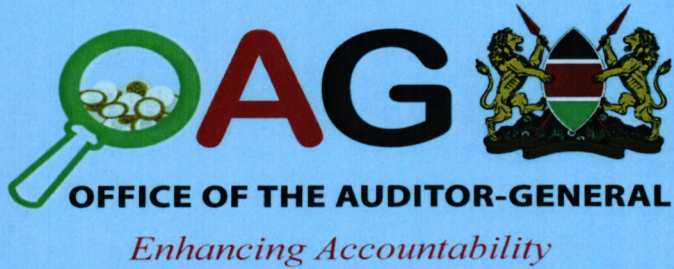


REPUBLIC OF KENYA



REPORT

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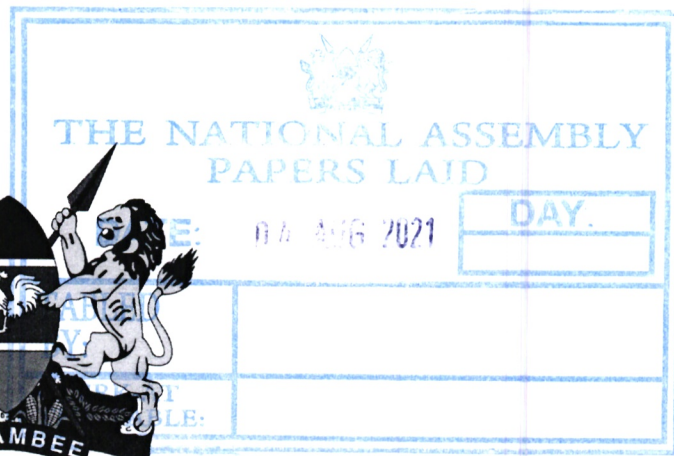
THE AUDITOR-GENERAL

ON

**KENYA CITIZENS AND FOREIGN
NATIONALS MANAGEMENT SERVICE**

**FOR THE YEAR ENDED
31 DECEMBER, 2019**





**KENYA CITIZENS AND FOREIGN NATIONALS MANAGEMENT
SERVICE**

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDING
JUNE 30, 2019**

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

Kenya Citizens and Foreign Nationals Management Service
Annual Reports and Financial Statements
For the year ended June 30, 2019

KEY ENTITY INFORMATION AND MANAGEMENT	ii
KEY ENTITY INFORMATION AND MANAGEMENT (Continued)	iv
THE BOARD OF DIRECTORS	v
STATEMENT OF DIRECTORS' RESPONSIBILITIES.....	xiii
REPORT OF THE INDEPENDENT AUDITORS ON THE <i>KENYA CITIZENS AND FOREIGN NATIONALS MANAGEMENT SERVICE</i>	xiv
STATEMENT OF FINANCIAL PERFORMANCE	1
STATEMENT OF FINANCIAL POSITION.....	2
STATEMENT OF CHANGES IN NET ASSETS	3
STATEMENT OF CASH FLOWS.....	4
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS	5
NOTES TO THE FINANCIAL STATEMENTS.....	6
APPENDIX 1: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS.....	13

KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

The *Kenya Citizens and Foreign Nationals Management Service* (KCFNMS), here in referred to as the Service is a State Corporation under the ministry of interior and Coordination of National Government. The Service was established by an Act of Parliament; The Kenya Citizens and Foreign Nationals Management Service Act Cap 174 Laws of Kenya on 30th September, 2011. The Service is domiciled in Kenya and has no branches.

(b) Principal Activities

The Service shall, under the general supervision of the Cabinet Secretary be responsible for the implementation of policies, laws and any other matter relating to citizenship and immigration ,births and deaths, marriages ,identification and registration and travel documents, foreign nationals management and the creation and maintenance of a comprehensive national population register.

The Service shall specifically:-

- a) In relation to the national population register and for the purpose of collecting and compiling information concerning the distribution and composition of the population in Kenya, the scope and direction of immigration ,labour resource utilization and other connected purposes have the following functions:
 - (i) Receiving, storing and updating information from primary registration agencies;
 - (ii) Generation of appropriate unique identifier for individuals and groups in accordance with this Act;
 - (iii) Subject to the constitution and in consultation with other relevant institutions, regulating the sharing of information by the various registration agencies and other users;
 - (iv) Implement the relevant policies and guidelines and provide the cabinet secretary with the necessary information to guide the formulation of new policies, review of existing policies and guidelines.
 - (v) In consultation with the cabinet secretary, coordinate and mobilize resources for the implementation of the relevant policies;
 - (vi) Undertake the task of data collection and dissemination in a manner that ensures consistency and accuracy in accordance with set national standards and guidelines and
 - (vii) Facilitate access to information and data to national population registration information in accordance with this Act, any other relevant law or policy and the constitution;
- b) Administer the Acts of parliament set out in the First Schedule and any other written law
- c) Advice the Government on the matters provided for in this section;
- d) Collaborate with other state agencies for effective discharge of its mandate and
- e) Perform such other functions as may be directed by the Cabinet Secretary.

