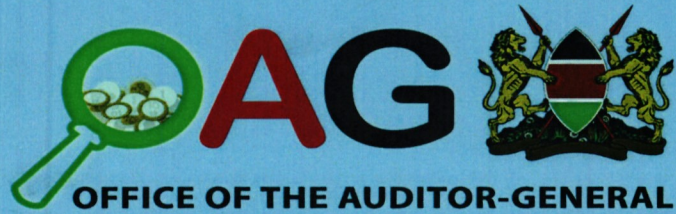


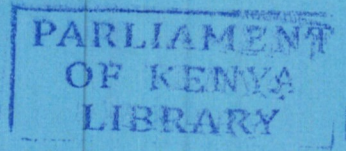
REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

REPORT



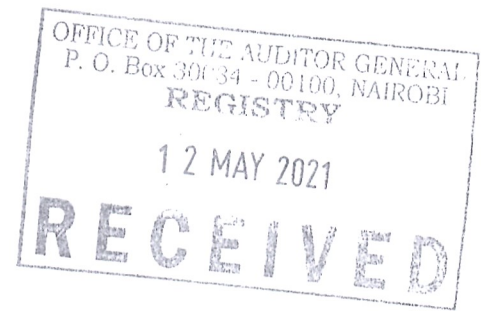
OF

THE AUDITOR-GENERAL

ON

**STATE DEPARTMENT FOR SOCIAL
PROTECTION**

**FOR THE YEAR ENDED
30 JUNE, 2020**



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

REPORTS AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2020**

Prepared in accordance with the Cash 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 State Department for Social Protection was formed on 1/7/2016 at a Cabinet level. The State Department is represented by the Cabinet Secretary for Ministry of East African Community, Labour and Social Protection, who is responsible for the general policy and strategic direction of the State Department, to ensure that the Ministry's Vision and Mission are realised.

(b) Key Management

The State Department for Social Protection's day-to-day management is under the following key organs:

1. Social Assistant Unit; (SAU)
2. Directorate Children Services; (DCS)
3. Directorate of Social Development; (DSD)
4. National Social Protection Secretariat;(SPS)

(c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2020 and who had direct fiduciary responsibility were:

No.	Designation	Name
1	Accounting Officer	Nelson Marwa Sospeter- MBS
2	Director Children Services	Mr. Noah Sanganyi
3	Director Social Development.	Ms. Josephine Muriuki
4	Head Social Assistance Unit	Mr. John Gachigi

(d) Fiduciary Oversight Arrangements

- I.** Budget Implementation Committees
- II.** Audit Committee
- III.** Medium Term Expenditure Framework Committee
- IV.** Medium Term Planning Committee
- V.** Sector Policies Committee
- VI.** Performance Contracting Committee
- VII.** Sustainable Development Goals Committee
- VIII.** Monitoring & Evaluating Committee
- IX.** Corruption Eradication Committee
- X.** Safety & Security Committee

(e) State Department for Social Protection

P.O. Box 46205-00100

NSSF Building

Bishop Road

Nairobi, KENYA

Telephone: (254) 2727980

E-mail: Info@labour.go.ke

Website: www.labour.go.ke

(f) Entity Bankers

1. Central Bank of Kenya

Haile Selassie Avenue

P.O. Box 60000

City Square 00200

Nairobi, Kenya

2. Kenya Commercial Bank

Kencom House

P.O. Box 48400

GPO-00100.

Nairobi, Kenya

3. Co-operative Bank of Kenya

Co-operative House

Haile Selassie Avenue

P.O. Box 74956-00200

Nairobi, Kenya

(g) Independent Auditors

The Auditor General

Office of the Auditor General

Anniversary Towers, University Way

P.O. Box 30084-00100

GPO 00100

Nairobi, Kenya

(h) Principal Legal Adviser

The Attorney General

State Law Office

Harambee Avenue

P.O. Box 40112

City Square 00200

Nairobi, Kenya.

II. FORWARD BY THE CABINET SECRETARY

The State Department for Social Protection plays a pivotal role towards the realization of the country's transformation agenda as advocated in Kenya Vision 2030, Medium Term Plan (MTP), the Constitution, and 'Big Four Agenda'. The State Department is linked to the Social Pillar of the Kenya Vision 2030 which focuses on equity in access, control and participation in resource distribution for improved livelihoods of vulnerable groups specifically the orphans and vulnerable children, the elderly, and Persons with Disabilities.

The State Department's overall strategic focus in the National Development Agenda is geared towards empowerment of vulnerable groups. The Key Result Areas (KRA's) for the State Department during the 2019/20 period were: empowerment of communities, Persons With Disabilities (PWDs) and older persons; Social Protection for Vulnerable Groups; safeguarding the rights and welfare of children.

Key achievements during Financial Year 2019/2020

NATIONAL SAFETY NET (INUA JAMII) PROGRAMME

The overall objective of this programme is to cushion the vulnerable section among the population specifically Orphans & Vulnerable Children, Older Persons and Persons with Severe Disabilities against vulnerability. The programme provides monthly cash transfers of Kshs. 2,000, delivered every two months to targeted beneficiaries to enable them meet basic human needs and live a dignified life.

