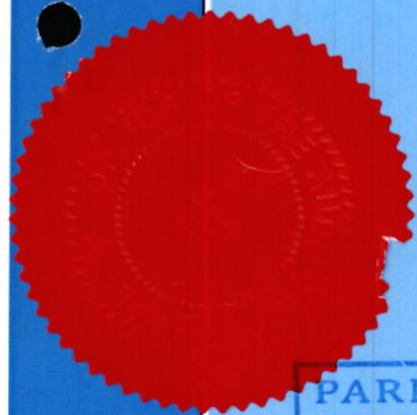
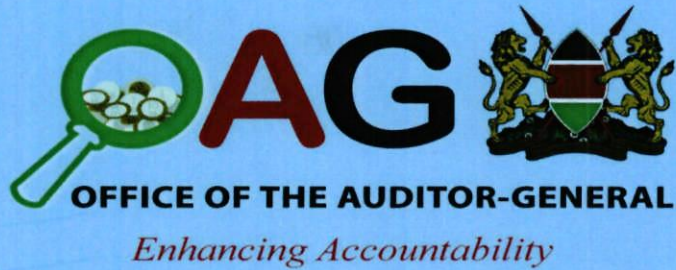


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# REPORT

OF

**THE AUDITOR-GENERAL**

ON

**LAMU COUNTY DISABILITY FUND**

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

| PAPERS LAID        |            |
|--------------------|------------|
| DATE               | 02/03/2022 |
| TABLED BY          | D.S.M.W    |
| COMMITTEE          | —          |
| CLERK AT THE TABLE | CHANIA     |

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**LAMU COUNTY DISABILITY FUND**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED**  
**JUNE 30, 2020**

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

*Lamu County Disability Fund*  
**Reports and Financial Statements**  
**For the year ended June 30, 2020**

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**Lamu County Disability Fund  
Reports and Financial Statements  
For the year ended June 30, 2020**

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**1. KEY ENTITY INFORMATION AND MANAGEMENT**

**a) Background information**

The Lamu County Persons with Disability Act 2018 established a Fund to be known as the Lamu County Disability Fund to. The Fund is wholly owned by the County Government of Lamu and is domiciled in Kenya

**b) Principal Activities**

The Fund principal activity is to: -

- (a) Providing access to capital and financial facilities to the small and medium enterprises owned by the people with disabilities;
- b) Providing access to capital and financial facilities to the civil societies comprised of the people with disabilities;
- c) Spurring socio-economic development of people with disabilities;
- d) Supporting people with disabilities' small and medium enterprises and civil societies to develop linkages with larger enterprises, national and international funding organizations;
- e) Marketing products of small and medium enterprises for the people with disabilities;
- f) Supporting entrepreneurship training for small and medium enterprises to groups benefitting from the Fund.

**c) Fund Committee Members**

| Ref | Name                 | Position   |
|-----|----------------------|--|
| 1   | Mr. Joseph Nganga    | Chief Officer Youth, Gender, Sports – Fund Administrator |
| 2   | Mrs. Firdaus Mohamed | Member   |
| 3   | Mr. Simon Wanyui     | Member   |
| 4   | Mr. Mohamed Faraj    | Member   |

**d) Key Management/Fund Administration committee**

| Ref | Name                        | Position  |
|-----|-----------------------------|---|
| 1   | Mr. Joseph Nganga           | Chief Officer- Youth, Gender, Sports - Fund Administrator |
| 2   | Mrs. Peninah Ncugune Mathiu | Secretary to the Fund                                     |

**e) Registered Offices**

County Government of Lamu  
P.O. Box 74- 80500  
Mokowe, Lamu.

**f) Fund Contacts**

Telephone: (254) 715555111/772576122  
E-mail: [treasury@lamu.go.ke](mailto:treasury@lamu.go.ke)  
Website: [www.lamu.go.ke](http://www.lamu.go.ke)

**g) Fund Bankers**

Corporative Bank  
Mpeketoni Branch  
Lamu, Kenya

**h) Independent Auditors**

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

**i) Principal Legal Adviser**

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

*Lamu County Disability Fund*  
**Reports and Financial Statements**  
**For the year ended June 30, 2020**

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**2. THE FUND COMMITTEE MEMBERS**

| <b>Ref</b> | <b>Name</b>          | <b>Position</b>  |
|------------|----------------------|--|
| 1          | Mr. Joseph Nganga    | Chief Officer Youth, Gender, Sports – Fund Administrator |
| 2          | Mrs. Firdaus Mohamed | Member   |
| 3          | Mr. Simon wanyui     | Member   |
| 4          | Mr. Mohamed Faraj    | Member   |

**3. STATEMENT OF PERFORMANCE AGAINST COUNTY ENTITY'S  
PREDETERMINED OBJECTIVES**

The Fund has not been operationalised.

