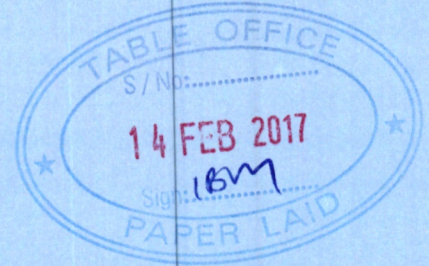


REPUBLIC OF KENYA

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OFFICE OF THE AUDITOR-GENERAL



**REPORT**

**OF**

**THE AUDITOR-GENERAL**

**ON**

**THE FINANCIAL STATEMENTS OF  
ANTI-FGM BOARD**

**FOR THE YEAR ENDED  
30 JUNE 2016**





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**ANTI- FGM BOARD**  
**REPORTS AND FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED**  
**JUNE 30, 2016**

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

**ANTI-FGM BOARD**  
**Reports and Financial Statements**  
**For the year ended June 30, 2016**

**I. Table of Contents**

II. KEY ENTITY INFORMATION AND MANAGEMENT .....	ii
Background information .....	ii
Key Management .....	iii
Fiduciary Management .....	iii
Fiduciary Oversight Arrangements .....	iv
III. FORWARD BY THE CHAIRPERSON .....	vi
IV. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES .....	vii
V. STATEMENT OF RECEIPTS AND PAYMENTS .....	1
VI. STATEMENT OF ASSETS AND LIABILITIES .....	2
VII. STATEMENT OF CASHFLOW .....	3
VIII. STATEMENT OF COMPARATIVE BUDGET AND ACTUAL AMOUNT (Kshs) .....	4
IX. SIGNIFICANT ACCOUNTING POLICIES .....	5
X. ANNEX 1 – SUMMARY OF FIXED ASSET REGISTER .....	9

## ANTI-FGM BOARD





Reports and Financial Statements  
For the year ended June 30, 2016

### II. KEY ENTITY INFORMATION AND MANAGEMENT



#### Background information

The *ANTI-FGM BOARD* was formed on 27<sup>th</sup> December 2013 after the appointment of the Chairperson by the President, the *Board* is represented by the Principal Secretary for Public service and Gender affairs who is responsible for the general policy and strategic direction of the *Board*.

#### LIST OF BOARD MEMBERS

	NAME	DESIGNATION	QUALIFICATION
	Hon. Linah Jebii Kilimo	Chairperson	MA Counselling and Psychology (Candidate) BA Counselling and Psychology
	Connie Kivuti	Board Member	Phd. In Leadership in Public Governance (on going)
	Agnes Leina	Board Member	M.A in Rural Sociology & Community Development
	Shoba Liban	Board Member	B.A Project Planning and Management
	Edna Atisa	Board Member	M.A in Economics & Statistical

**ANTI-FGM BOARD**  
**Reports and Financial Statements**  
**For the year ended June 30, 2016**

	Katherine Muoki	Board Member	M.A in Economics
	Isaac Kamande	Board Member	M.A in Planning Policy & analysis
	Dr. Maryanne N. Ndonga	Board Member	Doctorate of Philosophy: Management Science(on going) Master of Public Health
	Grace Wahu Ngaca	Board Member	M.A in Counselling Postgraduate Dip. in education

Key Management

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

- CEO
- Programmes Directorate
- Finance and Administration
- Policy and Research

