

REPUBLIC OF KENYA



KENYA NATIONAL AUDIT OFFICE



*Paper laid by the
Leader of the Majority
Party under Order
No. 5 on 27/02/2015 at
1515 hrs*

**REPORT
OF
THE AUDITOR-GENERAL
ON
THE FINANCIAL STATEMENTS OF
REGISTRATION OF CERTIFIED PUBLIC
SECRETARIES BOARD**

**FOR THE YEAR ENDED
30 JUNE 2014**





THE NATIONAL TREASURY



KENYA NATIONAL AUDIT OFFICE
P. O. Box 30084 - 00100, NAIROBI.

23 JAN 2015

RECEIVED

**REGISTRATION OF CERTIFIED PUBLIC SECRETARIES BOARD
(RCPSB)**

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
30 JUNE 2014**

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

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I KEY RCPSB INFORMATION AND MANAGEMENT**(a) Background information**

Registration of Certified Public Secretaries Board (RCPSB) is established under the Certified Public Secretaries of Kenya Act Cap 534 of the laws of Kenya. The Board has 10 members who are in charge of developing policies and strategies in order to achieve the mandate of the Board. The day to day operations of the board are under the responsibility of an Executive Officer appointed by the Board.

(b) Principal Activities

The principal activity of the Board is to register qualified Secretaries and issue practicing certificates to those registered Secretaries who are eligible to offer services to the public as Certified Public Secretaries of Kenya. The other mandate of the Board is a regulatory role which is to de-register members out of their professional misconduct or any other reason as stipulated in the Certified Public Secretaries Act Cap 534, Section 24.

(c) Key Management

The RCPSB's day-to-day management is under the following key organs:

1. Executive Officer
2. Clerical Officer
3. Secretarial Assistant

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2014 and who had direct fiduciary responsibility were:

Designation	Name
1. Executive Officer	Patrick K. Mulwa

(e) Fiduciary Oversight Arrangements

- **The Board:** sets policy and is charged with the overall supervision of the Board activities.
- **Governance and Finance Committee:** in Charge of finance, audit and Governance Issues and reports to the Board.
- **Strategy and Development Committee:** in charge of strategy formulation, implementation, human resource management and reports to the Board
- **The Registrar:** An Ex-officio member of the Board appointed by the Cabinet Secretary, The National Treasury.

(f) RCPSB Headquarters

P.O. Box 58218 -00200
 Treasury Building
 Harambee Avenue
 Nairobi, KENYA

(g) RCPSB Contacts

Telephone: (254) 020- 2252299 Ext: 33087/33276/33587

E-mail: regcpsb@gmail.com

Website: www.rcpsb.or.ke

(h) RCPSB Bankers



1. Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
Nairobi, Kenya
2. National Bank of Kenya Limited
Harambee Avenue Branch,
P. O. Box 41862 - 00100,
Nairobi.

(i) Independent Auditors

Auditor General
Kenya National Audit Office
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

II	THE BOARD OF DIRECTORS (FROM MARCH 2014)				
	PHOTO	NAME	D.O.B	ACADEMIC/PROFESSIONAL QUALIFICATIONS	WORK EXPERIENCE
		Jophece Yogo (Chairman)	12-7-56	Certified Public Secretaries of Kenya –CPS(K), Fellow Institute of Certified Public Secretaries of Kenya	<p>CS Yogo is a practicing certified secretary with strong link to the development of the certified secretary's profession. He has served the profession in various capacities since the Institute of Certified Public Secretaries of Kenya (ICPSK) was established.</p> <p>He became a member of the Board in 2011 and was appointed the Chairman of the Board January, 2014.</p>
		Doris W. Murimi (Vice Chair)	27-12-68	Msc(HRM)(University of Leicester), MBA-Accounting Option (Maastricht School of Management), Diploma in Financial Management (ACCA), CPS(K), Member, Institute of Human Resources Management, Member, Professional Trainers Association of Kenya (PTAK), Member Australian Mediation Association (AMA)	Director (DMR Consultants, Non-Executive Director (Home Afrika Limited, Deputy Executive Director-Institute of Security Studies –South Africa, Finance and Investment Manager (Kenya Community Development Foundation KCDF), Regional Finance Manager (African Wildlife Foundation-AWF, Kenya)