➤ By the end of the 2019/20 financial year, the cumulative number of beneficiaries receiving the cash transfers was 1,094,045 as follows:-

- (i) Older Persons 764,644;
- (ii) Orphans & Vulnerable Children 295,307;
- (iii) Persons with Severe Disabilities 34,094

(iv) Hunger Safety Net

- Reviewed the Consolidated Cash Transfer Operations Manual for efficient and transparent implementation of the programmes as well as ensuring compliance;
- Training of Trainers (ToT) was conducted in preparation of decentralization of Consolidated Cash Transfer CCT-MIS module;
- Developed and finalized the Beneficiary Outreach Strategy. Towards implementation of BOS, training manuals were prepared and Training of Trainers (ToT) was conducted. The trainers are expected to train BWC members and field officers in readiness for KSEIP BOS implementation;
- Rescued 1,500 Street persons
- Provided rehabilitation and educational support to 1,700 street persons;
- Reintegrated and re socialized 1,030 street persons;
- Provided psychosocial support to 315 street persons;

SCALE-UP THE NATIONAL DEVELOPMENT FUND FOR PERSONS WITH DISABILITIES

- During the period under review, the State Department provided 254 tools of trade (toolkit) to VRC graduates with disabilities for self-employment out of a target of 255.
- The State Department provided economic empowerment support and entrepreneurship training to 290 PWDs Self Help groups for income generating activities out of a target of 290.
- During the period under review, learning of 363 workers offering essential services on Kenyan Sign Language was completed.
- During the contract period the State Department;
 - Provided sunscreen lotions to 3,650 PWAs against a target of 3,650,
 - Identified and supported 500 PWAs with eye care devices against a target of 650,
 - Provided skin cancer screening to 375 PWAs against a target of 500
- During the period under review, the State Department;

- Provided assistive and supportive devices to 3,544 PWDs against a target of 4,000;
- Provided 4,032 scholarship to PWDs against a target of 4,000;
- Supported 21 learning institutions with PWDS with infrastructure and equipment against a target of 24; and
- Supported 21 PWD- owned businesses with LPO financing under AGPO against a target of 50.

CHILD PROTECTION PROGRAMMES

Child Community Support Services

- Provided Presidential Bursary to 22,854 Orphans and Vulnerable Children (OVCs) from poor households in Public Boarding Secondary Schools against a target of 25,000;
- Developed the Child Protection in Emergencies (CPiE) Guidelines 2020 and it is awaiting stakeholder validation to be finalized;
- Developed a Draft National Plan of Action (NPA) on Counter Trafficking in Persons 2019 -2023 and it is awaiting stakeholder validation to be finalized;
- Finalized and started implementing the Training Manual for Alternative Family Care (AFC) guidelines;
- Automated case management of child protection in 10 counties (Elgeyo Marakwet, Nyeri, Tharaka Nithi, Makueni, Nyandarua, Bomet, Kericho, Taita-Taveta, Nandi and Nyamira) by 30th June, 2020; and
- Reviewed the updated Child Protection Volunteer (CPV) Handbook which is under implementation in the 47 counties.

COMMUNITY PARTICIPATION IN SOCIAL-ECONOMIC DEVELOPMENT

- The State Department mobilized and registered 39,375 community groups (Self-help groups and Community Based Organizations) against the annual target of 45,000;
- Draft National Action Plan for National Policy on Older Persons and Ageing were developed and will be finalized in 2020/21 FY;
- Undertook context analysis for economic inclusion in 5 counties (Muranga, Marsabit, Kisumu, Taita Taveta, and Makueni) and prepared a report; and

- Towards facilitation of the ratification of the Protocol of African Charter on Human and People's Rights for PWDs, a Public Participation forum on the Ratification of the two Protocols was held on 23rd January, 2020, a Cabinet Memo was developed in collaboration with stakeholders and it is awaiting submission to Cabinet.

EMERGING ISSUES

1. COVID- 19 pandemic
2. Violent extremism;
3. High vulnerability of beneficiaries;
4. Ritual killings for persons with albinism.

IMPLEMENTATION CHALLENGES AND RECOMMENDATIONS

1. Huge demand for Social Protection support services to enable the vulnerable meet basic human needs in line with Article 43 of the Constitution on the Bill of Rights;
2. Inadequate and declining budgetary allocation to the State Department programmes and projects;
3. The State Department has low staffing level at both the headquarters and field offices, has an ageing workforce and lack effective succession management. There is need to enhance human resource capacity in terms of the number of personnel in order to enable the State Department effectively deliver the required services across the country. To address the State Department is working closely with Public Service Commission in order to have the vacant positions filled;
4. The budget ceiling for use of goods and acquisition of assets has remained almost at the same levels for the last three years. Consequently, it has been difficult to accommodate any new and ongoing strategic priorities;
5. Inadequate allocation to cater for universal cash transfers as advocated in the Government transformative agenda taking into account that the population has been increasing leading to increased need for social Protection;

State Department for Social Protection
Reports and Financial Statements
For the year ended June 30, 2020

6. Inadequate policy, legal and legislative frameworks to guide the various players in social development arena; and
7. Need to upgrade dilapidated infrastructure in Statutory Children Institutions given the fact that they were constructed during colonial time.

Simon K. Chelugui
Cabinet Secretary

III. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES

Section 81 (1) of the Public Finance Management Act, 2013 requires that, at the end of each financial year, the accounting officer for a National Government Entity shall prepare financial statements in respect of that entity. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed by the Public Sector Accounting Standards Board of Kenya from time to time.

The Accounting Officer in charge of the State Department for Social Protection is responsible for the preparation and presentation of the Department's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2020. 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 department; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

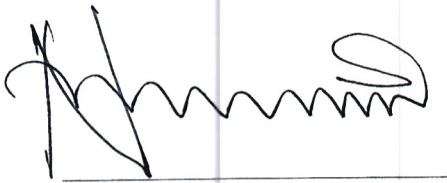
The Accounting Officer in charge of the State Department for Social Protection accepts responsibility for the Department's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the Department's financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2020, and of the Department's financial position as at that date. The Accounting Officer in charge of the State Department for Social Protection further confirms the completeness of the accounting records maintained for the Department, which have been relied upon in the preparation of the Department's financial statements as well as the adequacy of the systems of internal financial control.

