

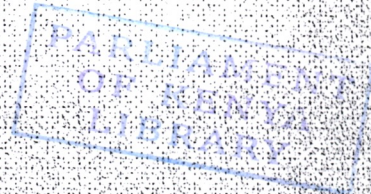
REPUBLIC OF KENYA



*Library*

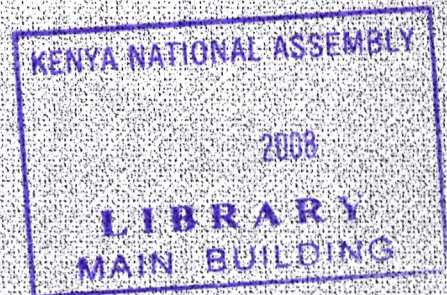
KENYA NATIONAL AUDIT OFFICE

APERS LAID No. 129	
Speaker M. A.	Clerk Asst
Deputy Speaker	C. P. E. M. O.
Clerk N. A.	Deputies
Deputy Clerk	Library
P. C. A.	Press



REPORT  
OF  
THE CONTROLLER  
AND AUDITOR-GENERAL

ON



THE FINANCIAL STATEMENTS OF  
REGISTRATION OF CERTIFIED PUBLIC  
SECRETARIES BOARD FOR THE YEAR  
ENDED 30 JUNE 2007

**REGISTRATION OF CERTIFIED PUBLIC SECRETARIES BOARD**

**ANNUAL REPORT**

**AND**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30TH JUNE 2007**

## **MEMBERS OF THE BOARD**

- |                      |               |
|----------------------|---------------|
| 1 Gilbert O. Otieno  | Chairman      |
| 2 Erastus K. Gitau   | Vice Chairman |
| 3 Raphael G. Mwai    | Member        |
| 4 Elizabeth Ng'ang'a | Member        |
| 5 Alfred O. Odero    | Member        |
| 6 Njoki Kahiga       | Member        |
| 7 Himatlal R. Doshi  | Member        |
| 8 Seth O. Otieno     | Member        |
| 9 Maurice O. Onyango | Member        |

## **REGISTRAR**

- 1 Julius M. Kilinda

## **EXUCUTIVE OFFICER**

- 1 Georgina M. Malombe(Ms.) [ Appointed on 5th March, 2007.]

## **REGISTERED OFFICE**

Treasury Building.  
5th Floor  
P.O Box 58218-00200  
Nairobi.

## **BANKERS**

- 1 National Bank of Kenya  
Harambee Avenue Branch  
P.O Box 72866 00200  
Nairobi.
- 2 Standard Chartered Bank Kenya Ltd,  
Harambee Avenue Branch  
P.O Box 444205 00200  
Nairobi.

## **AUDITORS**

Kenya National Audit Office  
P. O Box 30084-00100  
Nairobi

## STATEMENT OF BOARD MEMBERS RESPONSIBILITY

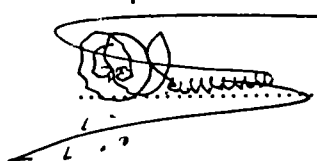
The CPS Act Section 34 requires the Board to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Board as at the end of each financial year and of the operating results of the Board for that year. It also requires the Board members to ensure that the Board keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the Board. They are also responsible for safeguarding the assets of the Board.

The Board members are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.


The Board members accept responsibility for the annual financial statements which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial reporting Standards and in the manner required by the CPS Act. The Board members are of the opinion that the financial statements give a true and fair view of the state of affairs of the Board and of its operating results. They further accept responsibility for the maintenance of accounting records which may be relied upon in the preparation of financial statements as well as adequate systems of internal financial controls.

Nothing has come to the attention of Board members to indicate that the Board will not remain a going concern for at least the next twelve months from the date of this statement.

