



KENYA NATIONAL AUDIT OFFICE



REPORT

OF

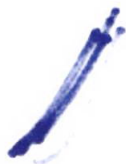
THE AUDITOR-GENERAL

ON

**THE FINANCIAL STATEMENTS OF
KENYA NATIONAL COMMISSION ON
HUMAN RIGHTS**

**FOR THE YEAR ENDED
30 JUNE 2014**

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KENYA NATIONAL COMMISSION ON HUMAN RIGHTS (KNCHR)

REPORTS AND FINANCIAL STATEMENTS

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

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

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I. KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

Kenya National Commission on Human Rights was established by law, the Kenya National Commission on Human Rights Act, 2011 and Article 59 (1) of the New Constitution of Kenya 2010. At the Secretariat level, the Commission is headed by the Commission Secretary, who is responsible for the general policy and strategic direction of KNCHR.

The principal activity/mission of the Commission is to enhance the protection and promotion of human rights in Kenya through strategic programming and partnership.

(b) Key Management

The Commission has a Secretariat which is the implementing organ. The Secretariat is composed of the Secretary, who is appointed by the Commissioners and serves as the Chief Executive Officer. The Secretary is assisted by the Deputy Secretary who acts as the head of programmes. Below the Deputy Secretary, there are Heads of Departments whose role is to oversee their respective departments.

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

- Secretary to the Commission
- Deputy Secretary
- Heads of Departments

(c) Fiduciary Management

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

No.	Designation	Name
1.	Ag. Chairperson (Up to 4 th January 2014)	Ms. Anne Munyiva Kyalo Ngugi
2.	Chairperson (from 4 th March 2014)	Ms. Kagwiria Mbogori
3	Commissioner (from 4 th March 2014)	Mr. George Morara Monyoncho
4	Commissioner (from 4 th March 2014)	Ms. Suzanne Shatikha Chivusia
5	Commissioner (from 4 th March 2014)	Ms. Jedidah Wakonyo Waruhiu
6	Commission Secretary- Accounting Officer	Ms. Patricia Mande Nyaundi

(d) Fiduciary Oversight Arrangements

1. Audit Committee-Audit activities
2. Finance and Administration Committee-Finance and Operational matters
3. Monitoring and Evaluation Committee-Program Implementation and reporting

(e) Entity Headquarters

CVS Plaza, 1st Floor, Lenana Road
P.O. Box 74359-00200
Nairobi, KENYA

(f) Entity Contacts

Telephone: (254) 20-2717908
E-mail: haki@knchr.org
Website: www.knchr.org

(g) Entity Bankers

Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
Nairobi, Kenya

Kenya Commercial Bank - Milimani Branch
NSSF Building, Bishops Road
P O Box 69695-00400
NAIROBI

(h) Independent Auditors

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

(i) Principal Legal Adviser

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

II. FORWARD BY THE COMMISSION SECRETARY (ACCOUNTING OFFICER)

The Kenya National Commission on Human Rights is an independent National Human Rights Institution (NHRI) established in accordance with Article 59 of the Constitution and operationalized by the Kenya National Commission on Human Rights Act of 2011. The Commission is organized around seven main programmatic departments as follows: Complaints and Investigations, Redress, Reforms and Accountability, Public Education and Training, Research and Compliance, Public Affairs and Communications and Economic, Social and Cultural Rights. The Monitoring and Evaluation, Regional Outreach, Internal Audit, Information Technology, Finance and Human Resource and Administration departments support these.

The Commission's Principal Office is situated in Nairobi and it has 4 regional Offices in Wajir, Kitale, Kisumu and Mombasa. Currently the Commission has 97 Staff against an approved staff establishment of 205. The Commission is implementing its 3rd strategic plan since its inception. The Key themes of the strategic plan are Access to Justice, Institutional Reform, promotion of socio-economic rights and organizational strengthening.

The total Budget of the National Commission for the 2013/2014 financial year was KShs. 685,924,093. The Commission secured Kshs 463,022,039 in funding for this year. Of this amount Kshs 263,624,006 was allocated by government and the balance of Kshs 199,398,033 from Development partners. This represents a 32% funding gap for the year under review. We spent KShs. 172,355,481 in payment of Personnel Emoluments against a budget of KShs. 175,496,087 which represents 98% utilization level leaving a small balance of KShs. 3,140,606. This budget balance represents savings which came as a result of resignations of several staff members during the period under review. The budget for the Use of Goods and Services was KShs. 86,082,151 and the actual expenditure was KShs. 89,379,679 representing 104% utilization level. This over expenditure is catered for by the under expenditure in the Personnel Emoluments and the Acquisition of Assets budget lines. We spent KShs. 1,365,995 against a budget of KShs. 2,045,768 in the Acquisition of Assets budget line representing a budget utilization level of 67%. There was also an adjustment which was effected in the 2013/2014 Financial Year in the Personnel Emoluments Budget line by way of reduction of about of KShs. 5,000,000 to cater for a shortfall in the Rent budget line

Main activities undertaken during the period included raising public awareness and understanding on the Bill of Rights. Capacity building of various state and non state actors including a Police, Prison Officers and members of Civil Societies and learning institutions. The Commission also undertook investigations into allegations of violations of rights. These include investigations into the Narasha Evictions, the Embobut forest forceful evictions. Commission also invested in the capacity building of various counties on rights based approach to development with emphasis on citizen participation. In keeping with our mandate to promote a culture of respect of human rights, the commission issued advisories on topical issues, including insecurity and conflict participation. The Commission continued to advocate for the implementation of the TJRC report and held dissemination forums across the country.

Key achievements by the Commission included the successful conduct of an audit of provision of health services in Busia County in conjunction with the Maryland State University, USA.

