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REPORT ✓

OF

THE AUDITOR-GENERAL

ON

THE FINANCIAL STATEMENTS OF
RELIEF AND REHABILITATION CASH
TRANSFER FUND

FOR THE YEAR ENDED
30 JUNE 2017

STATE DEPARTMENT OF SPECIAL
PROGRAMMES

REPUBLIC OF KENYA



**MINISTRY OF DEVOLUTION AND PLANNING
STATE DEPARTMENT FOR SPECIAL PROGRAMMES**

RELIEF AND REHABILITATION CASH TRANSFERS FUND

FUND GRANT/CREDIT NUMBER GOK

ANNUAL FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

JUNE 30, 2017

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

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Chakula kwa Jamii banner in Mirera, Laikipia County.

1.0 KEY ENTITY INFORMATION AND MANAGEMENT

1.1 Background Information

The Relief and Rehabilitation Trust Fund is a body corporate established on June 2017. The key objective of the fund is to spearhead national drought relief emergency response.

1.1.1 CASH TRANSFER FOR RELIEF ASSISTANCE

The Government is adopting the use of cash-transfer to mitigate the effects of acute food shortage amongst families in arid and semi-arid counties deemed to be in most need of food assistance. The initiative known as 'Chakula kwa Jamii', is being implemented by the State Department for Special Programmes in Partnership with **World Food Programme (WFP)** and other Coordinating Partners.

The Government will disburse an estimated Ksh. 1.8 billion through this Programme to supplement households' food needs. Reaching an estimated 1.6 million Kenyans drawn from 13 out of the 23 drought affected counties. Targeted households in arid areas get **ksh. 3,000** while those in semi-arid areas get **Ksh.2,300** per month for the next three months during this period of acute food shortage.

Chakula kwa Jamii is a rapid food assistance intervention which uses electronic cash transfer in form of a scratch card. The cards are redeemed through the M-Pesa money transfer platform and targeted households are then able to purchase food of their choice. Technical support to set up the system was provided by World Food Programme (WFP) with the generous financial contribution from the United States Agency for International Development (USAID). The teams undertook the identification and registration of targeted communities as well as setting up the infrastructure to securely deliver the cash, monitor and report in a transparent manner.

The thirteen Counties targeted are **Kilifi, Kitui, Kwale, Lamu, Makueni, Laikipia, Taita-Taveta, Baringo, Garissa, Isiolo, Samburu, Tana River and West Pokot**. Both the National and County Government are working very closely and complementing each other's efforts to ensure no lives are lost.

This initiative is part of Government's relief response, through the State Department for Special Programmes that aims to use cash transfers instead of in-kind food. Delivering cash is viewed as being much more efficient in targeted areas where functional markets exists. The funds are expected to support local markets and provide more food choices to beneficiaries in the affected areas. Those who receive cash through *Chakula kwa Jamii* will not receive in-kind relief from the National Government during the same period.

IMPLEMENTATION

The programme is being implemented in two phases. Phase one was implemented in July to early August 2017, and it covered five Counties (5), this included **West Pokot, Kilifi, Isiolo, Samburu and Laikipia**. The official launch was done in Kilifi County.

Phase two, was implemented in September, 2017, which covered eight (8) Counties namely: **Kwale, Baringo, Makueni, Kitui, Garissa, Tana River, Taita Taveta and Lamu**.

**RELIEF AND REHABILITATION CASH TRANSFERS FUND
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30TH 2017 (Kshs)**

1.2 Name and registered office

Name: The Fund's official name is **Relief and Rehabilitation Fund**

Address: The Fund headquarters offices are at Extelcoms House, Nairobi County, Kenya.

The address of its registered office is:

P.O Box 40213-00200
Nairobi.

Contacts: The following are the Fund contacts

Telephone: +254-202217475

E-mail: pspecialprogrammes@devolutionplanning.go.ke

Website: <http://www.devolutionplanning.go.ke>

1.3 Fund Information

Fund Start Date:	2017
Fund End Date:	INFINITE
Fund Manager:	VINCENT MATIOLI
Fund Sponsor:	Government of Kenya

1.4 Fund Overview

Line Ministry/State Department of the Fund	The Fund is under the supervision of State Department for Special Programmes.
Fund number	GOK FUND
Strategic goals of the Fund	The strategic goals of the Fund are as follows: (i) To cater for immediate food needs of the drought affected communities against the adversities of drought.