Gilbert O. Otieno  
[Chairman]

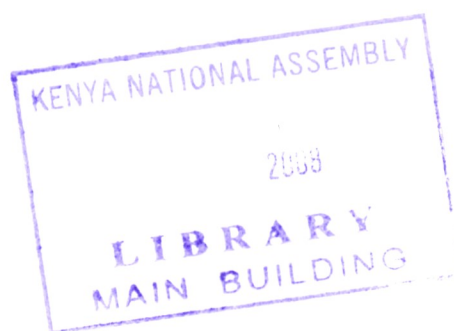
 Date: 19<sup>th</sup> February 2008

Julius M. Kilinda  
[Registrar]

 Date: 19<sup>th</sup> February 2008

**REGISTRATION OF CERTIFIED PUBLIC SECRETARIES BOARD  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30TH JUNE 2007**

<b>CONTENTS</b>	<b>PAGE NO.</b>
<b>Board Members Responsibility</b>	<b>1</b>
<b>Income statement</b>	<b>2</b>
<b>Balance sheet</b>	<b>3</b>
<b>Cashflow statement</b>	<b>4</b>
<b>Accounting policies</b>	<b>5</b>
<b>Notes to the financial statements</b>	<b>6_9</b>





## KENYA NATIONAL AUDIT OFFICE

### REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE FINANCIAL STATEMENTS OF REGISTRATION OF CERTIFIED PUBLIC SECRETARIES BOARD FOR THE YEAR ENDED 30 JUNE 2007

I have audited the financial statements of Registration of Certified Public Secretaries Board set out on pages 2 to 9 which comprise the balance sheet as at 30 June 2007, the income statement, and the cash flow statement for the year then ended, together with a summary of significant accounting policies and other explanatory notes in accordance with the provisions of Section 14 of the Public Audit Act, 2003. 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.

#### **The Boards' Responsibility for the Financial Statements**

The Board is responsible for the preparation of financial statements which give a true and fair view of the Board's state of affairs and its operating results in accordance with the International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### **Responsibility of the Controller and Auditor General**

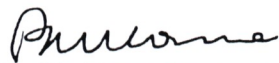
My responsibility is to express an independent opinion on the financial statements based on the audit. The audit was conducted in accordance with the International Standards on Auditing. Those standards require compliance with ethical requirements and that the audit be planned and performed with a view to obtaining reasonable assurance that the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal controls. An audit also includes evaluating

the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board, as well as evaluating the overall presentation of the financial statements. I believe the audit provides a reasonable basis for my opinion.

### Opinion

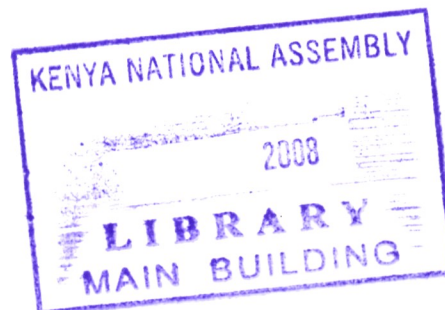
In my opinion, proper books of accounts have been kept and the accompanying financial statements give a true and fair view of the state of the financial affairs of the Board as at 30 June 2007 and of its surplus and cashflows for the year then ended in accordance with the International Financial Reporting Standards and comply with the Certified Public Secretaries Act, Cap 534 of the Laws of Kenya.



**P. N. KOMORA, C.B.S.**  
**CONTROLLER AND AUDITOR GENERAL**

Nairobi

12 March 2008



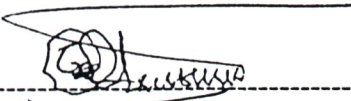

**REGISTRATION OF CERTIFIED PUBLIC SECRETARIES BOARD  
INCOME STATEMENT  
FOR THE YEAR ENDED 30TH JUNE 2007**

	NOTE	2007 KSHS	2006 KSHS
Income	1	1,545,700	1,483,900
Expenditure	11	<u>1,256,173</u>	<u>1,298,672</u>
Surplus from operations		289,527	185,228
Finance income	2	<u>5,161</u>	<u>3,794</u>
Surplus for the year	8	<u><u>294,688</u></u>	<u><u>189,022</u></u>

