

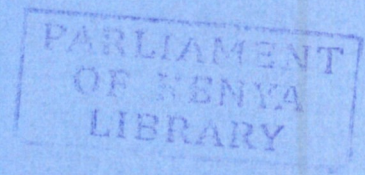
REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

REPORT

OF



ON

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 26 MAR 2019	DAY
TABLED BY:	MAJORITY LEADER
CLERK-AT THE-TABLE:	

THE AUDITOR-GENERAL

THE FINANCIAL STATEMENTS OF
SUBSCRIPTION BY KENYA GOVERNMENT
TO INTERNATIONAL ORGANIZATIONS

FOR THE YEAR ENDED
30 JUNE 2018



OFFICE OF THE AUDITOR GENERAL
P. O. Box 30084 - 00100, NAIROBI
REGISTRY

29 SEP 2018

RECEIVED

Revised Template 30th June 2018



THE NATIONAL TREASURY
CFS SUBSCRIPTIONS TO INTERNATIONAL ORGANIZATIONS
REPORTS AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2018

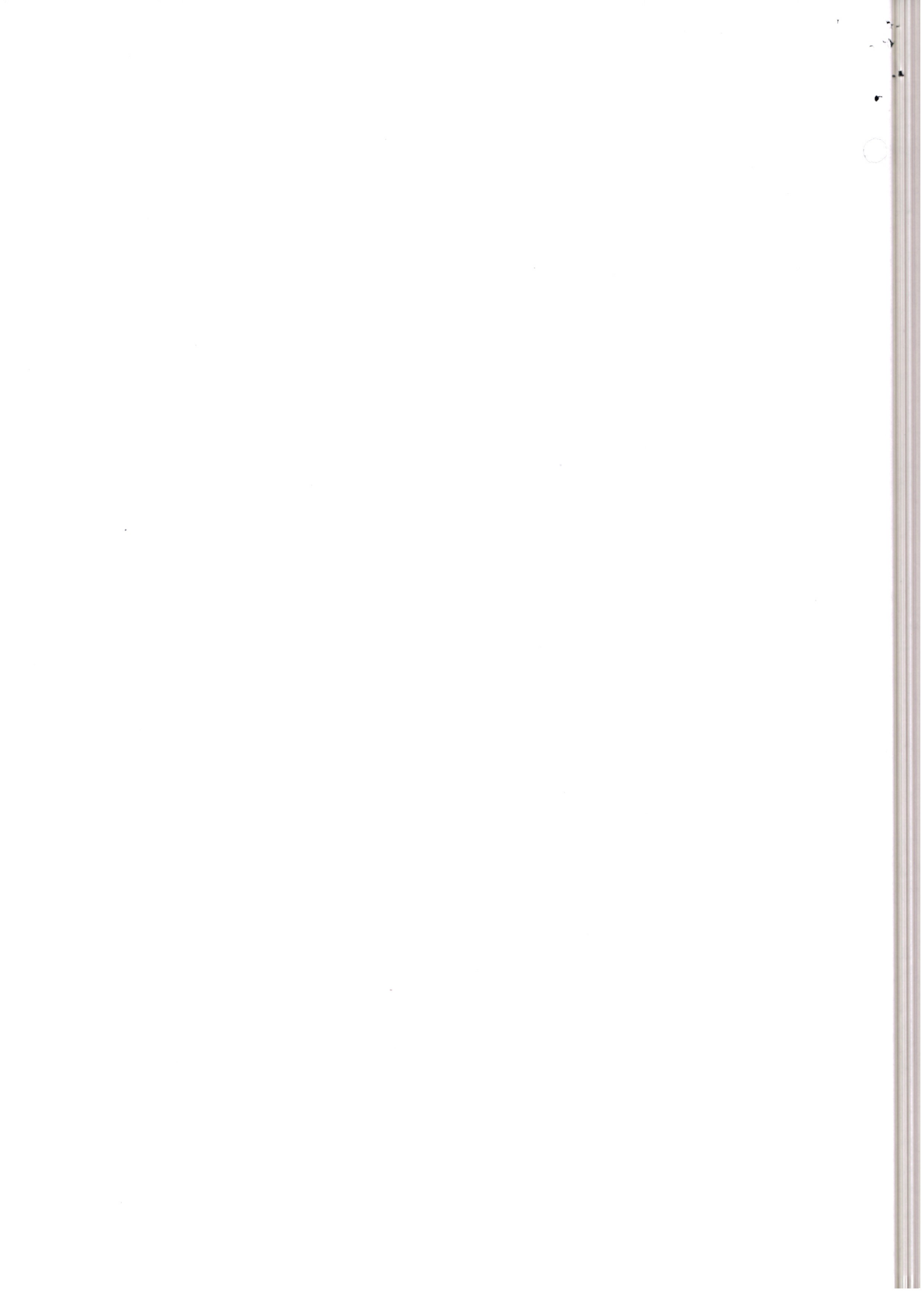
Prepared in accordance with the Cash Basis of Accounting Method under the International Public Sector Accounting Standards (IPSAS)



Table of Content

Page

I. NATIONAL TREASURY INFORMATION AND MANAGEMENT	1
II. FORWARD BY THE CABINET SECRETARY.....	8
III. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES	11
IV. REPORT OF THE INDEPENDENT AUDITORS ON CFS SUBSCRIPTIONS TO INTERNATIONAL ORGANIZATIONS	13
V. STATEMENT OF RECEIPTS AND PAYMENTS.....	14
VI. STATEMENT OF ASSETS AND LIABILITIES	15
VII. STATEMENT OF CASH FLOWS.....	16
VIII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT	17
IX. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT	18
X. SIGNIFICANT ACCOUNTING POLICIES	19
XI. NOTES TO THE FINANCIAL STATEMENTS	22
XII. PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS.....	24



I. NATIONAL TREASURY INFORMATION AND MANAGEMENT

(a) Background Information

The National Treasury was established via the Executive Order No. 2 of May 2013. The basis for establishment of the National Treasury is found in Article 225 (i) of the Constitution of Kenya which states that an Act of Parliament shall provide for the establishment, functions and responsibilities of the National Treasury. This has been actualized in Section 11 and 12 of the Public Finance Management (PFM) Act 2012.

At Cabinet level, the National Treasury is represented by the Cabinet Secretary for National Treasury and Planning, who is responsible for the general policy and strategic direction of the Ministry.

Vision

An institution of excellence in economic and public financial management.

Mission

To promote economic transformation for shared growth through formulation, implementation and monitoring of prudent economic and financial policies at national and county levels of government.

Core Values

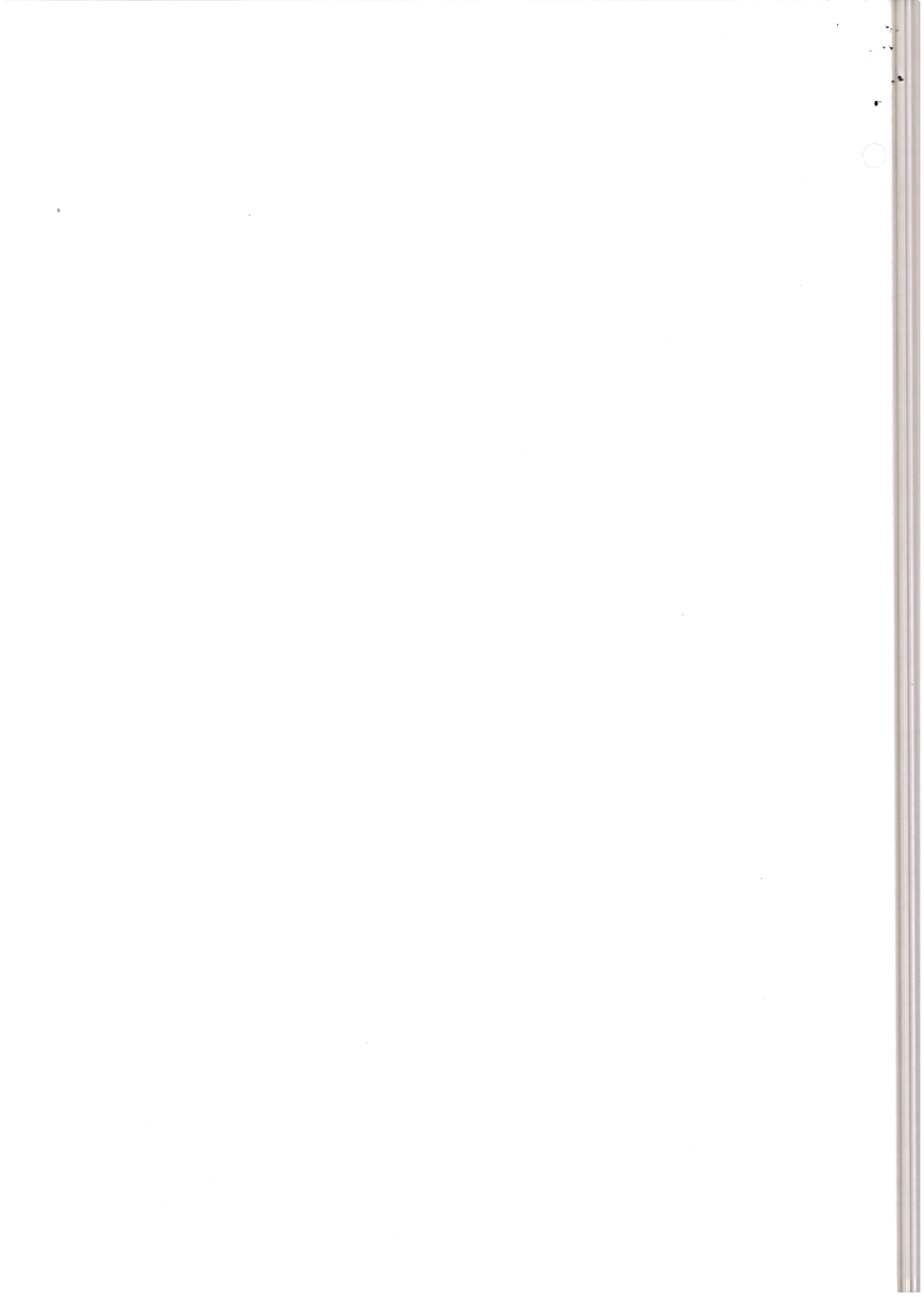
The National Treasury is committed to providing quality services to all and is guided by the following core values: Customer Focus, Results Oriented, Stakeholder Participation, Professionalism, Accountability, Integrity and Transparency, Teamwork and Staff as key asset, Equity, Fairness and Inclusion.

Mandate of the National Treasury

The National Treasury derives its mandate from Article 225 of the Constitution, Public Finance Management Act 2012 and the Executive Orders No.2/2013 and No.1/2018. The National Treasury will be executing its mandate in consistency with any other legislation as may be developed or reviewed by Parliament from time to time.

The core functions of the National Treasury as derived from the above legal provisions include:

- Formulate, implement and monitor macro-economic policies involving expenditure and revenue;
- Manage the level and composition of national public debt, national guarantees and other financial obligations of national government;
- Formulate, evaluate and promote economic and financial policies that facilitate social and economic development in conjunction with other national government entities;
- Mobilize domestic and external resources for financing national and county government budgetary requirements;



THE NATIONAL TREASURY- CFS SUBSCRIPTIONS TO INTERNATIONAL ORGANIZATIONS

Reports and Financial Statements

For the year ended June 30, 2018

- Design and prescribe an efficient financial management system for the national and county governments to ensure transparent financial management and standard financial reporting;
- In consultation with the Accounting Standards Board, ensure that uniform accounting standards are applied by the national government and its entities;
- Develop policy for the establishment, management, operation and winding up of public funds;
- Prepare the Annual Division of Revenue Bill and the County Allocation of Revenue Bill;
- Strengthen financial and fiscal relations between the national government and county governments and encourage support for county governments
- Assist county governments to develop their capacity for efficient, effective and transparent financial management; and
- To prepare the National Budget, execute/implement and control approved budgetary resources to MDAs and other Government agencies/entities.

Role of the National Treasury in the Devolved System of Government

The National Treasury is mandated by law to:-

- Strengthen financial and fiscal relations between the National Government and County Governments and encourage support for county governments in performing their functions.
- Assist county governments to develop their capacity for efficient, effective and transparent financial management.
- Prepare the annual Division of Revenue Bill and the County Allocation of Revenue Bill.
- Provide logistical support to intergovernmental institutions overseeing intergovernmental fiscal relations.
- Coordinate the development and implementation of financial recovery plans for county governments that are in financial distress.
- Coordinate capacity building of County Governments on public finance management matters.