REGISTRATION OF CERTIFIED PUBLIC SECRETARIES BOARD

Annual Report and Financial Statements for The Financial Year ended 30 June 2014

		<p>Patrick S. Mutemi (Member)</p>	<p>4/08/1954</p>	<p>Executive MBA (JKUAT) C/W, B.Comm-Acc Option (UON), Certificate in Public Administration (Harvard/Galilee College), Diploma in Tourism Planning and Management (Galilee College-Israel), CPA(K), FCPS(K), Member-Institute of Public Accountants of Kenya (ICPAK), Fellow-Institute of Public Secretaries of Kenya (ICPSK)</p>	<p>Managing Partner, Mutemi & Company (Certified Public Accountants & Compa Secretaries), Deputy Managing Director (Kenya Tourist Development Corporation), Deputy Managing Director (Kenya Meat Commission), General Manager- Commercial Services (Kenya Airpo Authority), Group Financial Controller/ Finance Manager (Nation Media Group, DHL International, Crown Beverages, General Motors), Group Company Secretary (Crown Foods Ltd, Crown Distributors Ltd</p>
		<p>Emily M. Gatuguta (Member)</p>	<p>2-2-1955</p>	<p>MBA (University of Leeds), BA (UON)</p>	<p>Director of Administration (Min. Industrialization and Enterprise Development, Min. of Home Affairs), (Min. of Agriculture), Senior Deputy Secretary (Ministry of Agriculture), Deputy Secretary (Ministry of Finance and Planning), Registrar of Motor Vehicles, Deputy Registrar of Motor Vehicles, Assistant Secretary (Ministry of Energy), District Office (Office of the President</p>



REGISTRATION OF CERTIFIED PUBLIC SECRETARIES BOARD

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	Linah J. Kiptoo (Member)	17/11/1969	MBA (UON), B. Ed(UON), CPA (K), Member-Institute of Public Accountants of Kenya (ICPAK)	Acting DCS - Administration and Finance (Commission of University Education), Chief Accountant (Daystar University), Divisional Accountant Signon Freight Limite
	Julius M. Kilinda (Registrar)	02-06-56	Executive MBA (MOI), CPA(K), Member-Institute of Public Accountants of Kenya (ICPAK)	Deputy Accountant General (The National Treasury), Accountant Ministry of Agriculture Accountant (Ministry of Transport and Communication)
	Pius M. Nduatih, OGW (Member)	8/12/1958	Master of Business Administration (Leeds University), Bachelor of Commerce (Hons)(Accounting Option) University of Nairobi), Certified Public Accountant (CPA), Certified Public Secretary (CPS)	Secretary \$ Chief Executive (KASNEB), Served as Chief Accountant and Senior Accountant (Commission for Higher Education) Council Member (ICPSK)
	Benrodgers M. Milaih (Member)	3/12/1962	MBA(HRM) (KU), BA(Hons) (UON), Higher National Diploma (HRM) (KNEC), Full Member Institute of Human Resources Management	Senior Assistant Director, Human Resource Management (Policy), Directorate of Public Service Management (DPSM) Deputy
	Damary Ayuku (Member)	26/12/1968	MBA (Strategic Management) (UON), Bachelor of Laws (LLB)(UON), Diploma in Legal Education (KSL) CPS(K)	Head of Legal and Regulatory Affairs (TPS Serena), Senior Legal Counsel (Muthoga Gatur &Co. Advocates), Lectur (Kenya Institute of Management), Legal Assistant (Kantai & Co. Advocates, Mwangi Njen & Co. Advocates)

REGISTRATION OF CERTIFIED PUBLIC SECRETARIES BOARD

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		<p>Patrick N. Wachira (Member)</p>	<p>27/8/1981</p>	<p>Bachelor of Laws (Moi University), Diploma Legal Education (KSL), ACCA (Part III)</p>	<p>Senior State Counsel (Attorney General Chambers), Partner (Wachira Nguyo & Co Advocates).</p>
		<p>Patrick K. Mulwa (Executive Officer)</p>	<p>18-10-69</p>	<p>Bachelor of Commerce (UON), CPS (KASNEB), Associate Member, Kenya Institute of Management, Member, Professional Trainers Association of Kenya)</p>	<p>Executive Officer (RCPSB), Academic Administrator (Kenya Institute of Development Studies), Principal (Legacy College), Principal and Chief Trainer (East Africa School of Management Lecturer, (Kigali Institute of Management), Programs Manager (TI Institute of Management Training and Marketing Manager (Onix Computer Services Limited)</p>

BOARD OF DIRECTORS WHO SERVED FROM JULY 2013 – FEBRUARY 2014

1. Mr. Jackson K. Maingi - Chairman
2. Ms. Mary A. Oyolla - Vice - Chairman
3. Mr. Pius M. Nduatih - Member
4. Mr. Charles K. Wachira - Member
5. Ms. Elizabeth M. Ng'ang'a - Member
6. Ms. Jane W. Chege - Member
7. Mr. George S. Mwosa - Member
8. Mr. Jophece Yogo - Member
9. Ms. Mueni Mutung'a - Member
10. Mr. Julius M. Kilinda - Registrar

REGISTRATION OF CERTIFIED PUBLIC SECRETARIES BOARD

Annual Report and Financial Statements for The Financial Year ended 30 June 2014

III	MANAGEMENT TEAM				
PHOTO	NAME	D.O.B	ACADEMIC/PROF FESSIONAL QUALIFICATIONS	MAIN AREAS OF RESPONSIBILITY	
	Patrick K. Mulwa (Executive Officer)	18-10-1969	Bachelor of Commerce (UON), CPS (KASNEB), Associate Member, Kenya Institute of Management, Member, Professional Trainers Association of Kenya)	<ul style="list-style-type: none">• Manage the financial resources of the Board• Developing internal control procedures;• Maintaining the Min Book:• Maintaining books of account and preparing Board's quarterly and final financial statements• Maintain members' register;	