Kenya Citizens and Foreign Nationals Management Service
Annual Reports and Financial Statements
For the year ended June 30, 2019

(c) Key Management

No.	Designation	Name
1.	Ag. A.I.E Holder	Wifred Kinyua
2.	Senior Economist	Kennedy Okondo
3.	Finance Officer	Gideon Gichana
4.	Accountant	Loise N. Kibicho
5.	Procurement Officer	Hesbon M.Kisero

The *Kenya Citizen and Foreign Nationals Management Service* day-to-day management is under the following key organs:

- Ag. A.I.E Holder
- Management

(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:

(e) Fiduciary Oversight Arrangements

- *Audit and finance committee activities*

- i) Budget approvals.
- ii) Response to internal audit queries

Kenya Citizens and Foreign Nationals Management Service
Annual Reports and Financial Statements
For the year ended June 30, 2019

KEY ENTITY INFORMATION AND MANAGEMENT (Continued)

(f) Kenya Citizens and Foreign Nationals Management Service.

P.O. Box 30191-00100
Nyayo House
Kenyatta Avenue
Nairobi, KENYA

(g) KC&FNMS Contacts

Telephone: (+254) 2222022
E-mail: infocitizenservice@immigration.go.ke
Website: www.mirp.go.ke

(h) KC&FNMS Bankers

Kenya Commercial Bank
Kipande House Branch
P.O.Box 69696-00400
Nairobi, Kenya

(i) Independent Auditors

Auditor General
Kenya National Audit Office
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

THE BOARD OF DIRECTORS

Insert each Director's passport-size photo and name, and key profession/academic qualifications	Provide a concise description of each Director's date of birth, key qualifications and work experience
<p>1. Amb. Kalimi Mugambi Mworia</p>	<p>Date of Birth, 1 Feb. 1946</p> <p>Qualifications (i) Masters of Arts in Educational Psychology, Columbia University, New York, USA. (ii) Bachelor of Education in Sciences – Upper 2nd (Honours) Degree, Makerere University Kampala, Uganda.</p> <p>Experience (i) Chairperson to the Kenya Citizens and Foreign Nationals Management Service, Directorate of Immigration and Registration of Persons, Ministry of Interior & Coordination of National Government (ii) Ambassador of Kenya to The Netherlands and The Czech Republic. (iii) Trainer, Lecturer, Head, Deputy in various institutions: Lecturer – Kenyatta University/USIU/London Institute of Education - UK Acting Deputy Principal KTTC, Deputy Principal Kenya Polytechnic (iv) Executive Director , Family Planning Association of Kenya (v) Director of Family Planning Private Sector (FPPS) USAID (v) International Training Coordinator AMREF Africa (vi) Director of International Cooperation and Assistance. UN Organization for the Prohibition of Chemical Weapons (Chemical Weapons Convention) (vii) Member of National Committee for Safety and Security of Chemicals in Kenya (viii) Member of the National Committee of Chemical, Biological and Nuclear (CBRN) Centre of Excellence (ix) UNFPA Associate Technical Advisor - Eastern and Southern Africa in</p>

Kenya Citizens and Foreign Nationals Management Service
Annual Reports and Financial Statements
For the year ended June 30, 2019

	<p>population and development (South to South) initiative (x) Associate Regional Director: International Planned Parenthood Federation (IPPF) Africa</p>
<p>2. Dr. Charles Kiptemas Sigei.</p>	<p>Date of Birth, 5th Nov.1957</p> <p>Qualifications (i) Masters in Public health; Hadassah’s Hebrew University School of Public Health. (ii) Bachelor of medicine and Bachelor of surgery; university of Nairobi.</p> <p>Experience. (i) Board member of Kenya Citizens and Foreign Nationals Management Service. (ii) Wachira Irungu Associates; consultancy with world bank funded ministry of health and sanitation projects as an independent integrated fiduciary agent. (iii) SIVAC-Kenya National Immunization Advisory Group-empowering the ministry of health and advising on all technical and scientific topics related to vaccines and immunization. (iv) UNICEF- Consultancy on technical assistant to MOH. (v) PATH; National consultant on the rotavirus vaccine cost effective analysis (vi) WHO Kenya; Local consultant to the ministry of public health and sanitation. (vii) UNICEF, Consultancy to provide technical assistance to the division of family health. (viii) MSH Consultancy assignment of department of family health (ix) Chief of party-USAID</p>