The commission is also setting up human rights clubs in institutions of learning in Northern Kenya. The Commission also implemented a project that seeks to improve accountability with regard to the cash transfer programme in Northern Kenya. The Commission in partnership with the local community and county government in Wajir erected a monument in Wajir as a memorial of the Wagalla Massacre of 1984. In Mombasa County the Commission implemented a project aimed at increasing public participation in County governments so as to prevent conflict.

In compliance with Government Policy on preferential procurement, 26% of the Commission procurements were awarded to Companies/businesses registered by women and youth.

The Commission also expanded its regional presence to a Western Kenya by setting up a desk at the Kisumu office of the Commission on Administrative Justice. Under a reciprocal arrangement the Commission has provided a desk for a CAJ officer at its Mombasa office.

The Commission also issued advisories on a number of Bills pending before parliament and had engagements with the respective Parliamentary Committees. For instance the Bill seeking to amend the National Police Service Act, the Campaign Financing Bill, the matrimonial property bill, the Marriage Bill and the Bill seeking to amend the TJRC Act.

Major concerns for the Commission include the move by the executive to constrict the space for Civil Society, for instance through the proposed amendments to the Public Benefit Organisations Act and the Amendments to the Communication Act. The period also saw an increase in threats and attacks on Human Right Defenders. These developments are not conducive towards the inculcation of a free and open society. Another concern was the intransigence of a number of state agencies. For instance in monitoring the Police operation Usalama, the commission often came up a brick wall. The Police denied access to the Commission despite several high level interventions. Contrary to the express provisions of Article 244 of the Constitution, the Police did not conduct policing whilst respecting human rights and failed to be accountable and transparent.


The Commission notes that with the increase in insecurity especially that which is attributable to terrorist activities there is need to develop a national policy that provides for respect for human rights in state response to insecurity. In the absence of this there is a real risk that state obligation to respect human rights may not be complied with.

The Kenya National Commission on Human Rights operated without full Commission in the 2013/2014 Financial Year. The Commissioners were sworn in and took office in the month of April 2014. This affected the operations of the National Commission to a certain extent.

Internal evaluation indicates that on average we were able to implement 69% of our work plan for the current year. The major hindrances were limited funding and insecurity affecting our offices in the Coast and North Eastern regions. The Commission is grateful for the support it continues to enjoy from the Government of Kenya and its Development partners, including GIZ, BHC, Help Age, Action Aid and UNDP. In the next financial year the Commission will continue with work to promote economic social and cultural rights. We will also seek to promote the use of ADR in resolution of disputes, including mediation, negotiation, conciliation and application of traditional justice mechanisms. Combating insecurity and aligning state response with Human rights will be a priority of the Commission.

The Commission will follow up state compliance with its international and regional obligations with regards to the various treaties and conventions. We shall scale up our work on the protection of Human rights Defenders. We hope that resources will be made available to enable the Commission expand its regional presence.

We are hopeful that adequate resources shall be availed to the Commission to enable it effectively carry out its mandate.


Patricia Mande Nyaundi
Commission Secretary

III. 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.

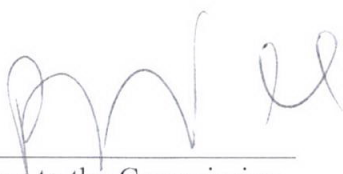
The Secretary in charge of Kenya National Commission on Human Rights is responsible for the preparation and presentation of the Commission's financial statements, which give a true and fair view of the state of affairs of the Commission for and as at the end of the financial year 2013/2014 ended on June 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 entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Commission; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Secretary in charge of KNCHR accepts responsibility for the Commission'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) and relevant legal framework of the Government of Kenya. The Secretary is of the opinion that the Commission's financial statements give a true and fair view of the state of KNCHR's transactions during the financial year ended June 30, 2014, and of the Commission's financial position as at that date. The Secretary charge of the Commission further confirms the completeness of the accounting records maintained for KNCHR, which have been relied upon in the preparation of the Commission's financial statements as well as the adequacy of the systems of internal financial control.

The Secretary in charge of the Commission confirms that the entity has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity'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 Secretary confirms that the Commission'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 Commission's financial statements were approved and signed by the Commission Secretary 25th September 2014.



Secretary to the Commission



Finance Manager



OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON KENYA NATIONAL COMMISSION ON HUMAN RIGHTS FOR THE YEAR ENDED 30 JUNE 2014

REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of Kenya National Commission on Human Rights set out on pages 8 to 33 which comprise statement of assets and liabilities as at 30 June 2014, statement of receipts and payments, statement of cash flows, summary statement of appropriation: Recurrent and Development combined and summary statement of provisionings for the year then ended, together with 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 8 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 (Cash Basis) and Public Finance Management Act, 2012 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 4 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 9 of the Public Audit Act, 2003. 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 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 Commission'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 opinion.

Basis for Qualified Opinion

1. Over expenditure

A comparison between the approved estimates and the actual expenditure reflected in the statement of comprehensive income revealed that the Commission spent in excess of the voted provision a sum of Kshs.8,852,760.70 on various items. No evidence was availed to show that the Accounting Officer complied with the requirement of Section 43 (1) and (2) of the Public Finance Management Act, 2012.

2. Long Outstanding Bank Reconciliation items

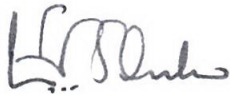
As previously reported, bank reconciliation statements provided for audit review, include items totaling Kshs.134,118.20 that have been consistently reflected as outstanding for a long period. No reasons were given for not clearing these items.

3. Long Outstanding Imprest and Advance

As previously reported, account receivables balance of Kshs.7,499,791 shown in the statement of financial position as at 30 June 2012, included a temporary imprest of Kshs.93,792.00 owed by a former employee and a staff advance of Kshs.954,201.32 owed by a former Commissioner. No evidence of the action taken to recover the long outstanding imprest and advance has been provided.