(b) Key Management

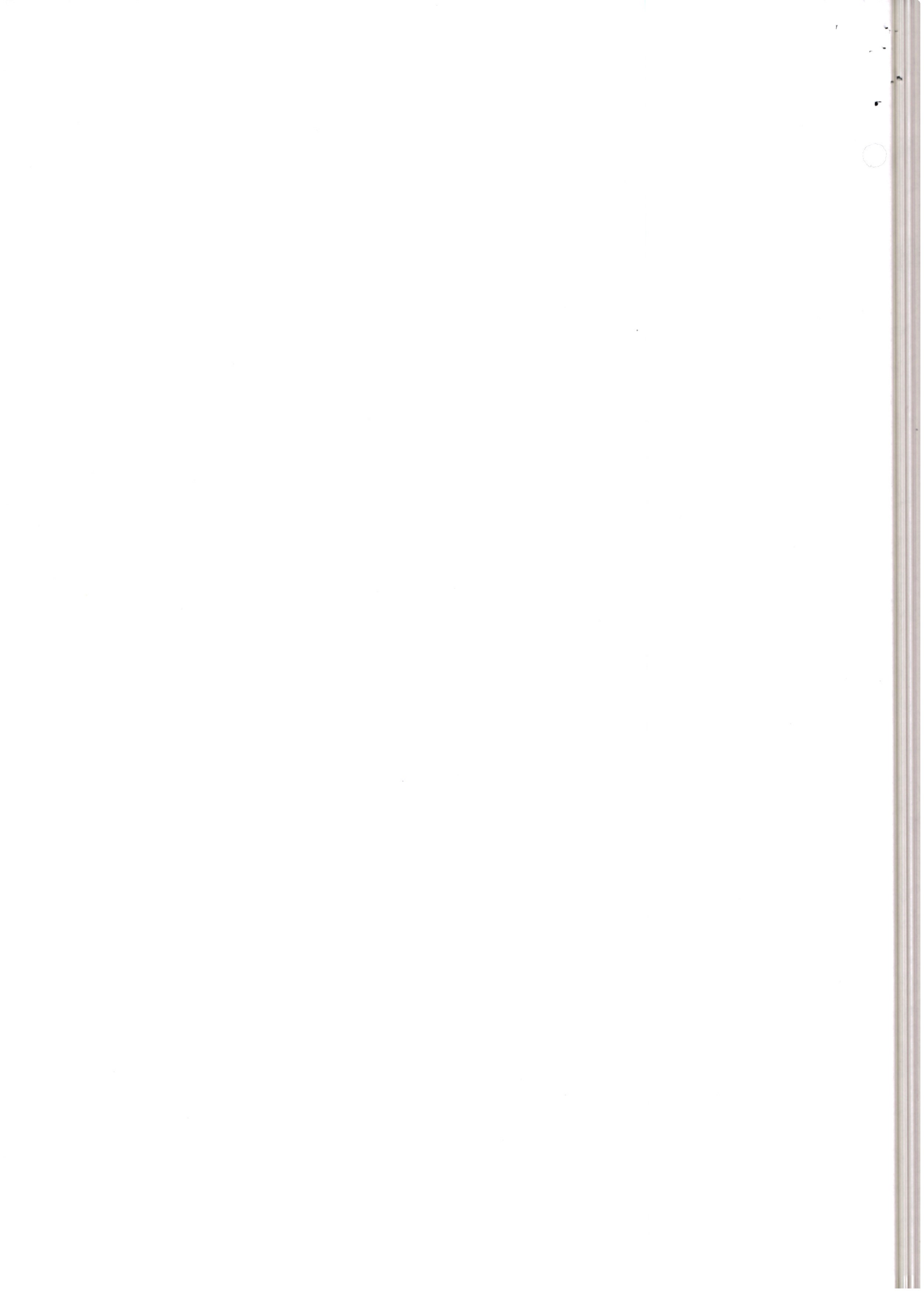
The National Treasury day-to-day management is under the following key offices;

Office of the Principal Secretary

This office is responsible for the administration of the National Treasury operations. In addition, the Principal Secretary is charged with the responsibility of providing advice to the Cabinet Secretary in order to enhance efficiency and collective responsibility. The Principal Secretary is the Accounting Officer for Vote 1071 – NT.

Organizational structure of the National Treasury

The National Treasury is organized into four (4) technical Directorates headed by Directors General and one (1) Administrative and Support Services Directorate headed by a Principal Administrative Secretary. Each Director General is responsible for a Directorate comprising of a cluster of Departments responsible for related policy functions. The Directorates and Departments are as follows:



THE NATIONAL TREASURY- CFS SUBSCRIPTIONS TO INTERNATIONAL ORGANIZATIONS

Reports and Financial Statements

For the year ended June 30, 2018

Directorate of Budget, Fiscal and Economic Affairs

The Directorate is headed by a Director General, reporting to the Principal Secretary, National Treasury. It is organized into the following five (5) Technical Departments each headed by a Director:

- Budget Department;
- Macro and Fiscal Affairs Department
- Financial and Sectoral Affairs Department;
- Inter-Governmental Fiscal Relations Department
- Public Procurement Department.

Directorate of Accounting Services and Quality Assurance

The Directorate is headed by a Director General reporting to the Principal Secretary, National Treasury. It is organized into the following four (4) Technical Departments each headed by a Director:

- Government Accounting Services;
- Internal Audit Services Department;
- Financial Management Information Systems (FMIS)
- National Sub-County Treasuries.

Directorate of Portfolio Management

The Directorate is headed by a Director General, reporting to the Principal Secretary. It is organized into the following four (4) Technical Departments each headed by a Director:

- Government Investment and Public Enterprises;
- National Assets and Liabilities Management;
- Pensions Department.
- Public Private Partnership Unit

Directorate of Public Debt Management Office

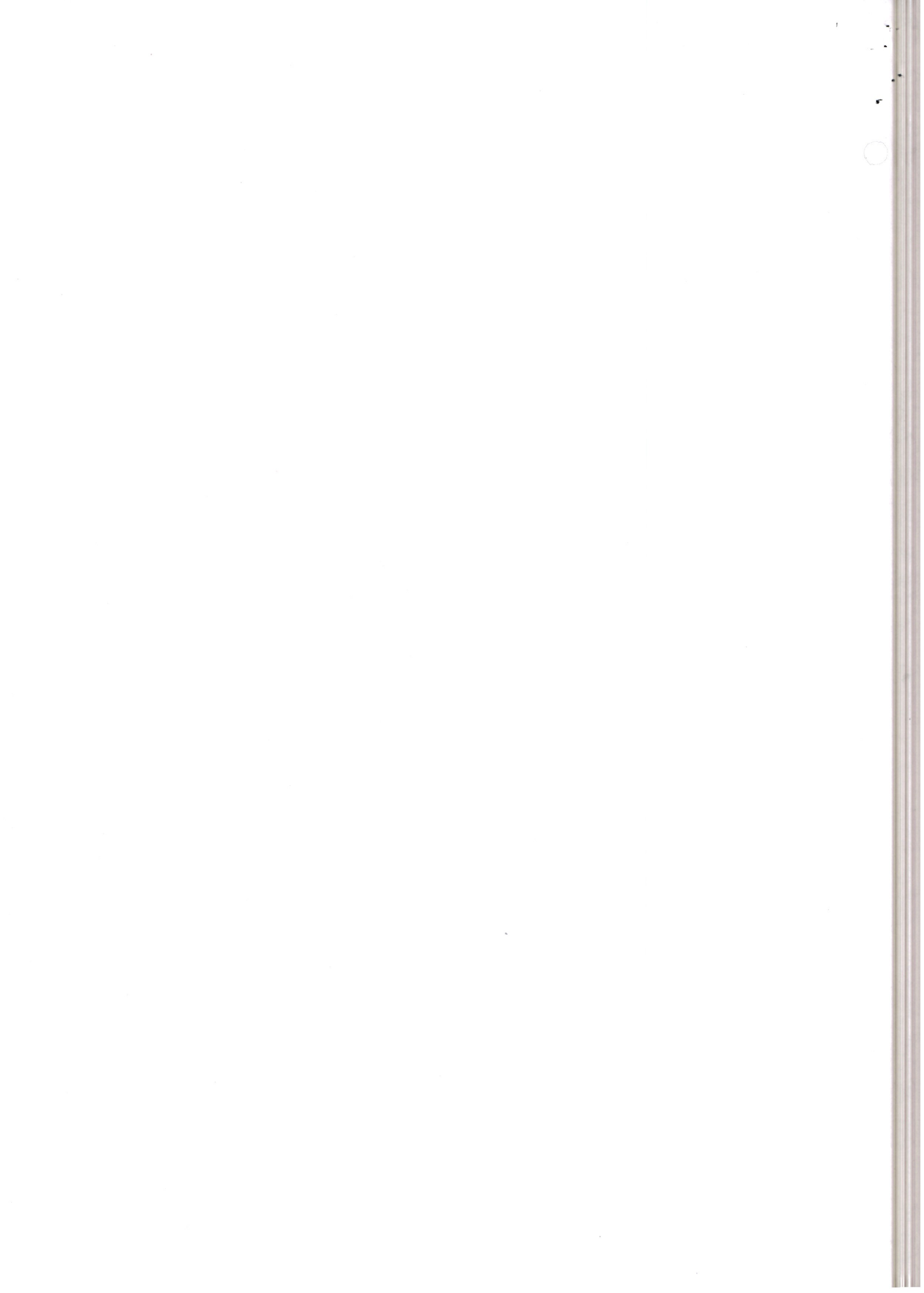
The Directorate is headed by a Director General, reporting to the Principal Secretary. It is organized into the following three (3) Technical Departments each headed by a Director:

- Resource Mobilization (Front Office);
- Debt Policy, Strategy and Risk Management (Middle Office);
- Debt Recording and Settlement (Back Office).

Directorate of Administrative and Support Services (Common Shared Services)

The Directorate is headed by a Principal Administrative Secretary, reporting to the Principal Secretary. It is organized into twelve (12) specialized functions offering common shared services. The common shared services of the National Treasury consist of functions that are not core to the National Treasury but offer critical support services to the National Treasury. The functions include:

- Accounting,

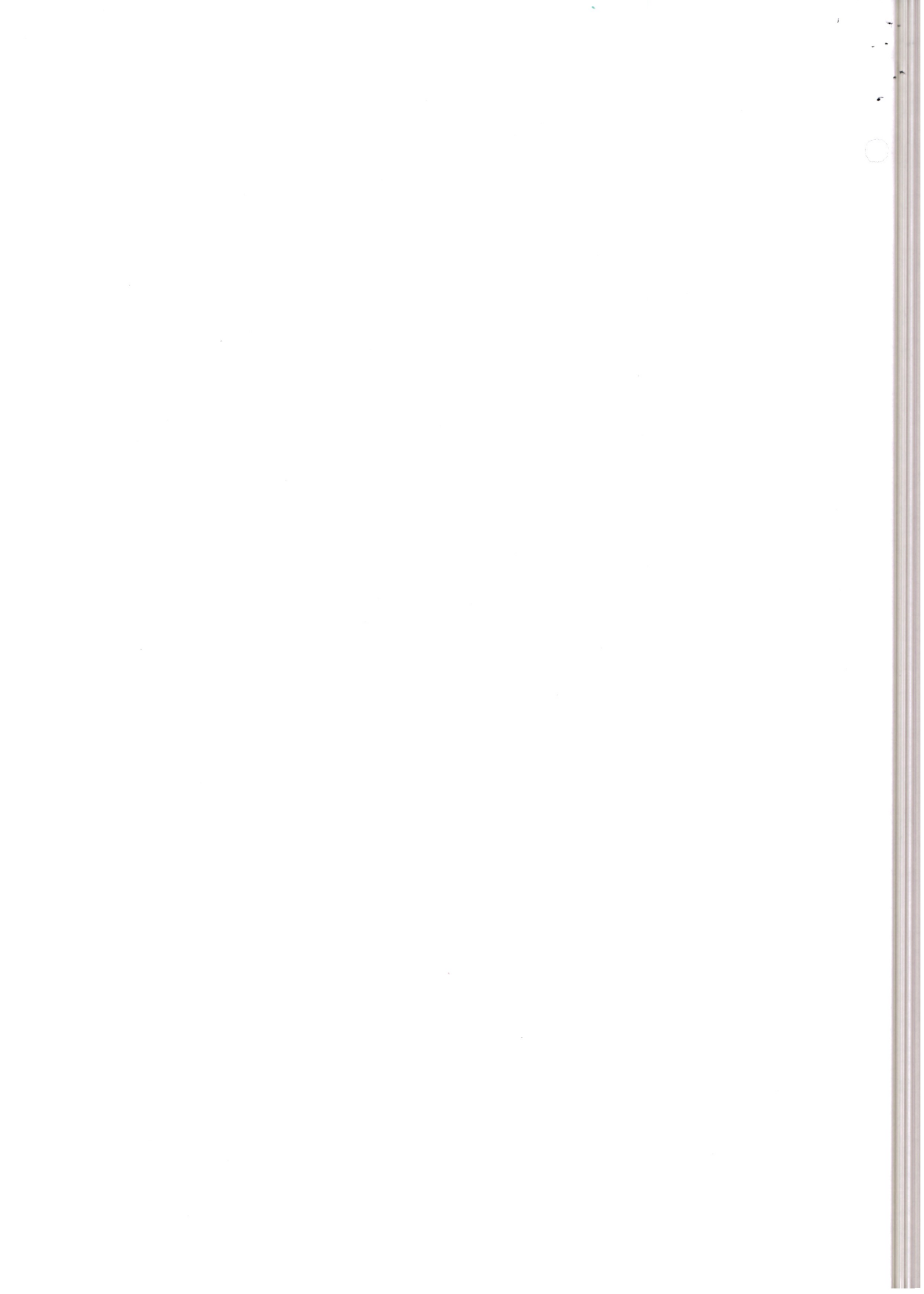


THE NATIONAL TREASURY- CFS SUBSCRIPTIONS TO INTERNATIONAL ORGANIZATIONS

Reports and Financial Statements

For the year ended June 30, 2018

- Finance,
- Human Resource Management and Development,
- Central Planning and Project Monitoring,
- Supply Chain Management,
- Legal,
- Public Communications,
- General Administration,
- Records Management;
- Internal Audit;
- ICT
- Government Clearing Agency.