Kenya Citizens and Foreign Nationals Management Service
Annual Reports and Financial Statements
For the year ended June 30, 2019

	<p>(x) Director Emergency plan for AIDS Relief in the South Rift Valley.</p> <p>(xi) WHO- National Disease and Surveillance Officer.</p> <p>(xii) Project Manager of early childhood development.</p> <p>(xiv) Head of health information systems, ministry of health.</p> <p>(xv) District Medical officer of health.</p>
<p>3. Paul Muange Mbatha</p>	<p>Date of Birth, 13th April, 1956</p> <p>Qualifications</p> <p>(i) B.A(Hons) Economics and French ; University of Nairobi.</p> <p>(ii) Diploma de franciasis; Umiversi'e Montemuzard (Dijon France).</p> <p>(iii) Certificate in integrated regional development planning; university of Nottingham(England UK)</p> <p>(iv) Advanced courses in simultaneous interpretation and translation from French to English.</p> <p>Experience</p> <p>(i) Member of Kenya Citizens and Foreign Nationals Management Service.</p> <p>(ii) Director self-employed; incorporated Mount Commodities Ltd.</p> <p>(iii) Planning Assistant-GOK(The Treasury)</p> <p>(iv) Total oil products (E.A) Ltd.</p> <p>(v) Board member National Water Conservation and Pipeline Corporation.</p> <p>(vi) Board member of Tana and Athi River Development Authority.</p> <p>(vi) Director of Kenya Commercial Bank Ltd.</p>

**Kenya Citizens and Foreign Nationals Management Service
Annual Reports and Financial Statements
For the year ended June 30, 2019**

<p>4. John Maina</p>	<p>Date of Birth, 4th Sept. 1959 Qualifications (i) Post graduate studies- Kennedy school of government- Harvard University, Cambridge, MA. (ii) Masters degree, special education; Coppin state University, Baltimore, MD. (iii) Bachelor of Arts degree, political science and international studies; Morgan state university. Experience (i) Board member of Kenya Citizens and Foreign Nationals Management Service. (ii) Diaspora advisor to the coalition Government (iii) President- Kenya community abroad (iv) Research assistant(Harvard University, Cambridge M.A) (v) Lecturer; social justice Academy, Boston MA. (vi) Consultant KTIG Consulting Silver Spring MD. (vii) Lecturer- Johns Hopkins University, Baltimore MD. (viii) Lecturer- Morgan State University, Baltimore MD. (ix) Special educator/Resource personnel; Baltimore public school systems Baltimore MD. (x) Legislative Aide; United States Congress, Washington, DC. (xi) Legislative Aide; Maryland General Assembly, Annapolis, MD.</p>
<p>5. Judith Atieno Ogolla</p>	<p>Date of Birth, 1970 Qualifications (i) On going Doctor of Philosophy in Business Administration Strategic Management(Kenya Methodist University-Nairobi)</p>

Kenya Citizens and Foreign Nationals Management Service
Annual Reports and Financial Statements
For the year ended June 30, 2019

	<p>(ii) Masters in Business Administration Strategic Management and Marketing (Kenya Methodist University-Nairobi).</p> <p>(iii) Bachelor of Commerce; Business Administration and Marketing (Daystar University-Nairobi).</p> <p>Experience</p> <p>(i) Board member of Kenya Citizens and Foreign Nationals Management Service.</p> <p>(ii) Founder and Managing Director of Enterprise Development Consulting(EDC)</p> <p>(iii) Director of Inter Africa Development Foundations.</p>
<p>6. Sophia Adhiambo Agoye</p>	<p>Date of Birth,2nd June,1953</p> <p>Qualifications</p> <p>(i) B.A (Hons.) University of Nairobi</p> <p>(ii) Diploma in Finance Management, KCA University.</p> <p>Experience</p> <p>(i) Board member of Kenya Citizens and Foreign Nationals Management Service.</p> <p>(ii) District Officer-Provincial Administration.</p> <p>(iii) Assistant Secretary1(Ministry of Public Works and Housing)</p> <p>(iv) Under Secretary; Ministry of Information, Broadcasting and Local Authority.</p> <p>(v) Chief finance officer in the Ministry of State for Immigration and Registration of Persons.</p>
<p>7. Eddyson H. Nyale</p>	<p>Date of Birth,1967</p> <p>Qualification</p> <p>(i) Masters of Arts in sustainable International Development (Brandeis University; Waltham, Massachusetts -USA.</p>

