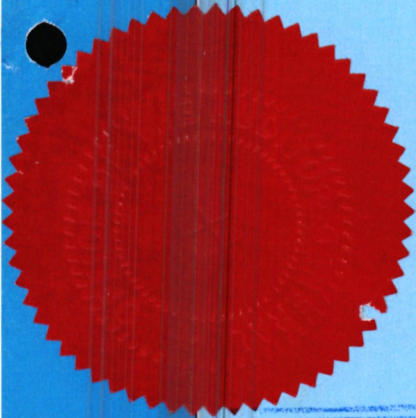
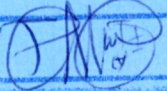


REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

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 THE NATIONAL ASSEMBLY PAPERS LAID	
REPORT	
DATE: 30 JUL 2019	DAY: TUESDAY
TABLED BY:	MAJORITY LEADER OF
CLERK AT THE TABLE:	

PARLIAMENT
OF KENYA
LIBRARY

THE AUDITOR-GENERAL

ON

THE FINANCIAL STATEMENTS OF
ANTI-FGM BOARD

FOR THE YEAR
ENDED 30 JUNE 2018



OFFICE OF THE AUDITOR GENERAL
P. O. Box 30084 - 00100, NAIROBI
REGISTRY

25 APR 2019

RECEIVED

International Public Sector Accounting Standards (IPSAS)
Annual Financial Reporting Template for
Regulatory and Other Non – Commercial Government Owned Entities
*(Semi - Autonomous Government Agencies and Public Funds Established by an Act of Parliament
or a Legal Notice)*

THE ANTI- FGM BOARD

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDING
JUNE 30, 2018

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

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KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

The Anti-FGM Board is established by the Prohibition of Female Genital Mutilation Act, 2011. The Board is a body corporate with perpetual succession and a common seal, and shall, in its corporate name, be capable of suing and being sued, taking, purchasing or otherwise acquiring, holding, charging or disposing of movable and immovable property, borrowing money or making investments, entering into contracts, and doing or performing all other acts or things for the proper performance of its functions under this Act which may lawfully be done or performed by a body corporate

(b) Principal Activities

Vision:

A society free from Female Genital Mutilation.

Mission:

To uphold the dignity and empowerment of girls and women in Kenya through the coordination of initiatives, awareness creation and advocacy against FGM.

Core values:

- ✓ Honesty and integrity
- ✓ Efficiency and effectiveness
- ✓ Innovativeness and creativity
- ✓ Inclusiveness
- ✓ Professional work ethics, work and excellence
- ✓ Accountability and transparency

Mandate:

- Design, supervise and co-ordinate public awareness programmes against the practice of female genital mutilation.
 - Generally, advice the Government on matters relating to Female Genital Mutilation and the implementation of the ACT,
 - Design and formulate a policy on the planning, financing and coordinating of all activities relating to female genital mutilation
 - Provide technical and other support to institutions, agencies and other bodies engaged in the programmes aimed at eradication of female genital mutilation.
 - Design programmes aimed at eradication of female Genital Mutilation:
 - Facilitate resources mobilization for the programmes and activities aimed at eradicating female genital mutilation and
- Perform such other functions as may be assigned by any written

THE ANTI-FGM BOARD
Annual Reports and Financial Statements
For the year ended June 30, 2018

(c) Key Management

The *Anti-FGM Board* day-to-day management is under the following key organs:

- Board of Directors
- CEO
- Management

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2018 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	CEO	Bernadette Resian Loloju
2.	Ag Director Finance & Admin	Christabel Alice Adhiambo
3.	Ag. Director Policy & Planning	Paul Muli Kilonzo
4.	Ag. Director Programmes	Jared Gitamo Kingoina
5.	Head of Communication	Milton Odhiambo Omondi
6	Head Human Resource	Martha Muthoni Wanjuki
7	Head Supply Chain	Ann Wangeci Muthigani

(e) Fiduciary Oversight Arrangements

Here, provide a high-level description of the key fiduciary oversight arrangements covering (say):

Finance and Administration Committee

The Anti-FGM board Finance and administration Committee major role is to prepare the financial reports of the Board, the annual budgets and workplans. To approve any major changes to the already approved budget. The committee has five members who include the chair of the committee. The Committee meets at least twice a quarter.

Programme Committee

The Anti-FGM board programmes committee major role is to prepare the annual workplans of the Board, make sure the work plan is aligned to the strategic plan and the policy instruments of the board. The committee makes sure that there is strong partnerships among stakeholders undertaking FGM work in the country and making sure the board is focused on its coordination role as mandated by the Prohibition of FGM act, 2011. The committee also makes sure that the Board is working closely with other development partners, nationally, regionally and internationally. The committee has five members who include the chair and meets at least once a quarter

Audit Committee

The Anti-FGM audit committee offers oversight on implementation of the approved budgets of the board. It also makes sure that the audit recommendations are undertaken as advised by the

THE ANTI-FGM BOARD

Annual Reports and Financial Statements

For the year ended June 30, 2018

office of the auditor general. The committee has six members including the chairperson and meets at least one every quarter.

KEY ENTITY INFORMATION AND MANAGEMENT (Continued)

(f) Entity Headquarters

Kenya Railways Staff Retirement Benefit Scheme Building
South Wing, Block 'D' 2nd Floor
Haile Selassie Avenue
P.O. Box 54760 -0200
Nairobi, KENYA

(g) Entity Contacts

Telephone (254)0202220106
E-mail: Admin@antifgmboard.go.ke
E-mail: ceoantifgmboard@gmail.com
Website: www.anti-fgmboard.go.ke

(h) Entity Bankers

Cooperative Bank of Kenya
Aga khan Walk Baranch
P.O. Box 20818 -00100
Nairobi, Kenya

(i) Independent Auditors

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

(j) Principal Legal Adviser

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

THE ANTI-FGM BOARD

Annual Reports and Financial Statements
For the year ended June 30, 2018

BOARD DIRECTORS

PHOTO	NAME	DATE OF BIRTH	WORK EXPERIENCE	DESIGNATION	QUALIFICATION
	Rev. Connie Kivuti	1960	1.General Secretary 2.Executive Director 3.Commissioner 4.CEO 5.Personnel& Administration Manager 7. Audit Assistant Auditor	Board Member	PHD in leadership in Public Governance.
	Ms. Agnes Leina	10/11 /1971	Gender and community development Advisor/ Consultant/ special list/ expert	Board Member	M.A in Rural Sociology and Community development
	Ms. Shoba Liban	1962	Over 25 years of Public and Private work	Board Member	1 st degree in Project Planning and Management, Diploma in Public Relation and Community Development and Other short courses in Administration and social development
	Mr. Samuel Macharia	1971	3 years' Experience in Banking and 14 years' experience in Public Finance & Budgeting	Board Member Senior Deputy Director of Budget/National Treasury	Executive MBA.(JKUAT). CPA (K) B/Com. Marketing (UoN). Several Courses on Public Finance, Governance.