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For the year ended June 30, 2020

The Accounting Officer in charge of the State Department for Social Protection confirms that the Department has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the Department's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the Department's financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the financial statements

The Department's financial statements were approved and signed by the Accounting Officer on 11/5/2021 ~~2020~~.



Principal Secretary

Nelson Marwa Sospeter, CBS



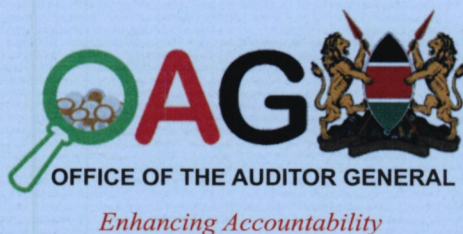
Deputy Accountant General

Alice W. Mwaniki

ICPAK Member Number: **5425**

REPUBLIC OF KENYA

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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON STATE DEPARTMENT FOR SOCIAL PROTECTION FOR THE YEAR ENDED 30 JUNE, 2020

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of State Department for Social Protection set out on pages 1 to 23 which comprise the statement of assets and liabilities as at 30 June, 2020, and the statement of receipts and payments, statement of cash flows and summary statement of appropriation-recurrent and development combined 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 State Department for Social Protection as at 30 June, 2020, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Cash Transfers

1.1 Transfer to State Department for Interior and Citizen Services

The statement of receipts and payments reflects an expenditure of Kshs.37,184,662,431 under transfers to other government units which includes an amount of Kshs.9,340,270,000 transferred to the State Department for Interior and Citizen Services to assist households of members living with severe disability to cushion them against adverse economic effects of COVID-19. However, the amount was deposited in Account Number 333567300 at Kenya Commercial Bank, Moi Avenue in the name of MPESA Holding Co. Limited and no explanation was provided as to why the deposit was made to MPESA Holding Company Limited instead of the State Department for Interior and Citizen Services recurrent account.

It could therefore not be confirmed that the full disbursement was received by the intended recipients.

1.2 Beneficiaries Sharing Similar Bank Account Numbers

Review of the Payroll data extracted from the system revealed that one thousand three hundred and twenty-three (1323) beneficiaries shared two hundred and fifty-seven (257) account numbers through which Kshs.8,296,000 was paid in six (6) payment phases during the year under review. No plausible explanation was given as to why beneficiaries are sharing bank accounts.

In the circumstance, the authenticity of the amount of Kshs.8,296,000 paid into these accounts could not be ascertained.

1.3 Beneficiaries Registered in More than One Program

A comparison of Payrolls for Older Persons and Orphans and Vulnerable Children revealed that twelve thousand one hundred and eighty-eight (12,188) beneficiaries were registered in two (2) separate social protection programs (Older People, and Orphans and Vulnerable Children) and they were paid Kshs. 266,228,000 from both programs. Although Clause 3.1.2.8(v) of the Consolidated Cash Transfer Program (CCTP) Operations Manual has categorized circumstances under which beneficiaries can be registered in more than one (1) program, the State Department of Social Protection has not provided any document to justify beneficiaries registered in more than one (1) program.

In the circumstances, it has not been possible to confirm that the twelve thousand one hundred and eighty-eight (12,188) beneficiaries are legally registered and/or eligible in the two (2) programs (Older People, and Orphans and Vulnerable Children) and therefore, the payment of Kshs.266,228,000 could not be confirmed as a proper charge on public funds.

2. Land Parcels without Title Deed

As disclosed in Note 7 to the financial statements, the statement of receipts and payments reflects an expenditure of Kshs.61,168,491 under acquisition of assets which includes amounts of Kshs.26,162,000 and Kshs.14,499,500 for construction of buildings and refurbishment of buildings respectively. Further, as disclosed in Annex 4 to the financial statements, the State Department had buildings and structures with a cumulative historical cost of Kshs.326,573,851. However, a review of records and documents relating to land, revealed that the State Department occupied parcels of land and buildings structures spread across the Country, but did not have ownership documents for the land parcels. Evidence of the efforts made by the Department to acquire ownership documents were not provided and the land parcels had not been safeguarded from encroachment.

In absence of ownership documents, validity of the expenditure on construction and refurbishment of buildings amounting to Kshs.26,162,000 and Kshs.14,499,500 respectively could not be ascertained.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the State Department for Social Protection 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. I have determined that there are no key audit matters to communicate in my report.

Other Matter

1. Delay in Exchequer Releases

Examination of records on Exchequer releases revealed that the State Department received Exchequer releases for the month of June 2020 from The National Treasury as detailed below:

Date Received	Vote	Amount (Kshs.)
30 June, 2020	Development	34,173,675
23 June, 2020	Development	537,864,804
15 June, 2020	Development	41,660,672
25 June, 2020	Recurrent	121,624,317
23 June, 2020	Recurrent	4,431,288,851
15 June, 2020	Recurrent	100,315,040
04 June, 2020	Recurrent	2,513,587,991
30 June, 2020	Recurrent	5,640,270,000
Total		13,420,785,350

The delay in Exchequer releases may have negatively affected timely implementation of the programmes of the State Department and provision of services to the public.

2. Unresolved Prior Year Matters

Various prior year audit issues remained unresolved as at 30 June, 2020. Management has not provided reasons for the delay in resolving the prior year audit issues. Further, the unresolved prior year issues are not disclosed under the progress on follow up of auditor's recommendations section of the financial statements as required by the Public Sector Accounting Standards Board.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Non-Provision of Reports by Service Providers

Clause 3.11.1 of the contract signed between the service providers and the State Department stipulates the reporting requirements for each cycle of payments made to beneficiaries. The requirement has also been emphasized under Clause 6 on Service Level Agreement. However, the following reports were not availed for audit review:

- The dormant accounts report
- A report on balance returned to principal by claw back
- Report showing total amount of money received from the Ministry or Department
- Report showing monthly withdrawals by beneficiaries
- Report on non-collected amounts by beneficiaries
- Report on deceased beneficiaries

Under the circumstances, the propriety of the disbursements to the intermediaries could not be confirmed.