Kenya Citizens and Foreign Nationals Management Service
Annual Reports and Financial Statements
For the year ended June 30, 2019

	<p>(ii) Bachelor (Hons.) of science animal production (Egerton University; Njoro Kenya)</p> <p>Experience</p> <p>(i) Alternate Board member (Ministry of Interior) Kenya Citizens and Foreign Nationals Management Service.</p> <p>(ii) Under Secretary, Security Nairobi.</p> <p>(iii) Volunteer with KRSC as PhD Student Masinde Muliro NRB Campus.</p> <p>(iv) District Commissioner; Matete District.</p> <p>(v) District Officer</p> <p>(vi) Project and Operational Management Coordinator; Ministry of Internal Security.</p> <p>(vii) Development practitioner; Community development and Human Rights Advocacy; CPD 11 funded by Netherlands red cross.</p> <p>(viii) Kenya Wild Life Board- Alternate Board member PS- Interior.</p> <p>(ix) National Non-Governmental Organization Council (NGO Council) Election task force.</p> <p>(x) Member of Maendeleo Ya Wanawake Organization Elections Board.</p> <p>(xi) Member of the task force on the proposed amendments to the Public Benefit Organization. (PBO).</p>
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Kenya Citizens and Foreign Nationals Management Service
Annual Reports and Financial Statements
For the year ended June 30, 2019

The Directors submit their report together with the audited financial statements for the year ended June 30, 2019 which show the state of the *KC&FNMS* affairs.

Principal activities

The Service shall, under the general supervision of the Cabinet Secretary be responsible for the implementation of policies, laws and any other matter relating to citizenship and immigration ,births and deaths, marriages ,identification and registration and travel documents, foreign nationals management and the creation and maintenance of a comprehensive national population register.

The Service shall specifically:-

- a) In relation to the national population register and for the purpose of collecting and compiling information concerning the distribution and composition of the population in Kenya, the scope and direction of immigration ,labour resource utilization and other connected purposes have the following functions:
 - (i) Receiving, storing and updating information from primary registration agencies;
 - (ii) Generation of appropriate unique identifier for individuals and groups in accordance with this Act;
 - (iii) Subject to the constitution and in consultation with other relevant institutions, regulating the sharing of information by the various registration agencies and other users;
 - (iv) Implement the relevant policies and guidelines and provide the cabinet secretary with the necessary information to guide the formulation of new policies, review of existing policies and guidelines.
 - (v) In consultation with the cabinet secretary, coordinate and mobilize resources for the implementation of the relevant policies;
 - (vi) Undertake the task of data collection and dissemination in a manner that ensures consistency and accuracy in accordance with set national standards and guidelines and
 - (vii) Facilitate access to information and data to national population registration information in accordance with this Act, any other relevant law or policy and the constitution;
- b) Administer the Acts of parliament set out in the First Schedule and any other written law
- c) Advise the Government on the matters provided for in this section;
- d) Collaborate with other state agencies for effective discharge of its mandate and
- e) Perform such other functions as may be directed by the Cabinet Secretary.

Results

The results of the entity for the year ended June 30, 2019 are set out on page 1-5

Kenya Citizens and Foreign Nationals Management Service
Annual Reports and Financial Statements
For the year ended June 30, 2019

Directors

The term of the board members came to an end in 2017, and new board members have since not been appointed to replace them.

Dividends/Surplus remission

There was no dividend issued.

Auditors

The Auditor General is responsible for the statutory audit of the *KC&FNMS* in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015.

By Order of the Board


Date: 30TH JUNE, 2019.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Section 81 of the Public Finance Management Act, 2012 and (*section 14 of the State Corporations Act, - (entities should quote the applicable legislation under which they are regulated)*) require the Directors to prepare financial statements in respect of that *entity*, which give a true and fair view of the state of affairs of the *entity* at the end of the financial year/period and the operating results of the *entity* for that year/period. The Directors are also required to ensure that the *entity* 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 *entity*.

The Directors are responsible for the preparation and presentation of the *entity'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, 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 *entity*; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.


