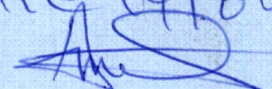


REPUBLIC OF KENYA



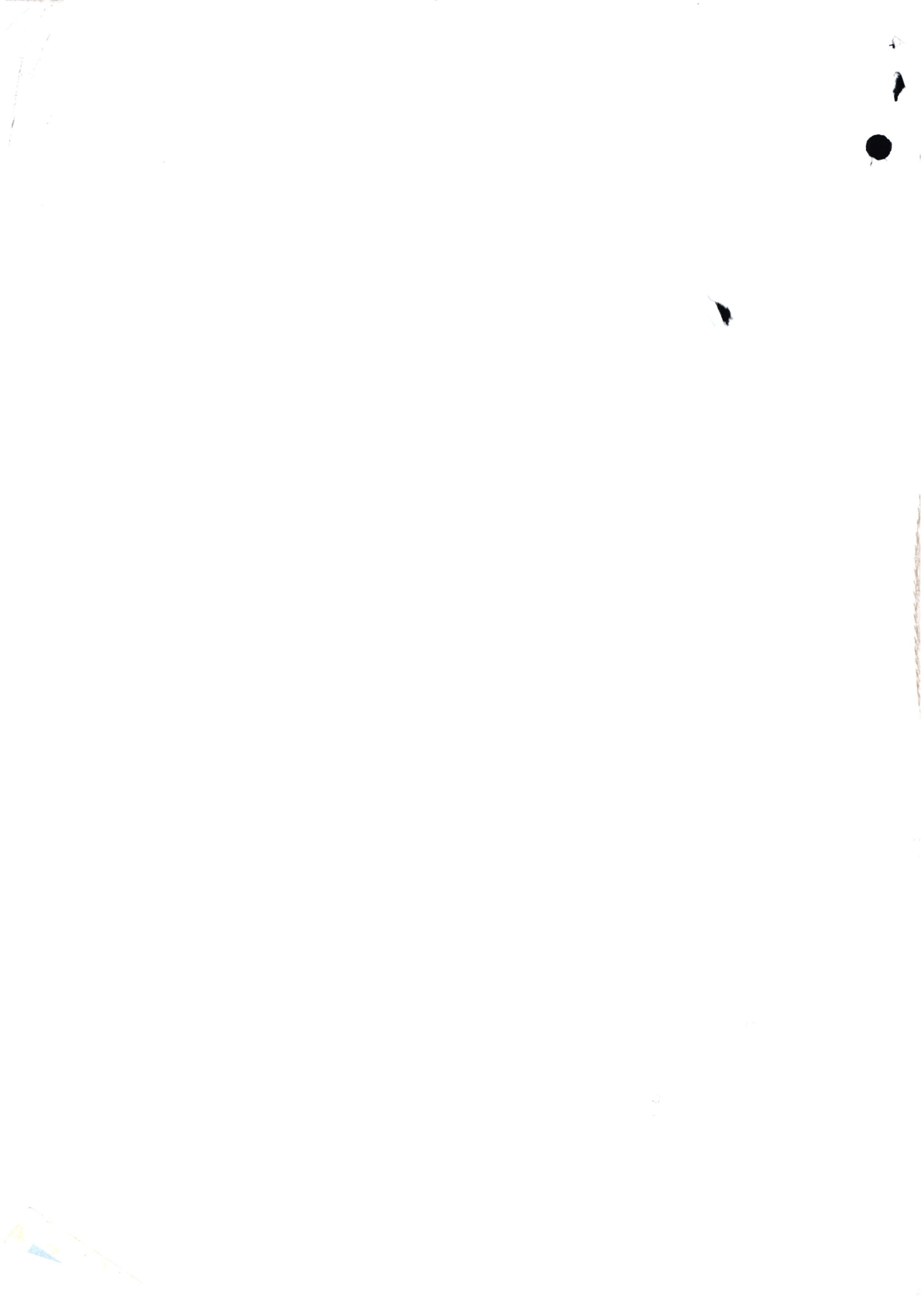
KENYA NATIONAL AUDIT OFFICE

*Paper laid on the  
table of the  
House by the  
Leader of majority  
on the 14/06/14*  