*Lamu County Disability Fund*  
**Reports and Financial Statements**  
**For the year ended June 30, 2020**

---

**4. MANAGEMENT TEAM**

| <b>Ref</b> | <b>Name</b>                 | <b>Position</b>   |
|------------|-----------------------------|---|
| 1          | Mr. Joseph Nganga           | Chief Officer- Youth, Gender, Sports - Fund Administrator |
| 2          | Mrs. Peninah Ncugune Mathiu | Secretary to the Fund                                     |

**5. BOARD/FUND CHAIRPERSON'S REPORT**

The Fund committee is yet to hold seating to appoint Chairperson as per the Lamu County Persons with Disability Act 2018.

Signed: \_\_\_\_\_



Joseph Nganga  
**FUND ADMINISTRATOR**  
**LAMU COUNTY DISABILITY FUND**

6. **REPORT OF THE FUND ADMINISTRATOR**

The Fund received ksh. 5,000,000.00 at the end of financial year hence have no expenditures.

I look forward to your continued support in the year 2020/2021.

Signed: \_\_\_\_\_



Joseph Nganga  
**FUND ADMINISTRATOR**  
**LAMU COUNTY DISABILITY FUND**

## **7. CORPORATE GOVERNANCE STATEMENT**

### **THE FUND**

The Lamu County Persons with Disability Act 2018 established Lamu County Disability Fund which is wholly owned by County Government of Lamu and is domiciled in Kenya.

### **PRINCIPAL ACTIVITIES**

- a) Providing access to capital and financial facilities to the small and medium enterprises owned by the people with disabilities;
- b) Providing access to capital and financial facilities to the civil societies comprised of the people with disabilities;
- c) Spurring socio-economic development of people with disabilities;
- d) Supporting people with disabilities' small and medium enterprises and civil societies to develop linkages with larger enterprises, national and international funding organizations;
- e) Marketing products of small and medium enterprises for the people with disabilities;
- f) Supporting entrepreneurship training for small and medium enterprises to groups benefitting from the Fund.

### **FUND MEETINGS**

The Fund had no meeting as the committee was constituted at near the end of financial year.

### **Risk Management**

The Fund target to develop a risk management framework which will guide the fund in identifying, assessing and managing the risks and prescribe mitigating measures of all the risks both external and internal is facing the fund.

### **Management Team**

The management team headed by the Fund Administrator implements the committee decisions and policies through action plans. The team meets regularly to review these action plans to ensure that the fund's objectives are achieved effectively and efficiently.

### **Auditor**

The Fund is audited by the Auditor-General.

**8. MANAGEMENT DISCUSSION AND ANALYSIS**

The Fund received Kshs 5,000,000.00 at the end of financial year, no expense was incurred. The fund focus is looking to build a robust and sustainable fund with a motivated workforce and structures that enhance efficiency and effectiveness in the service delivery. The fund looks forward to continued support from the county government to the realization of its mandate.

**9. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING**

The fund was not involved in any corporate social responsibility activities in Financial Year 2019/2020.

**10. REPORT OF THE TRUSTEES**

The Fund committee submits their report together with the audited financial statements for the year ended June 30, 2020 which show the state of the Fund affairs.

**Principal activities**

The purpose of the fund is to provide access to capital and financial facilities to the small and medium enterprises owned by the people with disabilities;

**Results**

The results of the Fund for the year ended June 30, 2019 are set out on page 18

**Fund Key Management**

The members of the Fund who served during the year are shown on page 6

**Auditors**

The Auditor General is responsible for the statutory audit of the Fund in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act, 2015.

By Order of the fund

Date: 21/02/2021



**JOSEPH NG'ANG'A**  
**MEMBER**  
**LAMU COUNTY DISABILITY FUND**

## **11. STATEMENT OF MANAGEMENT'S RESPONSIBILITIES**

Sections 163,164 and 165 of the Public Finance Management Act, 2012 requires that, at the Section 167 of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Administrator of a County Public Fund shall prepare financial statements for the Fund in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.