The Directors accept responsibility for the *entity's* 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) – *entities should quote applicable legislation as indicated under*). The Directors are of the opinion that the *entity's* financial statements give a true and fair view of the state of *entity's* transactions during the financial year ended June 30, 2019, and of the *entity's* financial position as at that date. The Directors further confirm the completeness of the accounting records maintained for the *entity*, which have been relied upon in the preparation of the *entity's* 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 *entity* 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 *KC&FNMS* financial statements were approved by the Board on 30th June, 2019 and signed on its behalf by:


AG. A.I.E HOLDER


ACCOUNTANT

REPUBLIC OF KENYA

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



Enhancing Accountability

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

REPORT OF THE AUDITOR-GENERAL ON KENYA CITIZENS AND FOREIGN NATIONALS MANAGEMENT SERVICE FOR THE YEAR ENDED 30 JUNE, 2019

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of Kenya Citizens and Foreign Nationals Management Service set out on pages 1 to 13, which comprise the statement of financial position as at 30 June, 2019, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of Kenya Citizens and Foreign Nationals Management Service 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 the Kenya Citizens and Foreign Nationals Management Service Act, 2011 and the Public Finance Management Act, 2012.

Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Kenya Citizens and Foreign Nationals Management Service Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE 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 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, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

The audit was conducted in accordance with ISSAI 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 overall governance were maintained 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 ability of Kenya Citizens and Foreign Nationals Management Service to sustain services, disclosing, as applicable, matters related to sustainability of services and using the going

concern basis of accounting unless the Management is aware of the intention to terminate the Service 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 manner.

Those charged with governance are responsible for overseeing the financial reporting process, reviewing the effectiveness of how the entity monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

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

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

reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.


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

As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of Kenya Citizens and Foreign Nationals Management Service 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 Service to cease sustaining 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 Kenya Citizens and Foreign Nationals Management Service 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

16 July, 2021

Kenya Citizens and Foreign Nationals Management Service
Annual Reports and Financial Statements
For the year ended June 30, 2019

STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2019

	Notes	2018-2019 Kshs(000)	2017-2018 Kshs(000)
Revenue from non-exchange transactions			
Transfers from other governments – gifts and services-in-kind	3	-	5,372
Revenue from exchange transactions		-	-
Total revenue		-	5,372
Expenses			
Employee costs	4	-	12,848
Remuneration of directors	5	-	2,502
Depreciation and amortization expense	6	2,124	2,800
Repairs and maintenance	7	-	1,008
General expenses	8	5,760	7,116
Total expenses		(7,884)	26,274
Other gains/(losses)		-	-
Surplus before tax		-	-
Taxation		-	-
Surplus/(deficit) for the period/year		(7,884)	(20,902)
Remission to National Treasury		-	-
Net Surplus/deposit for the year		(7,884)	(20,902)
Attributable to:			
Surplus/(deficit) attributable to minority interest		-	-
Surplus attributable to owners of the controlling entity		-	-

The notes set out on pages 6 to 12 form an integral part of these Financial Statements

Kenya Citizens and Foreign Nationals Management Service
Annual Reports and Financial Statements
For the year ended June 30, 2019

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019

	Notes	2018-2019	2017-2018
		Kshs(000)	Kshs(000)
Assets			
Current assets			
Cash and cash equivalents	9	15,970	21,730
		15,970	21,730
Non-current assets			
Property, plant and equipment	10	6,896	9,020
Total assets		22,866	30,750
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	11	-	1,153
		-	1,153
Non-current liabilities		-	-
Total liabilities		-	1,153
Net assets		22,866	29,597
Total net assets and liabilities		22,866	30,750

The Financial Statements set out on pages 1 to 5 were signed on behalf of the Board of Directors by:

AG. A.I.E HOLDER

Name: Wilfred Kinyua

Sign.....



Date: 30th June, 2019

HEAD OF ACCOUNTS

Name: Loise N. Kibicho

ICPAK Member Number:

Sign.....



Date: 30th June, 2019

Kenya Citizens and Foreign Nationals Management Service
Annual Reports and Financial Statements
For the year ended June 30, 2019

STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED 30 JUNE 2019

	Ordinary share capital	Revaluation reserve	Fair value adjustment reserve	Retained earnings	Proposed dividends	Capital/Development Grants/Fund	TOTAL
At July 1, 2017	-	-	-	-	-	-	49,528
Capital/Development grants received during the year	-	-	-	-	-	-	
At June 30, 2018	-	-	-	-	-	-	28,626
At July 1, 2018	-	-	-	-	-	-	28,626
Issue of new share capital	-	-	-	-	-	-	
Revaluation gain	-	-	-	-	-	-	
Transfer of excess depreciation on revaluation	-	-	-	-	-	-	
Deferred tax on excess depreciation	-	-	-	-	-	-	
Fair value adjustment on quoted investments	-	-	-	-	-	-	
Total comprehensive income	-	-	-	-	-	-	(5,760)
Capital/Development grants received during the year	-	-	-	-	-	-	
Transfer of depreciation/amortisation from capital fund to retained earnings	-	-	-	-	-	-	
Dividends paid – 2018	-	-	-	-	-	-	-
Interim dividends paid – 2019	-	-	-	-	-	-	
Proposed final dividends	-	-	-	-	-	-	
At June 30, 2019	-	-	-	-	-	-	22,866