Achievement of strategic goals	The Fund management aims to achieve the goals through the following means: i. Coordinating activities related to emergency drought response ii. Provision of cash to food insecure households.
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**RELIEF AND REHABILITATION CASH TRANSFERS FUND
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	<ul style="list-style-type: none"> iii. Resource mobilization iv. Capacity building and support scheme; v. Monitoring and evaluation of programme activities.
Other important background information of the Fund	The Fund was formed to counter the effects of drought that left many communities food insecure.
Current situation that the Fund was formed to intervene	The Fund was formed to intervene in the following areas: (i) To provide relief assistance to drought affected populations in arid and semi-arid areas.
Fund duration	The Fund started on June, 2017 and is expected to run infinitely.

1.5 Bankers

The following are the bankers for the current year:

1. Central Bank of Kenya

Relief and rehabilitation fund
A/C no.
Haile Selassie Avenue
P.O. Box 40213
City Square 00200
Nairobi, Kenya

1.6 Auditors:

Auditor General

Kenya National Audit Office

Anniversary Towers, University Way

P.O. Box 30084 – 00100 GPO

Nairobi, Kenya

1.7 Principal Legal Advisor

The Attorney General

State Law office

Harambee Avenue

P.O. Box 40112 – 00200 City Square

Nairobi Kenya

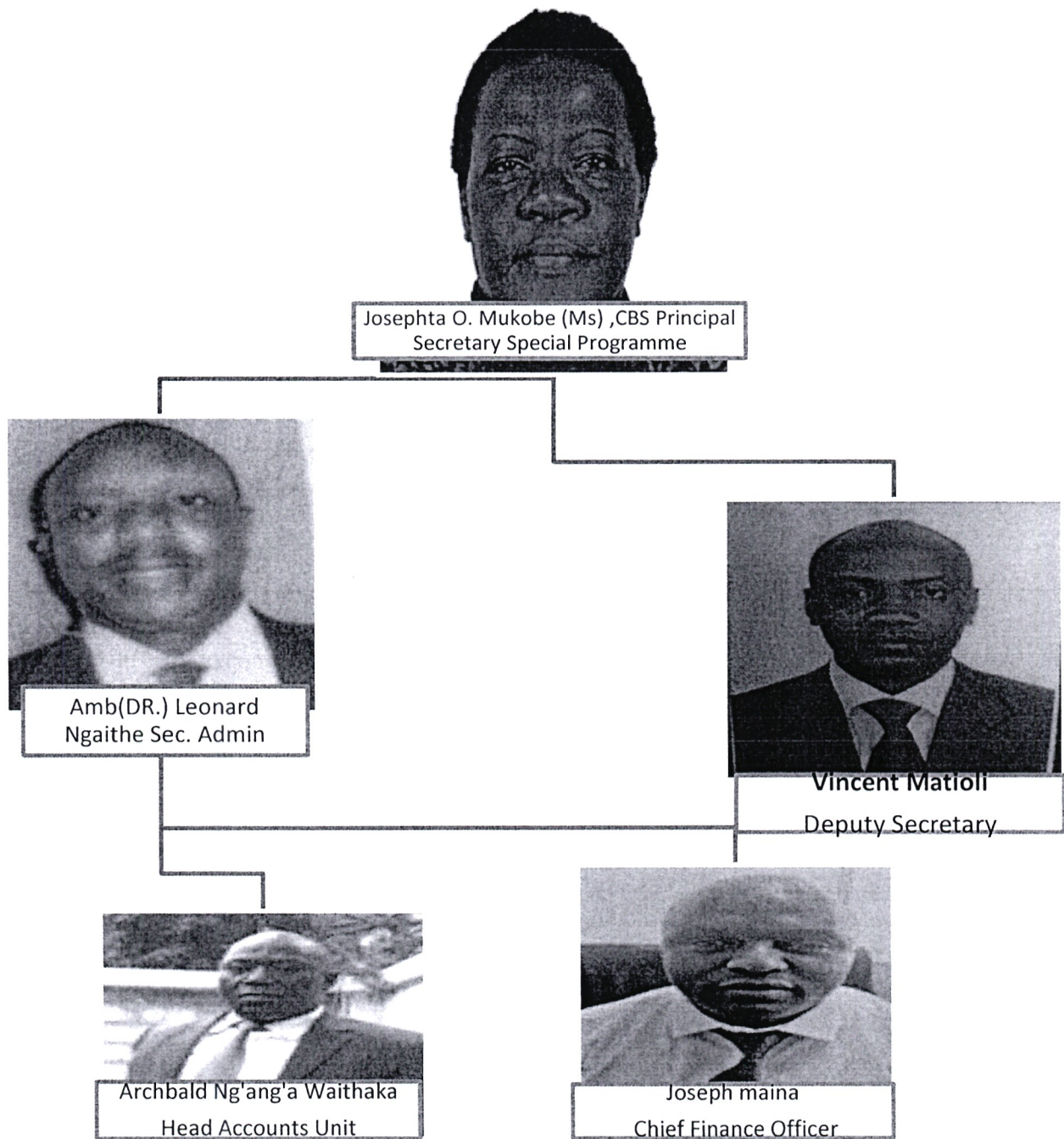
**RELIEF AND REHABILITATION CASH TRANSFERS FUND
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1.8 Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2017 and who had direct fiduciary responsibility were:


S/No	Names	Title designation	Responsibilities
1.	Josephtha O. Mukobe	Principal Secretary	Accounting Officer
2.	Vincent Matioli	Secretary	Secretary to the board
3.	Amb. Leonad Ngaithe	Secretary Admin.	Altn. Board Member
4.	Archbald Waithaka	Principal Accountant	Head Accounts Unit
5.	Joseph Maina	Chief Finance Officer	Head Finance Unit


Senior Management in fund Management (Continued)





	<p>Josephtha O. Mukobe (Ms) ,CBS assumed the position of Principal Secretary, State Department for Special programmes in January 2016 following a reshuffle of principal secretaries by his excellency President Uhuru Kenyatta. Prior to this she was the Principal Secretary, State Department of Coordination Madam Josephta is the Accounting Officer for the State Department and is instrumental in coordinating the formulation of legislation in implementing policies. She holds a Masters in Science from Manchester University (UK) and a Bachelor's of ART degree from Nairobi University.</p>
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**RELIEF AND REHABILITATION CASH TRANSFERS FUND
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	<p>Mr. Vincent Matioli assumed the position of Acting Secretary State Department of Special Programmes in February 2017. He is in charge of distribution of relief food to 23 Arid and semi-Arid Counties in Kenya and other Counties that may be food insecure due to other emergencies. He holds a Masters of Public Administration Degree from Moi University and a Bachelor of Arts Degree from the University of Nairobi.</p>
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	<p>Ambassador (Dr.) Leonard N. Ngaithe assumed the position of Director of Administration in 2016. Formely he was the Director of administration Ministry of Trade and Tourism. He is in charge of promoting gender equality and social economic empowerment of women and youth. He holds a PHD in Business Administration from USIU Nairobi, Masters of Business Administration from USIU and Columbia Business School, Post Graduate diploma in International Relations, BA Honours(Government, Economics, Sociology) from University of Nairobi</p>
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	<p>Mr Archbald N. Waithaka assumed the position of Head of Accounting Unit in May 2016. He is in charge of accounting and financial reporting as well as designing, implementing and monitoring internal control relevant to the preparation and fair presentation of financial statements. He is a Certified Public Accountant in Kenya-.CPA (K)</p>
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	<p>Mr Joseph Maina assumed the position of Chief Finance Office in December 2014. He is in charge of monitoring the planning and execution of budgets so as to ensure efficient utilisation of funds in implementing the programmes and sub-programmes within the State Department. He holds a Master's of Arts in Public Finance Management from University of Cape town, South Africa, Bachelor's degree in accounting from University of USIU and is a Certified Public Accountant in Kenya.</p>
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Members of the Fund

	Name	Designation
1	Josephtha O. Mukobe	Accounting Officer
2	Mr. Vincent Matioli	Chairman
3	Mr. Archbald Waithaka	Member
4	Mr. James Oduor	Member
5	Mrs. Truphena Mokaya	Member
6	Ms. Farah Asinduah	Secretary
7	Mr. Joseph Maina	Member

**RELIEF AND REHABILITATION CASH TRANSFERS FUND
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1.9 Funding summary

The Fund is for duration of fiscal year from 2017 with an approved budget as determined by National Government highlighted in the table below:

Funding summary:

Source of funds	Ministry's Contribution	Amount received to date (30th June, 2017)	Balance yet to be paid to date (30 th June, 2017)
	<i>Kshs</i>	<i>Kshs</i>	<i>Kshs</i>
	(A)	(B)	(A)-(B)
(i) Counterpart funds			
Government of Kenya Exchequer	2,000,017,657.00	2,000,017,657.00	Nil
(ii) Bank Interests	-	-	Nil
Total	2,000,017,657.00	2,000,017,657.00	Nil

1. 0. Summary of Overall Fund Performance:

1. Issuance of cash to drought affected and food insecure persons.
2. Monitoring the cash transfer programme

1.10 Summary of Fund Compliance:

There have been no cases of non-compliance with applicable laws and regulations.