REGISTRATION OF CERTIFIED PUBLIC SECRETARIES BOARD

Annual Report and Financial Statements for The Financial Year ended 30 June 2014

IV

CHAIRMAN'S STATEMENT

It gives me immense pleasure to once again present the Board's annual report and financial statements for the year ended 30 June 2014. The Board continued implementing its core mandate which is to register qualified secretaries and issue practicing certificates to those registered secretaries who are eligible to offer services to the public as Certified Secretaries.

The year 2013/2014 was characterized by a lot of changes such as the implementation of the Kenyan 2010 constitution and also the conduct of general elections under the new constitution.

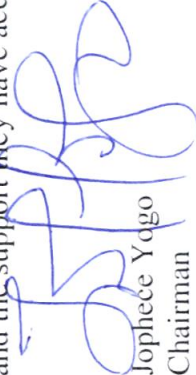
The new constitution and the new devolved governments have created an environment where good governance and integrity are core issues. This has created opportunities for the CPS profession and opportunities for CPS graduates have been created in the devolved government units and the Board will continue being in the forefront in ensuring that those that the law requires to be certified secretaries have the necessary qualifications.

There was a decline in the number of applicants seeking registration and practicing certificates in the financial year 2013 -2014 to 146 and 19 respectively from 161 and 27 in the year 2012-2013 which saw increased registration due to the implementation of the Kenya Constitution 2010. The Board in line with its strategic plan will continue working with its strategic partners to promote the CPS profession by increasing membership, opportunities for members and ensuring the highest degree of professional discipline.

The continued success of the Board would not have been possible without the continued support of our clients, stakeholders and the National Treasury. On behalf of the Board I would like to extend my sincere gratitude to all for their valuable support and confidence.

I would like to thank the staff of the Board for their dedication and hard work that has ensured that the Board is able to discharge its mandate effectively.

Finally I would like to thank my fellow Board members for their commitment to the Board and the support they have accorded me and the Board in implementing its mandate.


Jophece Yego
Chairman

.....
Date: 11/12/2014.....

REGISTRATION OF CERTIFIED PUBLIC SECRETARIES BOARD

Annual Report and Financial Statements for The Financial Year ended 30 June 2014

V REPORT OF THE CEO

Financial year 2013-2014 was a challenging year when Kenya continued on the challenging path of implementing a new constitution which culminated in Kenya holding of the first general elections under the 2010 constitution.

Despite this challenging environment the Board continued its core mandate which is to register qualified secretaries and issue practicing certificates to those who are eligible to offer services to the public as Certified Secretaries.

The new constitution and the new devolved governments have created an environment where good governance and integrity are core issues.

The Board has seen an increased number of applicants seeking registration and practicing certificates in the year 2013-2014 and this had a positive impact on the Board's revenue. It is my hope that this interest will be sustained for some time to come. The Board was able to make a surplus in the 2012-2013 and it is hoped that this trend will continue as the certified secretary gets positioned to play a key role in the devolved government units and other areas in the corporate sphere.

The Board and other like-minded stakeholders will continue their efforts in entrenching the certified secretary in both public and private organizations. This will create opportunities for CPS graduates and drive the demand for registration which accounts for a large percentage of the Board's revenue.

As we move to another financial year, the Board is keen on operationalizing and implementing the strategic plan 2012-2016 and taking advantage of the favourable and enabling legal environment to enhance the visibility of the profession.

With the foregoing it is projected that the 2014-2015 period is going to be a productivity period for the Board.

Patrick Mulwa

Executive Officer



Date:

11/12/2014

VI CORPORATE GOVERNANCE STATEMENT

In order to implement its mandate, ensure good corporate governance and ensure the implementation of the Board's strategic plans, the Board has established two committees; Strategy and Development Committee and Governance and Finance Committee.

Strategy and Development Committee: The purpose of Strategy and Development Committee is to coordinate and monitor the implementation of the Board's and CPS Profession's Strategic Plans as well as developing linkages needed in the development of the CPS profession

Terms of Reference

1. To advise the Board on the development of appropriate tools for the implementation of the strategic plan.
2. To advise the Board on the establishment of parameters, structures and processes for monitoring the execution of strategies for implementation of the Strategic Plans.
3. To review and advise the Board on the effectiveness of the implementation tools for the Strategic Plan.
4. To pick up, review and advise the Board on significant changes in the CPS regulatory environment that have an impact on the implementation tools for the Strategic Plan.
5. To undertake a mid-term review of the strategic plan.
6. To establish linkages and coordination mechanisms with the other CPS Institutions in the implementation of both Strategic plans.
7. To develop the Boards and Professions 2017-2021 Strategic Plans.
8. To do any other thing that is connected to or ancillary to the foregoing for the attainment of the Committee's mandate

Governance and Finance Committee: The Governance and Finance Committee will be in charge of financial and administrative matters of the Board.