2. Grounded Motor Vehicles

A review of motor vehicles register revealed that twenty-eight (28) motor vehicles and twenty (20) motorcycles with undetermined values were packed at various yards for several years with no indication of the plans to repair or dispose them. In the circumstances, it could not be confirmed that the Accounting Officer had instituted preventative mechanisms to eliminate theft, security threats, losses, wastage and misuse of assets as required under Regulation 139(1)(a) of Public Finance Management (National Government) Regulations, 2015.

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matter described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance sections 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

Unreliable and Inefficient Call Centre Number 1533

The establishment of a call center was a key component since inception of the cash transfer initiative to facilitate reliable and efficient service provision. However, the call center toll free line 1533 has not been in operation as envisaged by the Management. Further, it was observed that the call center was inadequately staffed and therefore had no capacity to serve the general population. Further, the toll-free line operated from 8.00 am to 5.00 pm from Monday through Friday and the calls made were one way with the system unable to provide a feedback mechanism on the toll-free line. In addition, a non-Safaricom subscribed caller could not reach the line and when the Consolidated Cash Transfer Programme Management Information System (CCTPMIS) was experiencing network challenges, no proper feedback could be given to callers since beneficiary status was inaccessible.

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

In preparing the financial statements, Management is responsible for assessing the State Department's ability to continue to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless the Management is aware of the intention to terminate the State Department 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 State Department's financial reporting process, reviewing the effectiveness of how the Department monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

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

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

occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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

As part of an audit conducted in accordance with ISSAIs, I exercise professional judgment 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 State Department's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the State Department to cease to continue 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 State Department 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

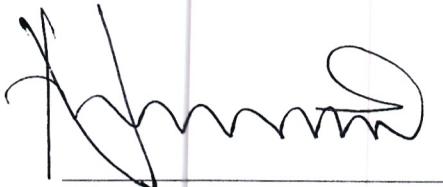
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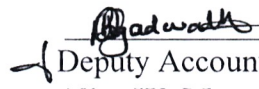
26 May, 2021

1. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2019-2020 KES	2018-2019 KES
RECEIPTS			
Proceeds from Domestic and Foreign Grants	1	377,045,840	346,111,690
Exchequer releases	2	40,762,842,131	31,125,704,610
Proceeds from Foreign Borrowings	3	343,722,900	0
Other Receipts	2.A	62,915,761	62,423,221
TOTAL RECEIPTS		41,546,526,632	31,534,239,521
PAYMENTS			
Compensation of Employees	4	1,376,067,992	1,213,310,902
Use of goods and services	5	2,592,862,444	1,645,796,170
Transfers to Other Government Units	6	37,184,662,431	28,070,700,360
Acquisition of Assets	7	61,168,492	424,277,191
TOTAL PAYMENTS		41,214,761,358	31,354,084,623
SURPLUS		331,765,275	180,154,898

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on _____ 2021 and signed by:

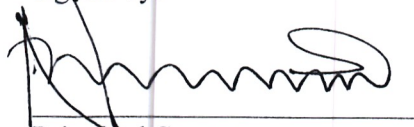

 Principal Secretary
 Nelson Marwa Sospeter, CBS

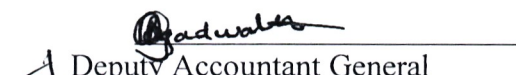

 Deputy Accountant General
 Alice W. Mwaniki
 ICPAK Member Number: 5425

2. STATEMENT OF ASSETS AND LIABILITIES

	Note	2019-2020 KES	2018-2019 KES
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	8	655,236,966	354,652,652
Cash Balances	9	896,343	1,142,344
Total Cash and cash equivalent		<u>656,133,309</u>	<u>355,794,996</u>
Accounts receivables	10	645,555,621	614,616,022
TOTAL FINANCIAL ASSETS		<u>1,301,688,930</u>	<u>970,411,018</u>
FINANCIAL LIABILITIES			
Accounts Payables – Deposits and retentions	11	280,149,319	280,636,682
NET FINANCIAL ASSETS		<u>1,021,539,611</u>	<u>689,774,336</u>
REPRESENTED BY			
Fund balance b/fwd	12	689,774,336	509,619,439
Prior year adjustment			
Surplus/Deficit for the year		331,765,275	180,154,897
NET FINANCIAL POSSITION		<u>1,021,539,611</u>	<u>689,774,336</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on _____ 2021 and signed by:


 Principal Secretary
 Nelson Marwa Sospeter, CBS


 Deputy Accountant General
 Alice W. Mwaniki
 ICPAK Member Number: 5425

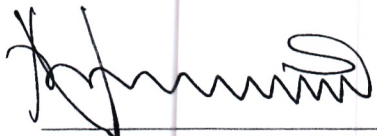
3. STATEMENT OF CASH FLOWS

	Notes	2019-2020 KES	2018-2019 KES
Receipts for Operating Income			
Proceeds from Foreign Grants (UNICEF)		41,476,640	
Proceeds from Foreign Grants (DFID)	1	335,569,200	346,111,690
Exchequer Releases	2	40,762,842,131	31,125,704,610
Other Revenues	2.A	62,915,761	62,423,221
		41,202,803,732	31,534,239,521
Payments for Operating Expenses			
Compensation of Employees	4	1,376,067,992	1,213,310,902
Use of goods and services	5	2,592,862,444	1,645,796,170
Transfers to Other Government Units	6	37,184,662,431	28,070,700,360
		41,153,592,866	30,929,807,432
Adjust for			
Changes in receivables		(30,939,599)	(235,705,791)
Changes in Payables		(487,362)	(12,446,093)
Net cash flow from operating activities		17,783,905	356,280,205
Acquisition of Assets	7	61,168,492	424,277,191
Net cash flows from Investing Activities		(61,168,492)	(424,277,191)
CASHFLOW FROM BORROWING ACTIVITIES			
Proceeds from Foreign Borrowings	3	343,722,900	
Net cash flow from financing activities		343,722,900	-
NET INCREASE IN CASH AND CASH		300,338,314	-