Fiduciary Management

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

**ANTI-FGM BOARD**  
**Reports and Financial Statements**  
**For the year ended June 30, 2016**

<b>NAME</b>	<b>P/NO</b>	<b>JG</b>	<b>DESIGNATION</b>	<b>QUALIFICATION</b>
Jane Igoki Mwereru	1993076668	'N'	Ag. Chief Executive Officer	M.A in Gender and Development studies
Lucy Mary Mongony	S/NO. 012999	M G1 0	Director Programme	M.A in Peace & Conflict Management
Christabel A.Adhiambo	1993076553	'N'	Director Finance &Adm.	M.A in Conflict &Peace studies
Julius Mukala Musau	1996121315	'N'	Director Policy and Planning	M.A in Arts(Counselling Psychology)
Jared Gitama Kingoina	1998044705	'N'	Programmes Officer	M.A Business Administration
Milton .A. Omondi	1998000183	'M'	Chief Information Officer	M.A in Communication Studies
Peter Njagi	1992027420	'L'	Senior Internal Auditor	CPA 1
Shem Ojwang Owala	1986107288	'L'	Finance Officer	CPA "K"
Elias Dulo	1979025124	L	Snr. Chain Supplies Management Officer	Diploma in Purchasing and Supplies

Fiduciary Oversight Arrangements

The ANTI FGM Board has an Audit committee which serve in an advisory capacity to the Board.

**Mandate**

The cardinal role of the Audit Committee is to support and provide the board with an oversight and advisory service over risk management, internal controls and governance process.

Assisting the CEO in enhancing internal controls in order to improve efficiency, transparency and accountability.

Reviewing audit issues raised by both internal and external auditors.

**ANTI-FGM BOARD**  
**Reports and Financial Statements**  
**For the year ended June 30, 2016**

**1. Entity Headquarters**

P.O. Box 54760-00200  
Railways  
Haiselasie Avenue/Road/Highway  
Nairobi, KENYA

**2. Entity Contacts**

Telephone: (254) 0202220106  
E-mail: ceoantifgmboard@gmail.com  
Website: www.afgmb.go.ke

**3. Entity Bankers**

Cooperative bank of Kenya  
Aga khan walk Branch  
P.O Box 20818-00100  
Nairobi

**4. Independent Auditors**

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

**5. Principal Legal Adviser**

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

**ANTI-FGM BOARD**  
**Reports and Financial Statements**  
**For the year ended June 30, 2016**

**IV. 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 Accounting Officer in charge of the *ANTI-FGM BOARD* is responsible for the preparation and presentation of the *Board's* financial statements, which give a true and fair view of the state of affairs of the *Board* for and as at the end of the Financial Year 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 *Board*; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the *Board*; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the *ANTI-FGM BOARD* accepts responsibility for the *Board's* 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). The Accounting Officer is of the opinion that the *Board's* financial statements give a true and fair view of the state of *Board's* transactions during the financial year ended June 30, 2016, and of the *Board's* financial position as at that date. The Accounting Officer in charge of the *ANTI FGM BOARD* further confirms the completeness of the accounting records maintained for the *Board*, which have been relied upon in the preparation of the *Board's* financial statements as well as the adequacy of the systems of internal financial control.

The Accounting Officer in charge of the *ANTI-FGM BOARD* confirms that the entity has complied fully with applicable Government Regulations and the terms of external financing covenants, and that the *Board's* 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 Accounting Officer confirms that the *Board'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 *Board's* financial statements were approved and signed by the Accounting Officer on 30/09 2016.

  
\_\_\_\_\_  
CEO

  
\_\_\_\_\_  
Head of Accounting Unit

# REPUBLIC OF KENYA

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



P.O. Box 30084-00100  
NAIROBI

## OFFICE OF THE AUDITOR-GENERAL

### REPORT OF THE AUDITOR-GENERAL ON ANTI-FGM BOARD FOR THE YEAR ENDED 30 JUNE 2016

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#### REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of the Anti-FGM Board set out on pages 1 to 9, which comprise the statement of assets as at 30 June 2016, and the statement of receipts and payments, statement of cash flows and statement of comparative 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

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*Report of the Auditor-General on the Financial Statements of Anti-FGM Board for the year ended 30 June 2016*

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 qualified audit opinion.