THE ANTI-FGM BOARD

Annual Reports and Financial Statements

For the year ended June 30, 2018

	Mr. Protus Onyango	30 th April 1962	Director Gender Mainstreaming and has a work experience of more than 30 years.	Board Member. Director Gender Mainstreaming	Masters in Gender Studies
	Ms. Peris Bosire	15/12 /1963	Deputy Director/ Management Consultancy Services.	Board Member.	M. Sc. (Human Resources Development)
	Dr. Mohamed A. Sheikh	17/06 /1976	Programme Director NASCOP	Board Member	Master of International Public Health.
	Milton M Mokah	8 th Dec 1959	Secondary School Teacher 6 years. Education Officer 28 years	Board Member. (Alternate to PS Education)	Masters in education
	Bernadette Loloju	1 st Dec 1975	World Concern international for 3 years. World Vision Kenya for 10 years and the CEO of the Anti-FGM	CEO	M.A in Global Community Development

THE ANTI-FGM BOARD

Annual Reports and Financial Statements

For the year ended June 30, 2018

			Board from August 2016		
--	--	--	---------------------------	--	--

MANAGEMENT TEAM

NAME	PHOTO	DESIGNATION	QUALIFICATION
Bernadette Resian Loloju		Chief Executive Officer	M.A in Global Community Development
Christabel A.Adhiambo		Director Finance &Adm.	M.A in Conflict &Peace studies
Paul Kilonzo		Director Policy and Planning	M.Ed

THE ANTI-FGM BOARD

Annual Reports and Financial Statements

For the year ended June 30, 2018

fred Gitamo Kingoina		Director Programmes	M.A Business Administration
Milton .A. Omondi		Chief Information Officer	M.A in Communication Studies
Shem Ojwang Owala		Finance Officer	CPA “K” MBA (Finance)

CHAIRMAN'S STATEMENT

The Anti-FGM Board was operationalized in 2014 following the enactment of the Prohibition of FGM Act 2011. It plays a critical role in achieving target 5.3, which calls for the elimination of all harmful cultural practices by 2030, under the Sustainable Development Goal 5. The Board's mandate is also in fulfilment of the constitution of Kenya, 2010. In this respect, the Board has been carrying out its mandate as spelt out in the Act.

Based on the KDHS (2014) report on FGM and the need to use multi-pronged strategies in accelerating the abandonment of Female Genital Mutilation (FGM) by practicing communities, the Board conducted public awareness programmes and education workshops targeting the public, law enforcement officers, Nyumba Kumi, men, women, boys and girls in various forums and counties. This was undertaken in Nyamira, Bomet, Elgeyo Marakwet, Tharaka Nithi, Samburu, Laikipia, Taita Taveta and Tana River Counties. Dissemination of Anti-FGM messages during Kenya Primary Schools Heads Association conference and National Drama Festivals.

The Board's achievement during the year under review include the finalization of a number of documents which include community dialogue guideline, alternative rites of passage guideline, FGM Resource Handbook, FGM stakeholders mapping document, Anti-FGM Board Resource Mobilization strategy and draft strategic document. The Board successfully held the first FGM conference and first FGM awards. The conference was attended by more than 500 delegates and the Board awarded Anti-FGM champions from the 20 hotspot counties.

The Board also collaborated with stakeholders from different hotspot counties to hold Alternative rites of passage for girls. The Board and stakeholders reached out to 3,500 girls and their parents.

The emerging issues include a trend towards the lesser cut, medicalization of FGM, cutting girls at night and cross border FGM which include taking girls from one county to another

THE ANTI-FGM BOARD

Annual Reports and Financial Statements

For the year ended June 30, 2018

for the cut. The major challenge faced by the Board is inadequate resources, vastness of the hotspot counties, hostility against Anti-FGM crusaders and the cross-border influence. During the reporting period the Board was taken to court and the court case is at the Chief justice desk for further advise.

The Board is strengthening its partnership with other stakeholders and FGM crusaders, focusing on bringing men on board in the campaign against FGM, Engaging the youth in the hotspot counties by strengthening already existing youth networks and forming youth networks where none exist. The Board will continue engaging the political class in order to buy in their support in the campaign against FGM by forming a parliamentary caucus on Ending FGM. The Board is pushing for more resources from the National treasury and will start fundraising as soon as the Resource mobilisation strategy is launched.

Chairperson: Mrs Consolata Kivuti

Sign: Mrs Consolata Kivuti

Date: 23/04/2019.

REPORT OF THE CHIEF EXECUTIVE OFFICER

Female circumcision also referred to as female genital mutilation (FGM) or female genital cutting (FGC) is practiced in many communities in Kenya. It involves the partial or total removal of the external female genitalia or other injury to the female organs for cultural or other non-therapeutic reasons. The practice poses risks to the health and even life of the women and girls who are subjected to it, and it violates internationally accepted human rights.

Kenya with its great ethnic and cultural diversity reflects different rates of FGM across the ethnic groups, as well as different types of FGM performed. According to KDHS (2014) report, female circumcision is nearly universal in North Eastern region (98 percent) compared with Nyanza (32 percent), Rift Valley (27 percent), and Eastern regions (26 percent). Western region recorded the lowest prevalence at 1 percent. The practice decreases as education increases. About 58 percent of women with no education are reported to have been circumcised compared with 12 percent of those with a secondary level of education. Similarly, circumcision among women declines with increasing wealth. The rate of FGM in Kenya stood at 21% in 2014

The Anti-FGM Board is established following the enactment of the Prohibition of Female Genital Mutilation Act, 2011. The Board is a body corporate with perpetual succession and a common seal, and shall, in its corporate name, be capable of suing and being sued, taking, purchasing or otherwise acquiring, holding, charging or disposing of movable and immovable property, borrowing money or making investments, entering into contracts, and doing or performing all other acts or things for the proper performance of its functions under this Act which may lawfully be done or performed by a body corporate.