Terms of Reference

1. To monitor the financial management of the Board's financial resources.
2. To ensure development and implementation of effective internal controls for the Board.
3. Advise the Board on how to invest the Board's surplus funds.
4. To ensure financial reporting accuracy and compliance
5. To provide internal audit services and make recommendations to the Board
6. Make recommendations to the Board on how to increase revenues.
7. To make recommendations on capital expenditure to the Board.
8. To make recommendations to the Board on staff matters including and not limited to recruitment selection, remuneration, training and development, welfare, discipline and separation.

The Board Committees exercise the powers conferred by the Board subject to the provisions of the CPS Act (CAP 534), directives of the Board given from time to time and the Terms of Reference. In the execution of its mandates, the Committees may request for information from management and or liaise with any person or external bodies or institutions for purposes of attaining its mandate.

REGISTRATION OF CERTIFIED PUBLIC SECRETARIES BOARD

Annual Report and Financial Statements for The Financial Year ended 30 June 2014

VII CORPORATE SOCIAL RESPONSIBILITY STATEMENT

The Registration of Certified Public Secretaries Board exists to deliver valued services to CPS graduates, registered members and other stakeholders by informing, advising them, representing their interests and providing them with excellent services in registration and issue of practicing certificates.

Vision

To be recognised regionally as the leading professional Board in the development and regulation of the certified secretaries and governance profession.

Mission

To promote good governance and ethical practice through enforcement of high standards of professional conduct and excellence.

Core Values

The fundamental values of the RCPSB are as follows:

- (a) Good governance.
- (b) Integrity.
- (c) Transparency and accountability.

We believe in:

- Maintaining trusted relationships with all members and stakeholders;
- Delivering excellent service;
- Enhancing the value and benefits of membership by working closely with the Institute of Certified Public Secretaries ;
- Acting with honesty and integrity and treating everyone with respect;
- Including, empowering, supporting and developing our employees;
- Supporting and contributing to the CPS profession.

RCPSB takes its broader obligations as a responsible corporate citizen by ensuring only qualified and registered certified secretaries provide the public with secretarial services.

REGISTRATION OF CERTIFIED PUBLIC SECRETARIES BOARD

Annual Report and Financial Statements for The Financial Year ended 30 June 2014

VIII REPORT OF DIRECTORS

The Directors submit their report together with the audited financial statements for the year ended June 30, 2014 which show the state of the RCPSB's affairs.

Principal activities

The principal activities of the Registration of Certified Public Secretaries Board continue to be register qualified Secretaries and issue practicing certificates to those registered Secretaries who are eligible to offer services to the public as Certified Public Secretaries of Kenya. The other mandate of the Board is a regulatory role which is to de-register members out of their professional misconduct or any other reason as stipulated in the Certified Public Secretaries Act Cap 534, Section 24.

Results

The results of the RCPSB for the year ended June 30, 2014 are set out on pages 6 to 10

Directors

The members of the Board of Directors who served during the year financial year 2013/2014 are shown on page (iv)- (vii)

Auditors

The Auditor General is responsible for the statutory audit of the RCPSB in accordance with Section 34 of the Certified Public Secretaries Act, Section 14 (3) of the State Corporations Act (Cap 446) and Section 68 (2) of the Public Finance Management (PFM) Act, 2012)

By Order of the Board

Patrick Mulwa



Executive Officer of the Board

Nairobi

Date: 11/12/2014

IX STATEMENT OF DIRECTORS RESPONSIBILITY

Section 34 of the Certified Public Secretaries Act (CAP 534), Section 81 (1) of the Public Finance Management Act, 2012 and section 14 (2) of the State Corporations Act, require the Directors to prepare financial statements in respect of that RCPSB, which give a true and fair view of the state of affairs of the RCPSB at the end of the financial year/period and the operating results of the RCPSB for that year/period. The Directors are also required to ensure that the RCPSB keeps proper accounting records which disclose with reasonable accuracy the financial position of the RCPSB. The Directors are also responsible for safeguarding the assets of the RCPSB.