The Administrator of the County Public Fund is responsible for the preparation and presentation of the Fund's financial statements, which give a true and fair view of the state of affairs of the Fund for and as at the end of the financial year ended on June 30, 2018. 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 Fund; (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 Fund; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Administrator of the Lamu County Disability Fund accepts responsibility for the Fund'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. The Administrator of the Fund is of the opinion that the Fund's financial statements give a true and fair view of the state of Fund's transactions during the financial year ended June 30, 2018, and of the Fund's financial position as at that date. The Administrator further confirm the completeness of the accounting records maintained for the Fund, which have been relied upon in the preparation of the Fund's financial statements as well as the adequacy of the systems of internal financial control.

In preparing the financial statements, the Administrator of the Lamu County Disability Fund has assessed the Fund's ability to continue as a going concern and disclosed, as applicable, matters relating to the use of going concern basis of preparation of the financial statements. Nothing has come to the attention of the Administrator to indicate that the Fund will not remain a going concern for at least the next twelve months from the date of this statement.

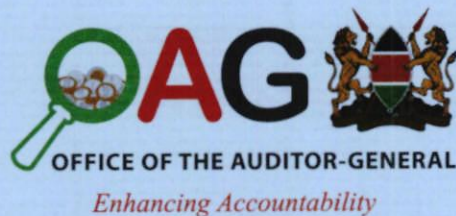
### **Approval of the financial statements**

The Fund's financial statements were approved by the committee on **24<sup>th</sup> February 2021** and signed on its behalf by:

  
Joseph Nga'ng'a  
CHIEF OFFICER  
Youth, Gender, Sports and Culture  
**Fund Administrator- Lamu County Disability Fund**

# REPUBLIC OF KENYA

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



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

## REPORT OF THE AUDITOR-GENERAL ON LAMU COUNTY DISABILITY FUND FOR THE YEAR ENDED 30 JUNE, 2020

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### REPORT ON THE FINANCIAL STATEMENTS

#### Opinion

I have audited the accompanying financial statements of Lamu County Disability Fund as set out on pages 15 to 33, which comprise the statement of financial position as at 30 June, 2020 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 the Lamu County Disability Fund as at 30 June, 2020 and 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 Public Finance Management Act, 2012 and the Lamu County Disability Fund Act, 2018.

#### Basis for Opinion

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

#### Key Audit Matters

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

## REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

### **Conclusion**

As required by Article 229(6) of the Constitution, based on the audit procedures performed, 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 governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

### **Responsibilities of Management and those Charged with Governance**

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

In preparing the financial statements, Management is responsible for assessing the Fund'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 intends to terminate the Fund or to cease operations.

Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015.

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

Those charged with governance are responsible for overseeing the 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 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 Fund'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 Fund 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 Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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

  
CPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

Nairobi

10 February, 2022

*Lamu County Disability Fund*  
**Reports and Financial Statements**  
**For the year ended June 30, 2020**

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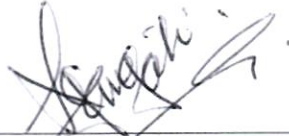
**13. FINANCIAL STATEMENTS**


**13.1. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30<sup>th</sup> JUNE 2020**

|   | Note | 2019-2020<br>Kshs       |
|---|------|-------------------------|
| <b>REVENUE FROM NON - EXCHANGE TRANSACTIONS</b> |      |                         |
| Transfers from County Government                | 1    | 5,000,000               |
| Interest Income                                 |      | -                       |
| <b>TOTAL REVENUES</b>                           |      | <u>5,000,000</u>        |
| <b>EXPENSES</b>                                 |      |                         |
| Fund disbursement                               | 2    | -                       |
| <b>TOTAL PAYMENTS</b>                           |      | <u>-</u>                |
| <b>SURPLUS/DEFICIT</b>                          |      | <u><u>5,000,000</u></u> |

The notes set out on pages 37 to form an integral part of these Financial Statements

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements of Lamu County Disability Fund were approved on 24<sup>th</sup> February 2021 and signed by:

