

REPUBLIC OF KENYA



**KENYA NATIONAL AUDIT OFFICE**



**REPORT**

**OF**

**THE AUDITOR-GENERAL**

**ON**

**THE FINANCIAL STATEMENTS OF  
NATIONAL HUMANITARIAN FUND**

**FOR THE YEAR ENDED  
30 JUNE 2014**

# REPUBLIC OF KENYA

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NAIROBI

## OFFICE OF THE AUDITOR-GENERAL

### REPORT OF THE AUDITOR-GENERAL ON NATIONAL HUMANITARIAN FUND FOR THE YEAR ENDED 30 JUNE 2014

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#### REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of the National Humanitarian Fund set out on pages 1 to 12, which comprise the statement of Financial assets and liabilities as at 30 June 2014, the statement of receipts and payments, statement of cash flows for the year then ended, statement of comparative budget and actual amounts 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 8 of the Public Audit Act, 2003. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

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

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

The management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 4 of the Public Audit Act, 2003.

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

My responsibility is to express an opinion on these financial statements based on the audit and report in accordance with provisions of Section 15 of the Public Audit Act, 2003. The audit was conducted in accordance with International Standards on Auditing. Those standards require compliance with ethical requirements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.

### **Basis for Qualified Opinion**

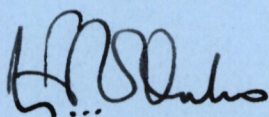
#### **Cash and Cash Equivalents**

The cash and cash equivalents balance of Kshs.767,435,450.00 as at 30 June 2014 includes Kshs.142,667,974.00 against imprests and advances which represent AIEs issued to various Government Agencies. No explanation has been provided for failure to account for the AIEs outstanding balance of Kshs.142,667,974.00.

In the circumstances, it has not been possible to confirm the accuracy of cash and cash equivalents of Kshs.767,435,450.00 as at 30 June 2014.

### **Qualified Opinion**

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of the Fund as at 30 June 2014 and of its financial performance and its cash flows for the year then ended, in accordance with the International Public Sector Accounting Standards (Cash Basis), Government Financial Regulations and Procedures and the Public Finance Management Act, 2012.



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

**Nairobi**

**30 April 2014**



Fund Name NATIONAL HUMANITARIAN FUND

Implementing Entity MINISTRY OF DEVOLUTION AND PLANNING

FUND GRANT/CREDIT NUMBER GOK

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ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED  
JUNE 30, 2014

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

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## FUND INFORMATION AND OVERALL PERFORMANCE

### 1. Name and registered office

**Name:** The Fund's official name is Humanitarian Fund for Mitigation of Effects and Resettlement of Victims of Post-2007 Election Violence

**Objective:** The key objective of the Fund is provision of Ex-gratia funding for resettlement of victims and mitigation of the effects of post election violence on the victims.

**Address:** The Fund headquarters offices are at Teleposta Building, Nairobi County, Kenya.

The address of its registered office is:

P.O Box 30004-00100  
 Nairobi.

**Contacts:** The following are the Fund contacts

Telephone: (254) 020-2250645  
 E-mail: [info@sprogrammes.go.ke](mailto:info@sprogrammes.go.ke)  
 Website: [www.go.ke](http://www.go.ke)

### 2. Fund Information

Fund Start Date:	15 <sup>TH</sup> FEBRUARY, 2008
Fund End Date:	INFINITE
Fund Manager:	Mr. Patrick K. Njagi
Fund Sponsor:	Government of Kenya, Government Ministries and Departments, External and Internal Donors

### 3. Fund Overview

Line Ministry/State Department of the Fund	The Fund is under the supervision of the Devolution and Planning Ministry.
Fund number	GOK FUND
Strategic goals of the Fund	The strategic goal of the Fund is: Provision of funding for resettlement and Mitigation 2007 post election violence Victims

**NATIONAL HUMANITARIAN FUND  
REPORTS AND FINANCIAL STATEMENTS  
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<p><b>Achievement of strategic goals</b></p>	<p>The Fund management aims to achieve the goals through the following means:</p> <ul style="list-style-type: none"> <li>(i) Provision of ex – gratia assistance to Internally Displaced Persons</li> <li>(ii) Provision of basic households effects destroyed as a result of post – 2007 election violence</li> <li>(iii) Provision of food and logistical support until IDPs re-start their basic livelihood</li> <li>(iv) Construction of basic housing, rehabilitation of community utilities and institutions destroyed as a result of post – 2007 election violence and infrastructural facilities</li> </ul>
<p><b>Other important background information of the Fund</b></p>	<p>The Fund mandate was expanded to include forest evictees and any other forms of internally displaced persons.</p>
<p><b>Current situation that the Fund was formed to intervene</b></p>	<p>The Fund was formed to intervene in the following areas:</p> <ul style="list-style-type: none"> <li>(i) Post election victims</li> <li>(ii) Forest evictees</li> </ul>
<p><b>Fund duration</b></p>	<p>The Fund was established on 15<sup>th</sup> February, 2008 and is expected to run in 2014/15.</p>