2.0 STATEMENT OF FUND MANAGEMENT RESPONSIBILITIES

The Principal Secretary for the State Department for Special Programmes, the Authorizing officer and the Chairman of the Technical Committee are responsible for the preparation and presentation of the Fund's financial statements, which give a true and fair view of the state of affairs of the Fund for and as at the end of the financial year ended on June 30, 2017. This responsibility includes:

- (i) Maintaining adequate financial management arrangement 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 Fund;
- (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statement, and ensuring that they are free from material misstatements, whether due to error or fraud;
- (iv) Safeguarding the assets of the Fund;
- (v) Selecting and applying appropriate accounting policies; and
- (vi) Making accounting estimates that are reasonable in the circumstances.

The Principal Secretary for the State Department for Special Programmes and the Chairman Relief and Rehabilitation Fund accept responsibility for the Fund'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.

The Principal Secretary for the State Department for Special Programmes and the Chairman Relief and Rehabilitation Fund are of the opinion that the Fund's financial statements give a true and fair view of the state of Fund's transactions during the financial year/period ended June 30, 2017, and of the Fund's financial position as at that date. The Principal Secretary State Department for Special Programmes and the Chairman Relief and Rehabilitation Fund further confirm the completeness of the accounting records maintained for the Fund, which have been relied upon in the preparation of the Fund financial statements as well as the adequacy of the systems of internal financial control.

The Principal Secretary State Department for Special Programmes and the Chairman Technical Committee confirm that the Fund has complied fully with applicable

Government Regulations and the terms of external financing covenants, and that funds received during the financial year/period under audit were used for the eligible purposes for which they were intended and were properly accounted for.

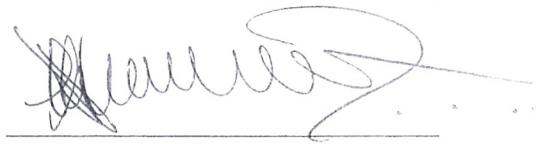
Approval of the Fund financial statements

The Fund financial statements were approved by the Principal Secretary State Department for Special Programmes and the Deputy Secretary to the Relief and Rehabilitation Fund on, 29th September, 2017 and signed by them.