  
 Name: Joseph Nga'ng'a  
 Fund Administrator

  
 Name: Peninah Ncugune Mathiu  
 Secretary to the Fund


**13.2. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020**

|                                      | Note | 2019-2020<br>Kshs |
|--------------------------------------|------|-------------------|
| <b>CURRENT ASSETS</b>                |      |                   |
| Cash and Cash Equivalents            | 4    | 5,000,000         |
| <b>Total Current Asset</b>           |      | <u>5,000,000</u>  |
| <b>NON CURRENT ASSETS</b>            |      |                   |
| <b>TOTAL FINANCIAL ASSETS</b>        |      | <u>5,000,000</u>  |
| <b>LESS: NON CURRENT LIABILITIES</b> |      | -                 |
| <b>NET ASSETS</b>                    |      | <u>5,000,000</u>  |
| <b>REPRESENTED BY</b>                |      |                   |
| <b>Fund balance b/fwd.</b>           |      | -                 |
| Surplus/Deficit for the year         |      | 5,000,000         |
| Prior year adjustments               |      | -                 |
| <b>NET FINANCIAL POSSITION</b>       |      | <u>5,000,000</u>  |

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements of Lamu County Disability Fund were approved on **24<sup>th</sup> February 2021** and signed by:



\_\_\_\_\_  
 Name: Joseph Nga'ng'a  
 Fund Administrator



\_\_\_\_\_  
 Name: Peninah Neugune Mathiu  
 Secretary to the Fund

*Lamu County Disability Fund*  
**Reports and Financial Statements**  
**For the year ended June 30, 2020**


**13.3. STATEMENT OF CHANGES IN NET ASSETS AS AT 30 JUNE 2020**


|                                   | <b>Lamu County<br/>Disability Fund</b> | <b>Accumulated<br/>surplus</b> | <b>Total</b>        |
|-----------------------------------|--|--------------------------------|---------------------|
|                                   | <b>KShs</b>                            | <b>KShs</b>                    | <b>KShs</b>         |
| <b>Balance as at 1 July 2018</b>  | -                                      | -                              | -                   |
| Surplus/(deficit) for the period  | -                                      | -                              | -                   |
| Funds received during the year    |  | -                              | -                   |
| Interest Income                   |  | -                              | -                   |
| <b>Balance as at 30 June 2019</b> | -                                      | -                              | -                   |
|                                   |  |                                | -                   |
| <b>Balance as at 1 July 2019</b>  | -                                      | -                              | -                   |
| Surplus/(deficit) for the period  |  | -                              | -                   |
| Funds received during the year    | 5,000,000.00                           | -                              | 5,000,000.00        |
| Interest Income                   | -                                      | -                              | -                   |
| <b>Balance as at 30 June 2020</b> | <b>5,000,000.00</b>                    | -                              | <b>5,000,000.00</b> |

13.4. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2020

|  | Note | 2019-2020<br>Kshs   |
|--|------|---------------------|
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>         |      |                     |
| <b>Receipts for operating income</b>               |      |                     |
| Tax Revenues                                       | 1    | 5,000,000           |
|  |      | <u>5,000,000</u>    |
| <b>Payments for operating expenses</b>             |      |                     |
| Fund disbursement                                  | 2    | -                   |
|  |      | <u>-</u>            |
| <b>Adjusted for:</b>                               |      |                     |
| Adjustments during the year                        |      | -                   |
| <b>Net cash flow from operating activities</b>     |      | <u>-</u>            |
| <b>CASHFLOW FROM INVESTING ACTIVITIES</b>          |      |                     |
| <b>Net cash flows from Investing Activities</b>    |      | <u>-</u>            |
| <b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>    |      | <u>5,000,000.00</u> |
| Cash and cash equivalent at BEGINNING of the year  |      | -                   |
| <b>Cash and cash equivalent at END of the year</b> |      | <b>5,000,000.00</b> |

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements of Lamu County Disability Fund were approved on **24<sup>th</sup> February 2021** and signed by:

  
 Name: Joseph Nga'ng'a  
 Fund Administrator

  
 Name: Peninah Ncugune Mathiu  
 Secretary to the Fund

*Lamu County Disability Fund*  
 Reports and Financial Statements  
 For the year ended June 30, 2020