### **Basis for Qualified Opinion**

#### **1. Contribution in Kind (Staff Compensation)**

The Anti-Female Genital Mutilation Board has twenty six (26) staff drawn from various ministries working for the Board on full time basis who draw salaries from the ministries. These financial statements however exclude donations or contributions in kind in salaries received from the ministries in the financial year ended 30 June 2016. The Board has not provided justification for not quantifying and recognising this contribution in a note to the financial statements.

#### **2. Unauthorized Expenditure**

The Board exceeded its budgets without Treasury approval in the following expenditure items:

<b>Expenditure Item</b>	<b>Approved Budget</b>	<b>Actual Expenditure</b>	<b>Variance</b>
Domestic travel	14,032,900.00	16,967,627.00	2,934,727.00
Hospitality	10,430,000.00	12,996,214.00	2,566,214.00
Trade shows and exhibitions	900,000.00	2,590,000.00	1,690,000.00
<b>Total</b>	<b>25,362,900.00</b>	<b>32,553,841.00</b>	<b>7,190,941.00</b>

No plausible explanation has been provided for the over-expenditures. Consequently, the Board has violated expenditure control provisions of the Public Finance Management Act, 2012.

#### **3. Unsupported Expenditure**

##### **(i) Prefeasibility, Feasibility And Appraisal**

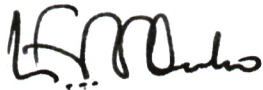
The statement of receipts and payments reflects expenditure totalling Kshs.80,849,901.50 under use of goods and services and which balance includes prefeasibility, feasibility and appraisal expenditure amounting to Kshs.25,364,198.70. The latter balance includes Kshs.606,200.00 payment to staff that was not supported with any documents.

**(ii) Meal Allowance**

Included in the use of goods and services expenditure of Kshs.80,849,901.50 is a balance of Kshs.3,890,000.00 paid in respect of meal allowances to staff. Although the payments were approved by the Board of Directors, they were not supported or backed by any regulation and were therefore ineligible.

**Qualified Opinion**

In my opinion, except for the effects of the matters described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of the Anti-FGM Board as at 30 June 2016, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis), and comply with the Public Finance Management Act, 2012.



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

**Nairobi**

**19 January 2017**

**V. STATEMENT OF RECEIPTS AND PAYMENTS**

	Note	2015-2016 Kshs	2014-2015 Kshs
<b>RECEIPTS</b>			
Transfers from Other Government Entities		90,918,000.00	28,987,486.20
Grants From UNICEF	1	14,122,666.70	-
<b>TOTAL RECEIPTS</b>		<b>105,040,666.70</b>	<b>28,987,486.20</b>
<b>PAYMENTS</b>			
Use of goods and services	2	80,849,901.50	25,876,733.58
Acquisition of Assets	3	12,168,527.00	3,107,578.35
<b>TOTAL PAYMENTS</b>		<b>93,018,428.50</b>	<b>28,984,311.93</b>
<b>SURPLUS/DEFICIT</b>		<b>12,022,238.20</b>	<b>3,174.27</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 30/9/ 2016 and signed by:



CEO



Head of Accounting Unit

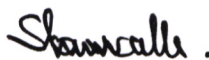
ANTI-FGM BOARD  
 Reports and Financial Statements  
 For the year ended June 30, 2016

VI. STATEMENT OF ASSETS AND LIABILITIES

	Note	2015-2016 Kshs	2014-2015 Kshs
<b>FINANCIAL ASSETS</b>			
Cash and Cash Equivalents	4		
Total Cash and cash equivalent		<u>12,025,412.50</u>	<u>3,174.27</u>
<b>FINANCIAL LIABILITIES</b>			
Balance b/f			
Surplus/Deficit for the year		3,174.30	
		12,022,238.20	3,174.27
<b>NET FINANCIAL POSSITION</b>		<u><u>12,025,412.50</u></u>	<u><u>3,174.27</u></u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 30/9/ 2016 and signed by:

  
 \_\_\_\_\_  
 CEO

  
 \_\_\_\_\_  
 Head of Accounting Unit

**ANTI-FGM BOARD**  
**Reports and Financial Statements**  
**For the year ended June 30, 2016**

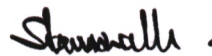
**VII. STATEMENT OF CASHFLOW**

	<b>2015 - 2016</b>	<b>2014-2015</b>
	<b>Kshs</b>	<b>Kshs</b>
<b>Receipts for operating income</b>		
Transfers from Other Government Entities	90,918,000.00	28,987,486.20
Transfers from UNICEF	<b>1</b> 14,122,660.70	0
<b>Payments for operating expenses</b>		
Use of goods and services	<b>2</b> 80,849,901.50	25,876,733.58
<b>Net cash flow from operating activities</b>		
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>		
Acquisition of Assets	<b>3</b> 12,168,527.00	3,107,578.35
<b>Net cash flows from Investing Activities</b>		
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>	12, 022,238.20	3,174.27
Cash and cash equivalent at BEGINNING of the year	3,174.30	00
<b>Cash and cash equivalent at END of the year</b>	<b>4</b> 12,025,412.50	<b>3,174.27</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 30/9/ 2016 and signed by:



CEO



Head of Accounting Unit


**ANTI-FGM BOARD**  
**Reports and Financial Statements**  
**For the year ended June 30, 2016**

**VIII. STATEMENT OF COMPARATIVE BUDGET AND ACTUAL AMOUNT**  
**(Kshs)**

Receipts/Payments Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Variance	% Vari
	a	b	c=a+b	d	e=c-d	f=e
<b>Receipts</b>						
Transfer from Government entities	92,000,000.00	-(1,082,000)	90,918,000.00	90,918,000.00	-	
Transfer from UNICEF				14,122,666.70	-(14,122,666.70)	
<b>Total Receipts</b>	<b>92,000,000.00</b>	<b>-(1,082,000)</b>	<b>90,918,000.00</b>	<b>105,040,666.70</b>	<b>-(14,122,666.70)</b>	
<b>Payments</b>						
Use of goods and services	80,000,000.00	(1,250,527.00)	78,749,473.00	80,849,901.50	(2,100,428.50)	
Acquisition of Assets	12,000,000.00	168,527.00	12,168,527.00	12,168,527.00	-	
<b>Total Payments</b>	<b>92,000,000.00</b>	<b>-(1,082,000.00)</b>	<b>90,918,000.00</b>	<b>93,018,428.50</b>	<b>-(2,100,428.50)</b>	

The entity financial statements were approved on 30/9/ 2016 and signed  
 by:

  
 \_\_\_\_\_  
 CEO

  
 \_\_\_\_\_  
 Head of Accounting Unit

**ANTI-FGM BOARD**  
**Reports and Financial Statements**  
**For the year ended June 30, 2016**

**IX. 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 applicable government legislations and regulations. 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 *Board*. 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.

**2. Recognition of revenue and expenses**

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

**3. Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and cash at bank. Bank account balances include amounts held at the Cooperative Bank of Kenya at the end of the financial year.

**4. Non current assets**

Non current assets are expensed at the time of acquisition while disposal proceeds are recognized as receipts at the time of disposal. However, the acquisitions and disposals are reflected in the entity fixed asset register a summary of which is provided as a memorandum to these financial statements.

**ANTI-FGM BOARD**  
**Reports and Financial Statements**  
**For the year ended June 30, 2016**

**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 *Board'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 *Board's* actual performance against the comparable budget for the financial year under review has been included in an annex to these financial statements.

**6. Subsequent events**

Events subsequent to submission of the financial year end financial statements to the National Treasury and other stakeholders with a significant impact on the financial statements may be adjusted with the concurrence of National Treasury.

