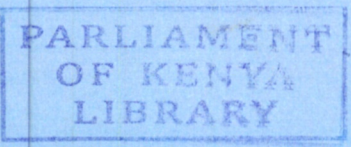


REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

*Refer to
By the leader of
majority party
Hon. Aden Duale
on 26/9/17*



REPORT

OF

THE AUDITOR-GENERAL

ON

**THE FINANCIAL STATEMENTS OF
OCCUPATIONAL SAFETY AND
HEALTH FUND**

**FOR THE YEAR
ENDED 30 JUNE 2016**



NATIONAL GOVERNMENT ENTITY
MINISTRY OF EAST AFRICAN COMMUNITY(EAC), LABOUR AND SOCIAL PROTECTION
DEPARTMENT FOR LABOUR–OCCUPATIONAL SAFETY AND HEALTH FUND.

ANNUAL REPORT AND FINANCIAL STATEMENTS.

FOR THE FINANCIAL YEAR ENDED,
JUNE 30, 2016

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

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I. KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

Occupational Safety and Health Fund was established under section 126 of Occupational Safety and Health Act (OSHA), 2007. In accordance with the requirements of the Government Financial Management Act 2004, the minister for Finance gazetted the Government Financial Management (Occupational Safety and Health Fund) regulations on 11th February 2011 vide legal notice No. 14 of 2011.

(b) Principal Activities

Vision: A globally competitive workforce a decent environment.

Mission: Develop and implement policies and programmes for a highly productive workforce through creation of a safe working environment, promotion of industrial peace, effective human resource planning and development, social security, productivity promotion and sustainability job creation.

The principal activities of the Occupational Safety and Health Fund are as summarized in the following core functions:

- Secure the development and coordination of a sound and effective Occupational Safety and Health systems.
- Implement effective systems for prevention of occupational accidents and diseases.
- To carry out research on Occupational Safety and Health.
- Develop and disseminate information on Occupational Safety and Health.
- Promoting of awareness on Occupational Safety and Health among employers, employees and the general public.

(c) Key Management

The Occupational Safety and Health Fund management is under the following key organs:

- Cabinet Secretary
- Principal Secretary;
- Secretary of Administration
- Director of Administration
- Director -DOSHS

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2016 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Principal Secretary	Khadija Kassachoon, CBS
2.	Secretary Administration	Amb. Binsai Chepsongoi
3.	Director-DOSHS	Stanley M. Mbatha
4.	Council	National Council of Occupational Safety & Health (NACOSH)

(e) Fiduciary Oversight Arrangements

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

- Audit and finance committee activities
- Parliamentary committee activities
- Development partner oversight activities
- Other oversight activities

(f) Entity Headquarters

The Directorate of Occupational and Health Services is located at Commercial Street, Safety House,

Industrial Area

P.O. Box 34120 - 00100, Nairobi, Kenya

(g) Entity Contacts

Telephone: +254 (020) 2667722

Email: doshdept@labour.go.ke

Website: www.labour.go.ke

(h) Entity Bankers

Kenya Commercial Bank
Industrial area

(i) Independent Auditors

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

(j) Principal Legal Adviser

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

II. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES

Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the accounting officer for a national government entity shall prepare financial statements in respect of that entity. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed the Public-Sector Accounting Standards Board of Kenya from time to time.

The Principal Secretary in charge of the Ministry of East African Community (EAC), Labour and Social Protection Department for Labour is responsible for the preparation and presentation of the Occupational Safety and Health Fund financial statements, which give a true and fair view of the state of affairs of the Ministry for and as at the end of the financial year (period) ended on June 30, 2016. 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 Ministry; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

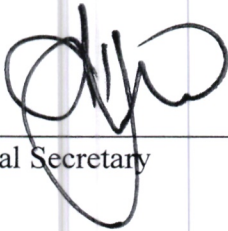
The Principal Secretary in charge of the Ministry of East African Community (EAC), Labour and Social Protection Department for Labour accepts responsibility for the Departmental Fund financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS) and relevant legal framework of the Government of Kenya. The Principal Secretary is of the

opinion that the Occupational Safety and Health Fund financial statements give a true and fair view of the state of Fund's transactions during the financial year ended June 30, 2016, and of the Fund's financial position as at that date. The Principal Secretary in charge of the Ministry of Labour, Social Security and Services further confirms the completeness of the accounting records maintained for the Fund, which have been relied upon in the preparation of the fund's financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

The Occupational Safety and Health Fund financial statements were approved and signed by the Principal Secretary on 6 JUNE 2017.