Kenya Citizens and Foreign Nationals Management Service
Annual Reports and Financial Statements
For the year ended June 30, 2019

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2019

		2018-2019	2017-2018
		Kshs(000)	Kshs(000)
Cash flows from operating activities			
Receipts			
Property taxes		-	-
Public contributions and donations		-	-
Fines, penalties and levies		-	-
Licenses and permits		-	-
Government grants and subsidies	3	-	5,372
Rendering of services		-	-
Sale of goods		-	-
Finance income		-	-
Other income, rentals and agency fees		-	-
Total Receipts		-	5,372
Payments			
Compensation of employees	4	-	12,848
Other payments(Honoraria)	5	-	800
Repairs and Maintenance	7	-	1,008
Goods and services	8	5,760	7,116
Unpresented cheques 30 th june,2017		-	8,792
Unpresented cheques 30 th june,2018		-	(1,153)
Taxation paid		-	-
Grants and subsidies paid		-	-
Total Payments		5,760	29,411
Net cash flows from operating activities		(5,760)	(24,039)
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets		-	-
Proceeds from sale of property, plant and Equipment		-	-
Decrease in non-current receivables		-	-
Increase in investments		-	-
Net cash flows used in investing activities		(-)	-
Cash flows from financing activities			
Repayment of borrowings		(-)	(-)
Increase in deposits		-	-
Net cash flows used in financing activities		(-)	(-)
Net increase/(decrease) in cash and cash equivalents			
		(5,760)	(24,039)
Cash and cash equivalents at 1 JULY, 2018	9	21,730	45,769
Cash and cash equivalents at 30 JUNE, 2019	9	15,970	21,730

Kenya Citizens and Foreign Nationals Management Service
Annual Reports and Financial Statements
For the year ended June 30, 2019

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
FOR THE YEAR ENDED 30 JUNE 2019

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance diff
	2018-2019	2018-2019	2018-2019	2018-2019	2018-2019
venue	Kshs(000)	Kshs(000)	Kshs(000)	Kshs(000)	Kshs(000)
Balance B/F	-	-	-	-	-
Property taxes	-	-	-	-	-
Public contributions and donations	-	-	-	-	-
Fines, penalties and levies	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Government grants and subsidies	-	-	-	-	-
Rendering of services	-	-	-	-	-
Sale of goods	-	-	-	-	-
Finance Income	-	-	-	-	-
Gains on disposal, rental income and agency fees	-	-	-	-	-
total income	-	-	-	-	-
expenses					
Compensation of employees	-	-	-	-	-
Goods and services	-	-	-	-	-
Bank charges	-	-	-	-	-
Rent paid	-	-	-	-	-
Taxation paid	-	-	-	-	-
Other payments(Honoraria)	-	-	-	-	-
Grants and subsidies paid	-	-	-	-	-
total expenditure	-	-	-	-	-
surplus for the period	-	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Kenya Citizens and Foreign Nationals Management Service is established by and derives its authority and accountability from Act Cap 174 Laws of Kenya on 30th September. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya.

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 *KC&FNMS* accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Notes. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the *KC&FNMS*.

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.

3. TRANSFERS FROM OTHER GOVERNMENTS

Description	2018-2019	2017-2018
	KShs(000)	KShs(000)
Unconditional grants		
Operational grant	-	5,372
Other	-	-
	-	5,372
Conditional grants		
National housing grant	-	-
National infrastructure grant	-	-
Provincial health grant	-	-
Social services grant	-	-
Basic services subsidy	-	-
Transportation fund (international funding)	-	-
Other organizational grants	-	-
Total government grants and subsidies	-	5,372

Kenya Citizens and Foreign Nationals Management Service
Annual Reports and Financial Statements
For the year ended June 30, 2019

4. EMPLOYEE COSTS

	2018-2019	2017-2018
	KShs(000)	KShs(000)
Salaries and wages(Top-up)	-	5,945
Employee related costs - contributions to pensions and medical aids	-	-
Travel, motor car, accommodation, subsistence and other allowances	-	6,903
Housing benefits and allowances	-	-
Overtime payments	-	-
Performance and other bonuses	-	-
Social contributions	-	-
Expenditure recharged to capital projects	-	-
Employee costs	-	12,848

5. REMUNERATION OF DIRECTORS

Description	2018-2019	2017-2018
	KShs(000)	KShs(000)
Chairman's Honoraria	-	800
Directors emoluments	-	-
Other allowances(Sitting)	-	1,702
Total director emoluments	-	2,502