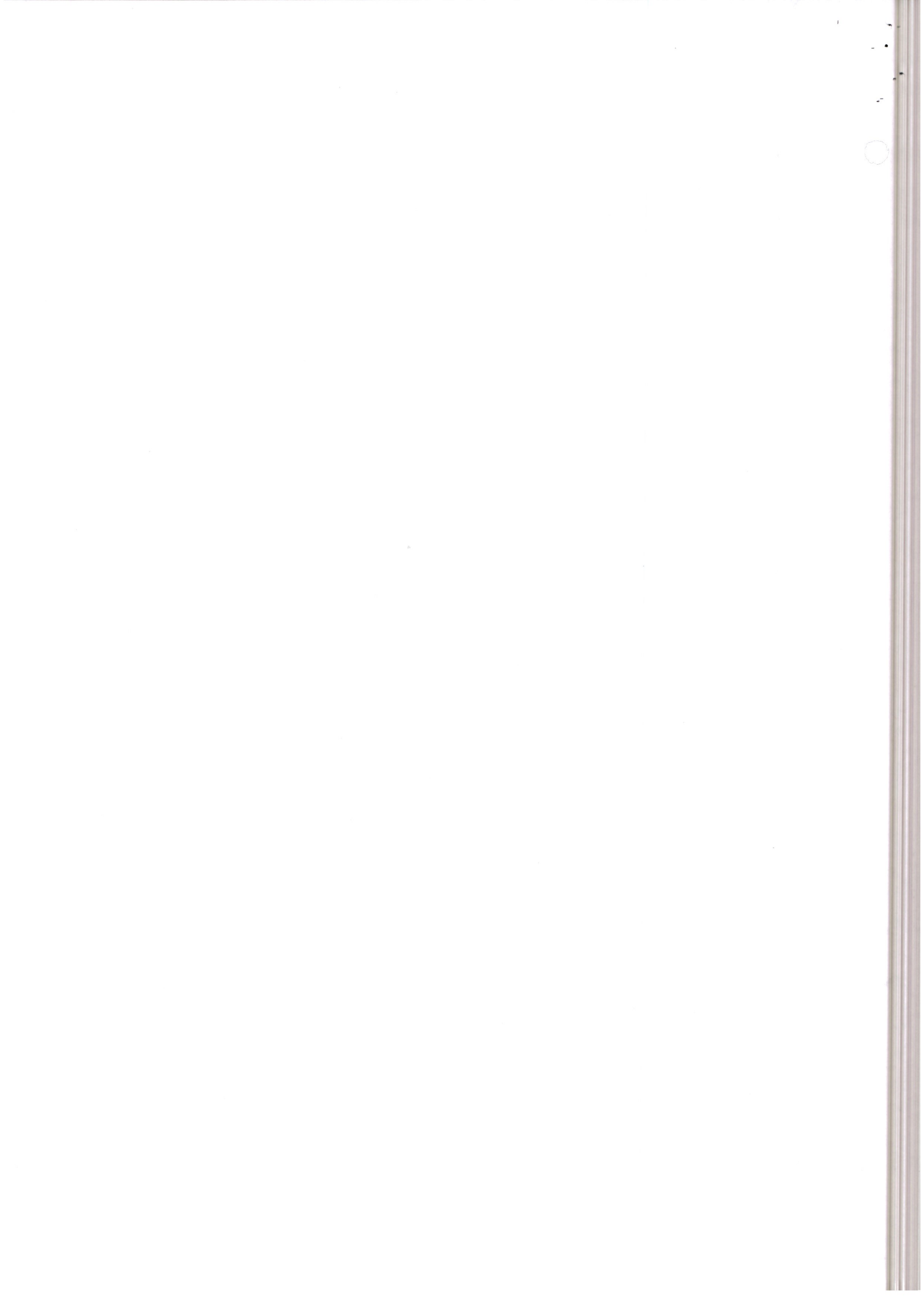
THE NATIONAL TREASURY- CFS SUBSCRIPTIONS TO INTERNATIONAL ORGANIZATIONS

**Reports and Financial Statements
For the year ended June 30, 2018**

(c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2018 and who had direct fiduciary responsibility were:

NO.	Designation	Name
1.	Chief Administrative Secretary	Hon. Nelson Gaichuhie
2.	Principal Secretary	Dr. Kamau Thugge, CBS
3.	Secretary Administration	Mr. Musyimi S.K, CBS
4.	Principal Administrative Secretary, CBS, SS	Mutua Kilaka, CBS,SS
5.	Director General, BFEA	Dr. Geoffrey Mwau, EBS
6.	Director General, Accounting Services & Quality Assurance	Mr. Bernard Ndung'u, MBS
7.	Director General, PIPM	Ms. Esther Koimett, CBS
8.	Director, Macro and Fiscal Affairs Department	Mr. Musa Gathanje
9.	Director, Budget Department	Mr. Francis Anyona, OGW
10.	Director, Financial and Sectoral Affairs Department	Mr. Christopher Oisebe
11.	Director, Public Procurement Department	Mr. Eric Korir
12.	Ag. Director, Intergovernmental Fiscal Relations Department	Mr. Albert Mwenda, HSC
13.	Internal Auditor General	Mr. Alfayo Mogaka
14.	Ag Director, Government Accounting Services Department	Mr. Jona Wala
15.	Ag Director, National Sub County Treasuries	Mr. Francis Kariuki
16.	Director Government Digital Payments	Mr. Harry Mwangi
17.	Ag Director, Financial Management Information System	Mr. Stanley Kamanguya
18.	Director, Public Private Partnership Unit	Eng. Stanley Kamau
19.	Director, National Assets and Liability Management	Mrs. Beatrice Gathirwa
20.	Director, Government Investment and Public Enterprises	Mr. Kennedy Ondieki
21.	Director, Pensions Department	Mr. Shem Nyakutu
22.	Ag. Director General Resource Mobilization Department	Mr. Jackson Kinyanjui, OGW
23.	Director, Debt Policy, Strategy & Risk Management Department	Mr. Daniel Ndolo
24.	Ag Director, Debt Recording and Settlement Department	Mrs. Felister Kivisi
25.	Head, Accounts Division	Mr. George Gichuru
26.	Head, Finance	Mr. Kimathi Mugambi, HSC
27.	Head, SCM	Mr. Peter Momanyi
28.	Head, Internal Audit Unit	Mr. John Kariuki
29.	Director, Human Resource Management & Development	Ms. Susan Mucheru
30.	Ag Director, Information Communication and Technology	Mr. George Kariuki
31.	Head, Central Planning and Project Monitoring Unit	Mr. Antony Muriu
32.	Head, Public Communications	Mr. Maina Kigaga
33.	Programme Coordinator, Public Financial Management Reform Secretariat	Mr. Julius Mutua
34.	Ag. Director, Government Clearing Agency	Mr. Felix Ateng



THE NATIONAL TREASURY- CFS SUBSCRIPTIONS TO INTERNATIONAL ORGANIZATIONS

Reports and Financial Statements

For the year ended June 30, 2018

(d) Fiduciary Oversight Arrangements

To manage the fiduciary risk, the National Treasury has put in place fiduciary oversight arrangements including setting up committees. The key oversight arrangements include:

Internal Audit Unit

The National Treasury has a well-resourced internal Audit Unit. The unit is charged with the responsibility of identifying risks in the management and day to day operations of the Ministry through the risk based audits. The Unit reports directly to the accounting officer on a regular basis.

Audit Committee

The National Treasury established an audit committee comprising officers from all departments of the Ministry, under the chairmanship of the Senior Chief Finance Officer. The Committee reviews and analyses all audit queries and makes recommendations on how to reduce fiduciary risks. In addition, the committee prepares responses to all audit queries for presentation to the relevant committees of parliament.

Project Implementation Committee

To monitor the implementation of the Government's Infrastructure Projects, the National Treasury has established a Project Steering Committee comprising Principal Secretaries from implementing Ministries and appointed a technical committee comprising officers from the technical departments of the Ministry. The Committees review and analyse the progress made by ministries in the implementation of domestically and externally funded projects and advises accordingly.

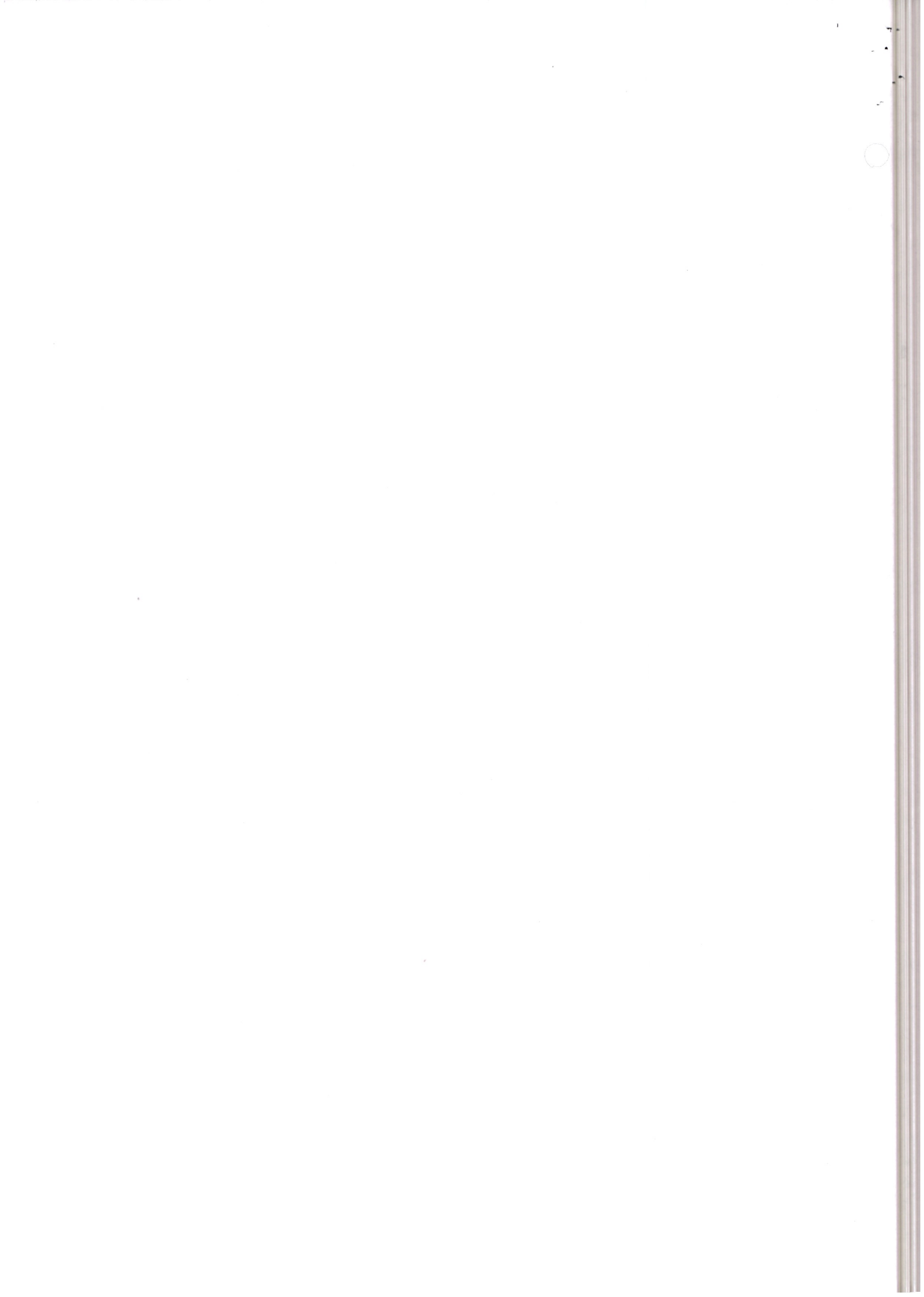
Other fiduciary oversight arrangements include the following committees with specific objectives;

Senior Management Committee

To monitor the implementation of the Ministry's programmes and performance, the National Treasury has appointed a Senior Management Committee comprising of Directors General and Heads of Departments. The Committee receives reports from departments, builds consensus on National Treasury responses to emerging issues, challenges and risks and ensures that the decisions of top management are implemented in a timely manner.

Public Financial Management Sector Working Group

To facilitate the implementation of financial management reforms, the National Treasury has appointed senior officers to the Public Financial Management Sector Working Group. The Committee plays an oversight role in the implementation of financial reforms in the public service in collaboration with the development partners.



THE NATIONAL TREASURY- CFS SUBSCRIPTIONS TO INTERNATIONAL ORGANIZATIONS

Reports and Financial Statements

For the year ended June 30, 2018

Budget Implementation Committee

To monitor the implementation of the Ministry's budget, programmes and activities, the National Treasury has appointed a committee comprising of officers from all the Departments of the

Ministry. The Committee reviews and analyses the progress made by Departments in the implementation of budget and the planned programmes and activities and advises the management accordingly.

Monitoring and Evaluation

The Ministry undertakes monitoring and evaluation exercises to establish progress made in the implementation of various programmes and projects including those that are funded by the development partners.