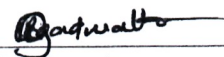
State Department for Social Protection
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EQUIVALENT		67,996,986
Cash and cash equivalent at beginning of the year	355,794,996	423,791,982
Cash and cash equivalent at END of the year	8 656,133,310	355,794,996

The State Department for Social Protection financial statements were approved on _____ 2021 and signed by:



 Principal Secretary
Nelson Marwa Sospeter, CBS



 Deputy Accountant General
Alice W. Mwaniki
 ICPAK Member Number: **5425**

4 SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Exchequer releases	22,150,405,000	19,942,019,088	42,092,424,088	40,762,842,131	1,329,581,957	1
Proceeds from Foreign Borrowing(WB)	1,789,000,000	883,000,000	906,000,000	343,722,900	562,277,100	38 %
Proceeds from Foreign Grants-DFID	439,569,200	104,000,000	335,569,200	377,045,840	41,476,640	112 %
Other Receipts	21,000,000	21,000,000	42,000,000	62,915,761	20,915,761	150 %
	24,399,974,200	18,976,019,088	43,375,993,288	41,546,526,632	1,829,466,656	96 %
PAYMENTS						
Compensation of Employees	704,523,000	685,467,000	1,389,990,000	1,376,067,992	13,922,008	99 %
Use of goods and services	2,487,191,650	721,830,088	3,209,021,738	2,592,862,444	616,159,294	81 %

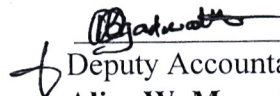
State Department for Social Protection
 Reports and Financial Statements
 For the year ended June 30, 2020

Grants and Transfers to Other Government Units	20,608,849,200	17,567,820,000	38,176,669,200	37,184,662,431	992,006,769	97 %
Acquisition of Assets	599,410,350	902,000	600,312,350	61,168,492	539,143,859	10 %
Total Payments	24,399,974,200	18,976,019,088	43,375,993,288	41,214,761,358	2,161,231,930	95 %

The State Department for Social Protection financial statements were approved on _____ 2021 and signed by:



Principal Secretary
 Nelson Marwa Sospeter, CBS



Deputy Accountant General
 Alice W. Mwaniki

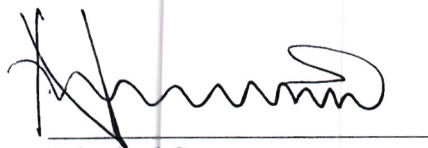
ICPAK Member Number: 5425

5 SUMMARY STATEMENT OF APPROPRIATION: RECURRENT

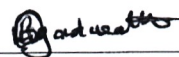
Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Exchequer releases	9,891,655,000	19,424,029,088	29,315,684,088	28,673,855,064	641,829,024	98%
Other Receipts	21,000,000	21,000,000	42,000,000	62,915,761	- 20,915,761	150%
	9,912,655,000	19,445,029,088	29,357,684,088	28,736,770,825	620,913,263	
PAYMENTS						
Compensation of Employees	679,995,000	709,995,000	1,389,990,000	1,376,067,992	13,922,008	99%
Use of goods and services	1,098,327,650	1,157,614,088	2,255,941,738	2,261,063,575	- 5,121,837	100%
Grants and Transfers to Other Government Units	8,127,980,000	17,577,420,000	25,705,400,000	25,256,918,231	448,481,769	98%
Acquisition of Assets	6,352,350	-	6,352,350	5,643,492	708,859	89%
Total Payments	9,912,655,000	19,445,029,088	29,357,684,088	28,899,693,289	457,990,799	

Note: The under receipt and payments was due to lack of exchequer

The State Department for Social Protection financial statements were approved on _____ 2021 and signed by:



Principal Secretary
 Nelson Marwa Sospeter, CBS



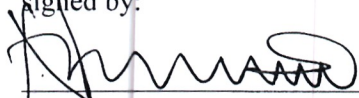
Deputy Accountant General
 Alice W. Mwaniki
 ICPAK Member Number: 5425


6 SUMMARY STATEMENT OF APPROPRIATION: DEVELOPMENT

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Exchequer releases	12,258,750,000	517,990,000	12,776,740,000	12,088,987,067	687,752,933	95 %
Proceeds from Foreign Borrowing(WB)	1,789,000,000	-883,000,000	906,000,000	343,722,900	562,277,100	38 %
Proceeds from Foreign Grants(DFID)	439,569,200	-104,000,000	335,569,200	377,045,840	-41,476,640	112 %
	14,487,319,200	-469,010,000	14,018,309,200	12,809,755,807	1,208,553,393	
PAYMENTS						
Compensation of Employees	24,528,000	- 24,528,000	-	-	-	
Use of goods and services	1,388,864,000	-435,784,000	953,080,000	331,798,869	621,281,131	35 %
Grants and Transfers to Other Government Units	12,480,869,200	- 9,600,000	12,471,269,200	11,927,744,200	543,525,000	96 %
Acquisition of Assets	593,058,000	902,000	593,960,000	55,525,000	538,435,000	9 %
Total Payments	14,487,319,200	-469,010,000	14,018,309,200	12,315,068,069	1,703,241,131	