6. DEPRECIATION AND AMORTIZATION EXPENSE

Description	2018-2019	2017-2018
	KShs(000)	KShs(000)
Property, plant and equipment	2,124	2,800
Intangible assets	-	-
Investment property carried at cost	-	-
Total depreciation and amortization	2,124	2,800

Kenya Citizens and Foreign Nationals Management Service
Annual Reports and Financial Statements
For the year ended June 30, 2019

7. REPAIRS AND MAINTENANCE

Description	2018-2019	2017-2018
	KShs(000)	KShs(000)
Property	-	-
Investment property – earning rentals	-	-
Equipment and machinery	-	-
Vehicles	-	1,008
Furniture and fittings	-	-
Computers and accessories	-	-
Total repairs and maintenance	-	1,008

8. GENERAL EXPENSES

Description	2018-2019	2017-2018
	KShs(000)	KShs(000)
Newspapers	-	11
Stationery and other consumables	-	189
Hospitality	-	1,043
Previous years pending payments	5,756	-
Foreign transport costs	-	-
Consulting fees	-	-
Bank charges	4	28
Fuel and oil	-	870
Insurance	-	502
Printing and publicity	-	-
Telecommunication	-	172
Training	-	2,941
Boards and Conferences	-	1,360
Total general expenses	5,760	7,116

9. CASH AND CASH EQUIVALENTS

Description	2018-2019	2017-2018
	KShs(000)	KShs(000)
Current account	15,970	21,730
On - call deposits	-	-
Fixed deposits account	-	-
Staff car loan/ mortgage	-	-
Others(specify)	-	-
Total cash and cash equivalents	15,970	21,730

(The amount should agree with the closing and opening balances as included in the statement of cash flows)

Kenya Citizens and Foreign Nationals Management Service
Annual Reports and Financial Statements
For the year ended June 30, 2019

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

		2018-2019	2017-2018
Financial institution	Account number	KShs(000)	KShs(000)
a) Current account			
Kenya Commercial bank	1135135037	15,970	21,730
Grand total		15,970	21,730

Kenya Citizens and Foreign Nationals Management Service
Annual Reports and Financial Statements
For the year ended June 30, 2019

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10. PROPERTY, PLANT AND EQUIPMENT

	Land and Buildings	Motor vehicles	Furniture and fittings	Computers	Plant and equipment	Total
Cost	Shs(000)	Shs(000)	Shs(000)	Shs(000)	Shs(000)	Shs(000)
At 1 July 2017	-	10,841	1,395	2,362	1,164	15,762
Additions	-	-	-	-	-	-
Disposals	(-)	(-)	(-)	(-)	(-)	(-)
Transfers/adjustments	(-)	(-)	(-)	(-)	-	(-)
At 30th June 2018	-	10,841	1,395	2,362	1,164	15,762
Additions	-	-	-	-	-	-
Disposals	(-)	-	-	-	-	(-)
Transfer/adjustments	(-)	-	-	(-)	-	(-)
At 30th June 2019	-	10,841	1,395	2,362	1,164	15,762
Depreciation and impairment						
At 1 July 2017						
Depreciation	(-)	(2,710)	(174)	(709)	(349)	(3,942)
Impairment	(-)	-	-	-	-	(-)
At 30 June 2018	-					
Depreciation	(-)	(2,032)	(28)	(496)	(244)	(2,800)
Disposals	-	-	-	-	-	-
Impairment	(-)	-	-	-	-	-
Transfer/adjustment	-	-	-	-	-	-
At 30th June 2019	-	(1,525)	(149)	(379)	(71)	(2,124)
Net book values						
At 30th June 2019	-	4,574	1,044	835	411	6,896
At 30th June 2018	-	6,099	1,193	1,157	571	9,020

Kenya Citizens and Foreign Nationals Management Service
Annual Reports and Financial Statements
For the year ended June 30, 2019

11. TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS

Description	2018-2019	2017-2018
	KShs(000)	KShs(000)
Trade payables	-	1,123
Payments received in advance	-	-
Employee advances	-	30
Third-party payments	-	-
Other payables	-	-
Total trade and other payables	-	1,153

12. CASH GENERATED FROM OPERATIONS

	2018-2019	2017-2018
	KShs(000)	KShs(000)
Surplus for the year before tax Adjusted for:	(7,884)	(20,902)
Depreciation	2,124	2,800
Non-cash grants received	(-)	(-)
Contributed assets	(-)	(-)
Impairment	-	-
Gains and losses on disposal of assets	(-)	(-)
Contribution to provisions	-	-
Contribution to impairment allowance	-	-
Finance income	(-)	(-)
Finance cost	-	-
Working Capital adjustments		
Increase in inventory	(-)	(-)
Increase in receivables	(-)	(-)
Increase in deferred income	-	-
Increase in payables	-	(5,937)
Increase in payments received in advance	-	-
Net cash flow from operating activities	(5,760)	(24,039)

13. EVENTS AFTER THE REPORTING PERIOD

There were no material adjusting and non- adjusting events after the reporting period.