Qualified Opinion

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Kenya National Commission on Human Rights 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 the Public Finance Management Act, 2012 and comply with the Kenya National Commission on Human Rights Act, 2011.



Edward R.O. Ouko, CBS
AUDITOR-GENERAL


Nairobi


5 February 2015

V. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2013-2014 Kshs	2012-2013 Kshs	2011-2012 Kshs
RECEIPTS				
Tax Receipts	1	-	-	-
Social Security Contributions	2	-	-	-
Proceeds from Domestic and Foreign Grants	3	63,242	93,580	133,155
Exchequer releases	4	263,770	251,000	304,500
Transfers from Other Government Entities	5	-	-	-
Proceeds from Domestic Borrowings	6	-	-	-
Domestic Currency and Domestic Deposits	7	-	-	-
Proceeds from Foreign Borrowings	8	-	-	-
Proceeds from Sale of Assets	9	-	-	-
Reimbursements and Refunds	10	-	-	-
Returns of Equity Holdings	11	-	-	-
Other Receipts	12	<u>1,360</u>	<u>-</u>	-
TOTAL RECEIPTS		328,372	344,580	437,656
PAYMENTS				
Compensation of Employees	13	166,178	151,063	117,390
Use of goods and services	14	89,380	96,414	81,555
Interest payments	15	-	-	-
Subsidies	16	-	-	-
Transfers to Other Government Units	17	-	-	-
Other grants and transfers	18	23,984	21,201	3,077
Social Security Benefits	19	6,177	-	-
Acquisition of Assets	20	1,366	3,450	17,582
Finance Costs, including Loan Interest	21	-	-	-
Repayment of principal on Domestic and Foreign borrowing	22	-	-	-
Other Payments	23	<u>59,676</u>	<u>75,562</u>	<u>219,954</u>
TOTAL PAYMENTS		346,761	347,690	439,559
DEFICIT	27	<u>(18,389)</u>	<u>(3,110)</u>	<u>(1,903)</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 25th September 2014 and signed by:

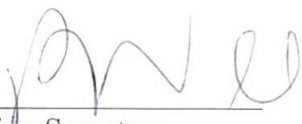

 Commission Secretary


 Finance Manager


VI. STATEMENT OF ASSETS AND LIABILITIES

	Note	2013-2014 Kshs	2012-2013 Kshs	2011 – 2012 Kshs
FINANCIAL ASSETS				
Cash and Cash Equivalents				
Bank Balances	24A	38,903	57,294	65,275
Cash Balances	24B	200	200	200
Cash Equivalents	24C	6,681	6,728	5,548
Outstanding Imprests and advances	24D	<u>1,542</u>	<u>1,493</u>	<u>3,350</u>
TOTAL FINANCIAL ASSETS		<u>47,326</u>	<u>65,715</u>	<u>74,373</u>
REPRESENTED BY				
Fund balance b/fwd	25	65,715	68,825	76,276
Deficit for the year		(18,389)	(3,110)	(1,903)
Prior year adjustments	26	-	-	-
NET FINANCIAL POSITION		<u>47,326</u>	<u>65,715</u>	<u>74,373</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 25th September 2014 and signed by:



 Commission Secretary




 Finance Manager

VII. STATEMENT OF CASHFLOW

	Note	2013-2014 Kshs	2012-2013 Kshs	2011-2012 Ksh'
Receipts for operating income				
Tax Revenues	1	-	-	-
Social Security Contributions	2	-	-	-
Proceeds from Domestic and Foreign Grants	3	63,242	93,580	133,155
Exchequer Releases	4	263,770	251,000	304,500
Transfers from Other Government Entities	5	-	-	-
Reimbursements and Refunds	10	-	-	-
Returns of Equity Holdings	11	-	-	-
Other Revenues	12	1,360	-	-
Payments for operating expenses				
Compensation of Employees	13	(166,178)	(151,063)	(117,390)
Use of goods and services	14	(89,380)	(96,414)	(81,555)
Interest payments	15	-	-	-
Subsidies	16	-	-	-
Transfers to Other Government Units	17	-	-	-
Other grants and transfers	18	(23,984)	(21,201)	(3,077)
Social Security Benefits	19	(6,177)	-	-
Finance Costs, including Loan Interest	21	-	-	-
Other Expenses	23	(59,676)	(75,562)	(219,954)
Adjusted for:				
Adjustments during the year		-	-	-
Net cashflow from operating activities		(17,023)	340	15,679
CASHFLOW FROM INVESTING ACTIVITIES				
Proceeds from Sale of Assets	9	-	-	-
Acquisition of Assets	20	(1,366)	(3,450)	17,582
Net cash flows from Investing Activities		(1,366)	(3,450)	(17,582)
CASHFLOW FROM BORROWING ACTIVITIES				
Proceeds from Domestic Borrowings	6	-	-	-
Domestic Currency and Domestic Deposits	7	-	-	-
Proceeds from Foreign Borrowings	8	-	-	-
Repayment of principal on Domestic and Foreign borrowing	22	-	-	-
Net cash flow from financing activities		-	-	-

	Note	2013-2014 Kshs	2012-2013 Kshs	2011-2012 Kshs
NET DECREASE IN CASH AND CASH EQUIVALENT		(18,389)	(3,110)	(1,903)
Cash and cash equivalent at BEGINNING of the year	24	65,715	68,825	76,276
Cash and cash equivalent at END of the year	24	47,326	65,715	74,373

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 25th September 2014 and signed by:



 Commission Secretary



 Finance Manager

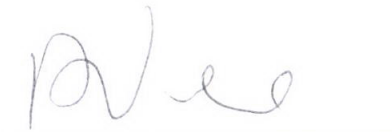
VIII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED


Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	D	e=c-d	f=d/c %
RECEIPTS						
Tax Receipts	-	-	-	-	-	-
Social Security Contributions	-	-	-	-	-	-
Proceeds from Domestic and Foreign Grants	59,371	-	59,371	63,242	(3,871)	107%
Exchequer releases	263,774	(150)	263,624	263,770	(150)	100%
Transfers from Other Government Entities	-	-	-	-	-	-
Proceeds from Domestic Borrowings	-	-	-	-	-	-
Proceeds from Foreign Borrowings	-	-	-	-	-	-
Proceeds from Sale of Assets	-	-	-	-	-	-
Reimbursements and Refunds	-	-	-	-	-	-
Returns of Equity Holdings	-	-	-	-	-	-
Other Receipts	-	-	-	1,360	-	-
PAYMENTS						
Compensation of Employees	173,994	(5,000)	168,994	166,178	2,816	98%
Use of goods and services	81,232	4,850	86,082	89,380	(3,298)	104%
Interest payments	-	-	-	-	-	0%
Subsidies	-	-	-	-	-	0%
Transfers to Other Government Units	-	-	-	-	-	0%
Other grants and transfers	9,877	-	9,877	23,984	(14,107)	243%
Social Security Benefits	6,502	-	6,502	6,177	325	95%
Acquisition of Assets	2,046	-	2,046	1,366	680	67%

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
Finance Costs, including Loan Interest	-	-	-	-	-	0%
Repayment of principal on Domestic and Foreign borrowing	-	-	-	-	-	0%
Other Payments	59,676	-	59,676	59,676	-	100%
TOTALS	333,327	(150)	333,177	346,761	(13,584)	104%

Other grants and transfers are refunds to development partners for surplus funds not utilized at close of project. Refund to Dutch of Kshs 9,877,195 was projected at the beginning of the Financial Year.

The entity financial statements were approved on 25th September 2014 and signed by:


 Commission Secretary


 Finance Manager

IX. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Tax Receipts	-	-	-	-	-	-
Social Security Contributions	-	-	-	-	-	-
Proceeds from Domestic and Foreign Grants	59,371		59,371	63,242	(3,871)	107%
Exchequer releases	263,774	(150)	263,624	263,770	(150)	100%
Transfers from Other Government Entities	-	-	-	-	-	-
Proceeds from Domestic Borrowings	-	-	-	-	-	-
Proceeds from Foreign Borrowings	-	-	-	-	-	-
Proceeds from Sale of Assets	-	-	-	-	-	-
Reimbursements and Refunds	-	-	-	-	-	-
Returns of Equity Holdings	-	-	-	-	-	-
Other Receipts	-	-	-	1,360	-	-
PAYMENTS						
Compensation of Employees	173,994	(5,000)	168,994	166,178	2,816	98%
Use of goods and services	81,232	4,850	86,082	89,380	(3,298)	104%
Interest payments	-	-	-	-	-	0%
Subsidies	-	-	-	-	-	0%
Transfers to Other Government Units	-	-	-	-	-	0%
Other grants and transfers	9,877	-	9,877	23,984	(14,107)	243%

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
Social Security Benefits	6,502	-	6,502	6,177	325	95%
Acquisition of Assets	2,046	-	2,046	1,366	680	67%
Finance Costs, including Loan Interest	-	-	-	-	-	0%
Repayment of principal on Domestic and Foreign borrowing	-	-	-	-	-	0%
Other Payments	59,676	-	59,676	59,676	-	100%
TOTALS	333,327	(150)	333,177	346,761	(13,584)	104%

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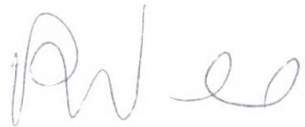
X. SUMMARY STATEMENT OF APPROPRIATION: DEVELOPMENT

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS		-	-	-	-	-
Tax Receipts	-	-	-	-	-	-
Social Security Contributions	-	-	-	-	-	-
Proceeds from Domestic and Foreign Grants	-	-	-	-	-	-
Exchequer releases	-	-	-	-	-	-
Transfers from Other Government Entities	-	-	-	-	-	-
Proceeds from Domestic Borrowings	-	-	-	-	-	-
Proceeds from Foreign Borrowings	-	-	-	-	-	-
Proceeds from Sale of Assets	-	-	-	-	-	-
Reimbursements and Refunds	-	-	-	-	-	-
Returns of Equity Holdings	-	-	-	-	-	-
Other Receipts	-	-	-	-	-	-
PAYMENTS						
Compensation of Employees	-	-	-	-	-	-
Use of goods and services	-	-	-	-	-	-
Interest payments	-	-	-	-	-	-
Subsidies	-	-	-	-	-	-
Transfers to Other Government Units	-	-	-	-	-	-
Other grants and transfers	-	-	-	-	-	-
Social Security Benefits	-	-	-	-	-	-
Acquisition of Assets	-	-	-	-	-	-
Finance Costs, including Loan Interest	-	-	-	-	-	-

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
Repayment of principal on Domestic and Foreign borrowing	-	-	-	-	-	-
Other Payments	-	-	-	-	-	-
TOTALS	-	-	-	-	-	

There was no development expenditure incurred during the period.

The entity financial statements were approved on 25th September 2014 and signed by:



Commission Secretary



Finance Manager

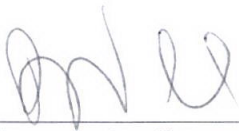
XI. SUMMARY STATEMENT OF PROVISIONINGS

- Details of General Accounts On Vote


	2013 - 2014 Kshs	2012 - 2013 Kshs	2011 - 2012 Kshs
GAV Provisioning account balance	523	=	=
Total	<u>523</u>	=	=

- Details of Exchequer Account

	2013 - 2014 Kshs	2012 - 2013 Kshs	2011 - 2012 Kshs
Exchequer Provisioning account balance	(146)	=	=
Total	<u>(146)</u>	=	=



 Commission Secretary



 Finance Manager

XII. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of compliance and basis of preparation

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

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

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

2. Recognition of revenue and expenses

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

3. In-kind contributions

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

4. Cash and cash equivalents

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

SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. Pending bills

Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years. As pending bills do not involve the payment of cash in the reporting period, they recorded as 'memorandum' or 'off-balance' items to provide a sense of the overall net cash position of the Commission at the end of the year. When the pending bills are finally settled, such payments are included in the statement of receipts and payments in the year in which the payments are made.

