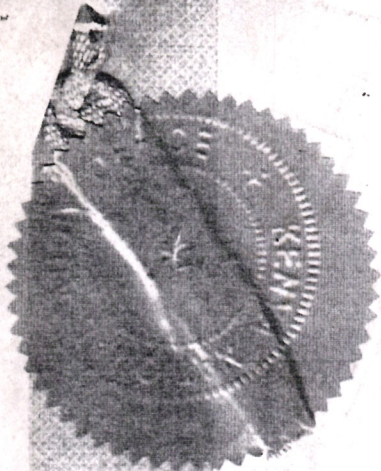


REPUBLIC OF KENYA



**KENYA NATIONAL AUDIT OFFICE**

**REPORT OF  
THE  
AUDITOR-GENERAL**

**ON**



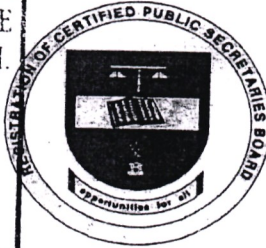
**THE FINANCIAL STATEMENTS  
OF REGISTRATION OF CERTIFIED  
PUBLIC SECRETARIES BOARD  
FOR THE YEAR ENDED  
30 JUNE 2013**



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

- 8 NOV 2013

RECEIVED



**REGISTRATION OF CERTIFIED PUBLIC SECRETARIES BOARD**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE 2013**

**REGISTRATION OF CERTIFIED PUBLIC SECRETARIES BOARD**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH JUNE 2013**

	<b>PAGE NO.</b>
Table of contents	1
General Information	2
Board Members	3
Core Business	4
Chairman's Report	5
Chief Executives Report	6
Statement of Boards Responsibility	7
Statement of Financial Position	8
Statement of Comprehensive Income	9
Statement of changes in Reserves	10
Statement of Cashflows	11
Notes to the Financial Statements	12-17

**REGISTRATION OF CERTIFIED PUBLIC SECRETARIES BOARD**

**GENERAL INFORMATION**

**REGISTERED OFFICE**

Treasury Building, 7th Floor,  
Harambee Avenue,  
P. O. Box 58218 - 00200  
Nairobi.

**BANKERS**

National Bank of Kenya Limited  
Harambee Avenue Branch,  
P. O. Box 41862 - 00100,  
Nairobi.

**AUDITORS**

Auditor General  
Kenya National Audit Office  
P. O. Box 30084 - 00100  
Nairobi.

# REGISTRATION OF CERTIFIED PUBLIC SECRETARIES BOARD

## BOARD MEMBERS

Jackson K. Maingi	Chairman
Mary A. Oyolla	Vice Chairman
Pius M. Nduatih	Member
Charles K. Wachira	Member
Elizabeth M. Ng'ang'a	Member
Jane W. Chege	Member
George S. Mwosa	Member
Jophece Yogo	Member
J. Mueni Mutung'a	Member
Julius M. Kilinda	Registrar
Patrick K. Mulwa	Secretary

# **REGISTRATION OF CERTIFIED PUBLIC SECRETARIES BOARD**

## **CORE BUSINESS OF THE BOARD**

Registration of Certified Public Secretaries Board is established under the Certified Public Secretaries of Kenya Act Cap 534 of the laws of Kenya. The mandate of the Board is to register qualified Secretaries and issue practising 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.

## **VISION**

To be recognised regionally as the leading professional Board in the development and regulation of 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.

# REGISTRATION OF CERTIFIED PUBLIC SECRETARIES BOARD

## CHAIRMAN'S REPORT

It gives me immense pleasure to once again present the Board's annual report and financial statements for the year ended 30 June 2013. 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 was characterised 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 devolved government units have created an environment where good governance and integrity are core issues. Opportunities for growth and advancement of the CPS profession and 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 required qualifications.

There was an increase in the number of applicants seeking registration and practicing certificates in the financial year 2012 -2013 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, 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 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.

**CS Jackson Maingi**  
Chairman



Date: 7th November, 2013

# REGISTRATION OF CERTIFIED PUBLIC SECRETARIES BOARD

## CHIEF EXECUTIVES REPORT

Financial year 2012-2013 was a challenging year when Kenya continued on the challenging path of implementing a new constitution which culminated with the registered secretaries who 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.

There Board has seen an increased number of applicants seeking registration and practicing certificates in the year 2013 and this had a positive impact on the Boards 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.