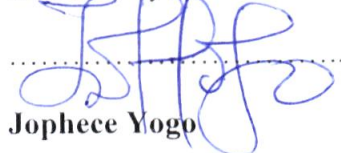
The Directors are responsible for the preparation and presentation of the RCPSB's financial statements, which give a true and fair view of the state of affairs of the RCPSB for and as at the end of the financial year (period) ended on June 30, 2014. This responsibility includes: (i) maintaining adequate 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 RCPSB; (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 RCPSB; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Directors accept responsibility for the RCPSB's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act and the State Corporations Act. The Directors are of the opinion that the RCPSB's financial statements give a true and fair view of the state of RCPSB's transactions during the financial year ended June 30, 2014, and of the RCPSB's financial position as at that date. The Directors further confirm the completeness of the accounting records maintained for the RCPSB, which have been relied upon in the preparation of the RCPSB'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 RCPSB 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 RCPSB's financial statements were approved by the Board on 27th August 2014 and signed on its behalf by:



Jophece Yogo

Chairman



Patrick S. Mutemi

Member of the Board

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 REGISTRATION OF CERTIFIED PUBLIC SECRETARIES BOARD FOR THE YEAR ENDED 30 JUNE 2014

REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of Registration of Certified Public Secretaries Board set out on pages 1 to 18, which comprise the statement of financial position as at 30 June 2014, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 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 Public Sector Accounting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatements, 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.

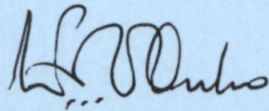
An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.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

financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal 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 the Board as at 30 June 2014, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards and comply with the Certified Public Secretaries Act, Cap 534 of the Laws of Kenya.



Edward R. O. Ouko, CBS
AUDITOR-GENERAL

Nairobi

21 April 2015

XI STATEMENT OF FINANCIAL PERFORMANCE**For the year ended 30 June 2014**

	Note	2013-2014 Ksh	2012-2013 Ksh
Revenue from non-exchange transactions			
Transfers from other governments – gifts and services-in-kind	3	1,089,000	1,089,000
		1,089,000	1,089,000
Revenue from exchange transactions			
Rendering of services	4	1,520,600	1,820,600
Finance income - external investments	5	734,330	658,360
Other income	6		57,500
		2,254,930	2,536,460
Total revenue		3,343,930	3,625,460
Expenses			
Employee costs	7	1,850,918	1,272,001
Remuneration of Board Members	8	708,000	735,000
Depreciation and amortization expense	9	25,508	25,508
Repairs and maintenance	10	11,600	52,200
General expenses	11	690,958	691,581
Finance costs	12	18,179	23,735
Total expenses		3,305,163	2,800,025
Surplus for the period		38,767	825,435

The notes set out on pages 6 to 18 form an integral part of the Financial Statements

XII. STATEMENT OF FINANCIAL POSITION
As at 30 June 2014

	Note	2013-14 Ksh	2012-2013 Ksh
Current assets			
Cash and cash equivalents	13	9,312,944	9,462,634
Receivables from exchange transactions	14	-	22,500
Receivables from non-exchange transactions	15	30,500	14,000
		9,343,444	9,499,134
Non-current assets			
Property, plant and equipment	16	50,541	76,049
		50,541	76,049
Total assets		9,393,985	9,575,183
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	17	170,737	401,902
Provisions	18	92,400	81,200
		263,137	483,102
Total liabilities		263,137	483,102
Net assets			
Reserves	19	9,092,081	8,266,646
Accumulated surplus	19	38,767	825,435
	19	9,130,848	9,092,081
Total net assets and liabilities		9,393,985	9,575,183

The Financial Statements set out on pages 1 to 5 were signed on behalf of the Board of Directors by:

Chairman of the Board

Jophece Yogo

Signature:

Date:

11/12/2014

Board Member

Patrick S. Muremi

Signature:

Date:

11/12/2014

XIII STATEMENT OF CHANGES IN NET ASSETS**For the year ended 30 June 2014**

	Attributable to the owners of the controlling entity
	Reserves
	Accumulated surplus
	Kshs '000
Balance as at 30 JUNE 2012	8,266,646
Surplus/(deficit) for the period	825,435
Balance as at 30 JUNE 2013	9,092,081
Surplus for the period	38,767
Balance as at 30 JUNE 2014	9,130,848

XIV STATEMENT OF CASH FLOWS

	Note	2013-2014	2012-2011
		Ksh	Ks
Cash flows from operating activities			
Receipts			
Government grants and subsidies	3	1,089,000	1,089,000
Rendering of services	4	1,520,600	1,820,600
Finance income	5	734,330	658,300
Other income, rentals and agency fees	6	-	57,500
		3,343,930	3,625,400
Payments			
Compensation of employees	7	1,850,918	1,272,000
Remuneration of Board members	8	708,000	735,000
Finance cost	12	18,179	23,700
Other payments	9,10&11	728,066	769,200
		3,305,163	2,800,000
Net cash flows from operating activities		38,767	825,400
Adjustments			
Depreciation		25,508	25,500
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets			
Proceeds from sale of property, plant and equipment			(70,000)
Decrease in non-current receivables		6,000	(20,400)
Increase creditors		(219,965)	327,200
Net cash flows used in investing activities		(188,457)	262,300
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		(149,690)	1,087,700
Cash and cash equivalents at 1 JULY		9,462,634	8,374,800
Cash and cash equivalents at 30 JUNE	13	9,312,944	9,462,600