**ANTI-FGM BOARD**  
**Reports and Financial Statements**  
**For the year ended June 30, 2016**

*NOTES TO THE FINANCIAL STATEMENTS*

<b>RECEIPTS</b>			
<b>1. TRANSFER FROM OTHER GOVERNMENT ENTITIES</b>			
<b>Description</b>	<b>2015-2016</b>	<b>2014-2015</b>	
	<b>Kshs</b>	<b>Kshs</b>	
Total transfer from State Department of Planning 1 <sup>st</sup> Half allocation	46,000,000.00	11,249,760.20	
Total transfer from State Department of Planning for 3 <sup>rd</sup> Quarter	25,500,000.00	10,050,964.50	
Total transfer from State Department of Planning for 4 <sup>th</sup> Quarter	19,418,000.00	7,686,761.50	
Transfer from UNICEF	14,122,666.70	-	
<b>Total</b>	<b>105,040,666.70</b>	<b>28,987,486.20</b>	
<b>2. USE OF GOODS AND SERVICES</b>			
Electricity	143,906		
Communication, supplies and services	1,092,851.00	644,350.78	
Domestic travel and subsistence	16,967,627.40	11,328,895.00	
Foreign travel and subsistence	615,832.00	2,162,957.00	
Printing, advertising and information supplies & services	1,636,752.00	366,060.00	
Trade shows and Exhibitions	2,590,000.00		
Training expenses	808,744.00	533,380.00	
Hospitality supplies and services	4,335,503.00	9,862,616.80	
Board Allowances	8,660,711.40	-	
Office General Supplies and Services	549,663.00	700,651.00	
Rent	6,284,845.20	-	
Routine maintenance- other Assets	259,200.00	277,823.00	

**ANTI-FGM BOARD**  
**Reports and Financial Statements**  
**For the year ended June 30, 2016**

Contracted Professional services	7,306,723.00	-
Minor Alteration to building	1,030,384.80	-
Prefeasibility, Feasibility and Appraisal	25,364,198.70	-
UNICEF Expenditure	3,202,960.00	
<b>Total</b>	<b>80,849,901.50</b>	<b>25,876,733.58</b>

**3.ACQUISITION OF ASSETS**

**Non-Financial Assets**

	<b>2015-2016</b>	<b>2014-2015</b>
	<b>Kshs</b>	<b>Kshs</b>
Purchase of Office Furniture and General Equipment	1,912,087.00	475,300.00
Purchase of ICT Equipment, Software and Other ICT Assets	10,256,440.00	2,632,278.35
<b>Total</b>	<b>12,168,527.00</b>	<b>3,107,578.35</b>

**4.Cash and Cash Equivalent**

	<b>Kshs</b>	<b>Kshs.</b>
Cash at hand		-
Bank Balance	434.00	
<b>Total</b>	<b>12,024,978.50</b>	<b>3,174.27</b>
<b>Bank accounts</b>	<b>12,025,412.50</b>	<b>3,174.27</b>

**Bank Accounts**

Name of Bank, Account No. & currency	Amount in bank account currency	Indicate whether recurrent, Development, deposit e.t.c	2015 - 2016	2014-2015
			<b>Kshs</b>	<b>Kshs</b>
<i>Cooperative Bank, Account No. 01141309435600, Kshs</i>		Development/Recurrent respectively.	<b>12,024,978.50</b>	<b>3,174.27</b>
<b>Total</b>			<b>12,024,978.50</b>	<b>3,174.27</b>

**ANTI-FGM BOARD**  
**Reports and Financial Statements**  
**For the year ended June 30, 2016**

**X. ANNEX 1 – SUMMARY OF FIXED ASSET REGISTER**

<b>Asset class</b>	<b>Historical Cost (Kshs) 2015/16</b>	<b>(Kshs) 2014-2015</b>
Office equipment, furniture and fittings	1,912,087.00	475,300.00
ICT Equipment, Software and Other ICT Assets	10,256,440.00	2,632,278.35
<b>Total</b>	<b>12,168,527.00</b>	<b>3,107,578.35</b>