THE ANTI-FGM BOARD

Annual Reports and Financial Statements For the year ended June 30, 2018

Section 5 of the Act stipulates the functions of the Board as follows:

- (a) Design, supervise and co-ordinate public awareness programmes against the practice of female genital mutilation;
- (b) Generally, advise the Government on matters relating to female genital mutilation and the implementation of this Act;
- (c) Design and formulate a policy on the planning, financing and coordinating of all activities relating to female genital mutilation;
- (d) Provide technical and other support to institutions, agencies and other bodies engaged in the programmes aimed at eradication of female genital mutilation;
- (e) Design programmes aimed at eradication of female genital mutilation;
- (f) Facilitate resource mobilization for the programmes and activities aimed at eradicating female genital mutilation; and
- (g) Perform such other functions as may be assigned by any written law.

During the reporting period the Board undertook major activities as planned in the workplan and performance contract during the financial year 2017/2018. Trained 730 chiefs, police and Nyumba kumi officials in Nyamira, Bomet, Elgeyo Marakwet and Tharaka Nithi Counties. The Board trained 692 youth, women and men as Anti-FGM champions in Samburu, Laikipia, Taita Taveta and Tana River Counties. Through the Kenya Primary Headteachers Association conference, the Board disseminated anti-FGM messages to 26,000 teachers and 3,100 exhibitors. In addition, the Board created awareness on the negative effects of FGM and the prohibition of FGM act, 2011 to more than 20,000 people during the Mombasa, Nairobi ASK shows, during the celebrations of the international day of the girl in Samburu county, during the celebrations of women's day, widow's day and drama festivals in Nairobi County.

The Board in collaboration with other partners held alternative rites of passage for 1,650 girls in Kisii, Kajiado, Narok, Embu, West Pokot, Samburu, Baringo, Elgeyo Marakwet and Embu counties. During 16 days of activism against gender-based violence, the Board in partnership with other stakeholders held the "Breaking of the Curse Ceremony" in Laikipia county. During this function, 5 redeemed circumcisers downed their tools, more than 100

THE ANTI-FGM BOARD
Annual Reports and Financial Statements
For the year ended June 30, 2018

community elders and more than 200 young people from Narok, Laikipia, Kajiado and Samburu Counties supported the campaign against FGM.

During the reporting period the Board in collaboration with other partners held the first youth End FGM pan African summit 2018. The summit brought together 160 young people from across the continent and beyond – placing them at the centre of the movement to end FGM. 17 countries were represented at the conference, they included; Burkina Faso, Egypt, Ethiopia, Ivory Coast, Tanzania, Kenya, Liberia, Mali, Nigeria, Senegal, Sierra Leone, Somaliland, Sudan, The Gambia, Uganda, United Kingdom, and the United States of America.

The Board held the first FGM conference and first End FGM awards in February during the celebration of the Zero tolerance to FGM day. The conference had in attendance more than 500 delegates from the 20 FGM hotspot counties. In attendance was also the county first ladies, Members of parliament, County Executives of health, gender and education, senators, researchers and NGOs and CBOs from all over the country.

During the reporting period, the Board was allocated a total of Kshs. 92 million under recurrent vote. The actual expenditure for the reporting period is Kshs 84.5 Million representing 91.8 % absorption rate.

CEO: Bernadette Loloju

Signature: 

Date: 23/04/2019

THE ANTI-FGM BOARD

Annual Reports and Financial Statements For the year ended June 30, 2018

CORPORATE GOVERNANCE STATEMENT

The Anti-FGM board of Directors had the following directors in place during the reporting period:

1. Three independent members appointed by the Cabinet Secretary
 - Rev. Connie Kivuti
 - Ms. Agnes Leina
 - Ms. Shoba Liban
2. Alternate to the PS, State Department of Gender Affairs: Mr. Protus Onyango
3. Alternate to the PS, National Treasury: Mr. Samuel Macharia
4. Alternate to the PS Health: Dr. Mohammed Sheikh
5. Alternate to the PS, Basic Education Mr. Milton Mwanyumba
6. Alternate to the PS Youth Affairs – Ms. Peris Bosire
7. Chief Executive Officer- Ms. Bernadette Loloju

The Anti-FGM Board has three committees in place with the following members:

Finance and Administration Committee

1. Rev. Connie Kivuti- Chairperson
2. Ms. Agnes Leina- Member
3. Mr. Protus Onyango-Member
4. Mr. Samuel Macharia-Member
5. Ms. Peris Bosire- Member

Programmes Committee

1. Ms. Agnes Leina- Chairperson
2. Ms. Shoba Liban- Member
3. Mr. Protus Onyango- Member
4. Dr. Mohammed Sheikh- Member
5. Mr. Milton Mwanyumba- Member

Audit Committee

1. Ms. Shoba Liban- Chairperson
2. Rev. Connie Kivuti- Member

THE ANTI-FGM BOARD
Annual Reports and Financial Statements
For the year ended June 30, 2018

3. Dr. Mohammed Sheikh- Member
4. Mr. Samuel Macharia- Member
5. Ms. Peris Bosire- Member
6. Mr. Milton Mwaryumba- Member

The committee meetings are held at least once a quarter and the full board meets at least twice a quarter. The Board prepares a board calendar at the beginning of the financial year. During the reporting period the board met 24 times. The Board has a board charter in place. There is no known conflict of interest among the Board directors. The Board of directors was evaluated during the reporting period and the performance was as follows.

- On mandate, strategy and performance, the Board scored – 93.88%
- On performance contract, the board scored- 93.81%
- On functions of the Board, the board scored- 94.81%
- On Board meeting management and procedure, the board scored- 89.29%
- On Board's Composition, induction, training, development and succession, the board scored- 86.38%
- On the Board structure, the board scored- 96.79%
- On information and communication, the board scored- 86.89%

Overall the Board scored 92.17%

Three of the Board directors are independent Board directors who were appointed in February 2014 and their term is for 6 years ending in February 2020. The other five Board directors are alternates to the Principal secretaries and their appointment is according to the PSs approval. The Board directors are enumerated according to the government circulars on remuneration of Board directors of state corporations. During the reporting period the Board did not have a substantive chairperson.

MANAGEMENT DISCUSSION AND ANALYSIS

The Anti-FGM board during the reporting period implemented most of the activities in the workplan and in the performance contract as planned at the beginning of the financial year. The Board has not undertaken any major investments during the reporting period. The Board has adhered to all the statutory requirements which include Tax and NHIF. The only major risk facing the organisation is a court case on the legality of the prohibition of FGM act, 2011 and the existence of the Board. The case was at the Machakos High Court but has been referred to the office of the Chief Justice for further interrogation. The Board has in place a team of lawyers representing the Board led by the office of the Attorney General.

**CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY
REPORTING**

The Anti-FGM board has not been involved in any Corporate Social Responsibility but has been working very closely with other like-minded stakeholders and partners to carry out awareness on the negative effects of FGM.

REPORT OF THE DIRECTORS

The Directors submit their report together with the audited financial statements for the year ended June 30, 2018 which show the state of the *board's* affairs.

Principal activities

The principal activities of the Anti-FGM Board during the reporting period include:

During the reporting period the Board undertook major activities as planned in the workplan and performance contract during the financial year 2017/2018. Trained 730 chiefs, police and Nyumba kumi officials in Nyamira, Bomet, Elgeyo Marakwet and Tharaka Nithi Counties. The Board trained 692 youth, women and men as Anti-FGM champions in Samburu, Laikipia, Taita Taveta and Tana River Counties. Through the Kenya Primary Headteachers Association conference, the Board disseminated anti-FGM messages to 26,000 teachers and 3,100 exhibitors. In addition, the Board created awareness on the negative effects of FGM and the prohibition of FGM act, 2011 to more than 20,000 people during the Mombasa, Nairobi ASK shows, during the celebrations of the international day of the girl in Samburu county, during the celebrations of women's day, widow's day and drama festivals in Nairobi County.

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During the reporting period the Board in collaboration with other partners held the first youth End FGM pan African summit 2018. The summit brought together 160 young people from across the continent and beyond – placing them at the centre of the movement to end FGM. 17 countries were represented at the conference, they included; Burkina Faso, Egypt, Ethiopia, Ivory Coast, Tanzania, Kenya, Liberia, Mali, Nigeria, Senegal, Sierra Leone,

THE ANTI-FGM BOARD
Annual Reports and Financial Statements
For the year ended June 30, 2018

Somaliland, Sudan, The Gambia, Uganda, United Kingdom, and the United States of America.

The Board held the first FGM conference and first End FGM awards in February during the celebration of the Zero tolerance to FGM day. The conference had in attendance more than 500 delegates from the 20 FGM hotspot counties. In attendance was also the county first ladies, Members of parliament, County Executives of health, gender and education, senators, researchers and NGOs and CBOs from all over the country.

Results

The results of the entity for the year ended June 30, 2018 are set out on page

Directors

The members of the Board of Directors who served during the year are shown on page (v) and (vi). During the reporting period none of the Anti-FGM Board of directors retired or resigned and none was appointed during the same period.

Dividends/Surplus remission

In accordance with Section 219 (2) of the Public Financial Management Act regulations, regulatory entities shall remit into Consolidated Fund, ninety per centum of its surplus funds reported in the audited financial statements after the end of each financial year. Or The entity remitted Kshs Nil (FY 2017. The entity did not make any surplus during the year (FY 2017) and hence no remittance to the Consolidated Fund. [Entities to edit accordingly]

THE ANTI-FGM BOARD
Annual Reports and Financial Statements
For the year ended June 30, 2018

Auditors

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

By Order of the Board

Chief Executive Officer
Nairobi



Date:....23/04/2019

THE ANTI-FGM BOARD

Annual Reports and Financial Statements

For the year ended June 30, 2018

REPORT OF THE DIRECTORS

The Directors submit their report together with the audited financial statements for the year ended June 30, 2018 which show the state of the *board's* affairs.

Principal activities

The principal activities of the entity are set out in the Act

Results

The results of the entity for the year ended June 30, 2018 are set out on page 1

Directors

The members of the Board of Directors who served during the year are shown on page (v) to (vi).

Dividends/Surplus remission

In accordance with Section 219 (2) of the Public Financial Management Act regulations, regulatory entities shall remit into Consolidated Fund, ninety per centum of its surplus funds reported in the audited financial statements after the end of each financial year.

Auditors

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

By Order of the Board

Chief Executive Officer
Nairobi

Date:.....


23/04/2019

THE ANTI-FGM BOARD
Annual Reports and Financial Statements
For the year ended June 30, 2018

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Section 81 of the Public Finance Management Act, 2012 and Prohibition of Female Genital Mutilation Act 2011 require the Directors to prepare financial statements in respect of the *board*, which give a true and fair view of the of the *board* at the end of the financial year/period and the operating results of the *board* for that year/period. The Directors are also required to ensure that the *board* keeps proper accounting records which disclose with reasonable accuracy the financial position of the *board*. The Directors are also responsible for safeguarding the assets of the *board*.

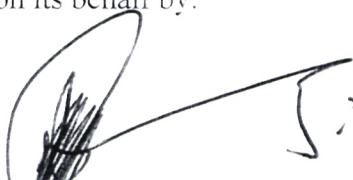
The Directors are responsible for the preparation and presentation of the *board's* financial statements, which give a true and fair view of the state of affairs of the *board* for and as at the end of the financial year (period) ended on June 30, 2017. This responsibility includes: (i) maintaining adequate 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 *board*; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Directors accept responsibility for the *board'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). The Directors are of the opinion that the *board's* financial statements give a true and fair view of the state of *board's* transactions during the financial year ended June 30, 2017, and of the *board's* financial position as at that date. The Directors further confirm the completeness of the accounting records maintained for the *board*, which have been relied upon in the preparation of the *board's* financial statements as well as the adequacy of the systems of internal financial control.

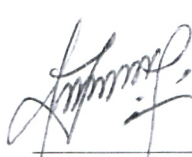
Nothing has come to the attention of the Directors to indicate that the *board* will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The *board's* financial statements were approved by the Board on _____ 2018 and signed on its behalf by:



Director
Dr. Mohamed
A. Elshar



Director
Protus Danyase



Director
PCNS Bwire

REPUBLIC OF KENYA

Telephone: +254-20-342330
Fax: +254-20-311482
E-mail: oag@oagkenya.go.ke
Website: www.kenao.go.ke



P.O. Box 30084-00100
NAIROBI

OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON ANTI-FGM BOARD FOR THE YEAR ENDED 30 JUNE 2018

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Anti-FGM Board set out on pages 1 to 30, which comprise the statement of financial position as at 30 June 2018, and the statement of financial performance, 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 audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Anti-FGM Board as at 30 June 2018, and of its financial performance and its cash flows for the year then ended, in accordance with the International Public Sector Accounting Standards (Accrual Basis) and comply with the Prohibition of Female Genital Mutilation Act, 2011.