Note: The under receipt and payments was due to lack of exchequer

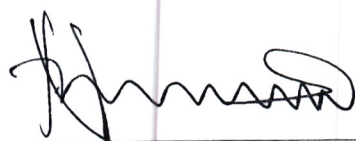
The State Department for Social Protection financial statements were approved on 11/5 2021 and signed by:


 Principal Secretary
 Nelson Marwa Sospeter, CBS


 Deputy Accountant General
 Alice W. Mwaniki
 ICPAK Member Number: 5425

7 BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Programme/Sub-programme	Original Budget	Final Budget	Actual on comparable basis	Budget utilization difference
2019/20				
	Kshs	Kshs	Kshs	Kshs
Social Development and Children Services	4,303,995,413	4,303,995,413	3,338,518,028	965,477,385
Social Welfare and vocational rehabilitation	719,784,117	719,784,117	707,234,216	12,549,901
Community Mobilization and development	678,987,858	678,987,858	670,486,352	8,501,506
Child Community Support Services	2,429,545,662	2,429,545,662	1,487,038,462	942,507,200
Child Rehabilitation and Custody	475,677,776	475,677,776	473,758,999	1,918,777
National Social Safety Net	20,608,849,200	38,834,404,342	37,643,855,858	1,190,548,484
Social Assistance to Vulnerable Groups	20,608,849,200	38,834,404,342	37,643,855,858	1,190,548,484
General Administration Planning and Support Services	267,337,639	237,593,533	232,387,471	5,206,062
Policy, Planning and General administrative services	267,337,639	237,593,533	232,387,471	5,206,062
Grand Total	25,180,182,252	43,375,993,288	41,214,761,358	2,161,231,930



Principal Secretary
 Nelson Marwa Sospeter, CBS



Deputy Accountant General
 Alice W. Mwaniki
 ICPAK Member Number: 5425

8 NOTES TO THE FINANCIAL STATEMENTS

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

8.1 Statement of compliance and basis of preparation

The financial statements have been prepared in accordance with Cash-basis IPSAS financial reporting under the cash basis of Accounting, as prescribed by the PSASB and set out in the accounting policy notes below.

This cash basis of accounting has been supplemented with accounting for; a) receivables that include imprests and salary advances and b) payables that include deposits and retentions.

The receivables and payables are disclosed in the Statement of Assets and Liabilities. The Statement of Assets and Liabilities is not mandatory statement under the IPSAS Cash basis but is encouraged in order to disclose information on assets and liabilities.

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

The financial statements comply with and conform to the form of presentation prescribed by the PSASB.

8.2. Recognition of receipts and payments

a) Recognition of receipts

The Entity recognizes all receipts from the various sources when the event occurs and the related cash has actually been received by the entity.

i. Tax receipts

Tax Receipts is recognized in the books of accounts when cash is received. Cash is considered as received when notification of tax remittance is received.

ii. Transfers from the Exchequer

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

iii. External Assistance

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

iv. Donations and grants

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

v. Proceeds from borrowing

Borrowing includes Treasury bill, treasury bonds, corporate bonds; sovereign bonds and external loans acquired by the entity or any other debt the Entity may take on will be treated on cash basis and recognized as receipts during the year of receipt.

vi. Undrawn external assistance

These are loans and grants at reporting date as specified in a binding agreement and relate to funding for projects currently under development where conditions have been satisfied or their

ongoing satisfaction is highly likely and the project is anticipated to continue to completion. During the year ended 30th June 2020, there were no instances of non-compliance with terms and conditions which have resulted in cancellation of external assistance loans.

vii. Other receipts

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

b) Recognition of payments

The entity recognizes all expenses when the event occurs and the related cash has actually been paid out by the entity.

i. Compensation of employees

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

ii. Use of goods and services

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

iii. Interest on borrowing

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

iv. Repayment of borrowing (principal amount)

The repayment of principal amount of borrowing is recognized as payment in the period in which the repayment is made.

v.

Acquisition of fixed assets

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

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

8.3 In-kind contributions

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

8.4 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.

Restriction on cash

Restricted cash represents amounts that are limited /restricted from being used to settle a liability for at least twelve months after the reporting period. This cash is limited for direct use as required by stipulation.

Amounts maintained in deposit bank accounts are restricted for use in refunding third party deposits. As at 30th June 2020, this amounted to Kshs 280,152,241.25 compared to Kshs 280,636,681.55 in prior period as indicated on note 11.

There were no other restrictions on cash during the year

8.5 Accounts Receivables

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

NOTES TO THE FINANCIAL STATEMENTS

1 PROCEEDS FROM DOMESTIC AND FOREIGN GRANTS

Name of Donor	Date received	Amount in foreign currency(USD)	2019-2020	2018-2019
			KES	KES
Proceeds from Foreign Grants(WORLD BANK-CTOVC)				346,111,690.00
Proceeds from Foreign Grants(DFID)	30/06/2020	3,162,763.00	335,569,200.00	
Proceeds from Foreign Grants(UNICEF)			41,476,640	
TOTAL			377,045,840.00	346,111,690.00

2 EXCHEQUER RELEASES

Description	2019-2020	2018-2019
	KES	KES
Total Exchequer Releases for quarter 1	1,070,635,612	5,876,660,060
Total Exchequer Releases for quarter 2	9,675,234,383	1,623,168,050
Total Exchequer Releases for quarter 3	6,018,680,018	13,594,693,800
Total Exchequer Releases for quarter 4	23,998,292,118	10,031,182,700
Total	40,762,842,131	31,125,704,610

State Department for Social Protection
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 For the year ended June 30, 2020

2. A OTHER RECEIPTS

Description	2019-2020	2018-2019
	KES	KES
A-I-A	62,915,761	62,423,221
Total	62,915,761	62,423,221

3 PROCEEDS FROM DOMESTIC AND FOREIGN BORROWING

Description	Date Received	Amount in foreign currency(EURO)	2019-2020(Ksh)	2018-2019(Ksh)
IDA Credit	11/8/2019	3,000,000	343,722,900	
TOTAL		3,000,000	343,722,900	-

We have confirmed the above amounts with the disbursing entities and attached these confirmations as an Appendix to these financial statements.