(e) The National Treasury Headquarters

P.O. Box 30007- 00100,
Treasury Building,
Harambee, Avenue
Nairobi Kenya

(f) The National Treasury Contacts

Telephone: (254)020-2252299
Email: info@treasury.go.ke
Website: www.treasury.go.ke

(g) The National Treasury Bankers

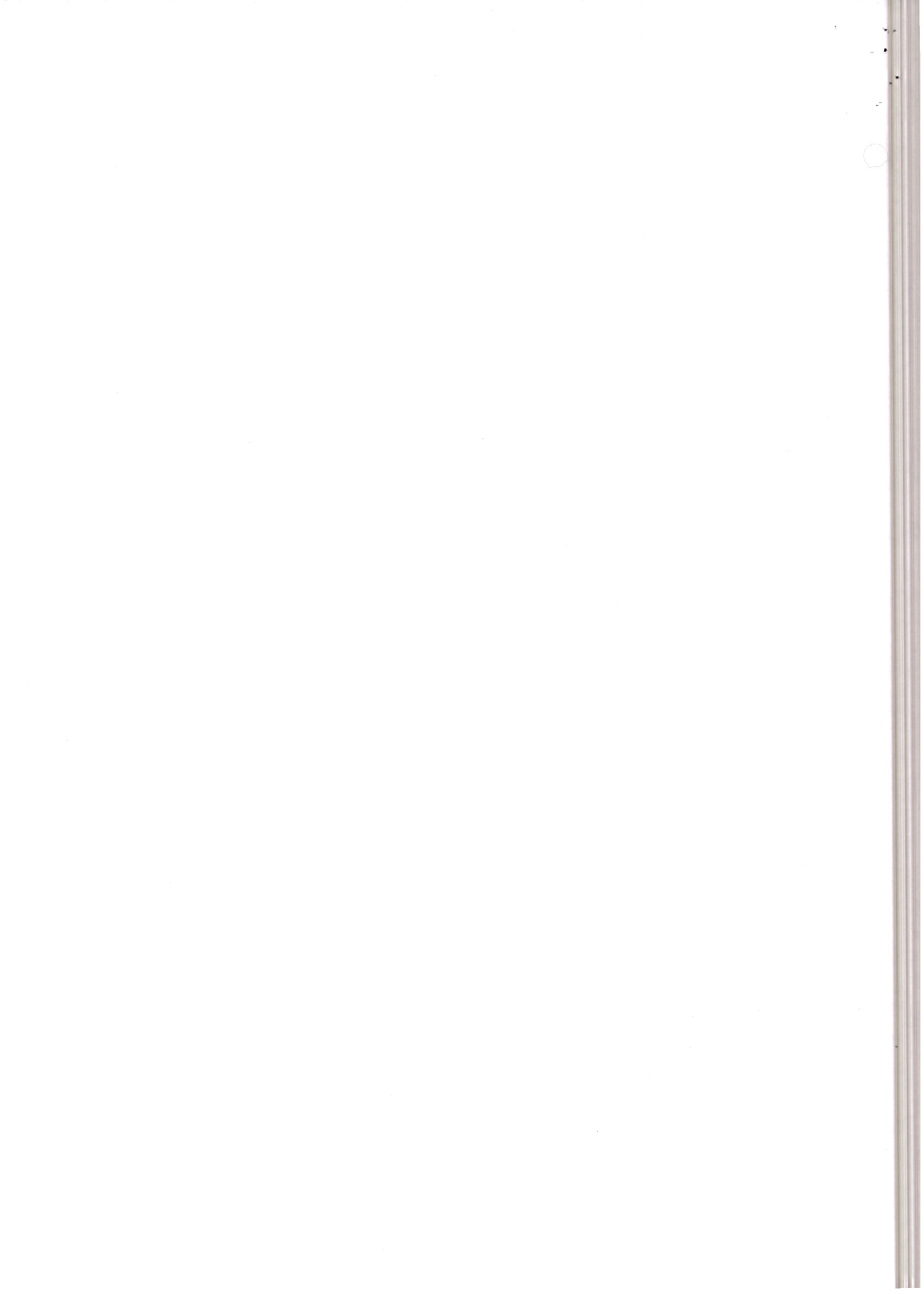
Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
Nairobi, Kenya

(h) Independent Auditors

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

(i) Principal Legal Adviser

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



THE NATIONAL TREASURY- CFS SUBSCRIPTIONS TO INTERNATIONAL ORGANIZATIONS

Reports and Financial Statements

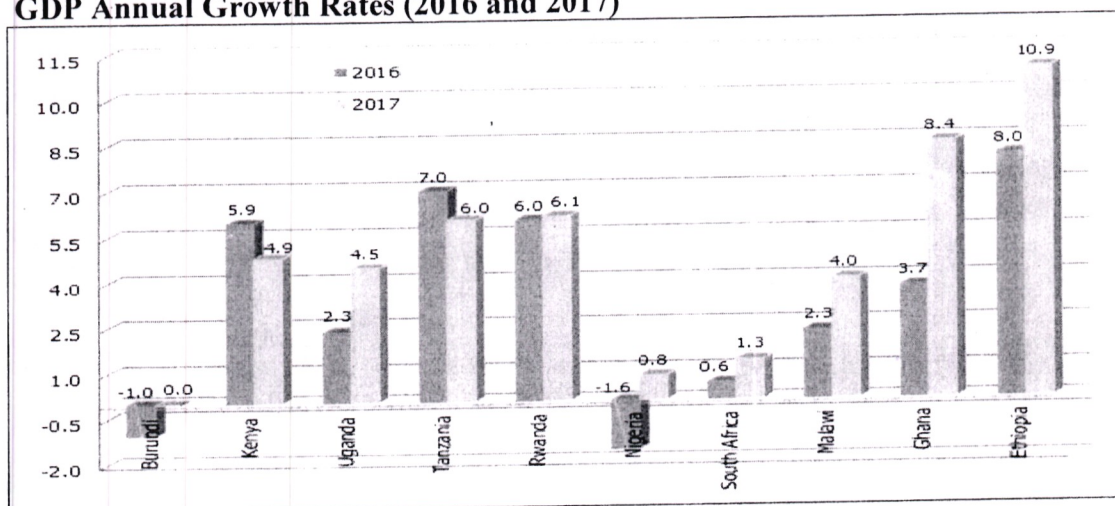
For the year ended June 30, 2018

Nairobi, Kenya

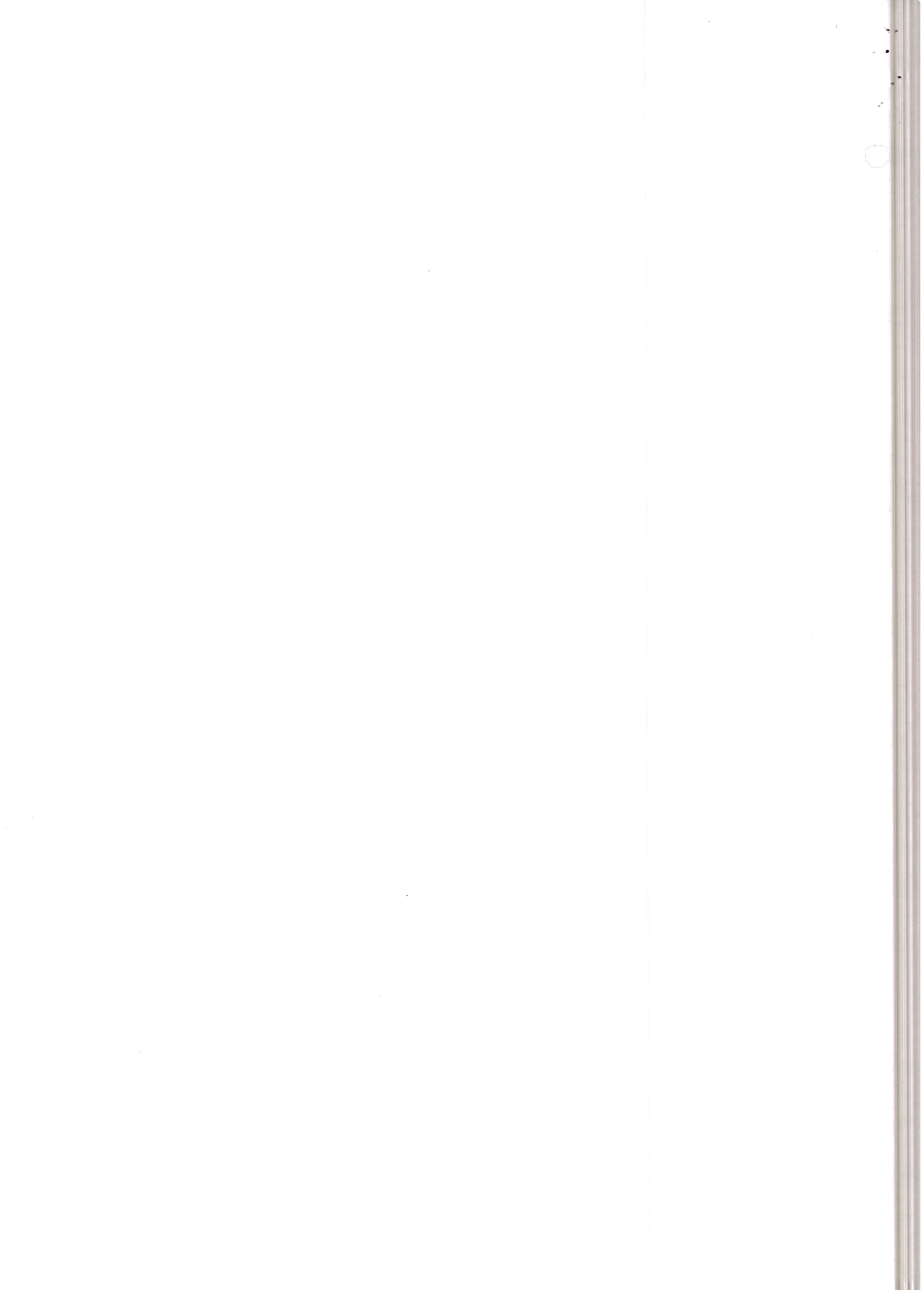
II. FORWARD BY THE CABINET SECRETARY

The National Treasury is mandated to coordinate economic and financial management of the country in accordance with section 12 of the Public Finance Management Act, 2012. Overall, the National Treasury has strived to maintain a policy environment that is conducive to economic growth and development of the country. As a result of consistent implementation of bold economic policies, structural reforms and sound macroeconomic management, the economy remained resilient in 2017 despite uncertainty associated with the prolonged political elections period coupled with the effects of adverse weather conditions. The Economy grew by 4.9 percent compared to a revised growth of 5.9 percent in 2016. In the first quarter of 2018, the economy recovered and grew by 5.7 percent compared to a growth of 4.8 percent in the same quarter last year. This growth was mainly attributed to improved weather conditions and rebound in business and consumer confidence following political stability in the country. The 4.9 percent economic growth in 2017 generated 898,000 new jobs up from 833,000 new jobs in 2016 and is above 2.8 percent average growth for the sub-Saharan Africa.

GDP Annual Growth Rates (2016 and 2017)



Despite the difficult circumstances faced last year, the Country was able to preserve macroeconomic stability with inflation, interest rates and exchange rates remaining largely stable throughout 2017. This serves as a clear demonstration to domestic as well as foreign investors of our commitment to maintain macro-economic stability, which is key in enhancing investor confidence. The Country made notable progress in 2017 in improving the ease of doing business, thereby providing a conducive business environment for both domestic and foreign investors. These reforms have seen Kenya being ranked favourably in the ease of doing business and as a top investment destination. For two consecutive years (2016 and 2017 World Bank's Doing Business Reports), Kenya emerged as the



THE NATIONAL TREASURY- CFS SUBSCRIPTIONS TO INTERNATIONAL ORGANIZATIONS

Reports and Financial Statements

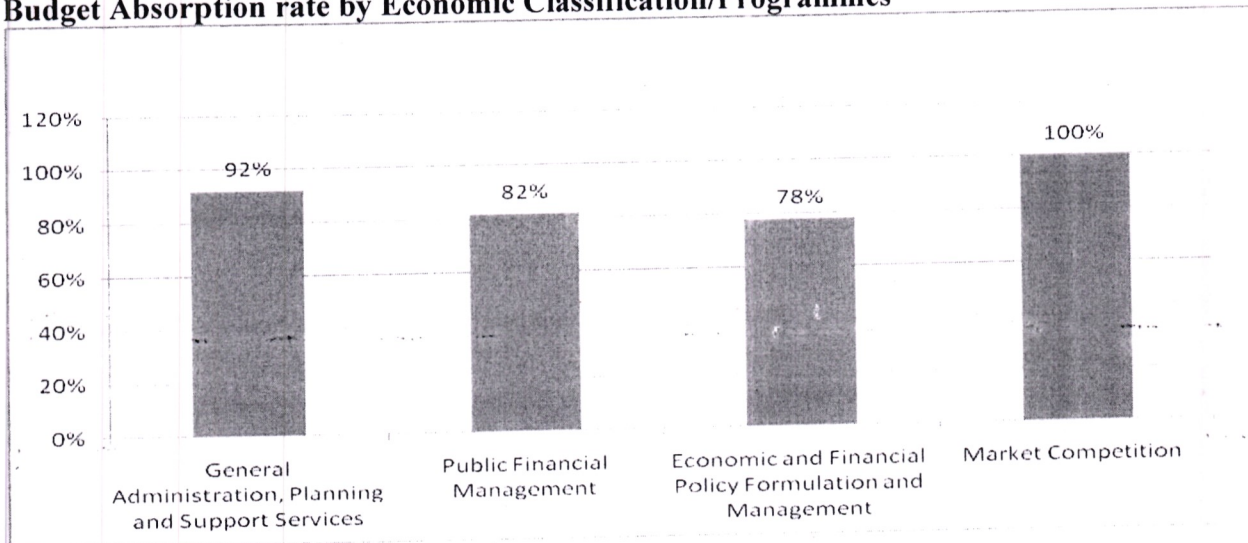
For the year ended June 30, 2018

third most reformed country in the world, and in the 2018 Report, as the third best in sub-Saharan Africa and position 80 overall.

The 2017 Ernst & Young (EY) Africa Attractiveness Index ranked Kenya second top investment hub in Africa, after Morocco. The Report also classifies Kenya as the top most preferred investment destination in East Africa, with the majority of investors being attracted by the good infrastructure, ease of doing business, and strong economic growth and prospects.