Basis for Qualified Opinion

1. Employees Costs

The Employee costs of Kshs.40,894,822 for the year ended 30 June 2018 includes a 15% salary top up of Kshs.4,967,077. However, the expected salary payment based on Salaries and Remuneration Commission approval amounted to Kshs.12,664,575 resulting to an unexplained variance of Kshs.7,697,498.

In consequence, the accuracy of the employee costs of Kshs.40,894,822 as at 30 June 2018 could not be ascertained.

2. Remuneration of Directors

The statement of financial performance reflects an amount of Kshs.6,586,366 as remuneration of directors for the year under review. However, the amounts includes Kshs.68,000 paid to four officers in form of Board sitting allowances while they were not gazetted members of Anti-FGM Board contrary to the requirement of the State Corporations Act Cap 446. Further, the Principal Secretary in charge of Gender Affairs and the alternate director were each paid an amount of Kshs.17,000 for attending a

Report of the Auditor-General on the Financial Statements of Anti-FGM Board for the year ended 30 June 2018

full Board meeting thus making one of the payments inappropriate. No evidence was provided to show why it was necessary to have both attend the Board meeting. As a result, it has not been possible to confirm the legality and propriety of the expenditure of the Board Remuneration of Kshs.6,586,366 as at 30 June 2018.

3. Accuracy and Completeness of the Financial Statements

The financial statements presented for audit for the year ended 30 June 2018 do not include the statement of changes net assets for the year as required under IPSAS Accrual basis of accounting. In consequence, the completeness of the financial statements could not be confirmed

4. Outstanding previous year audit issues

The following previous year audit issues are yet to be resolved;

4.1 Non-Compliance with International Public Sector Accounting Standards (IPSAS)

The financial statements for the year ended 30 June, 2017 although prepared on IPSAS Accrual basis had the following non-compliance issues:

- (i) The status information on follow up of audit recommendations arising from the previous year audit issues, as required by the Public Sector Accounting Standards Board (PSASB), was incorrect because the issues were indicated as having been resolved but they were still outstanding.
- (ii) No explanations had been provided for the material differences between the budget and the respective actual amounts as reflected in the statement of comparison of budget against actual amounts.
- (iii) The financial statements under review reflected comparative previous year's figures which, however, do not agree with the audited financial statements for the financial year ended 30 June 2016 as a result of supposedly changes in the reporting framework. However, contrary to the requirements of IPSAS 3 on "changes in accounting policies, changes in accounting estimates and correction of errors", this had neither been disclosed in the financial statements nor did the previous year's financial statements headings indicate that the figures therein are restated.
- * (iv) The statement of financial performance reflected the previous year's comparative figure for employee costs of Kshs.17,583,459 while the audited financial statements for 2015/2016 reflected zero costs. However, there was no indication that the figure has been restated or a disclosure in notes to financial statements to the effect.
- (v) The basis for creation of a brought forward reserve balance of Kshs.24,190,765 had not been explained in any way or disclosed as a note to the financial statements. The validity and accuracy of the balance could not therefore be confirmed under the circumstances.

4.2 Other Expenses

The total general expenses figure of Kshs.43,037,885 under Note 6 to the financial statements included an amount of Kshs.10,870,383 for other expenses. Under the other expenses was an amount of Kshs.3,634,000 relating to transport refunds for workshops participants on various activities including anti-female genital mutilation, child and forced marriages, alternative rites of passage and girl empowerment initiatives sensitization programmes held in various counties on diverse dates. However, the guidelines for the approved rates of transport refunds had not been provided for audit verification.

It was therefore not possible to verify and confirm the validity and accuracy of the expenditure of Kshs.3,634,000 on transport refunds.

4.3 Other matter

The Board exceeded its budgetary allocation of Kshs.2,044,800 on Contracted Professional Services by incurring expenditures amounting to Kshs.2,270,260. The variance of Kshs.225,460, or about 11%, as over expenditure was without the necessary approvals as required under Section 43 of the Public Finance Management Act, 2012. The Board was, therefore, in breach of the law.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of in accordance with ISSAI 30 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the matters described in the Basis for Qualified Opinion section, I have determined that there are no key audit matters to communicate in my report.

Other Matters

1. Non-Compliance with Mwongozo Guidelines

The gazette notice for the appointment of the Board members representing the respective Principal Secretaries were not availed for audit review. In the absence of the gazette notices as per the requirement, it was not possible to confirm the legitimacy of the alternate membership of Anti-FGM Board of Directors.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

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

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 INTERNAL CONTROLS EFFECTIVENESS, GOVERNANCE AND RISK MANAGEMENT SYSTEMS

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matters described in the Basis for Qualified Opinion section of my report, 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.

The audit was conducted in accordance with ISSAI 1315 and ISSAI 1330. 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 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 Anti-FGM Board's ability to continue sustaining services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless the management either intends to liquidate the Anti-FGM Board or to cease operations, or have no realistic alternative but to do so.

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 Anti-FGM Board 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 of the Financial Statements

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 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.

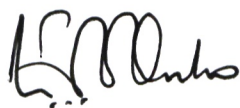
As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- 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 to continue as a going concern or to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the to cease to continue as a going concern or to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Anti-FGM Board 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.



FCPA Edward R. O. Ouko, CBS
AUDITOR-GENERAL

Nairobi

28 May 2019

THE ANTI-FGM BOARD
Annual Reports and Financial Statements
For the year ended June 30, 2018

STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2018

	Notes	2017-2018	2016-2017
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from other governments – gifts and services-in-kind		92,000,000	92,000,000
Income (Contribution in Kind)		23,745,641	13,988,531
Total revenue		115,745,641	107,988,531
Expenses			
Use of goods and service	7	-	2,393,539
Employee costs	8	40,894,822	35,513,472
Contribution in kind	8b	23,745,641	13,988,531
Remuneration of directors	9	6,586,366	7,227,480
Repairs and maintenance	10	5,237,230	3,959,829
General expenses	11	21,650,758	13,037,585
Total expenses		108,222,817	108,121,136
Surplus		7,522,824	(132,605)
Surplus/(deficit) for the year		7,522,824	(132,605)
Net Surplus/(deficit) for the year			
Attributable to:			
Surplus/(deficit) attributable to all equity interest			
Surplus attributable to owners of the controlling entity			

The notes set out on pages 19 to 23 form an integral part of these Financial Statements

THE ANTI-FGM BOARD

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For the year ended June 30, 2018