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

7. Comparative figures

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

8. Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2014.

XIII. NOTES TO THE FINANCIAL STATEMENTS

1 TAX REVENUES

	2013 - 2014	2012 - 2013	2011 - 2012
	Kshs	Kshs	Kshs
Taxes on Income, Profits and Capital Gains	-	-	-
Taxes on Property	-	-	-
Taxes on Goods and Services	-	-	-
Taxes on International Trade and Transactions	-	-	-
Other Taxes (not elsewhere classified)	=	=	=
Total	=	=	=

2 SOCIAL SECURITY CONTRIBUTIONS

	2013 - 2014	2012 - 2013	2011 - 2012
	Kshs	Kshs	Kshs
Receipts for Health Insurance Contribution	-	-	-
Receipts to NHIF for Health Insurance Contributions	-	-	-
Receipts from Govt Employees to Social & Welfare Schemes in Govt	=	=	=
Total	=	=	=

3 PROCEEDS FROM DOMESTIC AND FOREIGN GRANTS

Name of Donor	Date received	Amount in foreign currency	2013 - 2014	2012 - 2013	2011 - 2012
			Kshs	Kshs	Kshs
Grants Received from Bilateral Donors (Foreign Governments)		-	-	-	
Grants Received from Multilateral Donors (International Organisations)					
UNDP			27,032	32,438	
British High Commission (BHC)	06.09.2013		7,843	30,000	
GIZ- Social Justice	18.07.2013		5,345	9,076	18,810
GIZ-Good Governance			2,158	5,402	5,760

Name of Donor	Date received	Amount in foreign currency	2013 - 2014	2012 - 2013	2011 - 2010
			Kshs	Kshs	Kshs
OHCHR		USD 10,000	864	100	2,333
Action Aid in Kenya	17.06.2014		2,991	-	-
UNHCR			-	14,326	13,772
HelpAge		GBP 110,277	15,615	-	-
Internal Displacement Monitoring Centre(IDMC)	07.02.14	USD 2,450	200	-	-
APCOF			194	-	-
European Union(EU-104)					26,510
Norway (105)					31,571
Dutch(106)					28,000
IGWGIA(118)					564
Kenya Human Rights Commission			1,000	-	-
Total			63,242	91,342	127,331

4 EXCHEQUER RELEASES

	2013 - 2014	2012 - 2013	2011 - 2012
	Kshs	Kshs	Kshs
Total Exchequer Releases for quarter 1	70,000	50,000	
Total Exchequer Releases for quarter 2	80,000	90,000	
Total Exchequer Releases for quarter 3	70,000	76,000	
Total Exchequer Releases for quarter 4	<u>43,770</u>	<u>35,000</u>	<u>304,500</u>
Total	<u>263,770</u>	<u>251,000</u>	<u>304,500</u>

5 TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description	2013 - 2014	2012 - 2013	2011 - 2012
	Kshs	Kshs	Kshs
Transfers from Central government entities	-	-	-
Transfers from Counties	=	=	=
TOTAL	=	=	=

6 PROCEEDS FROM DOMESTIC BORROWINGS

	2013 - 2014 Kshs	2012 - 2013 Kshs	2011 -2012 Kshs
Borrowing within General Government	-	-	-
Borrowing from Monetary Authorities (Central Bank)	-	-	-
Other Domestic Depository Corporations (Commercial Banks)	-	-	-
Borrowing from Other Domestic Financial Institutions	-	-	-
Borrowing from Other Domestic Creditors	=	=	=
Total	=	=	=

7 DOMESTIC CURRENCY AND DOMESTIC DEPOSITS

	2013 - 2014 Kshs	2012 - 2013 Kshs	2011 - 2012 Kshs
x% Retention amount in relation to project A	-	-	-
y% Retention amount in relation to project B	-	-	-
z% Retention amount in relation to project C	-	-	-
Deposits held in trust	=	=	=
Total	=	=	=

8 PROCEEDS FROM FOREIGN BORROWINGS

	2013 - 2014 Kshs	2012 - 2013 Kshs	2011 - 2012 Kshs
Foreign Borrowing – Draw-downs Through Exchequer	-	-	-
Foreign Borrowing - Direct Payments	-	-	-
Foreign Currency and Foreign Deposits	=	=	=
Total	=	=	=

9 PROCEEDS FROM SALE OF NON-FINANCIAL ASSETS

	2013 - 2014	2012 - 2013	2011 - 2012
	Kshs	Kshs	Kshs
Receipts from the Sale of Buildings			
Receipts from the Sale of Vehicles and Transport Equipment	-	-	-
Receipts from the Sale Plant Machinery and Equipment	-	-	-
Receipts from Sale of Certified Seeds and Breeding Stock	-	-	-
Receipts from the Sale of Strategic Reserves Stocks	-	-	-
Receipts from the Sale of Inventories, Stocks and Commodities	-	-	-
Disposal and Sales of Non-Produced Assets	-	-	-
Receipts from the Sale of Strategic Reserves Stocks	-	-	-
Total	=	=	=

10 REIMBURSEMENTS AND REFUNDS

	2013 - 2014	2012 - 2013	2011 - 2012
	Kshs	Kshs	Kshs
Refund from World Food Programme (WFP)	-		
Reimbursement of Audit Fees	-		
Reimbursement on Messing Charges (UNICEF)	-		
Reimbursement from World Bank – ECD	-		
Reimbursement from Individuals and Private Organisations	-		
Reimbursement from Local Government Authorities	-		
Reimbursement from Statutory Organisations	-		
Reimbursement within Central Government	-		
Reimbursement Using Bonds	-		
Total	-	-	