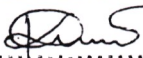
The Board and other like-minded stakeholders will continue their efforts in entrenching the certified secretary in both public and private organizations. This will create opportunities for CPS graduates and drive the demand for registration which accounts for a large percentage of the Board's revenue.

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 2013-2014 period is going to be a productivity period for the Board.

**Patrick Mulwa**

Executive Officer



Date: 7/11/2013

# REGISTRATION OF CERTIFIED PUBLIC SECRETARIES BOARD

## STATEMENT OF BOARD'S RESPONSIBILITY


The Certified Public Secretaries of Kenya Act, Section 34 requires the Board to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Board as at the end of each financial year and of the operating results of the Board for that year. It also requires the Board members to ensure that the Board keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the Board. They are also responsible for safeguarding the assets of the Board.

The Board members are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

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

Nothing has come to the attention of Board members to indicate that the Board will not remain a going concern for at least the next twelve months from the date of this statement.

Jackson K. Maingi  
Chairman  
Date.....

 7/11/2013

Julius M. Kilinda  
Registrar  
Date.....

 7/11/2013

REPUBLIC OF KENYA

Telephone: +254-20-342330  
Fax: +254-20-311482  
E-Mail: [cag@kenao.go.ke](mailto:cag@kenao.go.ke)  
Website: [www.kenao.go.ke](http://www.kenao.go.ke)

P.O. Box 30084-00100  
NAIROBI



## KENYA NATIONAL AUDIT OFFICE

### REPORT OF THE AUDITOR-GENERAL ON REGISTRATION OF CERTIFIED PUBLIC SECRETARIES BOARD FOR THE YEAR ENDED 30 JUNE 2013

#### REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of Registration of Certified Public Secretaries Board set out on pages 8 to 17, which comprise the statement of financial position as at 30 June 2013, and the statement of comprehensive income, statement of changes in reserves and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 14 of the Public Audit Act, 2003. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The management is also responsible for the submission of the financial statements to the Auditor-General in accordance with provisions of Section 20 of the Public Audit Act, 2003.

#### **Auditor-General's Responsibility**

My responsibility is to express an opinion on these financial statements based on the audit and report in accordance with the provisions of Section 15(2) of the Public Audit Act, 2003 and submit the audit report in compliance with Article 229(7) of the Constitution of Kenya. The audit was conducted in accordance with International Standards on Auditing. Those standards require compliance

with ethical requirements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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. HP Toners and Receipt Books**

The administrative expenses amounting to Kshs.808,376 under note 5 includes printing and stationery expenses of Kshs.194,751, which further includes a payment of Kshs.95,600 made for purchase of HP toners and receipt books. However, documentary evidence in support of the delivery of the goods to the Board were not availed for audit review.

In the circumstances, it has not been possible to ascertain the propriety of Kshs.95,600 on printing and stationery for the year ended 30 June 2013.

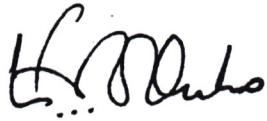
##### **2. Cash and Cash Equivalents**

The financial statements cash and cash equivalents balance of Kshs.9,462,634 includes a bank balance of Kshs.2,462,634 while the cash book reflects Kshs.2,339,882 resulting to unexplained difference of Kshs.122,752. In the circumstances it has not been possible to confirm the validity and accuracy of the cash and cash equivalents balance of Kshs.9,462,634 as at 30 June 2013.

#### **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 the material respects, the financial position of the Board as at 30 June 2013, and of

its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards and comply with the Certified Public Secretaries Act, Cap. 534 of the Laws of Kenya.



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

**Nairobi**

**22 November 2013**

# REGISTRATION OF CERTIFIED PUBLIC SECRETARIES BOARD

## STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2013

	Note	2013 Kshs	2012 Kshs
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	6	76,049	31,557
<b>Current assets</b>			
Trade and other Receivables	7	36,500	16,100
Cash and Cash Equivalents	8	9,462,634	8,374,846
		<u>9,499,134</u>	<u>8,390,946</u>
<b>Total assets</b>		<u><u>9,575,183</u></u>	<u><u>8,422,503</u></u>
<b>GENERAL FUND AND LIABILITIES</b>			
General fund		9,092,081	8,266,646
<b>Current Liabilities</b>			
Trade and other Payables	9	483,102	155,857
<b>Total Funds and Liabilities</b>		<u><u>9,575,183</u></u>	<u><u>8,422,503</u></u>