Principal Secretary



Senior Assistant Accountant General

REPUBLIC OF KENYA

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



P.O. Box 30084-00100
NAIROBI

OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON OCCUPATIONAL SAFETY AND HEALTH FUND FOR THE YEAR ENDED 30 JUNE 2016

REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of Occupation Safety and Health Fund set out on pages 7 to 16, which comprise the statement of assets as at 30 June 2016, and the statement of receipts and payments, statement of cash flows, summary statement of appropriation and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for such 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.

The 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.

Auditor-General's Responsibility

My responsibility is to express an opinion on these financial statements based on the audit and report 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. The audit was conducted in accordance with International Standards of Supreme Audit Institutions. Those standards require compliance with ethical requirements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are

Report of the Auditor-General on the Financial Statements of Occupational Safety and Health Fund for the year ended 30 June 2016

appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.

Basis for Qualified Opinion

1.0 Unconfirmed Bank Balance

The statement of assets as at 30 June 2016 reflect a bank balance of Kshs.60,732,005 held at Kenya Commercial Bank Account No.1130057321 while the cashbook indicates a balance of Kshs.13,625,575.15 resulting in a difference of Kshs.47,106,430. However, the banking receipts done directly by the clients were not reconciled with the cashbook.

In the circumstances the accuracy and completeness of the bank balance of Kshs.60,732,005 reflected in statement of assets as at 30 June 2016 could not be confirmed.

2.0 Unutilized ICT System

A contract, for the supply and installation of Management Information System (MIS) - Tender No. MLSS&S/06/DOSHS/2014-2015 was on 6 May 2015 awarded to M/s Fibercom Technologies at a contract sum of Kshs.6,880,000 through a restricted tender. However, the date of completion was not indicated though correspondence available indicates it was extended to February, 2016.

The scope of work was to design, develop and implement a unified Occupational Health and Safety Management ICT system capable of offering best platform in managing and administering the organization. The MIS was also to provide efficient online, up-to-date, accurate and on-the-spot information from and to individual's government department and other stakeholders as and when required thereby improving service delivery.

However, despite issuance of a completion certificate on 04 April 2016, audit inspection done in January 2017 disclosed that the system in place was still under test-run and was not functional as required.

In the circumstances, the propriety and value for money of the expenditure of Kshs.6,880,000 on the MIS could not be confirmed as at 30 June 2016.

3.0 Unresolved Prior Year Audit Issues

As previously reported, an amount of Kshs.1,572,500 was received in Nakuru as deposits from employers out of which Kshs.1,282,500 was withdrawn in cash by the County OSH Officer, purportedly to cater for training programmes offered by Occupational Safety and Health Services and the balance of Kshs.290,000 surrendered to the Fund.

However, the Kshs.1,282,500 withdrawn in cash was not recorded in the cash book or supported by documentary evidence showing how it was utilized. Further, the receipts used to collect the revenue were not produced for audit verification.

In the circumstances, the revenue and the purported expenditure remain undisclosed and unaccounted for.

Qualified Opinion

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Occupation and Safety Health Fund as at 30 June 2016, and of its financial performance and its cash flows for the year then ended, in accordance with the International Public Sector Accounting Standards (Cash Basis) and comply with the Occupation and Safety Health Fund Act, 2007.

Other Matter

1.0 Budget and Budgetary Performance

1.1 Revenue

Revenue Head	Budget Kshs.	Actual Kshs.	Over/ (Under) Kshs.	Over/(Under) %
Collected Levy	75,455,500	60,727,189	(14,728,311)	(20%)
Grant from MEACL&SP	6,444,500	6,444,500	-	0%
Total	81,900,000	67,171,689	(14,728,311)	(18%)

The Fund had budgeted to collect Levy totalling Kshs.81,900,000.00 during the financial year 2015/2016. However, only Kshs.67,171,689.00 was collected resulting in a shortfall of Kshs.14,728,311.00 or 18% of the expected levy. The shortfall of Kshs.14,728,311.00 was mainly attributed to shortage of collection supervisors in all the counties who would have ensured compliance with all the levy payments.

The management has not indicated any measure it intends to put in place to address this anomaly.