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2018

	Notes	2017-2018	2016-2017
		Kshs	Kshs
Assets			
Current assets			
Cash and cash equivalents	12	6,336,014	684,090
Non-current assets		6,366,014	
Property, plant and equipment	13	28,005,722	26,484,822
Investments			
Intangible assets		350,000	-
Investment property			
Long term receivables from exchange transactions			
Total assets		34,691,736	27,168,912
Reserves		7,522,824	(132,605)
Accumulated surplus		27,168,912	27,301,517
Total net assets and liabilities		34,691,736	27,168,912

The Financial Statements set out on pages 1 to 30 were signed on behalf of the Board of Directors by:

Director General/C.E.O/M.D

Name:

Dr. P. Benedict
Lehgo

Date:

23/04/2019

Head of Finance

Name:

Connie Kivuti

ICPAK Member Number:

Date:

23/04/2019

Samuel

Sharon O. Owala

Chairman of the Board

Name:

Musumuti

Date:

23/4/2019

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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2018

	2017-2018	2016-2017
	Kshs	Kshs
Cash flows from operating activities		
Receipts		
Government grants and subsidies	92,000,000	92,000,000
Total Receipts	92,000,000	92,000,000
Payments		
Compensation of employees	11,634,237	6,958,239
Goods and services	-	2,393,539
Finance cost	-	
Rent paid	6,349,376	6,133,376
Other payments	66,493,563	76,469,391
Grants and subsidies paid		
Total Payments	84,477,176	92,132,605
Net cash flows from operating activities	7,522,824	(132,605)
Cash flows from investing activities		
Purchase of property, plant, equipment and intangible assets	(1,840,900)	(11,208,717)
Decrease in non-current receivables		
Increase in investments		
Net cash flows used in investing activities	(1,840,900)	(11,208,717)
Cash flows from financing activities		
Proceeds from borrowings	-	-
Repayment of borrowings		
Increase in deposits		
Net cash flows used in financing activities		-
Net increase/(decrease) in cash and cash equivalents	5,651,924	(11,341,322)
Cash and cash equivalents at 1 JULY	684,090	12,025,412
Cash and cash equivalents at 30 JUNE	6,336,014	684,090

**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
FOR THE YEAR ENDED 30 JUNE 2018**

	2017-2018	2017-2018	2017-2018	2017-2018	2017-2018
	Kshs	Kshs	Kshs	Kshs	Kshs
Revenue					
Government grants and subsidies	92,000,000	-	92,000,000	92,000,000	-
Total income	92,000,000	-	92,000,000	92,000,000	-
Expenses					
Employee Cost	45,896,000		45,896,000	40,894,822	5,001,178
Goods and services	20,000		20,000	-	20,000
Finance cost	0		0	-	
Rent paid	6,300,000		6,300,000	6,349,376	(49,376)
Other payments	37,162,000		37,162,000	37,232,978	(70,978)
Total expenditure	89,378,000				
Surplus for the period	2,622,000				

Budget notes:

An under expenditure of Kshs 5, 001,178 on Employee cost was due to SCAC approval of 15% of basic salary to Staff whereas the budget was for basic salary difference between SRC approved scale and Civil service approved structure.

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Board is established by and derives its authority and accountability from Prohibition of Female Genital Mutilation Act. 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 *board's* accounting policies. The areas involving a higher degree of judgement or complexity. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the *board*.

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

3. ADOPTION OF NEW AND REVISED STANDARDS

i. Relevant new standards and amendments to published standards effective for the year ended 30 June 2018

Standard	Impact
IPSAS 3 Accounting policies, changes in accounting estimates and errors	Paragraph 16 requires an entity to select and apply its accounting policies consistently for similar transactions other events and conditions. Paragraph 27. When change in accounting policy is applied retrospectively in accordance to paragraph 24(a) Or (b) the entity shall adjust the opening balance of each affected component of assets/equity for the earliest period.
IPSAS 17 Property Plant and equipment	IPSAS 17.59 and 17.71 requires each part of an item of property, plant and equipment to be depreciated separately. It is important to note that IPSAS 17 on transitional provisions allows organizations up to five years to fully recognize the property, plant and equipment. The Anti-FGM Board transited from preparing its accounts in accordance with the cash Basis of Accounting method in 2015-2016 Financial Year to Accrual Basis of Accounting method in the Financial Year 2016-2017. This Transitional Provision period in paragraph 95 and 96 of IPSAS 17 will enable the Anti-FGM Board to come up with a depreciation policy to be applied in the preparation of its Financial Statements.
IPSAS 33: First time adoption of Accrual Basis IPSAS	(Effective for annual periods beginning on or January 1, 2017) In January 2015, the IPSASB published IPSAS 33, First-time Adoption of Accrual Basis IPSASs. IPSAS 33 grants transitional exemptions to entities adopting accrual basis IPSASs for the first time, providing a major tool to help entities along their journey to implement IPSASs. It allows first-time adopters three years to recognize specified assets and liabilities. This provision allows sufficient time to develop reliable models for recognizing and measuring assets and liabilities during the transition period. <i>The board is adopting the IPSAS accrual Basis for the 2nd time in the Financial year 2017/2018</i>
IPSAS 34: Separate Financial Statements	(Effective for annual periods beginning on or January 1, 2017) In January 2015, the IPSASB published IPSAS 34, Separate Financial Statements. IPSAS 34 prescribes the accounting and disclosure requirements for investments in controlled entities, joint ventures and associates when an entity prepares separate financial statements. <i>The entity does not have any subsidiaries, joint ventures or investments and therefore the standard does not apply</i>

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Standard	Impact
IPSAS 35: Consolidated Financial Statements	Effective for annual periods beginning on or January 1, 2017) In January 2015, the IPSASB published IPSAS 35, Consolidated Financial Statements. IPSAS 35 establishes principles for the preparation and disclosure of consolidated financial statements when an entity controls one or more entities. It requires an entity that controls one or more other entities to assess control over those entities based on the following: - Its power over the other entity - Its exposure or rights to variable benefits from involvement with the other entity - Its ability to control the nature, timing and amount of benefits from the other entity. Once control is assessed the controlling entity is supposed to prepare consolidated financial statements unless it meets all the criteria under section 5 of IPSAS 35. <i>The entity does not have any subsidiaries, joint ventures or investments and therefore the standard does not apply</i>
IPSAS 36: Investments in Associates and Joint Ventures	(Effective for annual periods beginning on or January 1, 2017) In January 2015, the IPSASB published IPSAS 36, Investments in Associates and Joint Ventures. The Standard prescribes for the accounting for investments in associates and joint ventures and to set out requirements for the application of the equity method when accounting for investments in associates and joint ventures. The standard shall be applied by all entities with significant influence over, or joint control of, an investee where the investment leads to the holding of a quantifiable ownership interest. <i>The entity does not have investments in associates or joint ventures</i>
IPSAS 37: Joint Arrangements	(Effective for annual periods beginning on or January 1, 2017) In January 2015, the IPSASB published IPSAS 37, Joint Arrangements. IPSAS 37 establishes principles for financial reporting by entities that have an interest in arrangements that are controlled jointly. <i>The entity does not have an interest in a joint arrangement and therefore the standard does not apply</i>
IPSAS 38: Disclosure of Interests in Other Entities	(Effective for annual periods beginning on or January 1, 2017) In January 2015, the IPSASB published IPSAS 38, Disclosure of Interests in Other Entities. IPSAS 38 requires an entity to disclose information that enables users of its financial statements to evaluate the nature of and risks associated with, its interests in controlled entities, joint arrangements and associates, and structured entities that are not consolidated; and the effects of those interests on its financial position, financial performance and cash flows.