11 RETURNS OF EQUITY HOLDINGS

	2013 - 2014	2012 - 2013	2011 - 2012
	Kshs	Kshs	Kshs
Returns of Equity Holdings in Domestic Organisations	-	-	-
Returns of Equity Holdings in International Organisations	=	=	=
Total	=	=	=

12 OTHER REVENUES

	2013 - 2014	2012 - 2013	2011 - 2012
	Kshs	Kshs	Kshs
Interest Received	-	-	-
Profits and Dividends	-	-	-
Rents	-	-	-
Other Property Income	-	-	-
Sales of Market Establishments	-	-	-
Receipts from Administrative Fees and Charges	-	-	-
Receipts from Administrative Fees and Charges - Collected as AIA	-	-	-
Receipts from Incidental Sales by Non-Market Establishments	-	-	-
Receipts from Sales by Non-Market Establishments	-	-	-
Receipts from Sale of Incidental Goods	-	-	-
Fines Penalties and Forfeitures	-	-	-
Receipts from Voluntary transfers other than grants	-	-	-
Other Receipts Not Classified Elsewhere	1,360	2,238	5,823
Total	<u>1,360</u>	<u>2,238</u>	<u>5,823</u>

13 COMPENSATION OF EMPLOYEES

	2013 - 2014	2012 - 2013	2011 - 2012
	Kshs	Kshs	Kshs
Basic salaries of permanent employees	166,178	151,063	117,390
Basic wages of temporary employees	-	-	-
Personal allowances paid as part of salary	-	-	-
Personal allowances paid as reimbursements	-	-	-
Personal allowances provided in kind	-	-	-
Pension and other social security contributions	-	-	-
Compulsory national social security schemes	-	-	-
Compulsory national health insurance schemes	-	-	-
Social benefit schemes outside government	-	-	-
Other personnel payments	-	-	-
Total	<u>166,178</u>	<u>151,063</u>	<u>117,390</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

14 USE OF GOODS AND SERVICES

	2013 - 2014	2012 - 2013	2011 - 2012
	Kshs	Kshs	Kshs
Utilities, supplies and services	1,034	152	2,129
Communication, supplies and services	8,338	7,589	6,411
Domestic travel and subsistence	5,774	6,447	6,000
Foreign travel and subsistence	1,142	0	1,000
Printing, advertising and information supplies & services	5,197	5,112	4,975
Rentals of produced assets	34,649	29,173	26,271
Training expenses	5,244	8,777	7,767
Hospitality supplies and services	2,138	4,277	-
Insurance costs	13,376	14,881	11,948
Specialised materials and services	298	6,724	3,194
Office and general supplies and services	1,338	3,202	1,774
Other operating expenses	4,620	5,029	553
Routine maintenance – vehicles and other transport equipment	5,304	3,852	7,782
Routine maintenance – other assets	928	1,199	1,550
Total	<u>89,380</u>	<u>96,414</u>	<u>81,555</u>

15 INTEREST PAYMENTS

	2013 - 2014	2012 - 2013	2011 - 2012
	Kshs	Kshs	Kshs
Interest Payments on Foreign Borrowing	-	-	-
Interest on Domestic Borrowing	-	-	-
Interest on Borrowing From Other Government Units	=	=	=
Total	=	=	=

16 SUBSIDIES

Description	2013 - 2014	2012 - 2013	2011 - 2012
	Kshs	Kshs	Kshs
Subsidies to Public Corporations	-	-	-
Subsidies to Private Enterprises	=	=	=
TOTAL	=	=	=

NOTES TO THE FINANCIAL STATEMENTS (Continued)

17 TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2013 - 2014	2012 - 2013	2011- 2012
	Kshs	Kshs	Kshs
Transfers to Central government entities	-	-	-
Transfers to Counties	=	=	=
TOTAL	<u>=</u>	<u>=</u>	<u>=</u>

18 OTHER GRANTS AND OTHER PAYMENTS

	2013 - 2014	2012 -	2011-
	Kshs	2013 Kshs	2012 Kshs
Scholarships and other educational benefits	-	-	-
Emergency relief and refugee assistance	-	-	-
Subsidies to small businesses, cooperatives, and self employed	-	-	-
Other current transfers, grants	23,984	21,201	3,077
Other capital grants and transfers	-	-	-
Total	<u>23,984</u>	<u>21,201</u>	<u>3,077</u>

19 SOCIAL SECURITY BENEFITS

	2013 - 2014	2012 - 2013	2011- 2012
	Kshs	Kshs	Kshs
Government pension and retirement benefits	-	-	-
Social security benefits in cash and in kind	358	-	-
Employer Social Benefits in cash and in kind	<u>5,819</u>	=	=
Total	<u>6,177</u>	<u>=</u>	<u>=</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

20 ACQUISITION OF ASSETS

<u>Non Financial Assets</u>	2013 - 2014 Kshs	2012 - 2013 Kshs	2011 - 2012 Kshs
Purchase of Buildings	-	-	-
Construction of Buildings	-	-	-
Refurbishment of Buildings	-	-	-
Construction of Roads	-	-	-
Construction and Civil Works	-	-	-
Overhaul and Refurbishment of Construction and Civil Works	-	-	-
Purchase of Vehicles and Other Transport Equipment	-	-	4,448
Overhaul of Vehicles and Other Transport Equipment	-	-	-
Purchase of Household Furniture and Institutional Equipment	-	-	-
Purchase of Office Furniture and General Equipment	1,252	2,200	6,864
Purchase of Specialised Plant, Equipment and Machinery	-	1,250	6,270
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-	-
Purchase of Certified Seeds, Breeding Stock and Live Animals	-	-	-
Research, Studies, Project Preparation, Design & Supervision	-	-	-
Rehabilitation of Civil Works	-	-	-
Acquisition of Strategic Stocks and commodities	-	-	-
Acquisition of Land	-	-	-
Acquisition of Intangible Assets	114	-	-
<u>Financial Assets</u>			
Domestic Public Non-Financial Enterprises	-	-	-
-Domestic Public Financial Institutions	-	-	-
Foreign financial Institutions operating Abroad	-	-	-
Other Foreign Enterprises	-	-	-
Foreign Payables - From Previous Years	-	-	-
Total	<u>1,366</u>	<u>3,450</u>	<u>17,582</u>