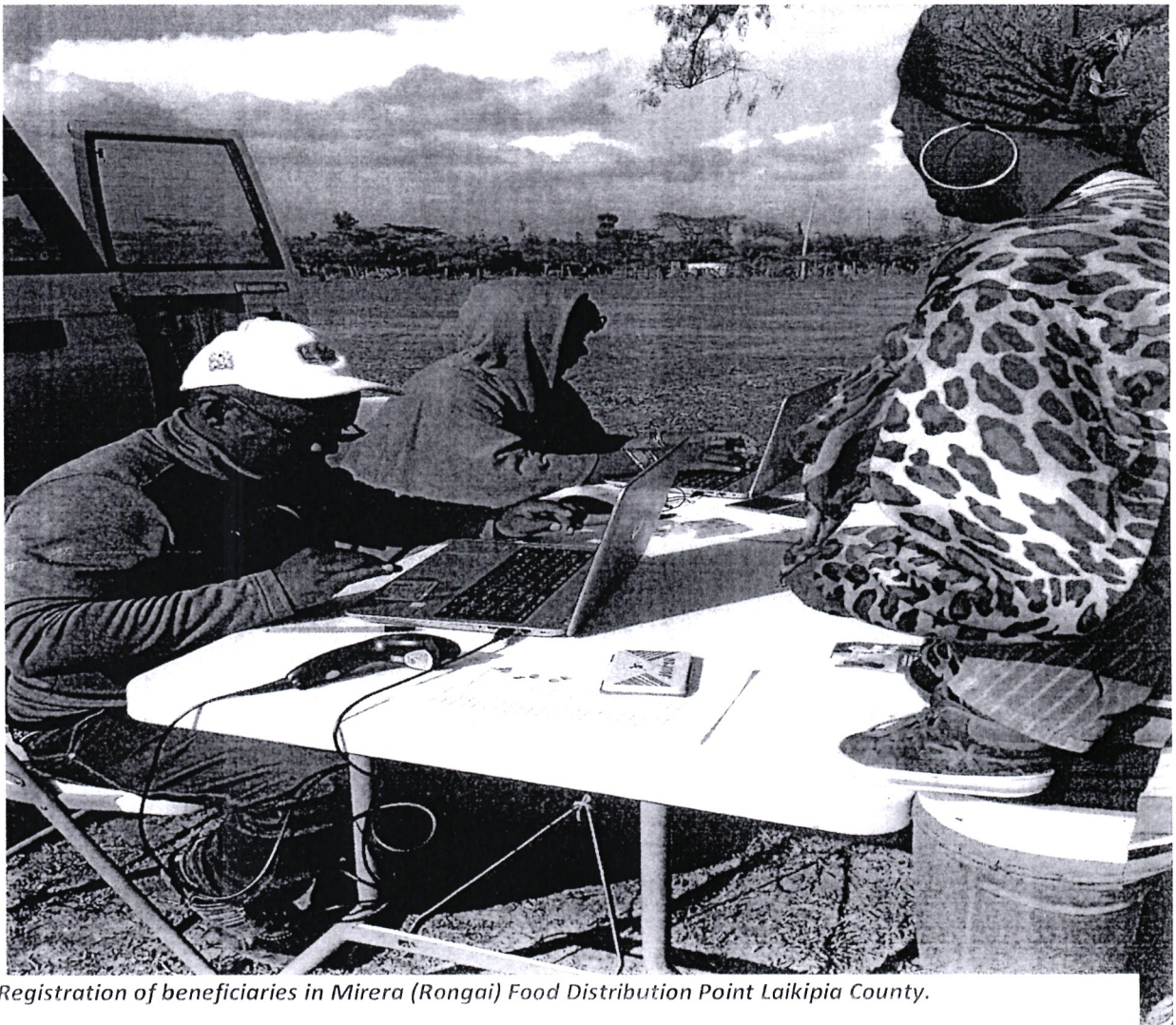
Josephtha O. Mukobe (Ms)
,CBS

Principal Secretary



Vincent Matioli

Deputy Secretary



Registration of beneficiaries in Mirera (Rongai) Food Distribution Point Laikipia County.

REPUBLIC OF KENYA

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NAIROBI

OFFICE OF THE AUDITOR-GENERAL **REPORT OF THE AUDITOR-GENERAL ON RELIEF AND REHABILITATION CASH** **TRANSFER FUND FOR THE YEAR ENDED 30 JUNE 2017 – STATE DEPARTMENT** **OF SPECIAL PROGRAMMES**

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements for the Relief and Rehabilitation Cash Transfer Fund set out on pages 1 to 10, which comprise the statement of financial assets and liabilities as at 30 June 2017, and the statement of receipts and payments, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of Relief and Rehabilitation Cash Transfer Fund as at 30 June 2017, and of its financial performance and its cash flows for the year then ended, in accordance with the International Public Sector Accounting Standard (Cash Basis).

Further as required by Article 229(6) of the Constitution, except for the matter described in the Other Matter section of my report, based on the procedures performed, nothing has come to my attention to believe that public money has not been applied lawfully and in an effective way.

Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of Relief and Rehabilitation Cash Transfer Fund in accordance with ISSAI 30 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance to the audit of the financial statements. I have determined that there were no Key Audit Matters to report in the year under review.

Report of the Auditor-General on the Financial Statements of Relief and Rehabilitation Cash Transfer Fund - State Department Of Special Programmes for the year ended 30 June 2017

Other Matter

Non-Compliance with the Law

According to Regulation 208 of the Public Finance Management (National Government Regulations) 2015, the Cabinet Secretary responsible for matters relating to Finance is required to provide for management, operation and winding up procedures in the guideline for establishing each National Public Fund pursuant to Section 24(11) of Public Finance Management Act, 2012. Information available indicates that Relief and Rehabilitation Cash Transfer Fund was established on unspecified date in the year 2017 following the Government's declaration of drought and famine facing parts of the country as a national disaster in February, 2017.

Further, the State Department of Special Programmes on behalf of the Government signed an Agreement with World Food Programme (WFP) on 9 June 2017 through which, WFP agreed to facilitate in implementation of emergency cash transfers to 1.3 million drought affected people in thirteen arid and semi-arid counties. During the year under review, an amount of Kshs. 2,000,017,657 was transferred to the Fund account. However, no documents have provided in support of the management, operation and winding up procedures in respect of this Fund as required under the law.

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 misstatements, whether due to fraud or error.

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

The management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015.

Those charged with governance are responsible for overseeing the Fund'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

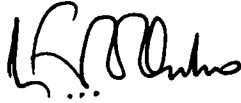
compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material 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.

As part of an audit 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 Fund'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 going concern 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 Fund's to continue 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 Fund to cease to continue 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 of the entities or business activities of the Fund 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

12 February 2018

3.0 STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2016/2017 Kshs	2015/ 2016 Kshs
RECEIPTS			
Transfer from Government entities	1	2,000,017,657.00	-
Miscellaneous Receipts	2	-	-
Total receipts		2,000,017,657.00	-
PAYMENTS			
Transfers to partner institutions	3	-	-
Other grants and transfers and payments/expenses	4	-	-
TOTAL PAYMENTS		-	-
SURPLUS/DEFICIT FOR THE YEAR		2,000,017,657.00	-

The accounting policies and explanatory notes to these financial statements are an integral part of the financial statements.