**REGISTRATION OF CERTIFIED PUBLIC SECRETARIES BOARD  
BALANCE SHEET  
FOR THE YEAR ENDED 30TH JUNE 2007**

	Note	2007 Kshs	2006 Kshs
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment	3	<u>3,076</u>	<u>3,826</u>
<b>Current assets</b>			
Inventories	4	-	101,478
Receivables	5	53,818	66,622
Cash and cash equivalents	6	<u>3,273,159</u>	<u>2,938,389</u>
<b>Total assets</b>		<u><b>3,330,053</b></u>	<u><b>3,110,315</b></u>
<b>GENERAL FUND AND LIABILITIES</b>			
General Fund	8	3,295,053	3,000,365
<b>Current Liabilities</b>			
Payables	7	35,000	109,950
<b>Total General Fund and Liabilities</b>		<u><b>3,330,053</b></u>	<u><b>3,110,315</b></u>

These financial statements from page 2 to page 9 were approved by the Board on 19/2-2008 and signed on its behalf by:-

  
 -----Chairman  
  
 -----Registrar

**REGISTRATION OF CERTIFIED PUBLIC SECRETARIES BOARD  
CASHFLOW STATEMENT  
FOR THE YEAR ENDED 30TH JUNE 2007**

	Note	2007 Kshs	2006 Kshs
Cash generated from operations	10	<u>(170,391)</u>	<u>(140,073)</u>
Cash from financing activities			
Grant In Aid from Government of Kenya		<u>500,000</u>	<u>396,000</u>
Cashflow from investing activities			
Purchase of furniture & fittings		-	(3,695)
Interest		5,161	3,794
Net cashflow from investing activities		<u>5,161</u>	<u>99</u>
Net movement in cash and cash equivalents		334,770	256,026
Cash and cash equivalents at the beginning of the year		<u>2,938,389</u>	<u>2,682,363</u>
<b>Cash and cash equivalents at the end of the year</b>		<u><b>3,273,159</b></u>	<u><b>2,938,389</b></u>

**REGISTRATION OF CERTIFIED PUBLIC SECRETARIES BOARD  
ACCOUNTING POLICIES  
FOR THE YEAR ENDED 30TH JUNE 2007**

**Significant accounting policies**

**a) Basis of accounting**

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) under historical cost convention.

**b) income**

This comprises of practicing and registration fees received and Grant In Aid received from the Ministry of Finance -Kenya.

**c) Inventories**

Inventories are valued at the lower of cost and net realizable value

**d) Depreciation**

Depreciation on furniture and equipment has been provided for on straight line method at the rate of 12.5%

**e) Cash and cash equivalents**

For the purposes of cash flow, cash and cash equivalents comprise cash at bank.

**f) Grants**

Grants are recognised in the year they are received from the Ministry of Finance.

**g) Stationery**

Stationeries are expensed after being purchased.

**h) Revenue recognition**

Revenue is recognised on accrual basis

**i) Taxation**

The Board is exempted from paying tax on its surplus.

**REGISTRATION OF CERTIFIED PUBLIC SECRETARIES BOARD  
NOTES TO THE FINANCIAL STATEMENTS**

	2007 Kshs	2006 Kshs
<b>1 INCOME</b>		
Fees (Note 9)	1,029,500	1,081,400
Grant In Aid (GoK)	500,000	396,000
Miscellaneous	16,200	6,500
	<u>1,545,700</u>	<u>1,483,900</u>
<b>2 FINANCE INCOME</b>		
Interest	<u>5,161</u>	<u>3,794</u>
<b>3 PROPERTY AND EQUIPMENT</b>	<b>Furniture &amp; equipment</b>	<b>Furniture &amp; equipment</b>
<b>As at 1.7.2006</b>	29,666	25,971
Additions	-	3,695
<b>As at 30.6.2007</b>	<u>29,666</u>	<u>29,666</u>
<b>DEPRECIATION</b>		
As at 01.07.2006	25,840	25,090
Charge for the year	<u>750</u>	<u>750</u>
<b>As at 30.06.2007</b>	<u>26,590</u>	<u>25,840</u>
<b>NET BOOK VALUE</b>		
As at 30.06.2007	<u>3,076</u>	<u>3,826</u>
<b>As at 30.06.2006</b>	<u>3,826</u>	<u>38,371</u>
<b>4 INVENTORIES</b>		
General stationery stocks	-	101,478
Unused stamps	<u>-</u>	<u>101,478</u>