PARLIAMENT  
OF KENYA  
LIBRARY

**REPORT**  
**OF**  
**THE AUDITOR-GENERAL**  
**ON**  
**THE FINANCIAL STATEMENTS OF**  
**KENYA CITIZENS AND FOREIGN NATIONALS**  
**MANAGEMENT SERVICE**  
**FOR THE YEAR ENDED**  
**30 JUNE 2013**

TABLE OFFICE  
S/No.....  
04 JUN 2014  
Sign.....  
PAPER LAID



# REPUBLIC OF KENYA

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E-Mail: [oag@oagkenya.go.ke](mailto:oag@oagkenya.go.ke)  
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P.O. Box 30084-00100  
NAIROBI



## KENYA NATIONAL AUDIT OFFICE

### **REPORT OF THE AUDITOR-GENERAL ON KENYA CITIZENS AND FOREIGN NATIONALS MANAGEMENT SERVICE FOR THE YEAR ENDED 30 JUNE 2013**

#### REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of Kenya Citizens and Foreign Nationals Management Service set out on pages 6 to 12, which comprise the statement of financial position as at 30 June 2013, and the statement of comprehensive income, and statement of cashflows 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 14 of the Public Audit Act, 2003. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

#### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards 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 13 of the Public Audit Act, 2003.

#### **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 15 (2) of the Public Audit Act, 2003, and submit the audit report in compliance with Article 229(7) of the Constitution of Kenya. The audit was conducted in accordance with International Standards on Auditing. 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.

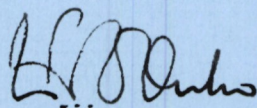
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of

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 appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Service'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 audit opinion.

### **Opinion**

In my opinion, the financial statements present fairly, in all material respects, the financial position of Kenya Citizens and Foreign Nationals Management Service as at 30 June 2013 and of its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards and comply with the Kenya Citizen and Foreign Nationals Management Service Act, 2011 of the Laws of Kenya.



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

**Nairobi**

**15 April 2014**



**KENYA CITIZENS & FOREIGN NATIONALS  
MANAGEMENT SERVICE**

**FINANCIAL STATEMENTS FOR 2012/2013**

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## CORPORATE INFORMATION

The Kenya Citizens and Foreign Nationals Management Service (KCFNMS) is a state corporation in the Ministry of Interior and Coordination of National Government. The Service was established by an Act of Parliament, the Kenya Citizens and Foreign Nationals Management Service Act Cap 174 Laws of Kenya.

**Offices:** Nyayo House  
P.O. Box 30191-00100  
Nairobi  
Kenya  
Telephone No. 2222022

**Bankers:** Kenya Commercial Bank  
Kipande House Branch  
P.O. box 69696-00400  
Nairobi  
A/C No. 1122479417

**Auditors:** The Auditor General  
Kenya National Audit Office  
P.O. Box 30084-00100  
Nairobi  
Kenya

### **Our Vision**

To be a global leader in population registration and migration management

### **Our Mission**

To enhance national security and socio-economic development by maintaining a comprehensive population database, proper migration management and timely registration and issuance of secure identification documents

### **Objectives**

The KCFNMS is expected to assume all the functions that were hitherto performed by the former Ministry of State for Immigration and Registration of persons. It is charged with the mandate, to provide for the creation and maintenance of a national population register and the administration of the laws relating to births and deaths, identification and registration of citizens, immigration and refugees.