**4. Bankers**

The following are the bankers for the current year:

- i. Central Bank of Kenya  
Humanitarian Fund for Mitigation Effects and Resettlement 2007  
1000187336  
Haile Selassie Avenue  
P.O. Box 60000  
City Square 00200  
Nairobi, Kenya
- ii. Co-operative Bank of Kenya  
National Humanitarian Fund – Ministry of State of Special Programmes  
01141010160000  
Kimathi Street
- iii. Equity Bank Ltd  
Ministry of Revenue and Finance – IDPs Resettlement Fund  
00202614500000  
Equity Bank House, 100, Parklands Road, Nairobi

NATIONAL HUMANITARIAN FUND  
 REPORTS AND FINANCIAL STATEMENTS  
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- iv. National Bank of Kenya  
 Ministry of Devolution and Planning – IDPs Resettlement Fund  
 01001033074100  
 Hill Plaza Branch
- v. Kenya Commercial Bank  
 Ministry of Devolution and Planning – IDPs Resettlement Fund  
 45110983  
 Moi Avenue Branch

## 5. Auditors

The Fund is audited by;  
 Auditor General  
 Kenya National Audit Office  
 Anniversary Towers, University Way  
 P.O.Box 30084  
 GOP 00100  
 Nairobi, Kenya

## 6. Roles and Responsibilities

Names	Title designation	Responsibilities
Eng. Peter O. Mangiti	Principal Secretary	Accounting Officer
Davies Kapera Mnene	Chairman	Chairman to the Board Advisory
Mr. Patrick K. Njagi	Secretary	Secretary to the Board
Ms Naumy J. Kemboi	Chief Accountant	Accountant

## 7. Funding summary

The Fund is for duration of infinite years from 2008 with an approved budget as determined by Government highlighted in the table below:

Source of funds	Ministry's Contribution	Amount received to date (30th June, 2014)	Balance yet to be paid to date (30 <sup>th</sup> June, 2014)
	<i>Kshs</i> (A)	<i>Kshs</i> (B)	<i>Kshs</i> (A)-(B)
<b>(i) Grant</b>			
Ministry of Interior and Coordination of National Government	200,000,000	200,000,000	Nil
The National Treasury	200,000,000	200,000,000	Nil
Ministry of Lands, Housing and Regional Development	2,921,152,968	2,342,652,968	178,500,000

NATIONAL HUMANITARIAN FUND  
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 FOR THE FINANCIAL YEAR ENDED JUNE 30, 2014

Source of funds	Ministry's Contribution	Amount received to date (30th June, 2014)	Balance yet to be paid to date (30 <sup>th</sup> June, 2014)
	<i>Kshs</i> (A)	<i>Kshs</i> (B)	<i>Kshs</i> (A)-(B)
<b>(ii) Counterpart funds</b>			
Government of Kenya (Exchequer)	510,000,000	510,000,000	Nil
<b>(iii) Miscellaneous Receipts</b>			
Bank Interest	21,746,723	21,746,723	Nil
<b>Total</b>	<b>3,452,899,691</b>	<b>3,274,399,691</b>	<b>178,500,000</b>

#### 8. Summary of Overall Fund Performance

During the year that ended, the Fund resettled 7,576 2007-post election Violence IDPs and Forest Evictees from various camps and subsequently, closed the camps. The Turkana IDPs Housing Project is 80% complete.

#### 9. Summary of Fund Compliance

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

## STATEMENT OF FUND MANAGEMENT RESPONSIBILITIES

The Principal Secretary for the Ministry of Devolution and Planning and the Secretary to the National Humanitarian Fund 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, 2014. 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 Ministry of Devolution and Planning and the Secretary to the National Humanitarian 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 Ministry of Devolution and Planning and the Secretary to the National Humanitarian 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, 2014, and of the Fund's financial position as at that date. The Principal Secretary for Devolution and Planning and the Secretary to the National Humanitarian 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 for the Ministry of Devolution and Planning and the Secretary to the National Humanitarian Fund confirm that the Fund has complied fully with applicable Government Regulations and that the 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 for the Ministry of Devolution and Planning and the Secretary to the National Humanitarian Fund on September 30, 2014 and signed by them.