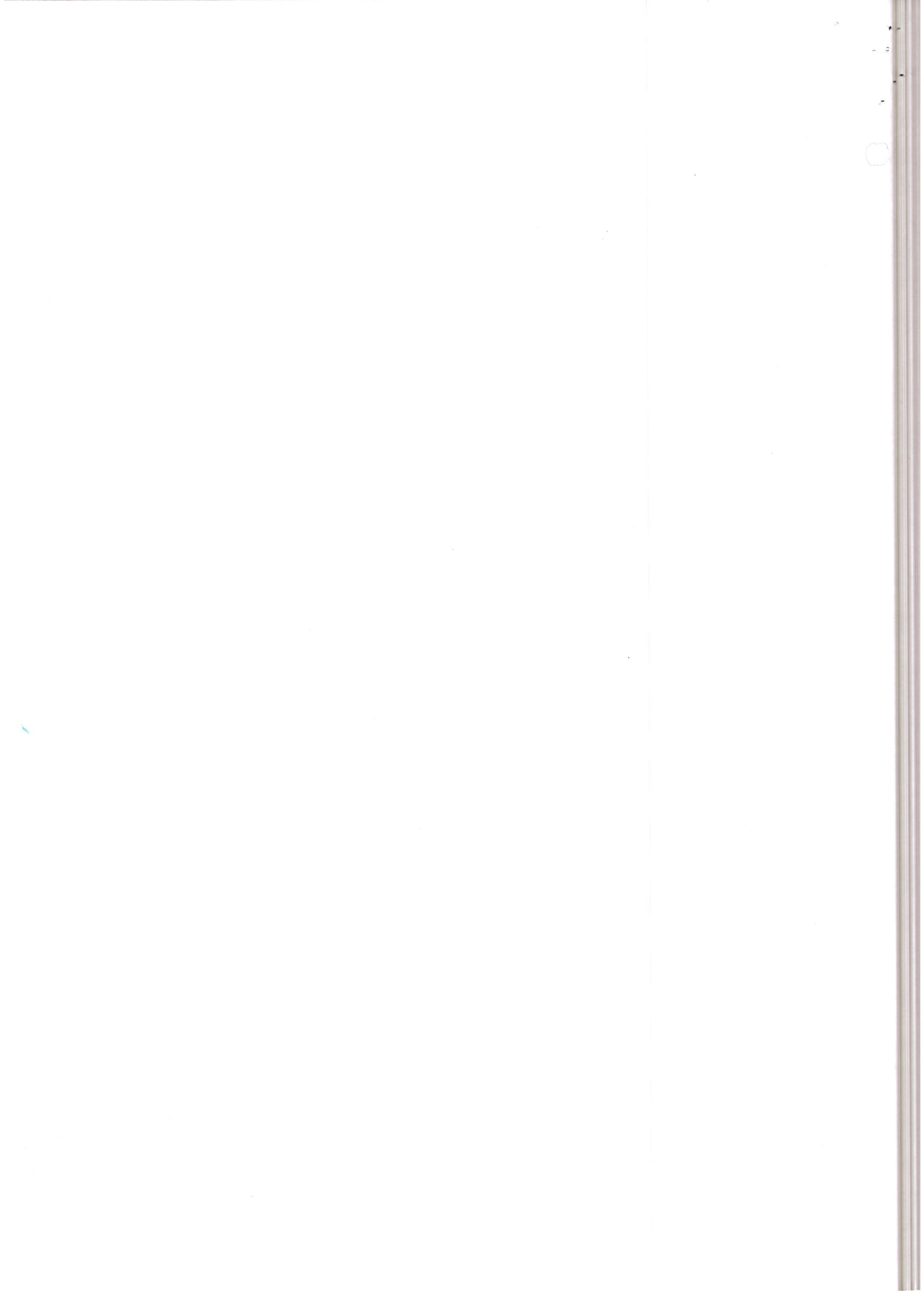
In terms of budget performance, the National Treasury expenditure stood at Kshs.39.416m against an approved budget of Kshs.42.540m in Recurrent while Development expenditure stood at Kshs.9.761m against an approved budget of Kshs.11.862m giving an overall absorption rate of 90.5%. The National Treasury implemented the 2017/18 budget within four economic classification/programmes. These were General Administration, Planning and Support Services, Public Financial Management, Economic and Financial Policy Formulation and Management and Market Competition. As demonstrated in the bar graph below, the Market Competition Programme had the highest absorption at 100% followed by General Administration, Planning and Support Services at 92%, Public Financial Management Programme at 81.7% and Economic and Financial Policy Formulation and Management (78%).

Budget Absorption rate by Economic Classification/Programmes



Other key achievements during the period under review are:-

- The National Treasury continued to implement its mandate of supporting the devolved system of Government. In terms of payments, the County Governments received a total of Kshs.327 billion in 2017/2018 up from Kshs.302.2 billion in 2016/2017. Since their establishment in March 2013, County Governments have received more than Kshs.1.3 trillion from the National Government.
- In line with its commitment to enhance the County Governments capacity, the National Treasury developed the County Governments (Revenue Raising Regulation Process) Bill. The Bill is geared towards addressing the challenges County Governments are encountering in revenue collection, mitigating their negative effects and assisting the Counties to optimize own-sources revenue.
- The National Treasury successfully priced a new \$2 billion Eurobond Transaction. This issue was 7 times oversubscribed thus making it one of the highest order book for an issue from Africa, and providing a dollar yield curve stretching out to 30 years. This made Kenya one of



Some of the challenges the National Treasury faced while implementing the 2017/18 budget include:-

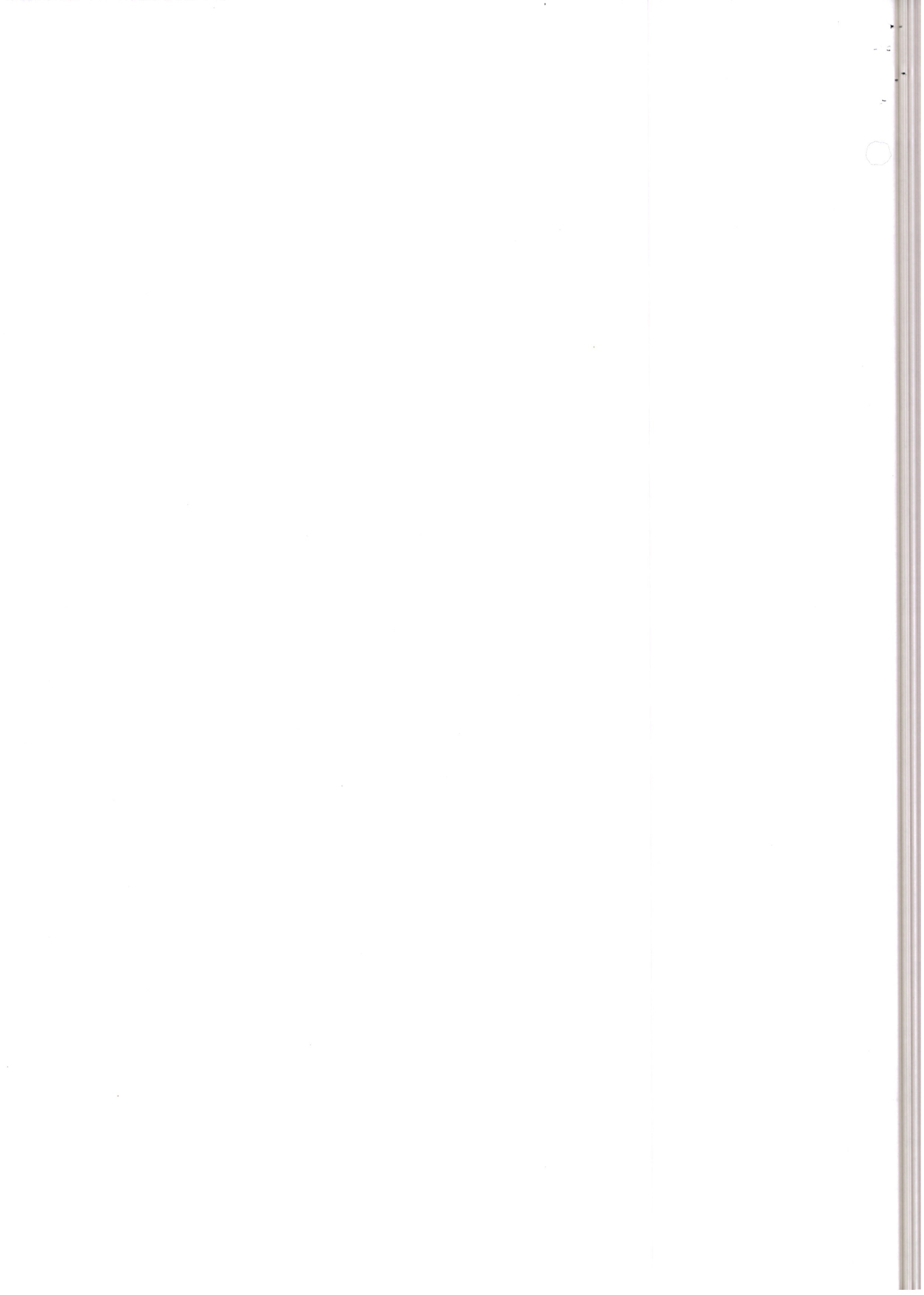
1. Lack of adequate funds/exchequer to finance all the budget requests by Ministries, Departments and Agencies.
2. Low absorption of Official Development Assistance (ODA).
3. Uncertainty associated with the political elections that slowed down economic activity thus affecting revenue performance.
4. Slow enactment of relevant regulations and related legal instruments to facilitate financial sector deepening.

To surmount the above challenges and ensure successful implementation of the National Treasury goals and objectives, the Ministry will:-

1. Maintain macroeconomic stability by ensuring that inflation, interest rates and exchange rates remain largely stable.
2. Continue to improve the environment for businesses to thrive, deal decisively with corruption and address the governance and performance challenges at our parastatals and State-linked companies, as well as improve efficiency in our financial sector in order to boost investments and create jobs.
3. Manage the level and composition of national public debt, national guarantees and other financial obligations of national government effectively;
4. Continue to maintain a prudent fiscal stance consistent with the medium-term debt targets while pursuing a shift in the composition of expenditure towards development priorities.
5. Strengthen capacity in public financial management to MDAs and County Governments to improve oversight of Public resources and Strengthen financial and fiscal relations between the national government and county governments
6. Enhance the Government's cash management system to avoid undue pressure on payment flows and interest rates, and reduce borrowing costs for the government and the private sector.
7. Promote the Public Private Partnership initiatives to finance government capital projects.
8. Engage other development partners for concessional loans and grants as well as pursue strategies to facilitate issuance of international bonds to finance government projects.
9. Ensure constant collaboration between the National Treasury and all the Stakeholders.
10. Strengthen monitoring and evaluation framework.



HENRY K. ROTICH, EGH
CABINET SECRETARY



THE NATIONAL TREASURY- CFS SUBSCRIPTIONS TO INTERNATIONAL ORGANIZATIONS

Reports and Financial Statements

For the year ended June 30, 2018

III. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES

Section 81 (1) of the Public Finance Management Act, 2013 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 CFS Subscription to International Organization *is* responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2017. 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 entity; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of CFS Subscription to International Organization accepts responsibility for the entity'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 *entity's* financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2017, and of the entity's financial position as at that date. The Accounting Officer in charge of CFS Subscription to International Organization further confirms the completeness of the accounting records maintained for the *entity*, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

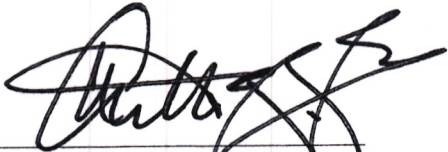
The Accounting Officer in charge of CFS Subscription to International Organization confirms that the entity has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the entity'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 NATIONAL TREASURY- CFS SUBSCRIPTIONS TO INTERNATIONAL ORGANIZATIONS

**Reports and Financial Statements
For the year ended June 30, 2018**

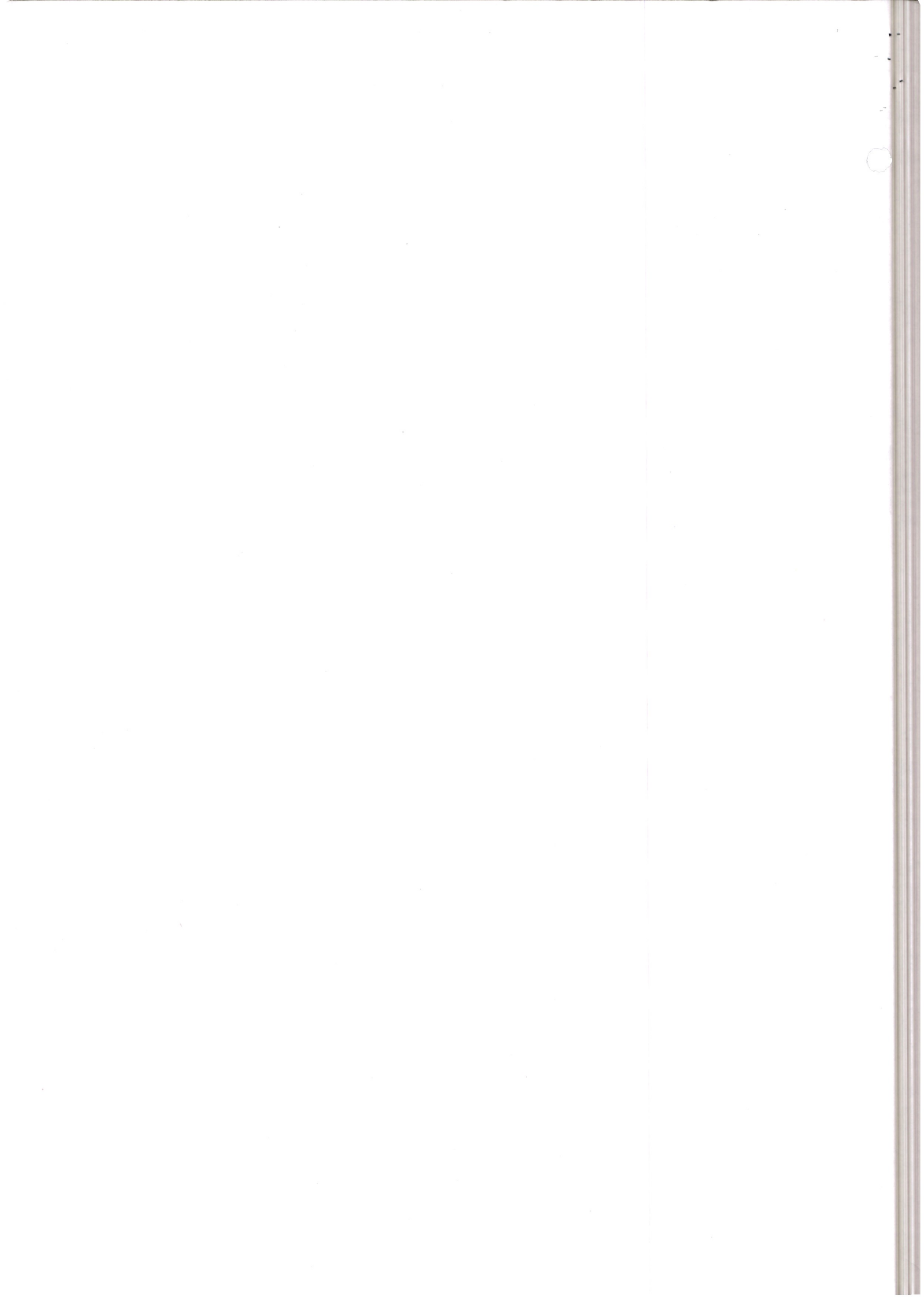
The *entity's* financial statements were approved and signed by the Accounting Officer on 30th Sept 2018.