### **Core Values**

The Service espouses the national values and principles of governance as provided for in the Constitution of Kenya, 2010. In addition, the Service core values are as follows;

- Customer focus
- Efficiency and effectiveness
- Patriotism
- Team work
- Integrity (honesty, accountability, transparency, impartiality, fairness)

**BOARD MEMBERS**

	<b>NAME</b>	<b>POSITION</b>
1.	Ambassador Kalimi Mworira (Mrs.), MBS, EBS	Chairperson
2.	Mr. Paul Mwange Mbatha	Member
3.	Mrs. Sophie Agoye	Member
4.	Ms. Judy Atieno Ogolla	Member
5.	Mr. John Maina	Member
6.	Dr. Charles Sigei	Member
7.	Mr. Mutea Iringo	Member
8.	Amb. Amina Abdalla	Member
9.	Mr. Abednego Etyang	Ag. CEO
10.	Mr. Nicholas Ongeru	Ag. Secretary

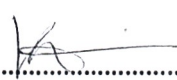
**STATEMENT OF THE BOARD MEMBERS RESPONSIBILITIES**

The Kenya Citizens and Foreign Nationals Management Service Act Cap 174 Laws of Kenya (The Act) requires the Service (KCFNMS) to prepare financial statements for each financial year which include, statement of Financial Position showing in detail the assets and liabilities of the Service, a statement of Comprehensive Income and such other statements that the Service may deem necessary. It also requires the Service to ensure that the Service keeps proper books of account, and other books and records in relation to the Service and, to all the undertakings, funds, investments, activities and property of the Service. They are also responsible for safeguarding the assets of the Service.

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

The Board certifies that to the best of their knowledge and belief the information furnished to the Auditors for the purpose of the audit was correct and complete in every respect.

**Chairperson:**

Signed .....  .....

Amb. Kalimi Mworira, MBS, EBS.

**Ag. CEO:**

Signed.....  .....

A.R.O. Etyang

**Date:**

**13<sup>th</sup> March, 2014**

**STATEMENT OF COMPREHENSIVE INCOME**

**FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2013**

	NOTES	KSHS
<b>Income</b>		
Grants From GOK	12	51,840,000.00
Recurrent		
<b>Total Income</b>		<b>51,840,000.00</b>
<b>Expenditure</b>		
Staff Expenses	7	8,696,966.00
Directors Expenses	8	9,283,606.00
Other Expenses	6	6,283,648.70
<b>Total Expenditure</b>		<b>24,264,220.70</b>
<b>DEFICIT / SURPLUS</b>		<b>27,575,779.30</b>

Chairperson

Signed:  Date: 16/12/2013

Amb. Kalimi Mugambi, MBS, EBS

Ag. C.E.O.

Signed:  Date: 16/12/2013

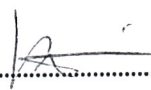
A.R.O. Etyang

**STATEMENT OF FINANCIAL POSITION**

**AS AT 30<sup>TH</sup> JUNE 2013**

	NOTES	2012/2013
<b>Assets</b>		
Fixed Assets	9	10,525,007.00
<b>Current Assets</b>		
Bank		17,425,815.30
Accounts Receivable		
Prepaid Insurance	3	474,357.00
<b>Total Current Assets</b>		<b>17,900,172.30</b>
 <b>Current Liabilities</b>		
Accounts Payables	5	849,400.00
Net Current Assets		17,050,772.30
<b>Total Assets</b>		<b>27,575,779.30</b>
 Financed By:		
Capital Reserves		
<b>TOTAL</b>		<b>27,575,779.30</b>

Chairperson

Signed:.......... Date: 16/12/2013

Amb. Kalimi Mugambi, MBS, EBS

Ag. C.E.O.

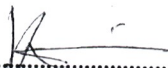
Signed:.......... Date: 16/12/2013

A. R. O. Etyang

**STATEMENT OF CASHFLOW**  
**FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2013**  
**2012/2013**

	<b>NOTES</b>	<b>AMOUNT(KSHS)</b>
Surplus for the Year		27,575,779.30
ADD Increase In Working Capital	10	375,043.00
		27,950,822.30
LESS Investment	11	10,525,007.00
		17,425,815.30
Cash And Cash Equivalent As At 30 <sup>th</sup> June 2013		<b>17,425,815.30</b>

Chairperson

Signed:.....  ..... Date: 16/12/2013

Amb. Kalimi Mugambi, MBS, EBS

Ag. C.E.O.