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Standard	Impact
	<i>The entity does not have an interests in other entities and therefore the standard does not apply</i>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3 ADOPTION OF NEW AND REVISED STANDARDS (Continued)

- ii. **New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2018**

Standard	Effective date and impact:
IPSAS 40: Public Sector Combinations	Applicable: 1st January 2019: 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 which are covered purely under Public Sector combinations as amalgamations.

- iii. **Early adoption of standards**

The entity did not early – adopt any new or amended standards in year 2018.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Revenue recognition

i) Revenue from non-exchange transactions

Fees, taxes and fines

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

Transfers from other government entities

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

a) Revenue recognition (Continued)

ii) Revenue from exchange transactions

Rendering of services

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

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

Sale of goods

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

Interest income

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

Dividends

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

Rental income

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Budget information

The original budget for FY 2017-2018 was approved by the National Assembly. The entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a

THE ANTI-FGM BOARD

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For the year ended June 30, 2018

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 on page 4 of these financial statements.

c) Property, plant and equipment

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d) Leases

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

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

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

term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

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

e) 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.

f) Research and development costs

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

- The technical feasibility of completing the asset so that the asset will be available for use or sale
- Its intention to complete and its ability to use or sell the asset
- How the asset will generate future economic benefits or service potential
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

h) Research and development costs (Continued)

Following initial recognition of an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized over the period of expected future benefit. During the period of development, the asset is tested for impairment annually with any impairment losses recognized immediately in surplus or deficit.

g) Financial instruments

Financial assets

Initial recognition and measurement

Financial assets within the scope of IPSAS 29 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and

receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. The Entity determines the classification of its financial assets at initial recognition.

Loans and receivables

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

Held-to-maturity

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

Impairment of financial assets

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

h) Research and development costs (Continued)

i) Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

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

Financial liabilities

Initial recognition and measurement

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

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

Loans and borrowing

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

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

i) Inventories

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Inventories (Continued)

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

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

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

j) Provisions

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

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

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

Contingent liabilities

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

Contingent assets

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k) Nature and purpose of reserves

The Entity creates and maintains reserves in terms of specific requirements.

l) Changes in accounting policies and estimates

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

m) Employee benefits

Retirement benefit plans

The Entity provides retirement benefits for its employees and directors. Defined contribution plans are post employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund), and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable.

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

n) Foreign currency transactions

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

o) Borrowing costs

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment.

Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

p) Related parties

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

q) Service concession arrangements

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

r) Cash and cash equivalents

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

s) Budget information

The original budget for FY 2017-2018 was approved by the National Assembly. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, The entity'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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

s) Budget information (Continued)

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 of these financial statements.

t) Comparative figures

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

u) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2018.

5 SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

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

Estimates and assumptions

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

Useful lives and residual values

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

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

**5 SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY
(Continued)**

Provisions

Provisions were raised and management determined an estimate based on the information available.

Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value where the effect is material.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6 TRANSFERS FROM OTHER GOVERNMENTS

Description	2017	2018
	KShs	KShs
Unconditional grants		
Operational grant	92,000,000	92,000,000
Other	-	-
Total government grants and subsidies	92,000,000	92,000,000

6b) TRANSFERS FROM MINISTRIES, DEPARTMENTS AND AGENCIES

Name of the Entity sending the grant	Amount recognized in Statement of Comprehensive Income KShs	Amount deferred under deferred income KShs	Amount recognised in capital fund KShs	Total grant income during the year KShs	2017-2018 KShs
State Department of Gender	92,000,000	-	-	92,000,000	92,000,000
Total	92,000,000	-	-	92,000,000	92,000,000

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

7 USE OF GOODS AND SERVICES

Electricity	-	123,279
Contracted Professional Services		2,270,260
Total good and services	-	2,393,539

8 EMPLOYEE COSTS

Salaries and wages	11,634,237	6,073,239
House Allowance		880,000
Travel, motor car, accommodation, subsistence and other allowances	29,260,585	28,560,233
Employee costs	40,894,822	35,513,472

Note 8b) Contribution in Kind

The Board received contribution in Kind of Kshs. 23,745,641 paid as salaries to deployed staff as analysed below.

1.State Department of Youth Affairs	5,499,314	4,148,804
2. Treasury	1,758,180	2,028,268
3.Environment & Natural Resources	998,160	916,566
4.Agriculture	1,455,840	1,194,168
5. Planning and Statistics	1,039,920	1,632,420
6. Interior and Coordination	743,789	696,926
7. Industrialization	1,720,160	1,548,746
8.Gender Affairs	6,073,820	1,383,944
9. Information& Communication	1,406,040	1,704,015
10.Education	385,770	335,505
11. Defence	447,240	399,169
12. NHIF	1,532,460	-
13. KPLC	684,948	-
Total	<u>23,745,641</u>	<u>15,988,531</u>

Contribution in Kind of Kshs. 15,988,531 was not recognized on the Statement of Financial Performance during 2016/17 Financial year and now has been recognized this Financial year for Audit.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

9 REMUNERATION OF DIRECTORS

	2017-2018	2016-2017
Chairman's Honoraria	-	480,000
Directors emoluments	6,586,366	6,747,880
Other allowances		
Total director emoluments	6,586,366	7,227,880

10 REPAIRS AND MAINTENANCE

	2017-2018	2016-2017
Property	1,659,211	-
Investment property – earning rentals		
Vehicles	2,086,259	2,258,158
Furniture and fittings	550,000	
Computers and accessories	1,041,760	
Other		1,701,671
Total repairs and maintenance	5,337,230	3,959,829