**DR KAMAU THUGGE, CBS
Principal Secretary**



**LILIAN W. DISHON
Principal Accountant
ICPAK Member Number:10442**



REPUBLIC OF KENYA

Telephone: +254-20-342330
Fax: +254-20-311482
E-mail: oag@oagkenya.go.ke
Website: www.kenao.go.ke



P.O. Box 30084-00100
NAIROBI

OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON SUBSCRIPTION BY KENYA GOVERNMENT TO INTERNATIONAL ORGANIZATIONS FOR THE YEAR ENDED 30 JUNE 2018

REPORT ON THE FINANCIAL STATEMENTS

Adverse Opinion

I have audited the accompanying financial statements of Subscription by Kenya Government to International Organizations set out on pages 14 to 23 which comprise the statement of financial assets and liabilities as at 30 June 2018, and the statement of receipts and payments 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 35 of the Public Audit Act, 2015.

In my opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, the financial statements do not present fairly, the financial position of Subscription by Kenya Government to International Organizations as at June 30, 2018, and its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and do not comply with the Public Finance Management Act, 2012.

Basis for an Adverse Opinion

1. Comparison Between the Budget and Actual Amounts

The statement of comparison between the budget and the Actual Amounts indicates that during the year under review, an amount of Kshs. 500,000 was provided in the printed estimates/budget but no expenditure was incurred. The Management has explained the huge variance arose due to the fact that the amount in the budget was a 'notional' budget provision as there was no amount that had been called for payment during the year in absence of such a resolution by the member states. The budget process does not provide for such a 'notional budgetary estimates' for parliamentary approval as this would exposes the Government to abuse and misappropriation/misdirecting of public funds. Further requisition and approval of budget which is subsequently not utilized deny other needy government programs funds for implementation.

2. Failure to Provide the Trial Balance

The Management did not provide trial balance relating to the vote, for the financial year 2017/2018. The balances reflected in the financial statement could not therefore be confirmed to have been obtained from the trial balance and other books of original entry. In

Report of the Auditor-General on the Financial Statements of Statement of Expenditure-Subscriptions to International Organizations for the Year Ended 30 June 2018

absence of these fundamental records, the source and accuracy of the information contained in the financial statements could not be ascertained and the financial statement balances may be misstated and therefore misleading.

3. Comparison of Expenditure with the Appropriation Account

A comparison of balances reflected in the Treasury main financial statement indicates that the Government made several payments as Grants and transfers amounting to Kshs. 1,069,476,595 during the year under review. Included in Kshs 1,069,476,595 are membership dues and subscription to unspecified international organizations totaling to Kshs. 48,779,790. The balance of Kshs. 1,020,696,805 is indicated to have been paid to some four organizations as hereunder.

<u>Organization</u>	<u>Amounts (Kshs)</u>
1. Membership dues and subscription to international organizations (Unspecified)	48,779,790
2. Africa Capacity Building Foundation	42,333,304
3. Shelter Afrique	355,000,000
4. MEFMI	81,363,501
5. International Bank for Reconstruction and Development, IBRD	<u>542,000,000</u>
Totals Kshs	<u>1,069,476,595</u>

The Government runs the risk of double budgeting for similar expenditure items by the same accounting Officer, it has not been possible to draw a line between what is payable under the subscription to international organization and those under Grants and Transfers to various expenditure vote heads of international nature.

4. Unsupported Balances

In the Audit Report of the previous year, reference was made to the report of the financial year 2015/2016 2015/16 where the statement of details of Kenya Government share subscription and capital contribution to international organizations under Note 5 of the financial statements had reflected local value of subscription totaling to Kshs. 51,403,651,783 against various amounts in foreign currencies as at 30 June 2016. However, an independent confirmation of those balances then showed that subscription were received from only four (4) out of the twelve (12) organizations. In addition the amount confirmed by two of those organizations had differed significantly. Further, the subscription for 2014/15 totaling to Kshs. 116,813,106,919 in respect of 10 organizations had been restated to Kshs. 49,750,957,607 due to conversion of foreign currencies. The huge foreign currencies loss had not been explained

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. There were no Key Audit Matters to report in the year under review.

REPORT ON COMPLIANCE WITH LAWFULNESS AND EFFECTIVENESS

Further, as required by Article 229(6) of the Constitution, I have not been able to obtain sufficient appropriate audit evidence to confirm that public money have been applied lawfully and in an effective way.

Report on Internal Controls Effectiveness, Governance and Risk Management Systems

As required by Section 7 (1) (a) of the Public Audit Act, 2015, except for the matter described in the Conclusion on Effectiveness of Internal Controls section of my report, I confirm that, nothing has come to my attention to cause me to believe that internal controls were not operating in an effective way.

Responsibilities of Management and Those Charged with Governance 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.

In preparing the financial statements, management is responsible for assessing the Ministry ability to continue to sustain services, disclosing, as applicable, matters related to sustainability of services and using the going concern basis of accounting unless the management either intends to liquidate the Ministry or to cease operations, or have no realistic alternative but to do so.

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.

Those charged with governance are responsible for overseeing the Ministry's financial reporting process.

Auditor-General's Responsibilities for the Audit of the Financial Statements

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion 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. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

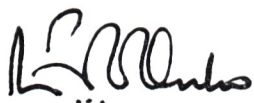
Report of the Auditor-General on the Financial Statements of Statement of Expenditure-Subscriptions to International Organizations for the Year Ended 30 June 2018

As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances and for the purpose of giving an assurance on the effectiveness of the Ministry's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the sustainability of services basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the National Treasury's ability to continue as a going concern or to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the National Treasury to cease to continue as a going concern or to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Ministry to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with the management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that are identified during the audit.

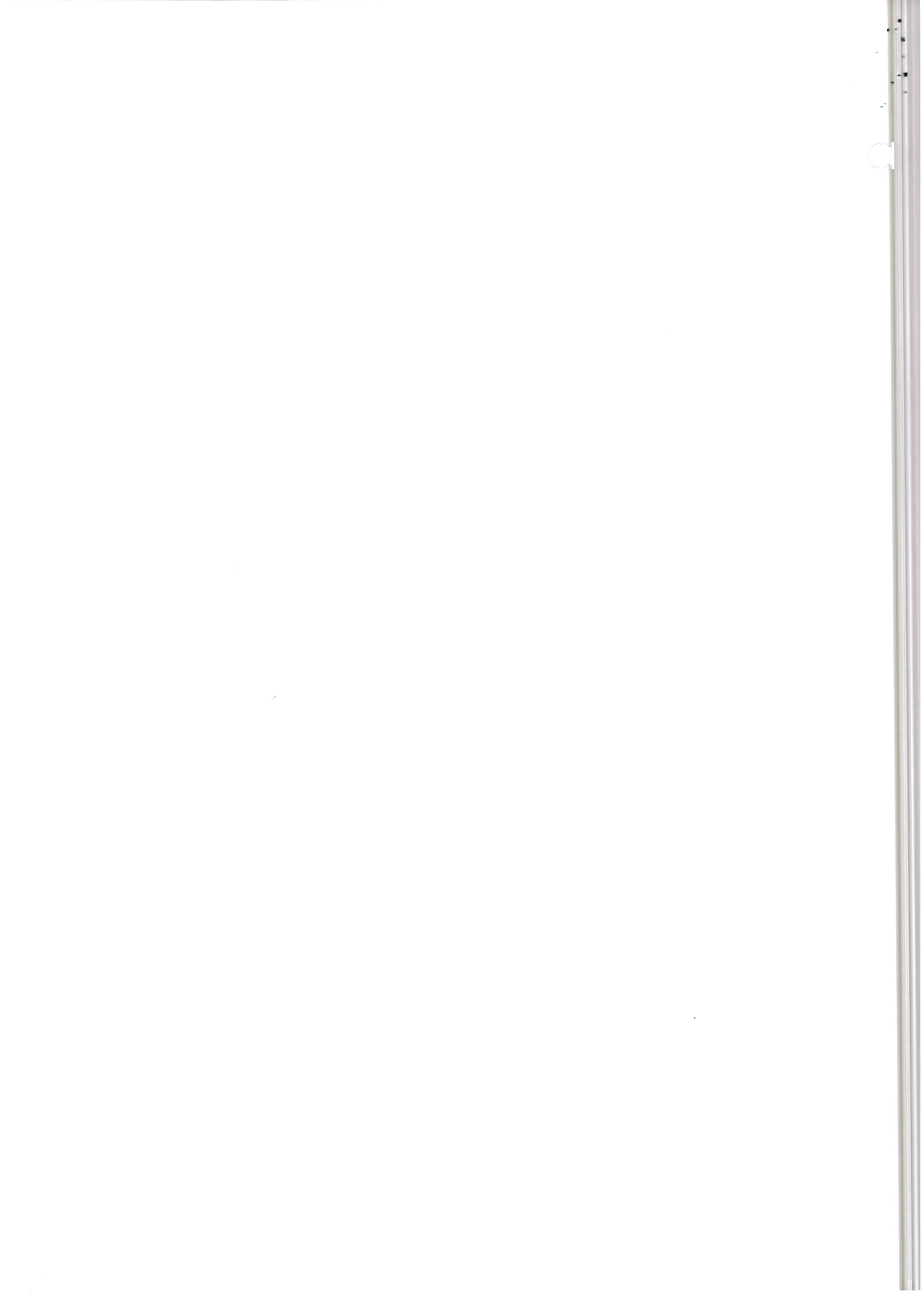
I also provide management with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.



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

Nairobi

10 December 2018



THE NATIONAL TREASURY- CFS SUBSCRIPTIONS TO INTERNATIONAL ORGANIZATIONS

**Reports and Financial Statements
For the year ended June 30, 2018**

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the entity as at June 30, 2018, and its receipts and payments, as well as cash flows for the year then ended in accordance with International Public Sector Accounting Standards.

Auditor General

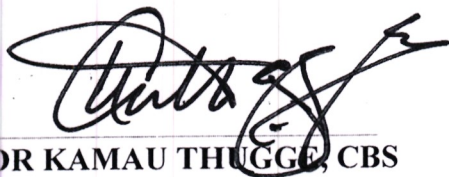
Date

(NB: This report should be removed once a certificate is received from the Auditor General)

V. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2017-2018 Kshs	2016-2017 Kshs
RECEIPTS			
Exchequer releases	1	0	0
TOTAL RECEIPTS		0	0
PAYMENTS			
Subscriptions to International Organizations	2	0	
TOTAL PAYMENTS		0	0
SURPLUS/DEFICIT		0	0

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 30th Sept 2018 and signed by:



DR KAMAU THUGGE, CBS
Principal Secretary



LILIAN W. DISHON
Principal Accountant
ICPAK Member Number:10442

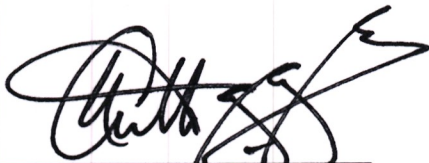
THE NATIONAL TREASURY- CFS SUBSCRIPTIONS TO INTERNATIONAL ORGANIZATIONS

**Reports and Financial Statements
For the year ended June 30, 2018**

VI. STATEMENT OF ASSETS AND LIABILITIES

	Note	2017-2018 Kshs	2016-2017 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	3	2	2
Total Cash and cash equivalent		0	0
TOTAL FINANCIAL ASSETS		2	2
FINANCIAL LIABILITIES			
Accounts Payables – Deposits and retentions		0	0
NET FINANCIAL ASSETS			
REPRESENTED BY			
Fund balance b/fwd	4	2	0
Prior year adjustment	5	0	0
Surplus/Deficit for the year		0	2
NET FINANCIAL POSSITION		2	2

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 30th Sept 2018 and signed by:



DR KAMAU THUGGE, CBS
Principal Secretary



LILIAN W. DISHON
Principal Accountant
ICPAK Member Number:10442

THE NATIONAL TREASURY- CFS SUBSCRIPTIONS TO INTERNATIONAL ORGANIZATIONS

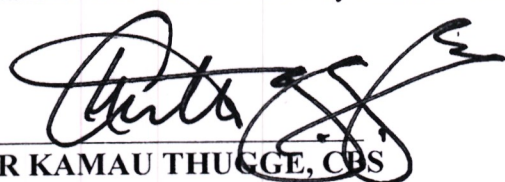
Reports and Financial Statements

For the year ended June 30, 2018

VII. STATEMENT OF CASH FLOWS

		2017-2018 Kshs	2016-2017 Kshs
Receipts for operating income			
Exchequer Releases	1	0	0
Payments for operating expenses			
Subscriptions to International Organizations	2	0	0
Adjusted for:			
Change in Receivables		0	0
Changes in Payables		0	0
Adjustments during the year		0	0
Net cash flow from operating activities		<u>0</u>	<u>0</u>
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets		0	0
Acquisition of Assets		0	0
Net cash flow from Investing activities		<u>0</u>	<u>0</u>
CASHFLOW FROM BORROWING ACTIVITIES		0	0
Net cash flow from financing activities		<u>0</u>	<u>0</u>
NET INCREASE IN CASH AND CASH EQUIVALENT			
Cash and cash equivalent at BEGINNING of the year		<u>2</u>	<u>2</u>
Cash and cash equivalent at END of the year	3	<u>2</u>	<u>2</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 30th Sept 2018 and signed by:



DR KAMAU THUGGE, CBS
Principal Secretary



LILIAN W. DISHON
Principal Accountant
ICPAK Member Number:10442

Reports and Financial Statements
For the year ended June 30, 2018

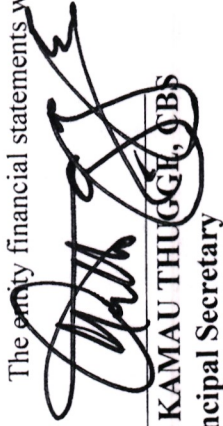
VIII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT

Receipt/Expense Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilization Difference e=c-d	% of Utilization f=d/c %
RECEIPTS						
Exchequer releases	500,000	0	500,000	0	500,000	
PAYMENTS						
Subscriptions to International Organization	(500,000)	0	(500,000)	0	(500,000)	
Surplus/ Deficit	0	0	0	0	0	

Notes:

- The significant underutilization (below 90% of utilization) is due to the following.
 - i. There are no estimates of upcoming payments therefore a notional budget provision is made.
 - ii. Payments are called for when a resolution is passed at a meeting of member states.
 - iii. No amounts were called for payment during the year ended 30th June, 2018.

The entity financial statements were approved on 30th Sept 2018 and signed by:



DR KAMAU THUGGI, CBS
Principal Secretary



LILLIAN W. DISHON
Principal Accountant
ICPAK Member Number: 10442



Reports and Financial Statements
For the year ended June 30, 2018

IX. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT

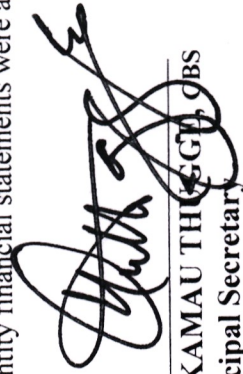
Receipt/Expense Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilization Difference e=c-d	% of Utilization f=d/c %
RECEIPTS						
Exchequer releases	500,000	0	500,000	0	500,000	
PAYMENTS						
Subscriptions to International Organizations	(500,000)	0	(500,000)	0	(500,000)	
Surplus/ Deficit	0	0	0	0	0	

Notes:

The significant underutilization (below 90% of utilization) is due to the following.

- i. There are no estimates of upcoming payments therefore a notional budget provision is made.
- ii. Payments are called for when a resolution is passed at a meeting of member states.
- iii. No amounts were called for payment during the year ended 30th June, 2018.

The entity financial statements were approved on 30th Sept. 2018 and signed by:



DR KAMAU THUGGELI OGBS
Principal Secretary



LILIAN W. DISHON
Principal Accountant
ICPAK Member Number: 10442



X. 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 Cash-basis IPSAS financial reporting under the cash basis of Accounting, as prescribed by the PSASB and set out in the accounting policy notes below.

This cash basis of accounting has been supplemented with accounting for; a) receivables that include imprests and salary advances and b) payables that include deposits and retentions. The receivables and payables are disclosed in the Statement of Assets and Liabilities. The Statement of Assets and Liabilities is not mandatory statement under the IPSAS Cash basis but is encouraged in order to disclose information on assets and liabilities.

The financial statements are presented in Kenya Shillings, which is the functional and reporting currency of the entity all values are rounded to the nearest Kenya Shilling. The accounting policies adopted have been consistently applied to all the years presented.

The financial statements comply with and conform to the form of presentation prescribed by the PSASB.

2. Reporting entity

The financial statements are for the CFS Subscriptions to International Organizations encompass the reporting entity as specified under section 81 of the PFM Act 2012 and does not comprise any development projects.

3. Recognition of receipts and payments

a) Recognition of receipts

The Entity recognises all receipts from the various sources when the event occurs and the related cash has actually been received by the entity.

Tax receipts

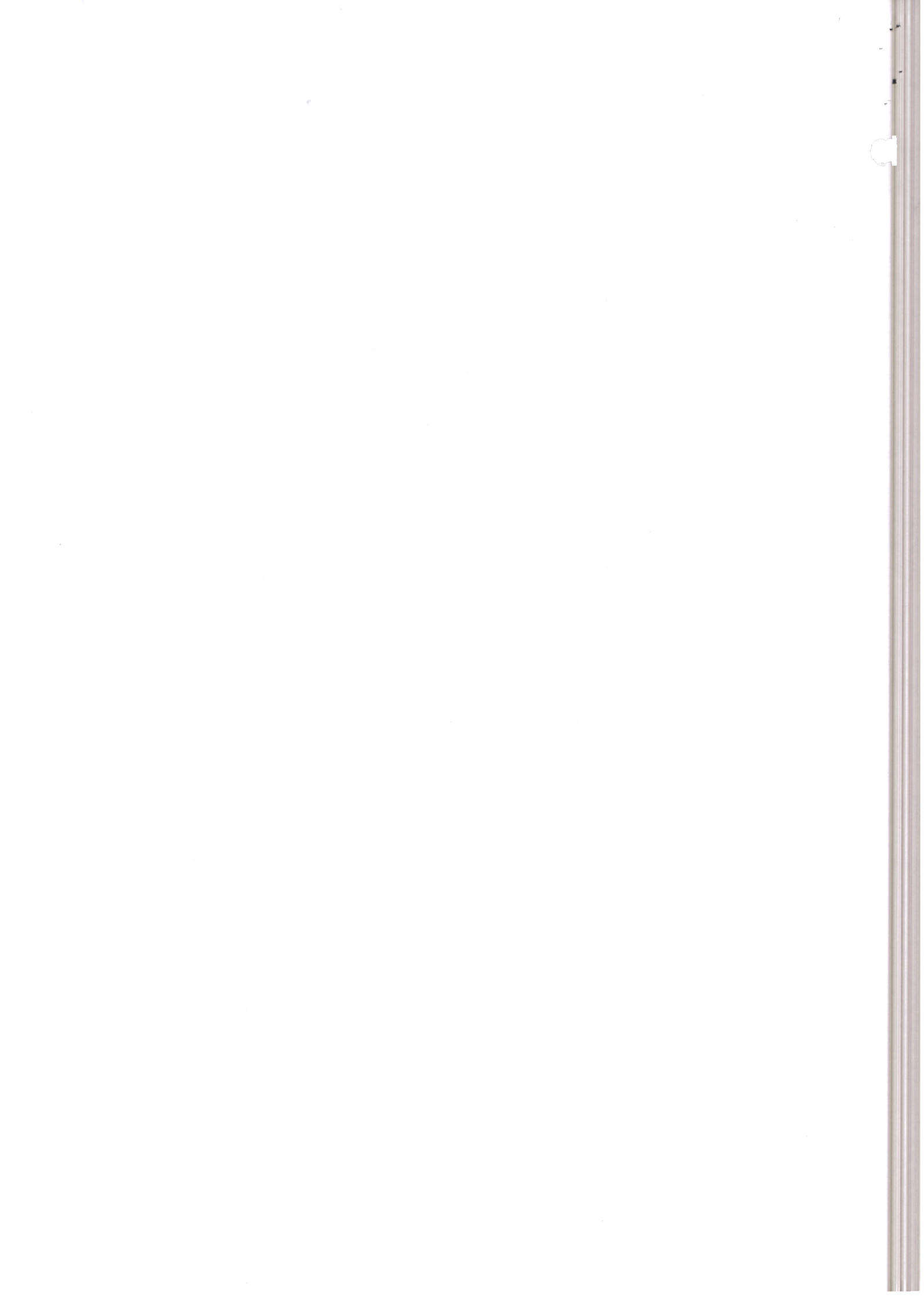
Tax Receipts is recognized in the books of accounts when cash is received. Cash is considered as received when notification of tax remittance is received.

Transfers from the Exchequer

Transfer from Exchequer is recognized in the books of accounts when cash is received. Cash is considered as received when payment instruction is issued to the bank and notified to the receiving entity.

External Assistance

External assistance is received through grants and loans from multilateral and bilateral development partners.



THE NATIONAL TREASURY- CFS SUBSCRIPTIONS TO INTERNATIONAL ORGANIZATIONS

Reports and Financial Statements

For the year ended June 30, 2018

Donations and grants

Grants and donations shall be recognized in the books of accounts when cash is received. Cash is considered as received when a payment advice is received by the recipient entity or by the beneficiary. In case of grant/donation in kind, such grants are recorded upon receipt of the grant item and upon determination of the value. The date of the transaction is the value date indicated on the payment advice.

Proceeds from borrowing

Borrowing includes Treasury bill, treasury bonds, corporate bonds; sovereign bonds and external loans acquired by the entity or any other debt the Entity may take on will be treated on cash basis and recognized as receipts during the year of receipt.

Undrawn external assistance

These are loans and grants at reporting date as specified in a binding agreement and relate to funding for projects currently under development where conditions have been satisfied or their ongoing satisfaction is highly likely and the project is anticipated to continue to completion. During the year ended 30th June 2017, there were no instances of non-compliance with terms and conditions which have resulted in cancellation of external assistance loans.

Other receipts

These include Appropriation-in-Aid and relates to receipts such as proceeds from disposal of assets and sale of tender documents. These are recognised in the financial statements the time associated cash is received.

b) Recognition of payments

The entity recognises all expenses when the event occurs and the related cash has actually been paid out by the entity.

Compensation of employees

Salaries and Wages, Allowances, Statutory Contribution for employees are recognized in the period when the compensation is paid.

Use of goods and services

Goods and services are recognized as payments in the period when the goods/services are consumed and paid for. Such expenses, if not paid during the period where goods/services are consumed, shall be disclosed as pending bills.

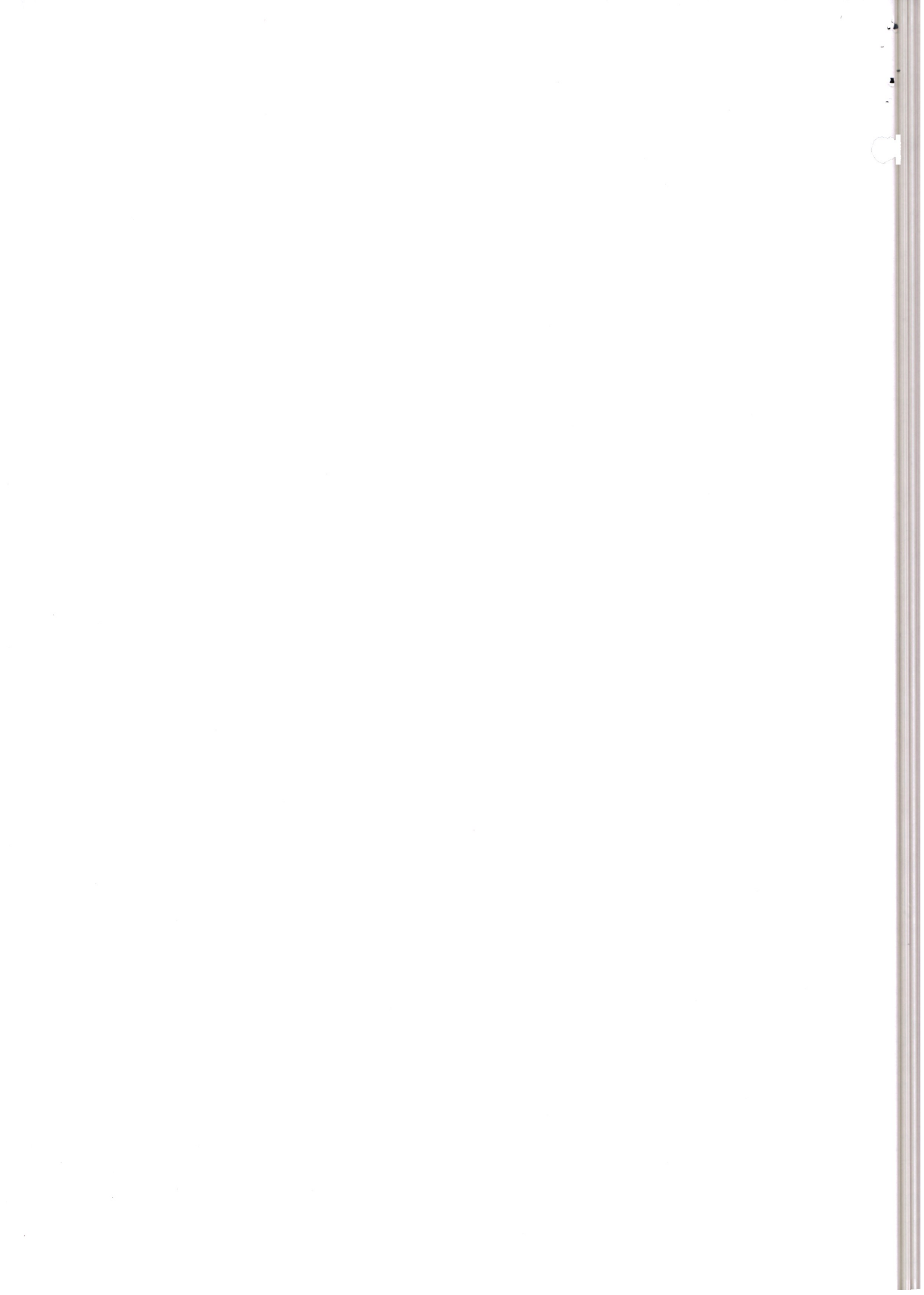
Interest on borrowing

Borrowing costs that include interest are recognized as payment in the period in which they incurred and paid for.