14. ULTIMATE AND HOLDING ENTITY

The KC&FNMS is a State Corporation Agency under the Ministry of Interior and Coordination of National Government, Its ultimate parent is the Government of Kenya.

15. Currency

The financial statements are presented in Kenya Shillings (Kshs).

16. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES.

All property, plant, and equipment are stated at Net Book Value, and depreciated using the reducing balance method. The depreciation rates applied are as follows.

- Motor vehicle, 25%
- Computers and printers, 30%
- Office equipment, 12.5%
- Furniture and fittings, 12.5%



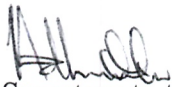
APPENDIX 1: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)

Guidance Notes:

- (i) Use the same reference numbers as contained in the external audit report;
- (ii) Obtain the “Issue/Observation” and “management comments”, required above, from final external audit report that is signed by Management;
- (iii) Before approving the report, discuss the timeframe with the appointed Focal Point persons within your entity responsible for implementation of each issue;
- (iv) Indicate the status of “Resolved” or “Not Resolved” by the date of submitting this report to National Treasury.



Ag. Secretary to the Board

Date 30TH JUNE, 2019.

Kipande House
P.O. Box 30012-00100
Telephone: 340161/186
Fax: 318911
Email:
kipandehouse@kcb.co.ke
Website:
<http://www.kcb.co.ke>

Date: 14.10.2019

Kenya Citizens and Foreign Nationals Management Service
P.O Box 30395-00100
Nairobi

Dear Sir/Madam,


RE: CERTIFICATES OF BALANCE FOR CITIZENS & FOREIGN NAT MGT SERVICE

We refer to your request and attach herewith a certificate of balance as at 30th June, 2019 for your account listed below:-

Account Number	Account Number
1135135037	Citizens & Foreign Nat Mgt Service

We take this opportunity to thank you for your business support as we look forward to further strengthen our cordial relationship.

Yours Faithfully,


GLADYS NYABOGA
CORPORATE SERVICE MANAGER

Kipande House
P.O. Box 30012-00100
Telephone: 340161/186
Fax: 318911
Email:
kipandehouse@kcb.co.ke
Website:
<http://www.kcb.co.ke>

1218 CA 41 BRANCHES
CERTIFICATE OF BALANCE

KCB Bank Limited
(Incorporated in Kenya)

CERT1918733697

KCB KIPANDE HOUSE

14 OCT 2019

Certified that the balance at the CREDIT Of
CITIZENS & FOREIGN NAT MGT SERVICE

A/C 1135135037

at the close of business on 30 JUN 2019 Was KES

FIFTEEN MILLION NINE HUNDRED AND SIXTY NINE THOUSAND NINE HUNDRED
AND NINETY EIGHT CENTS THIRTY FIVE ONLY

KES 15,969,998.35

Examined by

For: KCB BANK KENYA LTD.

For: KCB BANK KENYA LTD.

Manager
KIPANDE HOUSE, NAIROBI
Manager Service Quality & Compliance

P. Manager
KIPANDE HOUSE, NAIROBI

Branch Manager

KENYA CITIZENS AND FOREIGN NATIONALS MANAGEMENT SERVICE
 RECONCILLIATION STATEMENT AS AT 30TH JUNE, 2019

PAYMENTS IN CASHBOOK NOT IN BANK STATEMENT AS AT 30TH JUNE, 2019

DATE	PAYEE	AMOUNT
		-
	TOTAL	-

RECEIPTS IN BANK STATEMENT NOT IN CASH BOOK AS AT 30TH JUNE, 2019

DATE	PAYEE	AMOUNT
		-
	TOTAL	-

PAYMENTS IN BANK STATEMENT NOT IN CASH BOOK AS AT 30TH JUNE, 2019

DATE	PAYEE	AMOUNT
		-
	TOTAL	-

RECEIPTS IN CASHBOOK NOT IN BANK STATEMENT AS AT 30TH JUNE, 2019

DATE	PAYEE	AMOUNT
		-
	TOTAL	-
	BALANCE AS PER BANK STATEMENT	15,969,998.35
	BALANCE AS PER CASHBOOK	15,969,998.35
		15,969,998.35
		-