Jackson K. Maingi  
 Chairman  
 Date: *[Signature]* 7/11/13

Julius M. Kilinda  
 Registrar  
 Date: *[Signature]* 7/11/2013

**REGISTRATION OF CERTIFIED PUBLIC SECRETARIES BOARD**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2013**

	NOTES	2013 Kshs	2012 Kshs
<b>Income</b>			
Fees and GOK Grant	2(a)	1,820,600	1,552,100
GOK Grant	2(a)	1,089,000	1,210,000
Other Income	2(b)	715,860	1,017,035
<b>Total Income</b>		<b><u>3,625,460</u></b>	<b><u>3,779,135</u></b>
<b>Expenses</b>			
Staff Costs	3	1,228,141	1,619,397
Board Expenses	4	738,000	526,440
Administration Expenses	5	808,376	878,481
Depreciation	6	25,508	4584
<b>Total Expenses</b>		<b><u>2,800,025</u></b>	<b><u>3,028,902</u></b>
<b>Surplus for the year</b>		<b><u>825,435</u></b>	<b><u>750,233</u></b>

**REGISTRATION OF CERTIFIED PUBLIC SECRETARIES BOARD**  
**STATEMENT OF CHANGES IN ACCUMULATED FUND**  
**FOR THE YEAR ENDED 30 JUNE 2013**

	<b>General Fund Kshs.</b>
<b>Balance as at 1st July 2011</b>	7,516,413
Add: Surplus for the year	750,233
	<b>8,266,646</b>
<b>Balance as at 30 June 2012</b>	8,266,646
Add: Surplus for the year	825,435
<b>Balance as at 30 June 2013</b>	<b>9,092,081</b>

# REGISTRATION OF CERTIFIED PUBLIC SECRETARIES BOARD

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2013

	2013 Kshs.	2012 Kshs.
<b>Cash generated from operations</b>		
Surplus for the year	825,435	750,23
<b>Adjustments</b>		
Depreciation	25,508	4,58
less Interest received	(715,860)	(866,03)
	<u>135,083</u>	<u>(111,21)</u>
<b>Changes in working capital</b>		
Accounts receivables	(20,400)	(16,10)
Accounts payable	327,245	20,85
	<u>441,928</u>	<u>(106,46)</u>
<b>Cash flows from operations</b>	<b>441,928</b>	<b>(106,46)</b>
<b>Cash flow from financing activites</b>		-
<b>Cash flows from investing activities</b>	715,860	866,03
Purchase of assets	(70,000)	(36,06)
	<u>1,087,788</u>	<u>723,50</u>
Net movements in cash and cash equivalents	<b>1,087,788</b>	<b>723,50</b>
Cash and cash equivalents at the beginning of the year	<u>8,374,846</u>	<u>7,651,33</u>
<b>Cash and cash equivalents at the end of the year</b>	<u><b>9,462,634</b></u>	<u><b>8,374,84</b></u>

# REGISTRATION OF CERTIFIED PUBLIC SECRETARIES BOARD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

## 1 SIGNIFICANT ACCOUNTING POLICIES

a) **Basis of accounting**

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) under historical cost convention.

b) **Income**

This comprises practising and registration fees received and Grant in Aid received from the Ministry of Finance.

c) **Inventories**

Inventories are valued at the lower of cost and net realizable value.

d) **Depreciation**

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

e) **Cash and cash equivalents**

For the purposes of cash flow, cash and cash equivalents comprise cash at bank and amounts invested in Treasury Bills.

f) **Grants**

Grants are recognised in the year they are received from the Ministry of Finance.

g) **Stationery**

Stationery is expensed after being purchased.

h) **Revenue recognition**

Revenue is recognised on accrual basis.

i) **Taxation**

The Board is exempted from paying tax on its income.