Repayment of borrowing (principal amount)

The repayment of principal amount of borrowing is recognized as payment in the period in which the repayment is made.

Acquisition of fixed assets



THE NATIONAL TREASURY- CFS SUBSCRIPTIONS TO INTERNATIONAL ORGANIZATIONS

Reports and Financial Statements

For the year ended June 30, 2018

The payment on acquisition of property plant and equipment items is not capitalized. The cost of acquisition and proceeds from disposal of these items are treated as payments and receipts items respectively. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration and the fair value of the asset can be reliably established, a contra transaction is recorded as receipt and as a payment.

A fixed asset register is maintained by each public entity and a summary provided for purposes of disclosure. This summary is disclosed as an annexure to the entity's financial statements.

4. In-kind contributions

In-kind contributions are donations that are made to the *entity* 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 *entity* includes such value in the statement of receipts and payments both as receipts and as an expense in equal and opposite amounts; otherwise, the contribution is not recorded.

5. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year.

Restriction on cash

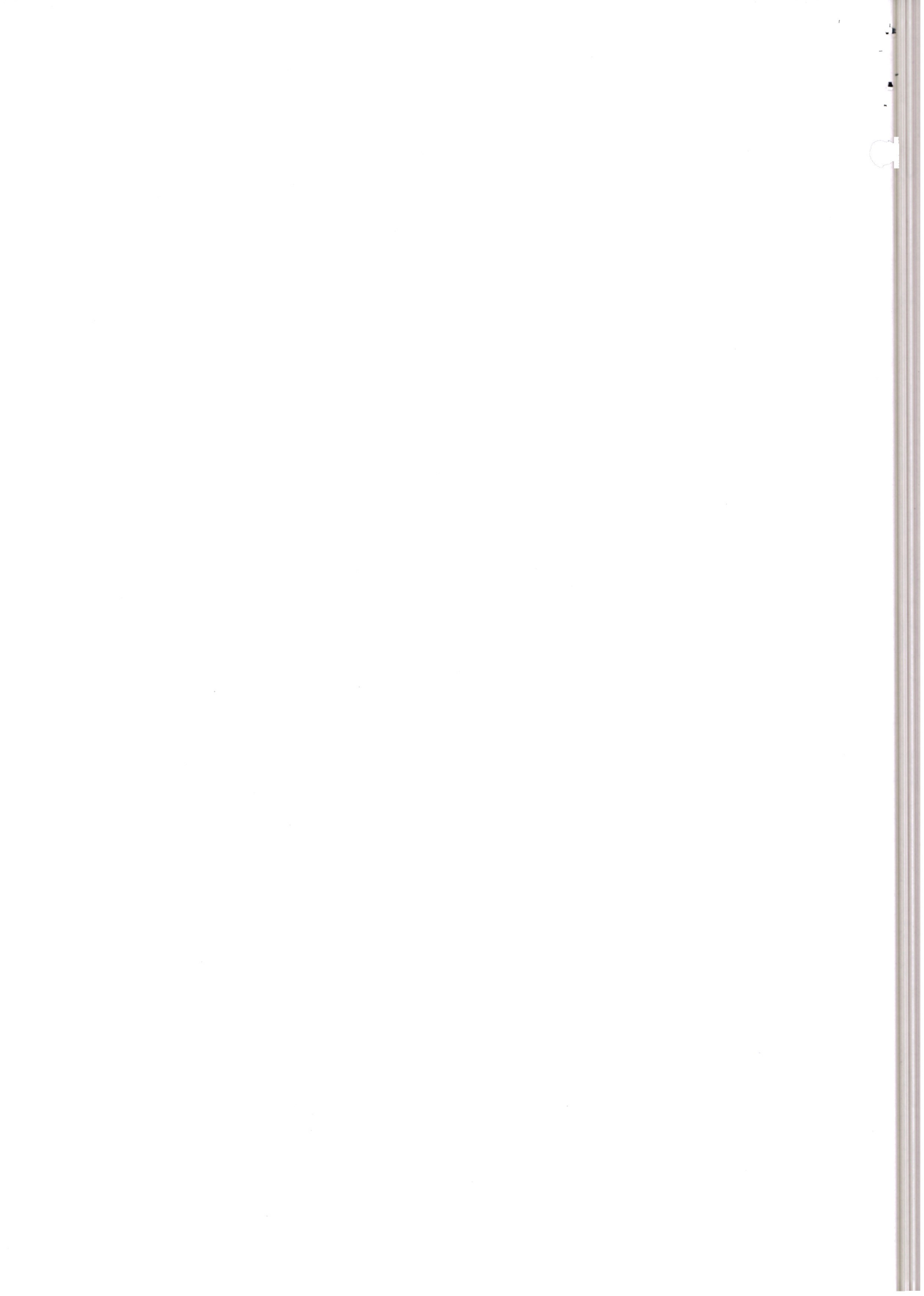
Restricted cash represents amounts that are limited /restricted from being used to settle a liability for at least twelve months after the reporting period. This cash is limited for direct use as required by stipulation.

Amounts maintained in deposit bank accounts are restricted for use in refunding third party deposits. As at 30th June 2017, this amounted to Kshs 0.00 compared to Kshs 0.00 in prior period as indicated on note xxxx.

There were no other restrictions on cash during the year

6. Accounts Receivable

For the purposes of these financial statements, imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year are treated as receivables. This is in recognition of the government practice where the imprest payments are recognized as payments when fully accounted for by the imprest or AIE holders. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.



THE NATIONAL TREASURY- CFS SUBSCRIPTIONS TO INTERNATIONAL ORGANIZATIONS

Reports and Financial Statements

For the year ended June 30, 2018

XI. NOTES TO THE FINANCIAL STATEMENTS

1 EXCHQUER RELEASES

Description	2017-2018	2016-2017
	Kshs	Kshs
Total Exchequer Releases for quarter 1	0	0
Total Exchequer Releases for quarter 2	0	0
Total Exchequer Releases for quarter 3	0	0
Total Exchequer Releases for quarter 4	0	0
Total	0	0

(Budgeted exchequer was Kshs 500,000.00 versus actual received exchequer of nil. No amounts were called for payment during the year ended 30th June, 2018).

2 PAYMENTS

Description	2017-2018	2016-2017
	Kshs	Kshs
Subscriptions to International Organizations	0	0
TOTAL	0	0

3: Bank Accounts

Name of Bank, Account No. & currency	Amount in bank account currency	Indicate whether recurrent, Development, deposit e.t.c	Exc rate (if in foreign currency)	2017-2018	2016-2017
				Kshs	Kshs
CENTRAL BANK OF KENYA (Kes)					
<i>Account No.1000204427</i>		Recurrent		2	2
Total				2	2



THE NATIONAL TREASURY- CFS SUBSCRIPTIONS TO INTERNATIONAL ORGANIZATIONS

Reports and Financial Statements

For the year ended June 30, 2018

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4: FUND BALANCE BROUGHT FORWARD

Description	2017-2018	2016-2017
	Kshs	Kshs
Bank accounts	2	2
Cash in hand	0	0
Total	2	2

5. PRIOR YEAR ADJUSTMENTS

Description of the error	2017 – 2018	2016 – 2017
	Kshs	Kshs
Adjustments on bank account balances	0	0
Adjustments on cash in hand	0	0
Total	0	0

There was no prior year adjustments made.



NATIONAL GOVERNMENT ENTITY – CFS SUBSCRIPTINS TO INTERNATIONAL ORGANIZATIONS

**Reports and Financial Statements
For the year ended June 30, 2018**

XII. PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

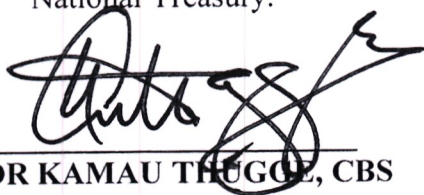
The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)

There are no audit issues for CFS Subscriptions to International Organisations.

Guidance Notes:

- (i) Use the same reference numbers as contained in the external audit report;
- (ii) Obtain the “Issue/Observation” and management comments”, required above, from final external audit report that is signed by Management;
- (iii) Before approving the report, discuss the timeframe with the appointed Focal Point persons within your entity responsible for implementation of each issue;
- (iv) Indicate the status of “Resolved” or “Not Resolved” by the date of submitting this report to National Treasury.



**DR KAMAU THUGGE, CBS
Principal Secretary**



**LILIAN W. DISHON
Principal Accountant
ICPAK Member Number: 10442**

NATIONAL GOVERNMENT ENTITY – CFS SUBSCRIPTINS TO INTERNATIONAL ORGANIZATIONS

Reports and Financial Statements

For the year ended June 30, 2018

ANNEX 1 - REPORTS GENERATED FROM IFMIS

- i. FO30 (Bank reconciliations) for all bank accounts
- ii. Bank Balance certificate
- iii. Board of survey certificate
- iv. List of five International Organisations.

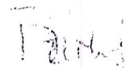
8th August, 2018


Kenya National Treasury
The Office of the Director General
P.O. Box 10000, Nairobi

CERTIFICATE OF BALANCES

Customer : NATIONAL
Balance Date: 120373/100094 TREASURY
30-Jun-18

Account No	Account Name	Currency	Balance
1000000977	TREASURY BILLS ACCOUNT	KES	16,732,694,764.62
1000000988	TREASURY BONDS ACCOUNT	KES	349,082,486.70
1000000996	REVENUE DEPOSIT ACCOUNT	KES	7,307,721,327.45
1000004053	TREASURY BONDS REDEMPTION	KES	0
1000004061	TREASURY BONDS INTEREST	KES	0
1000004088	TREASURY BILLS REDEMPTION SUSP.	KES	0
1000181467	REC-THE NATIONAL TREASURY	KES	2,692,501,165.60
1000181664	DEV-THE NATIONAL TREASURY	KES	224,035,811.55
1000182137	DEP-THE NATIONAL TREASURY	KES	1,533,385,871.40
1000187492	MICRO FINANCE SEC S CR-REFINANCING	KES	0
1000187506	MICRO FINANCE SEC SUP CR-CAP BLDG	KES	90,491,999.30
1000190299	VALUE FOR MONEY (VFM) AUDIT-GIZ	KES	0
1000192976	NAT.TREASURY- AID EFFECTVENESS GRP	KES	29,142,421.00
1000201924	VOLUNTARY PAY CUT	KES	78,046,814.10
1000237872	FINANCIAL SEC.SUPP.PRJ-IDA 56270-KE	KES	154,424,549.75
1000268743	AFRICAN INSTITUTE FOR REMITTANCES	KES	62,334,541.15
1000204378	REC-PUBLIC DEBT	KES	1,539,148,837.70
1000204419	REC-SALARIES ALLOWA MISC AND NSSSFC	KES	207,958,064.25
1000204427	REC-SUBSCRIPTION TO INTERNAT. ORG	KES	2
1000205024	PETROLEUM DEVELOPMENT LEVY FUND	KES	2,165,061,789.35
1000221518	KENYA PETROLEUM TECHNICAL ASS PROJ	KES	11,106,731.80


S. K. LANGAT (MRS)
AUTHORISED SIGNATORY
BANKING DIVISION


R. N. OUMA (MRS)
AUTHORISED SIGNATORY
BANKING DIVISION



A/C 1000204427

Date ...02/07/2018.....

Report of the Board of Survey on the Cash and Bank Balances of ...NATIONAL TREASURY CFS 053.....

..... as at the close of business on30.06.2018.....

The Board consisting of - (Names and official titles)

CHAIRMAN ... ISAAC MUKOMA.....

MEMBER JOSEPH KOTHYA.....

MEMBER AGNES KIILU.....

Assembled at the office of CASH NATIONAL TREASURY.....

At 9.00 a.m..... (Time) on the ... 02/07/2018.....

And the following cash was produced: -

Notes Sh. Nil.....

Silver Sh. Nil.....

Copper Sh. Nil.....

Cheques (as per details on reverse) Sh Nil.....

It was observed that cheques amounting to Sh Nil Cts Nil.....

Had been on hand for more than 14 days prior to the date of the survey.

The cash consists of East African currency and does not contain any demonetized coin or notes.

The Cash Book reflected the following balances as at the close of business on the30.06.2018.....

Cash on hand Sh Nil.....

Bank Balance Sh2.....

2

The bank certificate of Balance showed a sum of kshs. 2.....Cts (Sh Nil Cts)

Standing to the credit of the account on30.06.2018.....

The difference between this figure and the Bank Balance as shown by the Cash Book is accounted for in the Bank Reconciliation Statement (F.O. 30) attached.

Date03/07/2018.....

Isaac Mukoma
Chairman

[Signature]

Members of the Board
GPK (L)