2.0 Expenditure

Expenditure Head	Budget Kshs.	Actual Kshs.	Over/ (under) Kshs.	Over (under) %
Training & Facilitation	14,386,000	6,151,548	(8,234,452)	(57%)
Use of goods & Services	41,415,000	27,345,350	(14,069,650)	(34%)
Transfer of AIA to MEACL&SP		6,005,000	6,005,000	0%
Refund of overpayment		374,000	374,000	0%
Bank Charges		17,250	17,250	0%
Acquisition of Assets	12,400,000	-	(12,400,000)	(100%)
Other Expenses	13,699,000	362,300	(13,336,700)	(97%)
Total	81,900,000	40,255,448	(41,644,552)	(51%)

An analysis of the Fund's actual expenditure against the budgeted amount revealed the following variances:

The Fund had budgeted to spend Kshs.81,900,000, however actual expenditure was Kshs.40,255,448 as at 30 June 2016. The under expenditure of Kshs.41,644,552 was mainly attributed to reduction of training and facilitation seminars than planned resulting in an under expenditure of Kshs.8,234,452 or 57% while an under expenditure of Kshs.14,069,650 occurred under use of goods and services attributed mainly to less travel costs than planned. The Fund also underspent by Kshs.13,336,700 on other expenses attributed mainly fewer consultancy services and transport costs. The Fund had also budgeted for Kshs.12,400,000 on acquisition of assets on especially motor vehicles to be used in levy collection but no funds were utilised under this item.

Consequently, the under expenditure negatively impacted on service delivery by the Fund.

3.0 Unaccounted for Revenue

Documents availed for audit review indicated that Occupational Safety and Health Fund had a total 15,248 registered workplaces. However, the management could not ascertain whether the total number of the registered workplaces represents all the workplaces in the country that require to be registered.

In addition the Fund recorded Kshs.60,727,189 as revenue collected from all the registered workplaces resulting in a shortfall of Kshs.15,512,811 or 20% from the expected revenue of Kshs.76,240,000, calculated at annual fee of Kshs.5000 per workplace. No explanation was provided for the difference of Kshs.15,512,811 not collected or reason given for not recognizing the amount as debtors in the statement of assets.

Further, information available indicate that OSH conducted trainings and various workplaces at a fee of Kshs.90,000. However, no records were provided for audit review or the training fee charged reflected as revenue in the financial statement.

In the circumstances, the accuracy and completeness of the revenue collected figure of Kshs.60,727,189 reflected in the financial statements for the year ended 30 June 2016 could not be confirmed.

4.0 Shoddy Construction of Occupational Safety and Health Services – Research Institute Office Complex

As previously reported, the construction of the Occupational Safety and Health Services (OSH) - Research Office Complex project commenced on 28 February 2010 at an estimated cost of Kshs.480,000,000. The main purpose of constructing the research and institute office complex was to assist OSH in keeping abreast with changing issues in as far as work environment health and safety of workers was concerned. Although the construction works commenced on 28 February 2010, the expected completion date was not stated. Further, the builders' works were divided into five (5) phases with the construction of each floor being advertised, evaluated and awarded to different contractors. A total of Kshs.343,458,956 had been paid to various contractors as at 30 June 2016 as follows:

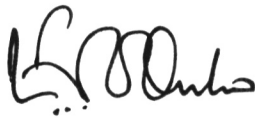
Phase	Contractor	Year	Amount Paid Kshs.
Phase I – Builders works	Lunao Enterprises	2009/2010	70,336,593.35
Phase II - Builders works	Makuyu Construction Co. Ltd	2010/2011	77,931,974.42
Phase III - Builders works	Bluestream Enterprises Ltd	2014/2015	34,175,156.44
Phase IV - Builders works	Bluestream Enterprises Ltd	2014/2015	125,800,994.18
Other Works	Bluestream Enterprises Ltd	2015/2016	12,777,511.84
Mechanical works	Ndeiya Construction	2015/2016	8,079,229.48
Electrical works	Electroserve Ltd.	2015/2016	6,802,125.20
Laboratory works	Vanguard Engineering Ltd	2015/2016	7,555,370.82
Total			343,458,955.73

Physical verification of the ongoing works in February 2017 revealed that the parking basement was water logged due to poor workmanship. The basement floor constructed at a total cost of Kshs.71,239,810.00 was at the time of the audit inspection, full of drainage water due to poor waterproofing, poorly reinforced concrete base which was as at the time of the audit being reconstructed by a different contractor. Available

information obtained indicated that a submersible pump has been installed for pumping water from the basement.