 Josephtha O. Mukobe (Ms) ,CBS
 Principal Secretary



 Vincent Mafoli
 Deputy Secretary

RELIEF AND REHABILITATION CASH TRANSFERS FUND
 REPORTS AND FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30TH 2017 (Kshs)

4.0 STATEMENT OF FINANCIAL ASSETS AND LIABILITIES

	Note	2016/2017	2015/2016
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	5A	2,000,017,657.00	-
		<hr/>	<hr/>
		2,000,017,657.00	-
Receivables			
Imprests and Advances	5B	-	-
		<hr/>	<hr/>
TOTAL FINANCIAL ASSETS		2,000,017,657.00	-
REPRESENTED BY:			
Cash and cash equivalents b/fwd		-	-
Surplus/Deficit for the year		2,000,017,657.00	-
		<hr/>	<hr/>
NET FINANCIAL POSITION		2,000,017,657.00	-
		<hr/> <hr/>	<hr/> <hr/>

The accounting policies and explanatory notes to these financial statements form integral part of the financial statements. The financial statements were approved on and signed by:



 Josephtha O. Mukobe (Ms) ,CBS
 Principal Secretary



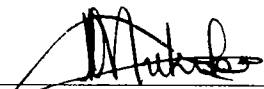
 Vincent Matioli
 Deputy Secretary

**RELIEF AND REHABILITATION CASH TRANSFERS FUND
 REPORTS AND FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30TH 2017 (Kshs)**

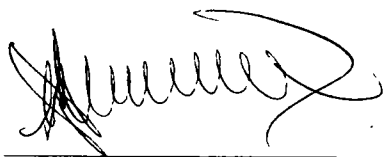
5.0 STATEMENT OF CASHFLOW FOR THE PERIOD

		2016/2017	2015/2016
	Notes	Kshs	Kshs
Receipts			
Balance brought forward	1	-	-
Quarter transfers	2	2,000,017,657.00	-
Payments for operating expenses			
Transfers to partner institutions	3	-	-
Other grants and transfers and payments/expenses	4	-	-
Net cash flow from operating activities		2,000,017,657.00	-
Net Surplus		2,000,017,657.00	-
NET INCREASE IN CASH AND CASH EQUIVALENT			
Cash and cash equivalent at beginning of the year		-	-
Surplus /Deficit		2,000,017,657.00	-
Cash and cash equivalent at end of the year		2,000,017,657.00	-

The accounting policies and explanatory notes to these financial statements form integral part of the financial statements. The Fund financial statements were approved on and signed by:



Josephita O. Mukobe (Ms) ,CBS
 Principal Secretary



Vincent Matioli
 Deputy Secretary

RELIEF AND REHABILITATION CASH TRANSFERS FUND
 REPORTS AND FINANCIAL STATEMENTS
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6.0 STATEMENT OF COMPARATIVE BUDGET AND ACTUAL AMOUNTS

Receipts/Payments Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Variance	% of Variance
	a	b	c=a+b	d	e=c-d	f=e/c %
Receipts						
Transfer from Government entities	2,000,017,657.00	0.00	1,875,017,657.00	2,000,017,657.00	125,000,000.00	-6%
Miscellaneous Receipts	0.00	0.00	0.00	0.00	-	-
Total Receipts	2,000,017,657.00	0.00	1,875,017,657.00	2,000,017,657.00	125,000,000.00	-6%
Payments						
Transfers to partner institution	2,000,017,657.00		1,875,017,657.00	-	1,875,017,657.00	100%
Other grants and transfers and payments/expenses	-		0.00			-
Total Payments	2,000,017,657.00		1,875,017,657.00	-	1,875,017,657.00	100%



Josephtha O. Mukobe (Ms) ,CBS

Principal Secretary



Vincent Matfoli

Fund Secretary

7.0 SIGNIFICANT ACCOUNTING POLICIES

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

(i) 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. The financial statements comply with and conform to the form of presentation prescribed by the Accounting Standards Board of Kenya.

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

(ii) Recognition of revenue and expenses

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

**RELIEF AND REHABILITATION CASH TRANSFERS FUND
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(iii) 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/period. 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 had not been surrendered or accounted for at the end of the financial year/period.

(iv) 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 Fund's budget was approved as required by Law and National Treasury Regulations, as well as by the participating development partners, as detailed in the Government of Kenya Budget Printed Estimates for the year. A high-level assessment of the Fund's actual performance against the comparable budget for the financial year/period under review has been included in an annex to these financial statements.

(v) Related Parties

The Fund regards a related party as a person or an Authority with the ability to exert control individually or jointly, or to exercise significant influence over the Fund, or vice versa. Members of the National Consultative Co-ordination Committee on Internally Displaced Persons are regarded as related parties.