XV STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference (Explanation- Note 21)
	2013- 2014 Kshs '000	2013-2014 Kshs '000	2013-2014 Kshs '000	2013-2014 Kshs '000	2013-2014 Kshs '000
Revenue					
Government grants and subsidies	1,210,000	(121,000)	1,089,000	1,089,000	-
Rendering of services	2,185,000		2,185,000	1,520,600	(664,400)
Finance Income	700,000		700,000	734,330	34,330
Total income	4,095,000	(121,000)	3,974,000	3,343,930	(630,070)
Expenses					
Compensation of employees	2,006,564		2,006,564	1,850,918	(155,646)
Board Expenses	870,000		870,000	708,000	(162,000)
General Expenses	942,500		942,500	734,954	(207,546)
Repairs and Maintenance	10,000		10,000	11,600	1,600
Total expenditure	3,829,064	-	3,829,064	3,305,472	(523,592)
Surplus for the period	265,936	(121,000)	144,936	38,767	(106,478)

REGISTRATION OF CERTIFIED PUBLIC SECRETARIES BOARD

XVI NOTES TO THE FINANCIAL STATEMENTS

1. Statement of compliance and basis of preparation – IPSAS 1

The Public Finance Management (PFM) Act, 2012 under section 192 provides for the establishment of the Public Sector Accounting Standards Board (PSASB). The PSASB was gazetted on 28th February 2014 vide Gazette Notice No. 1199. The Board in its 4th Board meeting and in exercising its mandate outlined in article 194(1)(e) of the PFM Act approved the adoption of The International Public Sector Accounting Standards (IPSAS) for public sector entities. The application of these standards and guidelines was effective from 1st July 2014 for in-year annual financial statements for the year 2014/2015 and the annual financial statements for the year 2013/2014 were to be prepared in accordance with the standards.

The RCPSB's financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS) as required by the PSASB. 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 nearest thousand (Ksh). The accounting policies have been consistently applied to all the years presented.

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

2. Summary of significant accounting policies**a) Revenue recognition****i) Revenue from non-exchange transactions – IPSAS 23****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.

ii) Revenue from exchange transactions – IPSAS 9**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.

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**b) Budget information – IPSAS 24**

The annual budget is prepared on the accrual basis, that is, all planned costs and income are presented in a single statement to determine the needs of the entity. As a result of the adoption of the accrual basis for budgeting purposes, there are no basis, timing or entity differences that would require reconciliation between the actual comparable amounts and the amounts presented as a separate additional financial statement in the statement of comparison of budget and actual amounts.

c) Taxes – IAS 12***Current income tax***

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the area where the Entity operates and generates taxable income.

d) Investment property – IPSAS 16

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property.

Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost mode and are depreciated over a 30-year period.

Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition.

Transfers are made to or from investment property only when there is a change in use.

e) Property, plant and equipment – IPSAS 17

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.

Depreciation on furniture and office equipment has been provided for on a straight line basis at the rate of 12.5%. Depreciation on computers has been provided at 30%.

f) Financial instruments – IPSAS 29***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 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 a 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:

- 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)

ii) 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.

i) Provisions – IPSAS 19

Provisions are recognized when the Entity has a present obligation (legal or constructive) as a result of 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 statement of the period in which the change occurs.

k) Nature and purpose of reserves

The Entity creates and maintains reserves in terms of specific requirements. Entity to state the reserve maintained and appropriate policies adopted.

l) Changes in accounting policies and estimates – IPSAS 3

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

m) Employee benefits – IPSAS 25**Retirement benefit plans**

The Entity provides retirement benefits for its employees. 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.

o) Service concession arrangements – IPSAS 32

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.

p) 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 authorized public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

s) Comparative figures

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

t) Significant judgments and sources of estimation uncertainty – IPSAS 1

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.

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

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- 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

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.

The estimates are discounted at a pre-tax discount rate that reflect current market assessments of the time value of money.

u) Subsequent events – IPSAS 14

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, 2014.

3. Transfers from other governments – gifts and services-in-kind

	2014 Shs 000	2013 Shs 000
Unconditional grants		
Operational grant	1,089,000	1,089,000
Other	-	-
	<u>1,089,000</u>	<u>1,089,000</u>
Other organizational grants	-	
Total government grants and subsidies	<u>1,089,000</u>	<u>1,089,000</u>

4. Rendering of services

	2014 Ksh.	2013 Ksh
Registration Certificate	1,072,600	1,287,000
Re-registration Fees	108,000	252,000
Practicing Certificate	230,000	221,600
Authority to Practice	110,000	60,000
Other	-	
Total revenue from the rendering of services	<u>1,520,600</u>	<u>1,820,600</u>

5. Finance income - external investments

	2014 Ksh	2013 Ksh
Cash investments and fixed deposits	734,330	658,360
Total finance income – external investments	<u>734,330</u>	<u>658,360</u>