The foundation of the building was therefore not properly done and the stability of the building was questionable thus endangering the safety of workers of which the directorate is mandated to inspect/detect in other work places.

In view of the poor planning, poor workmanship and poor implementation, the project cost is likely to escalate from the estimated cost of Kshs.480,000,000.00 considering that work was still incomplete more than seven (7) years later.



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

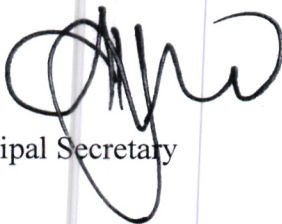
Nairobi

01 August 2017

III. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2015-2016 Kshs	2014-2015 Kshs
RECEIPTS			
Collected levy	1	60,727,189	46,889,971
Grant from MLSS	2	6,444,500	5,012,500
TOTAL REVENUES		67,171,689	51,902,471
PAYMENTS			
Training / Facilitation allowance	3	-6,151,548	5,563,280
Use of goods and services	4	-27,345,350	20,893,504
Transfer of AIA to MLSS	5	-6,005,000	5,500,000
Refund of over payment	6	-374,000	30,000
Acquisition of Assets	7	-	46,832
Bank charges	8	-17,250	23,701,440
Other Expenses	9	-362,300	9,895,100
TOTAL PAYMENTS		-40,255,448	65,630,156
SURPLUS/DEFICIT		26,916,241	-13,727,685

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Occupational Safety and Health Fund financial statements were approved on 6 JUNE 2017 and signed by:



Principal Secretary



Senior Assistant Accountant General

STATEMENT OF ASSETS

	Note	2015-2016 Kshs	2014-2015 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	10	60,732,005	33,815,763
Cash Balances			-
Outstanding Imprests			-
Advances			-
TOTAL FINANCIAL ASSETS		60,732,005	33,815,763
REPRESENTED BY			
Fund balance b/fwd	11	33,815,764	47,543,449
Surplus/Deficit for the year		26,916,241	(13,727,685)
NET FINANCIAL POSITION		60,732,005	33,815,764

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Occupational Safety and Health Fund financial statements were approved on 6 JUNE 2017 and signed by:


Principal Secretary


Senior Assistant Accountant General

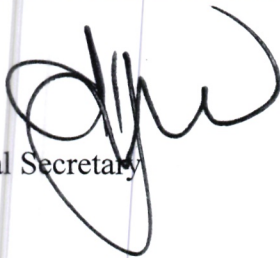
IV. STATEMENT OF CASHFLOW

	Note	2015 - 2016 Kshs	2014 - 2015 Kshs
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts for operating income			
Levy received	1	60,727,189	46,889,971
Transfers from MLSS	2	6,444,500	5,012,500
Payments for operating expenses			
Training/facilitation allowance	3	-6,151,548	-5,563,280
Use of goods and services	4	-27,345,350	-20,893,504
Transfer of AIA to MLSS	5	-6,005,000	-5,500,000
Refund of overpayment	6	-374,000	-30,000
Bank Charges	8	-17,250	-46,832
Other Expenses	9	-362,300	-9,895,100
Net cash flow from operating activities		-40,255,448	-41,928,716
CASHFLOW FROM INVESTING ACTIVITIES			
Acquisition of Assets	7	-	-23,701,440
Net cash flows from Investing Activities			-23,701,440
NET INCREASE/ DECREASE IN CASH AND CASH EQUIVALENT		26,916,241	-13,727,685
Cash and cash equivalent at BEGINNING of the year		33,815,764	47,543,449
Cash and cash equivalent at END of the year		60,732,005	33,815,764

The Occupational Safety and Health Fund financial statements were approved on

6 JUNE 2017 and signed by:

Principal Secretary



Senior Assistant Accountant General



V. **SUMMARY STATEMENT OF APPROPRIATION:**

Code	Revenue/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilisation Difference to Final Budget
		a	b	c=a+b	d	e=d-c	f=d/c %
21	Training/ Facilitation Allowance	6,151,540	-	6,151,540	6,151,540		
22	Use of goods and services	27,345,350	-	27,345,350	27,345,350		
23	Transfer of AIA to MLSS	6,005,000	-	6,005,000	6,005,000		
24	Refund of over payment	-	374,000	374,000	374,000		
25	Acquisition of Assets	-	-	-	-		
26	Other Expenses	362,300	-	362,300	362,300		
Grand Total		39,864,190	374,000	40,238,190	40,238,190		

SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of compliance and basis of preparation

The financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS) with particular emphasis on Cash Basis Financial Reporting under the Cash Basis of Accounting and relevant legal framework of the Government of Kenya. The financial statements comply with and conform to the form of presentation prescribed by the Public-Sector Accounting Standards Board of Kenya.