**13.5. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE PERIOD ENDED 30<sup>th</sup> JUNE 2020**

| Code | Revenue/Expense Item                            | Original Budget<br>a | Adjustments<br>b | Final Budget<br>c=a+b | Actual on Comparable Basis<br>d | Budget Utilization Difference<br>e=c-d | % of Utilization Difference to Final Budget<br>f=d/c % |
|------|---|----------------------|------------------|-----------------------|---------------------------------|--|--|
|      | <b>REVENUE FROM NON - EXCHANGE TRANSACTIONS</b> |                      |                  |                       |                                 |  |  |
| 1    | Transfers from County Government                | 5,000,000            | -                | 5,000,000             | 5,000,000                       | 0                                      | 100%   |
|      | Interest Income                                 | -                    | -                | -                     | -                               | -                                      |  |
|      | <b>Total Receipts</b>                           | 5,000,000            | -                | 5,000,000             | 5,000,000                       | <b>0</b>                               | 100%   |
|      | <b>EXPENSES</b>                                 |                      |                  |                       |                                 |  |  |
| 3    | Fund disbursement                               | 0                    |                  | 0                     | 0                               | 0                                      | 0%   |
|      | <b>Grand Total</b>                              | <b>0</b>             | -                | <b>0</b>              | <b>0</b>                        | <b>0</b>                               | <b>0%</b>  |

*Note: There was no expenditure as the funds were release at the end of the financial year.*

**13.6. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**1. Statement of compliance and basis of preparation**

The Fund's financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS). The financial statements are presented in Kenya shillings, which is the functional and reporting currency of the Fund. The accounting policies have been consistently applied to all the years presented.

The financial statements have been prepared on the basis of historical cost, unless stated otherwise. The cash flow statement is prepared using the direct method. The financial statements are prepared on accrual basis.

**2. Adoption of new and revised standards**

**a) Relevant new standards and amendments to published standards effective for the year ended 30 June 2020**

| <b>Standard</b>                                   | <b>Impact</b>   |
|---|---|
| <b>IPSAS 40:</b><br>Public Sector<br>Combinations | <b>Applicable: 1<sup>st</sup> January 2019</b><br>The standard covers public sector combinations arising from exchange transactions in which case they are treated similarly with IFRS 3 (applicable to acquisitions only). Business combinations and combinations arising from non-exchange transactions are covered purely under Public Sector combinations as amalgamations. |

**b) New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2020**

| <b>Standard</b>                           | <b>Effective date and impact:</b>   |
|---|---|
| <b>IPSAS 41:</b> Financial<br>Instruments | <b>Applicable: 1<sup>st</sup> January 2022:</b><br>The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity's future cash flows.<br>IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by: <ul style="list-style-type: none"> <li>• Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held;</li> <li>• Applying a single forward-looking expected credit loss</li> </ul> |

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| Standard  | Effective date and impact:   |
|---|--|
|   | <p>model that is applicable to all financial instruments subject to impairment testing; and</p> <ul style="list-style-type: none"> <li>• Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.</li> </ul>  |
| <p><b>IPSAS 42: Social Benefits</b></p>   | <p><b>Applicable: 1<sup>st</sup> January 2022</b></p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general purpose financial reports assess:</p> <p>(a) The nature of such social benefits provided by the entity; (b) The key features of the operation of those social benefit schemes; and</p> <p>(c) The impact of such social benefits provided on the entity's financial performance, financial position and cash flows.</p>   |
| <p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p> | <p><b>Applicable: 1st January 2022:</b></p> <ul style="list-style-type: none"> <li>a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued.</li> <li>b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</li> <li>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued.</li> </ul> <p>Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p> |
| <p>Other Improvements to IPSAS</p>  | <p><b>Applicable: 1<sup>st</sup> January 2021:</b></p> <ul style="list-style-type: none"> <li>a) Amendments to IPSAS 13, to include the appropriate references to IPSAS on impairment, in place of the current references to other international and/or national accounting frameworks</li> <li>b) IPSAS 13, Leases and IPSAS 17, Property, Plant, and Equipment.</li> </ul> <p>Amendments to remove transitional provisions which should have been deleted when IPSAS 33, First Time</p>  |

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| Standard | Effective date and impact:  |
|----------|---|
|          | <p>Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs) was approved</p> <p>c) IPSAS 21, Impairment of Non-Cash-Generating Assets and IPSAS 26, Impairment of Cash Generating Assets. Amendments to ensure consistency of impairment guidance to account for revalued assets in the scope of IPSAS 17, Property, Plant, and Equipment and IPSAS 31, Intangible Assets.</p> <p>d) IPSAS 33, First-time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs). Amendments to the implementation guidance on deemed cost in IPSAS 33 to make it consistent with the core principles in the Standard</p> |
|          | <p>IPSAS 40, Public Sector Combinations. Amendments to include the effective date paragraph which were inadvertently omitted when IPSAS 40 was issued</p>   |

**c) Early adoption of standards**

The Fund did not early – adopt any new or amended standards in year 2020.