RELIEF AND REHABILITATION CASH TRANSFERS FUND
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 FOR THE YEAR ENDED JUNE 30TH 2017 (Kshs)

(vi) Honoraria and sitting allowances

	2016/2017
	Kshs
Chairman Honoraria	-
Members sitting Allowances	- _____ -
Total	_____

(vii) Comparative figures

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

(vii) Subsequent events

There have been no events subsequent to the financial year/period end with a significant impact on the financial statements for the year ended **June 30, 2017**.



Principal Secretary, State Department for Special Programmes undertaking registration of beneficiaries during the Launch in Kilifi County

RELIEF AND REHABILITATION CASH TRANSFERS FUND
 REPORTS AND FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30TH 2017 (Kshs)

8.0 NOTES TO THE FINANCIAL STATEMENTS

1. RECEIPTS

These represent balance brought forward and other receipts from government as follows:

	2016/2017	
	Kshs	
Counterpart funding through State Department for Special Program		
Balance brought forward		-
Counterpart funds Quarter 1		-
Counterpart funds Quarter 2		-
Counterpart funds Quarter 3		-
Counterpart funds Quarter 4	2,000,017,657.00	-
Total	2,000,017,657.00	

2. MISCELLANEOUS RECEIPTS

	2016/2017	
	Kshs	
Total	-	-

3. Transfers to other partner institutions

	2016/17	
	Kshs	Kshs
Transfers to partner institutions		-
Various	-	-
TOTAL		-

**RELIEF AND REHABILITATION CASH TRANSFERS FUND
 REPORTS AND FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30TH 2017 (Kshs)**

4. Other grants and transfers and payments

	2016/2017	
	Kshs	
Allowances and Board meetings		-
Workshops		-
Suppliers		-
Operating Expenses		-
Total		-

5. CASH AND CASH EQUIVALENTS C/FWD

	2016/2017	
	Kshs	
Bank accounts (Note 5A)	-	
Outstanding imprests and advances (Note 5B)	-	-
Total	-	

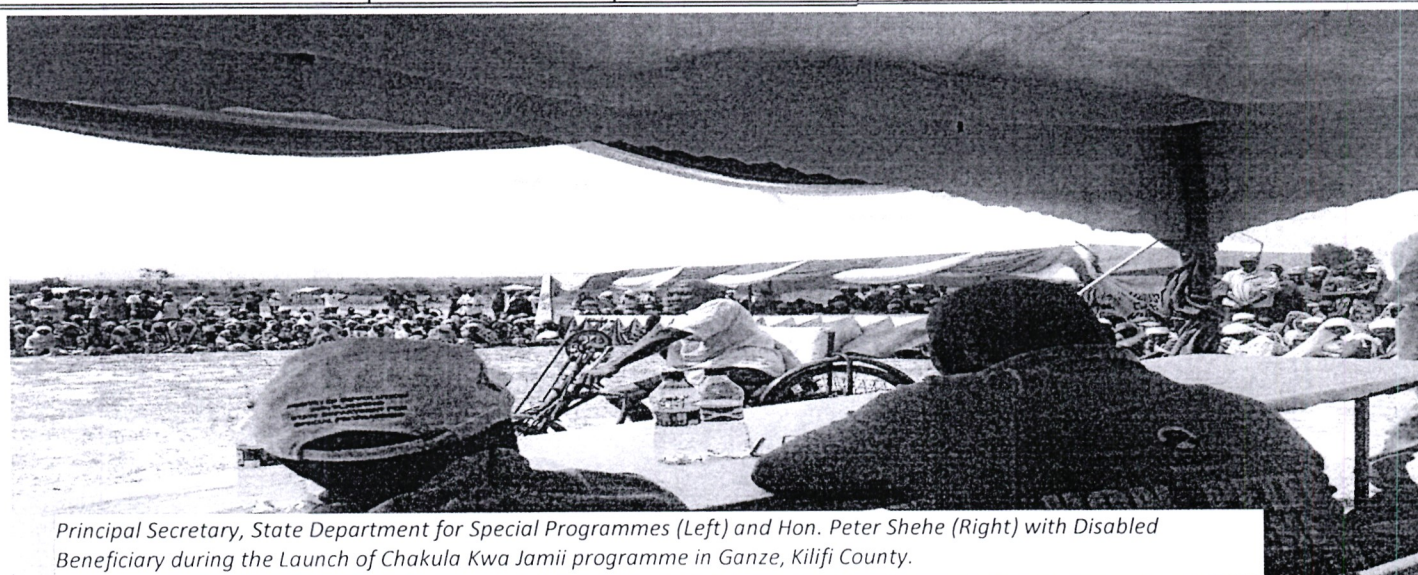
5A. Bank Account Balances

	2016/2017
	Kshs
Central Bank of Kenya [A/c No.]	2,000,017,657.00
Total	2,000,017,657.00