21 FINANCE COSTS, INCLUDING LOAN INTEREST

	2013 - 2014	2012 - 2013	2011 - 2012
	Kshs	Kshs	Kshs
Exchange Rate Losses	-	-	-
Interest Payments on Foreign Borrowings	-	-	-
Interest Payments on Guaranteed Debt Taken over by Govt	-	-	-
-Interest on Domestic Borrowings (Non-Govt)	-	-	-
Interest on Borrowings from Other Government Units	=	=	=
Total	=	=	=

22 REPAYMENT OF PRINCIPAL ON DOMESTIC LENDING AND ON-LENDING

	2013 - 2014	2012 - 2013	2011 - 2012
	Kshs	Kshs	Kshs
Repayments on Borrowings from Domestic	-	-	-
Principal Repayments on Guaranteed Debt Taken over by Government	-	-	-
Repayments on Borrowings from Other Domestic Creditors	-	-	-
Repayment of Principal from Foreign Lending & On – Lending	=	=	=
Total	=	=	=

23 OTHER EXPENSES

	2013 - 2014	2012 - 2013	2011 - 2012
	Kshs	Kshs	Kshs
Budget Reserves	-	-	-
Civil Contingency Reserves	-	-	-
Capital Transfers to Non-Financial Public Enterprises	-	-	-
Capital Transfer to Public Financial Institutions and Enterprises	-	-	-
Capital Transfer to Private Non-Financial Enterprises	-	-	-
Other expenses	59,676	75,562	219,954
Domestic Accounts	-	-	-
Total	<u>59,676</u>	<u>75,562</u>	<u>219,954</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

24A Bank Accounts

Name of Bank, Account No. & currency	Amount in bank account currency	Exc rate	2013 - 2014	2012 - 2013	2011 - 2012
			Kshs	Kshs	Kshs
Central Bank of Kenya,01-010-R085(1000181702) Kes			500	500	0
GOK,Kenya Commercial Bank, 1103251996,Kes			14,654	14,530	5,836
Other Donors, Kenya Commercial Bank, 1103252437, Kes			17,549	24,728	14,598
EU/DGSP, Kenya Commercial Bank,1113793821,Kes			2	4,153	6,191
Dutch Embassy(NED), Kenya Commercial Bank,1103254723,Kes			442	10,332	16,843
ANHRI, Kenya Commercial Bank,1103254944,Kes			-	24	-24
GTZ-SJ, Kenya Commercial Bank,1116749068, Kes			3	1,405	2,341
GTZ-Gogo, Kenya Commercial Bank,1129279790, Kes			271	889	142
Norwegian Embassy, Kenya Commercial Bank,110321311,Kes			793	781	19,348
HelAge, Kenya Commercial Bank,1146399022, Kes			4,689	-	
Total			38,903	57,294	65,275

24B CASH IN HAND

	2013 - 2014	2012 - 2013	2011 - 2012
	Kshs	Kshs	Kshs
Location 1- Nairobi-Petty cash	100	100	100
Location 2-Nairobi- Rapid Response	100	100	100
Location 3	-	-	
Other Locations (<i>specify</i>)	-	-	
Total	<u>200</u>	<u>200,</u>	<u>200</u>

24C Cash equivalents (short-term deposits)

Name of Bank, Account No. & currency	Amount in foreign currency	Exchange rate	2013 -	2012 -	2011 -
			2014	2013	2012
			Kshs	Kshs	Kshs
Stock(Inventories)			1,455	1,325	1,045
Banker's Guarantee for Fuel - Total Kenya			930	930	930
Rent deposit -Msa Office			270	270	-
Interproject			61	192	179
Rent deposit - CVS Plaza			3,704	3,315	2,779
Rent deposit -Kapenguria			60	60	60
Airtel deposit			101	101	101
Safaricom deposit			100	100	100
Grants receivable			0	435	354
Total			6,681	6,728	5,548

24D OUTSTANDING IMPRESTS

ADVANCES	2014
Name of official	(Kshs)
Edna Koitie	(10)
Joseph Kaberia	132
Kiptoo Bii	4
Mohamed Hallo	-
Antonina Okuta	23
Ezra Chiloba	1
Stephen Otieno	(7)
Alice W. Nderitu	(16)
Maina Kiai	954
Total Advances	1,081
IMPRESTS	
Kamanda Mucheke	(17)
Irene Ong'ayo	-
Joyce Ndunge	-
Hassan Abdille	195
Benard Kibet	7
Nahashon Ruhu	1
William Tengecha	32
Collins Omondi	53
Victor Lando	8
Antonina Okuta	18

Mohamed Jaafar	(111)
Samson Omondi	(1)
Stella Wangechi	5
Patrick Banyonte	70
Kevin Luyego	-
Ibrahim Kassim	134
James Miriti	21
Mohamed Ruwange	1
Keith Changalwa	12
Alice Mbuvi	37
Demas Kiprono	-
Patricia Nyaundi	(8)
Maina Kariuki	94
Maina Kiai	(163)
Tirop Kitur	73
Total Imprests	461
Total Imprests and advances	<u>1,542</u>