Signed:.....  ..... Date: 16/12/2013

A.R.O. Etyang

**NOTES TO THE FINANCIAL STATEMENTS**

Note No. 1. **Significant Accounting Policies**

" The Financial Statements are prepared in accordance with International Financial Reporting Standards (IFRS). Treatment of similar items is consistently applied. The financial statements have been prepared in Kenya shillings

**Basis of Accounts Preparation**

The financial statements have been prepared under the historical cost

Note No. 2. **Recognition of Revenue**

The sources of KCFNMS revenue is from Government grants and are recognized when received.

Note No. 3	<b>Accounts Receivable</b>	<b>KSHS</b>
	Prepaid Insurance Board Members 9/12 x 286000	214,500.00
	Insurance Motor Vehicle 8/12 x 389,786	259,857.00
	Staff Debtors	
	<b>Total Debtors</b>	<b>474,357.00</b>

Note No. 4 **Cash & Cash Equivalent**

Net Cash at Bank	17,425,815.30
------------------	---------------

Cash and Cash equivalent comprise of cash at bank for the financial year 2012/2013.

Note No. 5 **Accounts Payable**

Creditors:	Sunbeam	375,000.00
	Pong Agencies	34,400.00
	Twin Ventures	440,000.00
	<b>Total</b>	<b>849,400.00</b>

Note No. 6    **Other /Other Expenses**

	Kshs	Kshs
Accounts		
Other Expenses		
Hospitality		823,569.50
M/V Inspection		2,600.00
Communication & Telephone Cost		189,150.00
Purchase Of Stationery		352,410.00
Motor Vehicle Running Cost		697,488.20
Printing & Publicity		3,994,244.00
Training		87,000.00
Insurance Motor vehicle 4/12* 389786		129,929.00
Bank Charges		7,258.00
<b>Total</b>		<b>6,283,648.70</b>

Note No. 7    **Staff Expenses**

Staff Top Up		8,614,966.00
Travel Cost		82,000.00
<b>Total</b>		<b>8,696,966.00</b>

Note No. 8.    **Director's Expenses**

Council expenses include payments of Chairman's Honoraria, Members sitting allowances

<b>Accounts</b>		<b>2012/2013</b>
Chairpersons Honoraria		1,160,000.00
Transport Cost Domestic		1,221,106.00
Insurance 3/12 x 28,6000		71,500.00
Sitting Allowance		6,831,000.00
<b>Total</b>		<b>9,283,606.00</b>

Note No. 9 **Non-Current Assets Movement Schedule**

<b>Fixed Assets</b>	<b>Motor Vehicles</b>	<b>Computers</b>	<b>Total</b>
As at 1 <sup>st</sup> July 2012			
Additions	9,710,007.00	815,000.00	10,525,007.00
Disposals			
As at 30 <sup>th</sup> June 2013	9,710,007.00	815,000.00	10,525,007.00
Acc Depreciation			
Change for the year			
Disposals			
Net Book Value	9,710,007.00	815,000.00	10,525,007.00
As at June 2013	<b>9,710,007.00</b>	<b>815,000.00</b>	<b>10,525,007.00</b>

Note 10: **Net Increase in Working Capital**

Payables	849,400.00
Receivables	(474,357.00)
<b>Total</b>	<b>375,043.00</b>

Note 11. **Non-Current Assets**

Motor Vehicle	9,710,007.00
Computers	815,000.00
<b>Total</b>	<b>10,525,007.00</b>

Note 12.

**GOK Grants**

1 <sup>st</sup> Half	28,800,000.00
” 2 <sup>nd</sup> Half	23,040,000.00
<b>Total</b>	<b>51,840,000.00</b>