4 COMPENSATION OF EMPLOYEES

Description	2019-2020	2018-2019
	KES	KES
Basic salaries of permanent employees	876,849,375	747,422,974
Basic wages of temporary employees	34,796,634	72,431,749
Personal allowances paid as part of salary	464,421,983	393,456,179
Total	1,376,067,992	1,213,310,902

5 USE OF GOODS AND SERVICES

Description	2019-2020	2018-2019
	KES	KES
Utilities, supplies and services	48,414,567.70	55,009,661.45
Communication, supplies and services	44,365,598.20	57,648,497.15
Domestic travel and subsistence	275,711,158.55	212,259,947.50
Foreign and Domestic travel and subsistence	13,710,657.00	22,533,139.05
Printing, advertising and information supplies & services	49,909,586.30	45,495,202.20
Rentals of produced assets	49,553,076.00	5,535,106.00
Training expenses	33,367,723.05	24,697,406.00
Hospitality supplies and services	208,015,683.90	101,040,267.40
Purchase of Specialized Materials and Supplies	253,354,690.80	283,939,334.50
Office and general supplies and services	60,709,636.15	68,816,120.95
Fuel Oil and Lubricants	97,255,212.05	109,750,472.65

State Department for Social Protection
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Other operating expenses	1,366,670,837.75	537,205,823.80
Routine maintenance – vehicles and other transport equipment	27,346,737.40	45,944,916.15
Routine maintenance – other assets	64,477,278.80	75,920,274.95
Total	2,592,862,443.65	1,645,796,169.75

6 GRANTS AND TRANSFERS TO OTHER GOVERNMENT ENTITIES

Description	2019-2020	2018-2019
	KES	KES
Current Grants to Government Agencies and other Levels of Government	758,464,311.80	2,008,992,994.31
Capital Grants to Government Agencies and other Levels of Government	418,375,000.00	1,016,500,000.00
Other Transfers and Emergency Relief		
Scholarships , Educational Benefits and Emergency Reliefs	406,257,918.75	424,946,817.00
Other Current Transfers, Grants and Subsidies	24,092,196,000.00	13,452,260,552.00
Other Capital Grants and Trans	11,509,369,200.00	11,167,999,997.00
TOTAL	37,184,662,430.55	28,070,700,360.31

The above transfers were made to the following self-reporting entities in the year as follows.

SUMMARY OF TRANSFERS

Description	Recurrent	Development	Total	Total
	2019-2020			201819
	KES	KES	KES	KES
Child Welfare Society of Kenya	234,400,000.00	159,375,000.00	393,775,000.00	1,223,706,985.00
National Council for Children Services	46,500,000.00		46,500,000.00	45,118,310.00
National Assistance Trust Fund	20,000,000.00		20,000,000.00	
Street Family Trust Fund	281,296,449.10		281,296,449.10	164,897,099.30
National Council For Persons with Disabilities	1,459,775,525.00	259,000,000.00	1,718,775,525	1,591,770,600.00
UNICEF for TA to NICHE		335,569,200.00	335,569,200.00	
Presidential Bursaries and Emergency Reliefs	422,584,256.45		422,584,256.45	424,946,817.00
Cash Transfers	22,792,362,000.00	11,173,800,000.00	33,966,162,000.00	24,620,260,549.00
TOTAL	25,256,918,230.55	11,927,744,200.00	37,184,662,430.55	28,070,700,360.30

We have confirmed these amounts with the recipient entities and attached these confirmations as an Appendix to these financial statements.

7 ACQUISITION OF ASSETS

Non-Financial Assets	2019-2020	2018-2019
	KES	KES
Construction of Buildings	26,162,000.00	46,290,000.00
Refurbishment of Buildings	14,499,500.00	67,189,082.30
Purchase of Vehicles and Other Transport Equipment	0.00	274,627,380.00
Purchase of Household Furniture and Institutional Equipment	3,418,671.00	5,539,233.00
Purchase of Office Furniture and General Equipment	1,654,120.50	8,675,684.00
Purchase of specialized Plants, Equipment and Machinery	14,910,000.00	0.00
Purchase of ICT Equipment, Software and Other ICT Assets	524,200.00	20,956,512.00
Purchase of Intangible Assets	0.00	999,300.00
Total	61,168,491.50	424,277,191.30

State Department for Social Protection
 Reports and Financial Statements
 For the year ended June 30, 2020

8: Bank Accounts

Name of Bank, Account No. & currency	Amount in bank account currency		2019-2020	2018-2019
	KES		KES	KES
State Department For Social Protection, Central Bank Of Kenya, 1000303212 ,KES	34,940,256.95	Recurrent	34,940,256.95	69,944,695.15
State Department For Social Protection Central Bank of Kenya, 1000303228, KES	14,712,654.90	Develop	14,712,654.90	3,942,577.00
State Department For Social Protection, Central Bank of Kenya, 1000303239 KES	280,152,241.25	Deposit	280,152,241.25	280,765,380.10
Central Bank of Kenya, KSEIP	325,431,813.00	Project Account	325,431,813.00	
Total	655,236,966.10		655,236,966.10	354,652,652.25

9: CASH IN HAND

	2019-2020	2018-2019
	KES	KES
Cash in Hand – (KES) HQ Cash Office	896,343.20	1,142,344.00
Total	896,343.20	1,142,344.00

State Department for Social Protection
 Reports and Financial Statements
 For the year ended June 30, 2020

Cash in hand has been analyzed as follows:

Description	2019-2020	2018-2019
	KES	KES
Head Quarters Cash Office	896,343.20	1,142,344.00
Total	896,343.20	1,142,344.00

10: ACCOUNTS RECEIVABLE.