RELIEF AND REHABILITATION CASH TRANSFERS FUND
 REPORTS AND FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30TH 2017 (Kshs)

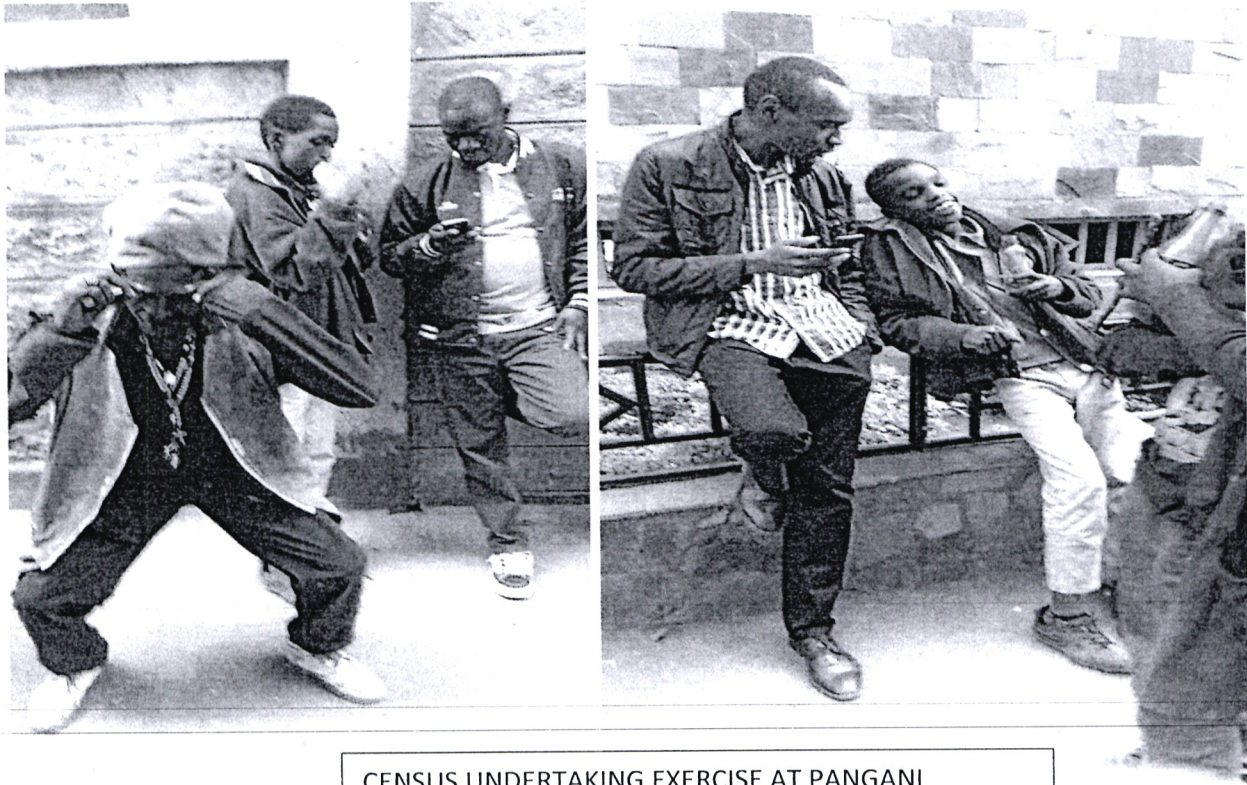
ANNEX 1. VARIANCE EXPLANATION AND ACTUAL BUDGET

Receipts/Payments Item	Final Budget	Actual on Comparable Basis	Variance	% of Variance	Comments
	a	b	c=a-b	d=c/a %	
Receipts					
Transfer from Government entities	1,875,017,657.00	2,000,017,657.00	125,000,000.00	-6%	Reduction of the approved budget
Miscellaneous Receipts	-	-	-	-	
Total Receipts	1,875,017,657.00	2,000,017,657.00	125,000,000	-6%	
Payments					
Transfers to partner institutions	1,875,017,657.00		1,875,017,657.00	100%	Delay in funding from exchequer delayed the implementation of the fund
Other grants and transfers and payments/expenses	-	-	-	-	
Total Payments	1,875,017,657.00	-	1,875,017,657.00	100%	



Principal Secretary, State Department for Special Programmes (Left) and Hon. Peter Shehe (Right) with Disabled Beneficiary during the Launch of Chakula Kwa Jamii programme in Ganze, Kilifi County.

STREET FAMILIES REHABILITATION TRUST FUND
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30TH 2017 (Kshs)



CENSUS UNDERTAKING EXERCISE AT PANGANI