REGISTRATION OF CERTIFIED PUBLIC SECRETARIES BOARD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
30 JUNE 2013

INCOME	2013 Kshs	2012 Kshs
2(a) Fees (Note 10)	1,820,600	1,552,100
GOK Grant	1,089,000	1,210,000
	<u>2,909,600</u>	<u>2,762,100</u>
<b>(b) OTHER INCOME</b>		
Interest Income	658,360	866,035
Accrued interest income		
Miscellaneous Income	57,500	151,000
	<u>715,860</u>	<u>1,017,035</u>
<b>3 STAFF COSTS</b>		
Basic Pay	729,303	931,873
House allowance	249,290	408,000
Commuter Allowance	147,038	192,000
Staff Special Duty Allowance	18,207	
Leave Allowance	14,000	-
Pension - Employer contribution	64,303	80,324
N.S.S.F - Employer contribution	6,000	7,200
	<u>1,228,141</u>	<u>1,619,397</u>

#### 4 BOARD EXPENSES

Honoraria	240,000	240,000
Taskforce	166,500	-
Sitting Allowance	328,500	270,000
Other Board Expenses	3,000	16,440
<b>Total Board Expenses</b>	<b>738,000</b>	<b>526,440</b>

#### 5 ADMINISTRATION EXPENSES

Office Tea expenses	67,740	68,078
Printing & Stationery	194,751	73,358
Gazettement	41,760	
Telephone & Postage	16,320	34,320
Post Box rental	6,000	-
Transport	19,010	21,309
Newspaper	12,300	11,780
Staff Training	37,450	22,000
Audit fees	92,400	70,000
Bank charges	23,735	21,505
Miscellaneous expenses	7,150	3,370
CPS Development	169,500	336,000
Annual Luncheon	24,200	54,150
Medical - inpatient		48,032
Medical - Outpatient	43,860	74,080
Casual Services	-	40,500
Website Development	52,200	
	<b>808,376</b>	<b>878,481</b>

## 6 PROPERTY PLANT AND EQUIPMENT

FY 2012 - 2013	COMPUTERS AND PRINTERS	OFFICE EQUIPMENT	TOTAL
	Kshs	Kshs	Kshs
<b>Cost or Valuation:</b>			
As at 1 July, 2012	0	36,141	36,141
Additions during the year	70,000		70,000
<b>As at 30 June 2013</b>	<b>70,000</b>	<b>36,141</b>	<b>101,557</b>
<b>DEPRECIATION</b>			
As at 1 July, 2012		4,584	4,584
Charge for the Year	21,000	4,508	25,508
As at 30 June, 2013	21,000	9,092	30,092
<b>Net Book Value:</b>			
<b>As at 30, June 2013</b>	<b>49,000</b>	<b>27,049</b>	<b>76,049</b>

FY 2011-2012	EQUIPMENT	TOTAL
	KSH	KSH
<b>COST/VALUATION</b>		
As at 1st July 2011	29,666.00	29,666
Additions	36,065.00	36,065
<b>As at 30 June 2012</b>	<b>65,731.00</b>	<b>65,731.00</b>
<b>Depreciation</b>		
As at 1st July 2011	29,590.00	29,590.00
Charge for the year	4,584.00	4,584
	<b>34,174.00</b>	<b>34,174.00</b>
NBV 30th June 2012	<b>31,557.00</b>	<b>31,557.00</b>
NBV 30 <sup>th</sup> June 2011	<b>76.00</b>	<b>76.00</b>

## 7 TRADE AND OTHER RECEIVABLES

	2013 Kshs.	2012 Kshs.
Staff Debtors	14,000	12,500
Other Debtors	22,500	3,600
	<u>36,500</u>	<u>16,100</u>

## 8 CASH AND CASH EQUIVALENTS

Current account - National Bank	2,462,634	1,374,846
Short-term deposits (Note 11)	7,000,000	7,000,000
	<u>9,462,634</u>	<u>8,374,846</u>

## 9 TRADE AND OTHER PAYABLES

Audit fees	81,200	70,000.0
Medical inpatient	48,032	48,032.0
Withholding tax	125,100	
Unearned interest income	37,825	37,825
Others	190,945	
	<u>483,102</u>	<u>155,857</u>

**10 FEES**

	2013 Kshs	2011 Ksh
Fees has been received and included in the accounts as follows:		
Practising	221,600	401,60
Registration	1,287,000	916,50
Re-Registration	252,000	144,00
Authority to practice renewal	60,000	90,00
Authority to practice fee	-	-
	<u>1,820,600</u>	<u>1,552,10</u>

**11 TREASURY BILLS**

The Board invested in short-term deposits in form of Treasury Bills with the Central Bank of Kenya amounting to Kenya Shillings Seven Million (KShs. 7,000,000/=) Only.

**12 CURRENCY**

The financial statements are presented in Kenya Shillings (Kshs.)

**13 STAFF MEMBERS**

The Board had three (3) members of Staff as at 30 June, 2013