25 BALANCES BROUGHT FORWARD

	2013 - 2014	2012 - 2013	2011 - 2012
	Kshs	Kshs	Kshs
Bank accounts	57,294	65,275	73,498
Cash in hand	200	200	200
Cash equivalents (short-term deposits)	6,728	-	-
Imprest	1,493	3,350	2,578
Receivables	-	-	-
Payables	-	-	-
Total	<u>65,715</u>	<u>68,825</u>	<u>76,276</u>

26 PRIOR YEAR ADJUSTMENTS

	2013 - 2014	2012 - 2013	2011 - 2012
	Kshs	Kshs	Kshs
Bank accounts	-	-	-
Cash in hand	-	-	-
Cash equivalents (short-term deposits)	-	-	-
Imprest	=	=	=
Total	=	=	=

27 OTHER IMPORTANT DISCLOSURES

27.1 PENDING ACCOUNTS PAYABLE

	2013 - 2014	2012 - 2013	2011
	Kshs	Kshs	Kshs
Construction of buildings	-	-	-
Construction of civil works	-	-	-
Supply of goods	-	-	-
Supply of services	-	-	-
	=	=	=

27.2 PENDING STAFF PAYABLES

	2013 - 2014	2012 - 2013	2011
	Kshs	Kshs	Kshs
Senior management	-	-	-
Middle management	-	-	-
Unionisable employees	-	-	-
Others (<i>specify</i>)	-	-	-
	=	=	=

27.3 OTHER PENDING PAYABLES (See Annex 3)

	2013 - 2014	2012 - 2013	2011
	Kshs	Kshs	Kshs
Amounts due to National Government entities	-	-	-
Amounts due to County Government entities	-	-	-
Amounts due to third parties	8,353	-	-
Others (<i>specify</i>)	-	=	=
	<u>8,353</u>	=	=

27.4 DEFICIT

The deficit of KShs. 18,389 reflected in the Financial Statements is caused by the refunds of KShs. 23,984 which was received from the Development Partners in the previous financial years and was refunded during the 2013/2014 financial year. This does not affect the grant received from the G.O.K. We received KShs. 263,770 from the government and managed to spend around 100% of the total funds disbursed.

PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

1	<p>Long Outstanding Bank Reconciliation Items</p> <p>The bank reconciliation statements provided for audit review included items totalling Kshs. 598,520.83 that have been consistently reflected for a long period. No reasons were given for not clearing the items.</p>	<p>This amount relate to reconciling items that had not been cleared by our Kenya Commercial Bank. Part of this is a debit of KShs.300,000 which was an amount transferred by the bank from KNCHR GOK Kenya Commercial Bank a/c to another KNCHR Commercial Bank account as evidenced on the bank statement attached. This transaction involved internal KCB transfer between two KNCHR accounts to cater for expenses that were supposed to be paid by the Commission from an account that did not have sufficient funds. The account has since been closed and the amount transferred back the GOK KCB account. The other amounts are being investigated by our banker (Kenya Commercial Bank (KCB) since they have to go through their archives to retrieve the transactions relating to these entries</p>	John Wamwanga (Finance Manager)	Substantially resolved	To be resolved by 30 th June 2015
2	<p>Unresolved 2011/2012 Audit Issues</p> <p>The Commission has not responded to and resolved the audit issues that were the basis of qualification of the financial statements in the year 2011/2012.</p> <p>(i) The account receivables balance of KShs. 7,499,791 shown in the statement of financial position as at 30th June 2012 includes a temporary imprest of KShs. 93,792 and a staff advance of KShs. 954,201.32 owed by a former employee and former Commissioner, respectively. No evidence has been seen of the action taken to recover the long outstanding imprest and advance.</p>	<p>We are still following up with Mr. Maina Kiai (former Commissioner) so that he can pay the Commission this outstanding amount Kshs. 954,201. We have also made an effort to follow up Charles Maina Kariuki (former employee) to recover the KShs. 93,792 with the help of our legal advisor but discovered that he had closed his post office box and could not be reached or contacted by anyone at the Commission as his whereabouts are not known. We are still following up this issue with them.</p>	Patricia Nyaundi (Commission Secretary)	Not Resolved	To be resolved by 30 th June 2015

ANNEX 1 - ANALYSIS OF OTHER PENDING PAYABLES

Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2014	Outstanding Balance 2013	Comments
		a	b	c	d=a-c		
Amounts due to National Govt Entities							
Sub-Total					-	-	
Amounts due to County Govt Entities							
Sub-Total					-	-	
Amounts due to Third Parties							
Pacific Insurance Brokers (EA) Ltd (APA Insurance)	Life assurance-Staff				1,396		
The Automobile Association of Kenya	Towing fees-GK A623H				8		
Rentokil Initial Kenya Ltd	Washroom services-HQ, CVS				19		
APA Insurance Limited	Insurance services-staff n assets				4,868		

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Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance	Outstanding Balance	Comments
Tymstar Trading Co Ltd	Vehicle Servicing (Various)				385		
CIC Insurance (Insurance Marketing Insurance Agencies Limited)	Medical Insurance Cover for staff & commissioners				1,597		
Westfield Motors Ltd	Vehicle Servicing-GK B155B				19		
Vintage Travel and Tours Services Ltd	Airticket for Collins Omondi LPO 2875				61		
Sub-Total					8,353		
Others (specify)							
Sub-Total					-		
Grand Total					8,353		

ANNEX 2 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost (Kshs) 2013/14	Historical Cost (Kshs) 2012/13	Historical Cost (Kshs) 2011/12
Land	-	-	-
Buildings and structures	-	-	-
Transport equipment	40,786	40,786	4,448
Office equipment, furniture and fittings	52,791	51,897	6,864
ICT Equipment, Software and Other ICT Assets	27,602	27,130	6,270
Other Machinery and Equipment	-	-	-
Heritage and cultural assets	-	-	-
Intangible assets	-	-	-
Total	121,179	119,813	17,582