6. Other income

	2014 Ksh	2013 Ksh
Miscellaneous Income	-	57,500
Total other income	<u>-</u>	<u>57,500</u>

7. Employee costs

	2014	2013
	Ksh.	Ksh.
Employee related costs - salaries and wages	1,014,829	729,300
Employee related costs - contributions to pensions	65,610	70,300
Medical aids	151,809	43,800
Travel, motor car, accommodation, subsistence and leave allowances	210,670	161,000
Housing benefits and allowances	408,000	249,200
Overtime payments	-	18,200
Employee costs	1,850,918	1,272,000

8. Remuneration of Board Members

	2014	2013
	Ksh.	Ksh.
Honoraria	240,000	240,000
Taskforce Sitting Allowance	94,500	166,500
Board Sitting Allowance	373,500	328,500
Total Board Remuneration	708,000	735,000

9. Depreciation and amortization expense

	2014	2013
	Ksh.	Ksh.
Property, plant and equipment	25,508	25,500
Total depreciation and amortization	25,508	25,500

10. Repairs and maintenance

	2014	2013
	Ksh.	Ksh.
Website	11,600	52,200
Total repairs and maintenance	11,600	52,200

11. General expenses

The following are included in general expenses:

	2014	20
	Ksh	K
Administrative Expenses/Miscellaneous	5,550	7,1
Advertising/Gazettement	-	41,7
Audit fees	92,400	92,4
Conferences and delegations	219,500	169,5
Consumables	75,453	67,7
Newspaper	13,390	12,3
Postage	7,010	6,1
Printing and stationery	170,735	194,7
Post Box Rental	6,000	6,0
Telecommunication	31,400	10,2
Transport	18,420	19,0
Training	-	37,4
Other Board Expenses/Luncheon	51,100	27,2
Total general expenses	690,958	691,5

12. Finance costs

	2014	20
	Ksh	K
Bank Charges	18,179	23,7
Total finance costs	18,179	23,7

13. Cash and cash equivalents

	2,014	20
	Ksh	K
Cash	1,112,944	2,462,6
Short-term deposits	8,200,000	7,000,0
Total cash and cash equivalents	9,312,944	9,462,6

14. Receivables from exchange transactions

	2014	20
	Ksh.	K
Current receivables	-	22,5
Total receivables from Exchange transactions	-	22,5

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15. Receivables from non-exchange contracts

	2014 Ksh.	2013 Ksh.
Current receivables	30,500	14,000
Total receivables from Non Exchange transactions	30,500	14,000
Total receivables	30,500	36,500

16. Property, plant and equipment

	Computers Ksh	Office Equipment Ksh	Total
Cost			
At 1 July 2012	-	31,557	31,557
Additions	70,000		70,000
At 30 June 2013			
Additions			
At 30 June 2014	70,000	31,557	101,557
Depreciation and impairment			
At 1 July 2012 Depreciation	21,000	4,508	25,508
At 30 June 2013			
Depreciation	21,000	4,508	25,508
At 30 June 2014	42,000	9,016	51,016
Net book values			
At 30 June 2014	28,000	22,541	50,541
At 30 June 2013	49,000	27,049	76,049

17. Trade and other payables from exchange transactions

	2014 Ksh	2013 Ksh
Trade payables and other payables	170,737	401,902
Total trade and other payables	170,737	401,902

18. Current provisions

	2014 Ksh Audit Fees	2013 Ksh Audit Fees
Balance at the beginning of the year	92,400	81,200
Total Provisions	92,400	81,200

REGISTRATION OF CERTIFIED PUBLIC SECRETARIES BOARD

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19. Reserves

	Kshs '000	Accumulated surplus
Balance as at 30 JUNE 2012	8,266,646	
Surplus/(deficit) for the period	825,435	
Balance as at 30 JUNE 2013	9,092,081	
Surplus for the period	45,958	
Balance as at 30 JUNE 2014	9,138,039	

20. Financial instruments

2,014 Ksh	2013 Ksh
8,200,000	7,000,000
8,200,000	7,000,000

21. Material Variances between Budget and Actual Amounts

Item	Final Budget	Actual on a Comparable Basis	Variance	Explanation
Revenue				
Rendering of Services	2,185,000	1,520,600	(664,400)	The Board had anticipated an increase in member registration due to the implementation of the Constitution of Kenya 2010 and enactment of the County Government Act which makes the services of the certified secretary mandatory for some positions such as Secretary to the County

				Service Board. The introduction of a 2 year post registration work experience for those applying for practicing certificates at the beginning of 2013 also reduced the number of applicants.
Finance Income	700,000	734,330	34,330	The Board in September 2013 invested an additional Ksh. 1,200,000 in Government Treasury bill hence an increase in interest income
Expenses				
Compensation of employees	2,006,564	1,850,918	(155,646)	The Budget had factored in the proposed increase in NSSF contributions for staff members which was suspended by the High Court
Board Expenses	870,000	708,000	(162,000)	The budget had factored full board member's attendance of Board and committee meetings. However not all members attended and hence some sitting allowances were not paid.
General Expenses	942,500	734,954	(207,546)	Some budgeted activities did not take place in that financial year. This included gazettelement, staff training and advertisement of Board activities