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**3. Revenue recognition**

**i) Revenue from non-exchange transactions**

**Transfers from other government entities**

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the Fund and can be measured reliably.

**ii) Revenue from exchange transactions**

***Interest income***

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

**4. Budget information**

The original budget for Financial Year 2019/2020 was approved by the County Assembly on May 2019. No subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities.

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

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

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section 13 of these financial statements.

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**5. Property, plant and equipment**

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

**6. Intangible assets**

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

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

**7. Financial instruments**

*Financial assets*

*Initial recognition and measurement*

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

*Loans and receivables*

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

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***Held-to-maturity***

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the Fund has the positive intention and ability to hold it to maturity. After initial measurement, held-to-maturity investments are measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The losses arising from impairment are recognized in surplus or deficit.

***Impairment of financial assets***

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

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

***Financial liabilities***

***Initial recognition and measurement***

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

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

***Loans and borrowing***

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

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

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**8. Inventories**

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

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

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

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

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

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

**9. Provisions**

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

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

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

***Contingent liabilities***

The Fund does recognize a contingent liability, but discloses details of any contingencies in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

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***Contingent assets***

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

**10. Nature and purpose of reserves**

The Fund does not create and maintains reserves in terms of specific requirements.

**11. Changes in accounting policies and estimates**

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

**12. Employee benefits – Retirement benefit plans**

The fund has no employees to provides retirement benefits.

**13. Foreign currency transactions**

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

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**14. Borrowing costs**

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

**15. Related parties**

The Fund regards a related party as a person or an Fund with the ability to exert control individually or jointly, or to exercise significant influence over the Fund, or vice versa. Members of key management are regarded as related parties.

**16. Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

**17. Comparative figures**

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

**18. Events after the reporting period**

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

**19. Ultimate and Holding Fund**

The Fund is a County Public Fund established by Lamu County Disability Fund Act 2018 under the Ministry of Education. Its ultimate parent is the County Government of Lamu.

**20. Currency**

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

## **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

### **21. Significant judgments and sources of estimation uncertainty**

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

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

#### **Useful lives and residual values**

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

- The condition of the asset based on the assessment of experts employed by the Fund
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes
- The nature of the processes in which the asset is deployed
- Availability of funding to replace the asset
- Changes in the market in relation to the asset

### **22. Financial risk management**

The Fund's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The Fund's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The Fund does not hedge any risks and has in place policies to ensure that credit is only extended to customers with an established credit history.

The Fund's financial risk management objectives and policies are detailed below:

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**a) Credit risk**

The Fund has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments.

Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the management. The fund administration committee sets the Fund's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

**b) Liquidity risk management**

Ultimate responsibility for liquidity risk management rests with the Fund Administrator, who has built an appropriate liquidity risk management framework for the management of the Fund's short, medium and long-term funding and liquidity management requirements. The Fund manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

**c) Market risk**

The board has put in place an internal audit function to assist it in assessing the risk faced by the Fund on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls.

Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the Fund's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee.

The Fund's Finance Department is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee) and for the day to day implementation of those policies.

There has been no change to the Fund's exposure to market risks or the manner in which it manages and measures the risk.

**i. Foreign currency risk**

The Fund has no transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate.

**Foreign currency sensitivity analysis**

The following table demonstrates the effect on the Fund's statement of financial performance on applying the sensitivity for a reasonable possible change in the exchange rate of the three main transaction currencies, with all other variables held constant. The reverse would also occur if the Kenya Shilling appreciated with all other variables held constant.

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|             | Change in currency rate | Effect on surplus/ deficit | Effect on equity |
|-------------|-------------------------|----------------------------|------------------|
|             | KShs                    | KShs                       | KShs             |
| <b>2020</b> |                         |                            |                  |
| Euro        | 10%                     | -                          | -                |
| USD         | 10%                     | -                          | -                |
| <b>2019</b> |                         |                            |                  |
| Euro        | 10%                     | -                          | -                |
| USD         | 10%                     | -                          | -                |

**ii. Interest rate risk**

Interest rate risk is the risk that the Fund's financial condition may be adversely affected as a result of changes in interest rate levels. The Fund's interest rate risk arises from bank deposits. This exposes the Fund to cash flow interest rate risk. The interest rate risk exposure arises mainly from interest rate movements on the Fund's deposits.