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

The financial statements have been prepared on the cash basis following the Government's standard chart of accounts. The cash basis of accounting recognises transactions and events only when cash is received or paid by the entity.

2. Recognition of revenue and expenses

The entity recognises all revenues from the various sources when the event occurs and the related cash has actually been received by the entity. In addition, the entity recognises all expenses when the event occurs and the related cash has actually been paid out by the entity.

3. In-kind contributions

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

4. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year. 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.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. Budget

The budget is developed on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The entity's budget was approved as required by Law and as detailed in the Government of Kenya Budget Printed Estimates. A high-level assessment of the entity's actual performance against the comparable budget for the financial year under review has been included in an annex to these financial statements.

6. Comparative figures

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

7. 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, 2016.

VI. NOTES TO THE FINANCIAL STATEMENTS

1 COLLECTED LEVY

	2015 - 2016	2014 - 2015
	Kshs	Kshs
OHS FUND	60,727,189	46,889,971
Total	60,727,189	46,889,971

2 TRANSFERS FROM MLSS

Description	2015 - 2016	2014 - 2015
	Kshs	Kshs
Transfers from MLSSS-GRANTS	6,444,500	5,012,500
Total	6,444,500	5,012,500

3 TRAINING/ FACILITATION ALLOWANCE

	2015 - 2016	2014 - 2015
	Kshs	Kshs
Hire of training halls	1,388,000	1,900,080
Transport/ launches for workers	1,269,548	746,000
Trainers honoraria	3,494,000	2,917,200
Total	6,151,548	5,563,280

4 USE OF GOODS AND SERVICES

	2015 - 2016	2014 - 2015
	Kshs	Kshs
Supplies and services	7,171,121	1,651,750
Conference facilities	2,785,314	6,723,188
Domestic travel and subsistence	8,844,280	3,459,700
Printing, advertising and information supplies & services	5,287,715	5,701,966
Hospitality supplies and service	62,680	563,400
Office and general supplies and services	3,194,240	2,793,500
Total	27,345,350	20,893,504

5 TRANSFER OF AIA TO MLSS

Description	2015 - 2016	2014 - 2015
	Kshs	Kshs
AIA Transfer	6,005,000	5,500,000
Total	6,005,000	5,500,000

6 REFUND OF OVER PAYMENT

	2015- 2016	2014 - 2015
	Kshs	Kshs
Refund	374,000	30,000
Total	374,000	30,000

7 ACQUISITION OF ASSETS

Non-Financial Assets	2015-2016	2014-2015
	Kshs	KShs.
Motor vehicles	-	23,701,440
Total		23,701,440

8 BANK CHARGES

	2015-2016	2014-2015
	KSHS	KSHS
Total	17,250	46,832

9 OTHER EXPENSES

	2015 - 2016	2014 - 2015
	Kshs	Kshs
Consultancy services	-	9,895,100
Standing imprest/meal allowance	362,300	-
Total	362,300	9,895,100

10 BANK ACCOUNTS

Name of Bank, Account No. & currency	2015 - 2016	2014 - 2015
	Kshs	Kshs
KCB -1130057321	54,287,505	33,171,216
Grant	6,444,500	
KCB-1133097626	-	644,547
Total	60,732,005	33,815,763

11 FUND ACCOUNT

	2015-2016	2014-2015
	Kshs	KShs.
Fund balance b/fwd	33,815,764	47,543,449
Surplus/Defict for the year	26,916,241	(13,727,685)
Total	60,732,005	33,815,764

PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1	Presentation of financial statements	The grant was received in July 2017. The books have been adjusted.	Director-DOSHS	Resolved	Resolved
2	Unaccounted Levy	-The issue to be addressed by partnering with KCB for real time software -Baseline survey of all workplaces to be conducted	Director-DOSHS	Resolved	Resolved
3	Unconfirmed surplus balance	The issue to be addressed by partnering with KCB for real time software	Director-DOSHS	Resolved	Resolved
4	Cash and cash balances	Real time banking software to be installed	Director-DOSHS	Resolved	Resolved
5	Unutilized ICT system	System is still undergoing the process of testing and debugging	Director-DOSHS	Resolved	Resolved