------------------------------------------------------------|----------------------|----------------------|
| Printing , Advertising and Information Supplies and Services | 850,000.00 | |
| Training Expenses | 5,426,220.00 | |
| Hospitality Supplies and Services | 5,010,720.00 | 1,923,800.00 |
| Office and General Supplies and Services | 3,398,071,.80 | 23,585,428.00 |
| Fuel Oil and Lubricants | 2,170,600.00 | |
| TOTAL | 16,855,611.80 | 25,509,228.00 |

5 BOARD EXPENSES

| Description | 2018-2019 | 2017-2018 |
|----------------------------------|---------------------|-----------|
| | KShs | KShs |
| Chairman's Honoraria | 600,000.00 | - |
| Directors emoluments | 2,176,900.00 | - |
| Other allowances | - | - |
| Total director emoluments | 2,776,900.00 | - |

6 REPAIRS AND MAINTENANCE

| Description | 2018-2019 | 2017-2018 |
|--------------------------------------|---------------------|----------------------|
| | KShs | KShs |
| Equipment and machinery | - | - |
| Vehicles | 1,476,300.00 | 14,933,782.00 |
| Furniture and fittings | - | - |
| Computers and accessories | - | - |
| Total repairs and maintenance | 1,476,300.00 | 14,933,782.00 |

7. GRANTS AND SUBSIDIES

| Description | 2018-2019 | 2017-2018 |
|-----------------------------------|-----------------------|-----------------------|
| | KShs | KShs |
| Social development | 105,543,095.00 | 273,709,276.00 |
| Total grants and subsidies | 105,543,095.00 | 273,709,276.00 |

8 PROPERTY, PLANT AND EQUIPMENT

| | Land and Buildings | Motor vehicles | Furniture and fittings | Computers | Plant and equipment | Total |
|-------------------------------------|--------------------|----------------|------------------------|---------------------|---------------------|---------------------|
| Cost | KShs | KShs | KShs | KShs | KShs | KShs |
| At 1 July 2017 | - | - | - | - | - | - |
| Additions | - | - | - | - | - | - |
| Disposals | - | - | - | - | - | - |
| Transfers/adjustments | - | - | - | - | - | - |
| At 30th June 2018 | - | - | - | - | - | - |
| Additions | - | - | - | 2,483,600.00 | - | 2,483,600.00 |
| Disposals | - | - | - | - | - | - |
| Transfer/adjustments | - | - | - | - | - | - |
| At 30th June 2019 | - | - | - | 2,483,600.00 | - | 2,483,600.00 |
| Depreciation and impairment | | | | | | |
| At 1 July 2017 | - | - | - | - | - | - |
| Depreciation | - | - | - | - | - | - |
| Impairment | - | - | - | - | - | - |
| At 30 June 2018 | - | - | - | - | - | - |

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| | | | | | | |
|-------------------------------------|---|---|---|---------------------|---|---------------------|
| Depreciation | - | - | - | 745,080.00 | - | 745,080.00 |
| Disposals | - | - | - | - | - | - |
| Impairment | - | - | - | - | - | - |
| Transfer/adjustment | - | - | - | - | - | - |
| At 30th June 2019 | - | - | - | 745,080.00 | - | 745,080.00 |
| Net book values | | | | | | - |
| At 30th June 2019 | - | - | - | 1,738,520.00 | - | 1,738,520.00 |
| At 30th June 2018 | - | - | - | - | - | - |

9 CASH AND CASH EQUIVALENTS

| Description | 2018-2019 | 2017-2018 |
|----------------------------------------|-----------------------|-----------------------|
| | KShs | KShs |
| Current account | 159,739,493.25 | 153,843,795.05 |
| Total cash and cash equivalents | 159,739,493.25 | 153,843,795.05 |

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

| Financial institution | Account number | 2018-2019 | 2017-2018 |
|---------------------------|----------------|-----------------------|-----------------------|
| | | Kshs. | Kshs. |
| a) Current account | | | |
| Central Bank of Kenya | 1000398598 | 159,739,493.25 | 153,843,795.05 |
| Sub- total | | 159,739,493.25 | 153,843,795.05 |
| Grand total | | 159,739,493.25 | 153,843,795.05 |

PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

| S/NO. | ISSUE RAISED | MANAGEMENT RESPONSE | STATUS |
|--------------|----------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|
| 1. | Lack of Ownership Documents for Land (LR No. 209/11325, LR No. Mavoko Town Block 3/2545 and Unidentified Land in Counties) | I. LR No. 209/11325 -It is true Kenya Pipeline Company Limited KPC donated land LR No. 209/11325 to the Street Families Rehabilitation Trust Fund and the title deed surrendered to the Commissioner of lands on 6th August 2007 for purposes of transferring it to the Street Families Rehabilitation Trust Fund. The Lease in the name of the Trust Fund has been obtained but The Trust Fund is yet to finalize the process. | Unresolved |
| | | ii. LR No. Mavoko Town Block 3/2545 -It is true that the Trust Fund acquired the above piece of land LR No. Mavoko Town Block 3/2545 but has not been able to secure ownership under the Trust Fund. This is attributed to legal challenges experienced in processing the title deed. | Unresolved |
| | | iii. Unidentified Land in Counties. It is true that the defunct local authorities had informally allocated land to the Trust Fund as captured in the minutes of 19th September 2016. However, it is important to note that only Embu, Murang'a and Laikipia counties promised to allocate land to the Fund. | Unresolved |
| 2. | Failure to Prepare Financial Statements for the Previous years | It is true the Fund prepared its first financial statements ever for the financial year 2016/2017 with the adoption of New Financial reporting templates as required by IPSAS. The previous year financial reporting was being done within the defunct Ministry of Local Government and the State Department for Devolution Ministries where the fund was domiciled. | Resolved |
| 3. | Initial Capital Fund not Paid and captured in the Financial Statements | It is true that the Trust Fund has a Trust Deed which indicates that an initial capital fund of Kshs. 5.05 million shall be paid to the Trust Fund at the point of formation. However this was not honored and could not be reported in the Financial Statement | Resolved |