*Management of interest rate risk*

To manage the interest rate risk, management has endeavoured to bank with institutions that offer favourable interest rates.

*Sensitivity analysis*

The Fund analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant.

**d) Capital risk management**

The objective of the Fund's capital risk management is to safeguard the Fund's ability to continue as a going concern. The Fund capital structure comprises of the following funds:

|   | 2019/2020        | 2018/2019 |
|---|------------------|-----------|
|   | KShs             | KShs      |
| Revaluation reserve                         | -                | -         |
| Accumulated surplus                         | 5,000,000        | -         |
| <b>Total funds</b>                          | <b>5,000,000</b> | -         |
| Total borrowings                            | -                | -         |
| Less: cash and bank balances                | (5,000,000)      | -         |
| Net debt/(excess cash and cash equivalents) | -                | -         |
| <b>Gearing</b>                              | <b>0%</b>        | <b>0%</b> |

*Lamu County Disability Fund*  
**Reports and Financial Statements**  
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**13.7. NOTES TO THE FINANCIAL STATEMENTS**

|                                    |  |                  |
|------------------------------------|--|------------------|
| <b>REVENUE FROM NON - EXCHANGE</b> |  |                  |
| <b>1 TRANSACTIONS</b>              |  | <b>2019-2020</b> |
|                                    |  | <b>Kshs</b>      |
| Transfers from County Government   |  | 5,000,000        |
| Interest Income                    |  | -                |
| <b>Total</b>                       |  | <b>5,000,000</b> |

|                            |  |                  |
|----------------------------|--|------------------|
| <b>2 Fund Disbursement</b> |  | <b>2019-2020</b> |
|                            |  | <b>Kshs</b>      |
|                            |  | 0                |
| <b>Total</b>               |  | <b>0</b>         |

**3 Bank Accounts**

| Name of Bank, Account No. & currency                 | Indicate whether recurrent, Development, deposit, revenue, CRF e.t.c | 2019-2020        |
|--|--|------------------|
|  |  | Kshs             |
| Lamu County Disability Fund Account Corporative Bank | FUND   | 5,000,000        |
| <b>Total</b>   |  | <b>5,000,000</b> |

**4 Cash and Cash equivalent**

| Description  | 2019-2020        |
|--|------------------|
|  | KShs             |
| Lamu County Disability Fund Account Corporative Bank | 5,000,000        |
| Others   | -                |
| <b>Total cash and cash equivalents</b>               | <b>5,000,000</b> |

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**14. PROGRESS ON FOLLOW UP OF PRIOR YEAR AUDITOR’S 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) |
|--|-----------------------------------|---------------------|--|-----------------------------------|--|
|  |                                   |                     |  |                                   |  |
|  |                                   |                     |  |                                   |  |

*Note: there is no progress report on follow up of prior year auditor’s recommendation as it is the first reporting year.*

**LAMU COUNTY GOVERNEMENT – DISABILITY FUND**  
**01141562514800**

F. O. 30

**BANK RECONCILIATION**

AS AT 30TH JUNE 2020

STATION: LAMU

COUNTY


|   | Sh |  | Sh |  | Sh               |
|---|----|--|----|--|------------------|
| Balance as per bank statement   |    |  |    |  | -                |
| Less:-  |    |  |    |  |                  |
| 1 Payments in cash book not in bank statement (Unrepresented Cheques) : |    |  |    |  | -                |
| 2 Receipts in bank statement not recorded in cash book :                |    |  |    |  |                  |
| Add:-   |    |  |    |  | -                |
| 3 Payments in bank statement not in cash book :                         |    |  |    |  | -                |
| 4 Receipts in cash book not recorded in bank statement :                |    |  |    |  | 5,000,000        |
|   |    |  |    |  | <b>5,000,000</b> |

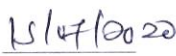
Balance as per Cash book

I certify that I have verified the Bank Balance in the Cash Book with the Bank Statement and the above reconciliation is correct.

Prepared by:

  
 Signature

  
 Designation

  
 Date

Checked by:

  
 Signature


  
 Designation

  
 Date

Approved by:

  
 Signature

  
 Designation

  
 Date