**REGISTRATION OF CERTIFIED PUBLIC SECRETARIES BOARD  
NOTES TO THE FINANCIAL STATEMENTS**

	2007 Kshs	2006 Kshs
<b>5 RECEIVABLES</b>		
Unaccountables imprest b/f		486
Unaccounted imprest 2005/2006		18
Gift Gituri b/f	-	40,500
RAB	9,000	9,000
Unremitted Easter advance RAB	1,000	1,000
Withholding tax balance	15,618	15,618
Withholding tax on members sitting allowance	300	
Salary advance	27,900	
<b>Total receivables</b>	<u><u>53,818</u></u>	<u><u>66,622</u></u>
<b>6 CASH AND CASH EQUIVALENTS</b>		
Cash at bank		
• Current account	543,563	699,721
savings account	<u>2,729,596</u>	<u>2,238,668</u>
	<u><u>3,273,159</u></u>	<u><u>2,938,389</u></u>
<b>7 PAYABLES AND ACCRUALS</b>		
<b>Accruals</b>		
Audit fees	35,000	70,000
Withholding tax on members sitting allowance	-	4,950
Accountancy	-	<u>35,000</u>
	<u><u>35,000</u></u>	<u><u>109,950</u></u>

**REGISTRATION OF CERTIFIED PUBLIC SECRETARIES BOARD  
NOTES TO THE FINANCIAL STATEMENTS**

<b>8 GENERAL FUND ACCOUNT</b>	<b>2007 Kshs</b>	<b>2006 Kshs</b>
Balance brought forward	3,000,365	2,811,343
Add: Surplus for the year	<u>294,688</u>	<u>189,022</u>
<b>Balance carried forward</b>	<b><u>3,295,053</u></b>	<b><u>3,000,365</u></b>

**9 FEES**

• Fees has been received and included in the accounts as follows:

Practicing	420,000	386,400
Registration	595,500	660,000
Authority to practice renewal	14,000	35,000
	<u>1,029,500</u>	<u>1,081,400</u>

**10 CASH GENERATED FROM OPERATIONS**

Surplus for the year	294,688	189,022
<b>Adjustment for:-</b>		
Depreciation	750	750
Grant in Aid	(500,000)	(396,000)
Interest	(5,161)	(3,794)
Changes in working capital		
Inventories	101,478	29,017
Accrued interest	-	-
Accounts receivable	12,804	(9,018)
Accounts payable	<u>(74,950)</u>	<u>49,950</u>
<b>Cash generated from operations</b>	<b><u>(170,391)</u></b>	<b><u>(140,073)</u></b>

**REGISTRATION OF CERTIFIED PUBLIC SECRETARIES BOARD  
NOTES TO THE FINANCIAL STATEMENTS**

	<b>2007</b>	<b>2006</b>
	<b>Kshs</b>	<b>Kshs</b>
<b>11 EXPENDITURE</b>		
Printing & stationery	174,340	112,302
Salaries & staff benefits	520,182	467,520
Members sitting allowance	225,000	213,450
Transport	6,695	6,585
Postage	9,865	20,717
Board refreshments	31,790	28,291
'Audit fees'	35,000	35,000
Accountancy fees	-	30,000
Bank charges	10,890	14,292
Depreciation	750	750
Miscellaneous expenses	28,061	101,203
CPS development	-	14,390
Donations	-	69,000
Annual luncheon	32,416	16,872
Training & development	-	8,000
Gazettement	21,880	-
Bad debts written off	69,304	
Honoraria	90,000	157,600
Secretarial services	-	2,700
	<u>1,256,173</u>	<u>1,298,672</u>

**12 SALARIES AND STAFF BENEFITS**

The expenses relating to salaries and staff benefits have been apportioned between Registration of Accountants Board (RAB) and Registration of Certified Public Secretaries Board(RCPSB) In the ratio of 5668:2168 respectively based on applications received by the respective Boards as at the end of financial year 2006/2007