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11 GENERAL EXPENSES

	2017-2018	2016-2017
Advertising	2,728,420	6,899,195
Conferences and delegations	8,974,284	6,077,787
Consulting fees	627,828	-
Electricity	-	-
Fuel and oil	1,222,200	1,200,000
Insurance	782,342	728,141
Printing and stationery	7,833,500	1,438,760

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Rental	6,349,376	6,133,376
Telecommunication	2,076,880	2,047,983
Training	1,063,928	1,420,260
Trade shows and Exhibition	-	1,900,000
Purchase/Production of Audio Visual Materials	-	4,322,000
Other	-	10,870,383
Total general expenses	31,658,758	43,037,885

NOTES TO THE FINANCIAL STATEMENTS (Continued)

12 CASH AND CASH EQUIVALENTS

Current account	6,336,014	683,656
Others(specify)		434
Total cash and cash equivalents	6,336,014	684,090

13 PROPERTY, PLANT AND EQUIPMENT

	Land and buildings	Motor vehicles	Furniture and fixtures	Computers	Plant and equipment	
At 1 July 2016			2,387,387		12,888,718	15,276,105
Additions	6,211,620	815,500	2,826,547	282,000	1,073,050	11,208,717
Disposals						
Transfers/adjustments						
At 30th June 2017	6,211,620	3,202,887	2,826,547	282,000	13,961,768	26,484,822
Additions	-	-	1,490,920		30,000	1,520,900
Disposals						
Transfer/adjustments						
At 30th June 2018	6,211,620	3,202,887	4,317,467	282,000	13,991,768	28,005,722
At 30 th June 2018						
At 30 th June 2017						

NOTES TO THE FINANCIAL STATEMENTS (Continued)

14 INTANGIBLE ASSETS-SOFTWARE

Description	2017-2018	2016-2017
	KShs	KShs
Cost		
At beginning of the year	-	-
Additions	350,000	-
At end of the year	350,000	
Additions-internal development		
At end of the year	350,000	-
Amortization and impairment		
At beginning of the year		
Amortization		
At end of the year		
Impairment loss		
At end of the year	350,000	-
NBV		

NOTES TO THE FINANCIAL STATEMENTS (Continued)

15 EMPLOYEE BENEFIT OBLIGATIONS

Description	Defined benefit plan	Post-employment medical benefits	Other long-term employee benefits	2017-2018	2016-2017
	KShs	KShs	KShs	KShs	KShs
Current benefit obligation					
Non-current benefit obligation					
Total employee benefits obligation					

16 FINANCIAL RISK MANAGEMENT

The entity's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The company's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to

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minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The company 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 entity's financial risk management objectives and policies are detailed below:

(i) Credit risk

The entity 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 directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the company's management based on prior experience and their assessment of the current economic environment.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Nature of related party relationships

Entities and other parties related to the entity include those parties who have ability to exercise control or exercise significant influence over its operating and financial decisions. Related parties include management personnel, their associates and close family members.

Government of Kenya

The Government of Kenya is the principal shareholder of the *board*, holding 100% of the *board's* equity interest. The Government of Kenya has provided full guarantees to all long-term lenders of the entity, both domestic and external. Other related parties include:

- i) The National Government;
- ii) The Parent Ministry;
- iii) State department of Gender;

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

47. RELATED PARTY BALANCE (Continued)

Government of Kenya (Continued)

- iv) National Government
- v) Parent Ministry
- vi) Key management;
- vii) Board of directors;

	2018	2017
	KShs	KShs
Transactions with related parties		
a) Grants from the Government		
Grants from National Govt	92,000,000	92,000,000
Total	92,000,000	92,000,000
b) Expenses incurred on behalf of related party		
Payments of salaries and wages for board employees	11,551,986	
Payments for goods and services for the board	72,925,190	
Total		
c) Key management compensation		
Directors' emoluments		
Compensation to the CEO		
Compensation to key management		
Total	84,477,176	

NOTES TO THE FINANCIAL STATEMENTS (Continued)

17 EVENTS AFTER THE REPORTING PERIOD

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

18 ULTIMATE AND HOLDING ENTITY

The entity is a State Corporation/ or a Semi- Autonomous Government Agency under the Ministry of Public Service Youth and Gender Affairs. Its ultimate parent is the Government of Kenya.

19 Currency

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

THE ANTI-FGM BOARD**Annual Reports and Financial Statements****For the year ended June 30, 2018****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. in 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)
1	Presentation of the Financial Statement	The issue was adequately addressed	Nixon Daria Accountant	Resolved	
2	Contribution In kind	Contribution in kind has been included in the Financial Statement	Nixon Daria Accountant	Resolved	
3	Property Plant and Equipment	The management developed Fixed asset management and Disposal Policy which is awaiting approval by the Board	Fredrick Owiti. SCMA	Resolved	
4	Other Expenses	Guidelines on Transport reimbursement were not provided during previous years but now the same has been Provided in 2018/19 Financial Year	Nixon Daria Accountant	Not Resolved	Audit of 2018/19 Financial Year
5	Budget and Budgetary Controls	Schedules indicating Expenditure Per item provided indicating expenditure on Specialized Plant and equipment which was an expenditure on Software of Ksh. 250,000 which had a budget of Ksh 300,000	Nixon Daria Accountant	Resolved	

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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.

C.E.O of the Board

Date.....

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APPENDIX III: INTER-ENTITY TRANSFERS

ENTITY NAME:				
Break down of Transfers from the State Department of Gender Affairs				
FY 17/18				
a.	Recurrent Grants			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
		25/08/2017	23,000,000	2017/18
		09/11/2017	23,000,000	2017/18
		19/02/2018	23,000,000	2017/18
		15/05/2018	23,000,000	2017/18
		Total	92,000,000	2017/18

The above amounts have been communicated to and reconciled with the parent Ministry

Finance Manager
Anti- FGM Board

Head of Accounting Unit

Public Service Youth and Gender Affairs
Ministry

Sign

Shamally

Sign

[Signature]

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APPENDIX IV: RECORDING OF TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Name of the MDA/Donor Transferring the funds	Date received	Nature: Recurrent/Develo pment/Others	Total Amount - KES	Statement of Financial Performance	Where Recorded/recognized				Total Transfers during the Year
	as per bank statement				Capital Fund	Deferred Income	Receivables	Others - must be specific	
Ministry of Public Service Youth and Gender Affairs		Recurrent							
Total									92,000,000