Description	2019-2020	2018-2019
	KES	KES
Government Imp rests		2,319,968.00
General Deposits(Streat Families TF)	51,934,922.80	
General Suspense	593,620,698.10	499,111,690.00
District suspense		787,377.59
Clearance accounts		112,396,986.60
Total	645,555,620.90	614,616,022.19

11. ACCOUNTS PAYABLE

Description	2019-2020	2018-2019
	KES	KES
Deposits	280,152,241.25	280,636,681.6
Other payables	2,922.00	
General Deposits(Streat Families TF)		
Total	280,149,319.25	280,636,681.55

12. FUND BALANCES BROUGHT FORWARD

Description	2019-2020	2018-2019
	Kshs	Kshs
Opening Balance Bank	354,643,875.70	4,754,016,308.70
Opening Balance Cash	1,142,344.00	-5,923,416,495.40
Opening Balance Receivables - Imprest and Clearance Accounts	614,616,022.20	479,136,521.00
Opening Balance - Deposits	-280,627,905.15	1,305,542,943.30
TOTAL	689,774,336.75	615,279,277.60

12. OTHER IMPORTANT DISCLOSURES.

ANNEX 1 - VARIANCE EXPLANATIONS - COMPARATIVE BUDGET AND ACTUAL AMOUNTS

	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization	Comments
	a	b	c=a+b	d	e=c-d	f=d/c %	
RECEIPTS							
Exchequer releases	22,150,405,000	19,942,019,088	42,092,424,088	40,762,842,131	1,329,581,957	1	
Proceeds from Foreign Borrowing(WB)	1,789,000,000	883,000,000	906,000,000	343,722,900	562,277,100	38%	Slow pace on implementation due to delays on the approval of Work Plan and covid19 pandemic
Proceeds from Foreign Grants(DFID)	439,569,200	104,000,000	335,569,200	377,045,840	41,476,640	112%	Budget Cut by the National treasury on the AIA for Integrated child Protection Programme

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Other Receipts	21,000,000	21,000,000	42,000,000	62,915,761	20,915,761	150%	Increased registration of Community Based Organizations
	24,399,974,200	18,976,019,088	43,375,993,288	41,546,526,632	1,829,466,656	96%	
PAYMENTS							
Compensation of Employees	704,523,000	685,467,000	1,389,990,000	1,376,067,992	13,922,008	99%	
Use of goods and services	2,487,191,650	721,830,088	3,209,021,738	2,592,862,444	616,159,294	81%	Lack of excheque
Grants and Transfers to Other Government Units	20,608,849,200	17,567,820,000	38,176,669,200	37,184,662,431	992,006,769	97%	
Acquisition of Assets	599,410,350	902,000	600,312,350	61,168,492	539,143,859	10%	Slow pace on implementation due to delays on the approval of Work Plan and covid19 pandemic
Total Payments	24,399,974,200	18,976,019,088	43,375,993,288	41,214,761,358	2,161,231,930	95%	

ANNEX 2 – LIST OF PROJECTS IMPLEMENTED BY THE STATE DEPARTMENT FOR SOCIAL PROTECTION

Ref	Project Name	Principal activity of the project	Accounting Officer	Project consolidated in these financial statements(yes/no)
1	National Safety Net Programme	Enhancement of Social Protection in the Country	Principle Secretary Nelson Marwa Sospeter CBS	Yes
2	Kenya Social and Economic Inclusion Project-KSEIP	Enhancement of Social Protection in the Country	Principle Secretary Nelson Marwa Sospeter CBS	Yes

ANNEX 3 – LIST OF SCs, SAGAs AND PUBLIC FUNDS UNDER THE STATE DEPARTMENT FOR SOCIAL PROTECTION

Ref	SC, SAGA or Public Fund's name	Principal activity of entity	Accounting Officer	Amount transferred during the year	Inter- entity reconciliations done?(yes/no)
1	Child Welfare Society of Kenya	Social Assistance for children's	Irene Murithi(CEO)	393,775,000	Yes

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2	National Assistance Trust Fund	Assisting Victims of counter Trafficking	Marrygoreti Mogaka(Ag Secretary)	20,000,000	Yes
3	Street Family Trust Fund	Social Assistance for street children's	Caroline Towet-(Ag CEO)	281,296,449	Yes
4	National Council for Children Services	Children services	Sheik Abdinoor Mohamed- (Ag CEO)	46,500,000	Yes
5	National Council For Persons with Disabilities	Social Assistance to Persons with Disability	Mohamed H. Gabbow-(Executive Director)	1,718,775,525.00	Yes
TOTAL				2,460,346,974.00	

ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f	Additions during the year	Disposals during the year	Historical Cost c/f
	(Kshs)	(Kshs)	(Kshs)	(Kshs)
Land	0	0	0	0
Buildings and structures	285,912,351	40,661,500	0	326,573,851
Motor vehicle and Transport equipment	423,474,281	0	0	423,474,281
Household Furniture and Institutional Equipment	6,391,073	3,418,671	0	9,809,744
Office equipment, furniture and fittings	123,906,281	1,654,121	0	125,560,401.5

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ICT Equipment, Software and Other ICT Assets	90,832,905	524,200	0	91,357,105
Other Machinery and Equipment	6,939,720	0	0	6,939,720
Purchase of Specialized Plant, Equipment and Machinery	0	14,910,000.00	0	14,910,000
Intangible assets	8,467,334	0	0	8,467,334
Total	945,923,945	61,168,492	0	1,007,092,437