22. Related Party Transactions

The Registration of Certified Public Secretaries Board (RCPSB) is created by the Certified Public Secretaries Act, CAP 534, the Laws of Kenya. The Board administratively operates under the Office of the Accountant General, The National Treasury. The National Treasury provides an operational grant to the Board. In the financial year ended June 2014, the National Treasury provided the Board with a grant of Ksh. 1,089,000. This amount has been disclosed as revenue in the financial statements (Note 3)

23. Financial Instruments: DisclosuresQualitative Disclosures

The Board makes short-term money market investments in Central Bank of Kenya Treasury Bills. These Instruments are held to maturity upon which they are rolled over again for a period of three (3 months)

Quantitative Disclosures

As at June 30, 2014, the Board had invested Ksh. 8,200,000 in Treasury Bills with the Central Bank of Kenya.

Opening Balance (as at July 1 st 2013)	Ksh. 7,000,000
Purchases (September 2013)	<u>Ksh. 1,200, 000</u>
Closing Balance as at June 30 th 2014	<u>Ksh. 8, 200,000</u>

Accounting Policies

Investment in treasury bills is recognized at cost at the time of purchase and the income is recognized as income when paid as interest and credited into the Board's Current Account with the National Bank of Kenya.

Effect on Financial Statements- Financial Position (Assets) and Financial Performance (Surplus/ Deficit)

The interest received is recognized as income in the statement of financial performance and its amount and variability may have an impact on the surplus or deficit of the Board's financial performance.

Nature and Extent of Risk

The main risk this investment instrument is exposed to is market related in nature and is the interest rate risk. Therefore variability and especially decline in interest rates will affect the return on this investment.

The challenge faced in mitigating this risk is that the Public Finance Management Act, the State Corporations Act and Treasury guidelines do not allow investments other than in government securities. This has led to a high concentration of risk in one financial instrument.

To ensure prudent investment decisions, monitoring and control, the Board has constituted a Governance and Finance Committee which advises the Board on matters related to acquisition, monitoring and controlling risks in relation to investments. The Committee meets once every quarter and makes its report to the full Board.



XVI

I PROGRESS ON FOLLOW UP OF AUDITORS 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	The administrative expenses amounting to Ksh. 808,337 under note 5 includes printing and stationery expenses of Ksh. 194, 751, which further includes a payment of Ksh. 95,000 made for purchase of HP toners and receipt books. However documentary evidence in support of delivery of the goods to the Board were not availed for audit review	It is true that the administration expenses amounting to Ksh. 808,337 under note 5 includes printing and stationery of Ksh. 194,751 whereby a payment of Ksh. 95,600 was in respect of HP tonners and receipt books. The Board would like to appreciate the above observation and has undertaken to ensure that a goods receipt system is put in place in the future and to require suppliers to deliver goods accompanied by delivery notes.	Executive Officer	Resolved	N/A
2	The financial statements cash and cash equivalents balance of Ksh. 9,462,634 includes a bank balance of Ksh. 2,462, 634 while the cashbook reflects Ksh. 2,339,882 resulting to an unexplained difference of Ksh. 122,752. In the circumstance it has not been possible to confirm the validity and accuracy of the cash and cash equivalents balance of Ksh. 9,462, 634 as at 30 th June 2013.	It is true that in the initial financial statements given to the auditor the cash and cash equivalents balance of Ksh. 9,462,634 included a bank balance of Ksh. 2,339,882 while the cashbook reflected Ksh. 2,860,887 resulting to an unexplained difference of Ksh. 521,005. The Board recast all the entries in the cashbook and discovered that the above difference arose as a result of overcasting when tallying the totals. The discovery necessitated the preparation of a revised cash and cash equivalent balance. The Board then revised the cashbook and the cash flow statement to the correct balances. The statement of financial position was revised to reflect the	Executive Officer	Resolved	N/A



REGISTRATION OF CERTIFIED PUBLIC SECRETARIES BOARD

Annual Report and Financial Statements for The Financial Year ended 30 June 201

		correct total assets balances and total funds and liabilities as at 30 th June 2013		
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Guidance Notes:

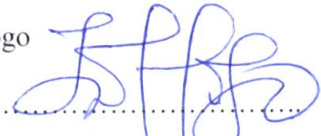
- (i) Use the same reference numbers as contained in the external audit report;
- (ii) Obtain the "Issue/Observation" and "management comments", required above, from final external audit report that is signed by Management;
- (iii) Before approving the report, discuss the timeframe with the appointed 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.

Chairman of the Board

Jophece Yogo

Signature:

Date:



11/12/2014

Board Member

Patrick S. Mutemi

Signature:

Date:


11/12/2014

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