Principal Secretary



Fund Coordinator

NATIONAL HUMANITARIAN FUND  
 REPORTS AND FINANCIAL STATEMENTS  
 FOR THE FINANCIAL YEAR ENDED JUNE 30, 2014

STATEMENT OF RECEIPTS AND PAYMENTS

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

	Note	2014 Kshs	2013 Kshs	Cumulative to date Kshs
<b>RECEIPTS</b>				
Transfer from Government entities	1	3,252,652,968	1,026,257,100	4,278,910,068
Miscellaneous Receipts	2	21,746,723	14,711,010	36,457,733
<b>Total receipts</b>		<b>3,274,399,691</b>	<b>1,040,968,110</b>	<b>4,315,367,801</b>
<b>PAYMENTS</b>				
Transfers to other government entities	3	308,300,186	342,301,182	650,601,368
Other grants and transfers and payments/expenses	4	3,286,925,107	796,516,016	4,083,841,123
<b>TOTAL PAYMENTS</b>		<b>3,595,225,293</b>	<b>1,138,817,198</b>	<b>4,734,042,491</b>
<b>DEFICIT/SURPLUS FOR THE YEAR</b>		<b>(320,825,603)</b>	<b>(97,849,088)</b>	<b>(418,674,691)</b>



Principal Secretary

30/09/14  
Date



Fund Coordinator

30/9/14  
Date

NATIONAL HUMANITARIAN FUND  
 REPORTS AND FINANCIAL STATEMENTS  
 FOR THE FINANCIAL YEAR ENDED JUNE 30, 2014

STATEMENT OF FINANCIAL ASSETS AND LIABILITIES

	Note	2014 Kshs	2013 Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances	5A	624,767,476	652,883,737
Imprests and Advances	5B	142,667,974	435,377,316
<b>TOTAL FINANCIAL ASSETS</b>		<b>767,435,450</b>	<b>1,088,261,053</b>
<b>REPRESENTED BY:</b>			
Cash and cash equivalents b/fwd		1,088,261,053	1,417,179,452
Deficit for the year		(320,825,603)	(97,849,088)
<b>NET FINANCIAL POSITION</b>		<b>767,435,450</b>	<b>1,088,261,053</b>

The accounting policies and explanatory notes to these financial statements form integral part of the financial statements. The financial statements were approved on 30<sup>th</sup> September, 2014 and signed by:



Principal Secretary



Fund Coordinator

30/09/14  
Date

30/9/14  
Date

STATEMENT OF CASHFLOW FOR THE PERIOD

	Notes	2013 - 2014 Kshs	2012 - 2013 Kshs
<b>Receipts for operating income</b>			
Contributions	1	3,252,652,968	1,026,257,100
Miscellaneous receipts	2	21,746,723	14,711,010
<b>Payments for operating expenses</b>			
Transfers to other government entities	3	(308,300,186)	(342,301,182)
Other grants and transfers	4	(3,286,925,107)	(796,516,016)
<b>Net cash flow from operating activities</b>		<u>(320,825,603)</u>	<u>(97,849,088)</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>		<b>(320,825,603)</b>	<b>(97,849,088)</b>
Cash and cash equivalent at beginning of the year		<u>1,088,261,053</u>	<u>1,186,110,140</u>
<b>Cash and cash equivalent at end of the year</b>	5	<u><u>767,435,451</u></u>	<u><u>1,088,261,053</u></u>

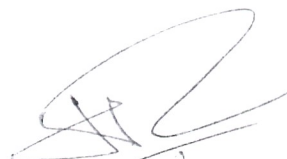
The accounting policies and explanatory notes to these financial statements form integral part of the financial statements. The Fund financial statements were approved on 30<sup>th</sup> September, 2014 and signed by:



Principal Secretary

30/09/14

Date



Fund Coordinator

30/9/14

Date

NATIONAL HUMANITARIAN FUND  
 REPORTS AND FINANCIAL STATEMENTS  
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STATEMENT OF COMPARATIVE BUDGET AND ACTUAL AMOUNTS

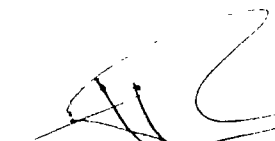
Receipts/Payments Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Variance	% of Variance
	a	b	c=a+b	d	e=d-c	f=e/c %
<b>Receipts</b>						
Government of Kenya-Exchequer	510,000,000		510,000,000	510,000,000	-	-
Transfer from Government entities	2,921,152,968	-	2,921,152,968	2,742,652,968	(178,500,000)	6.11
Miscellaneous Receipts	21,746,723		21,746,723	21,746,723	-	-
<b>Total Receipts</b>	<b>3,452,899,691</b>	<b>-</b>	<b>3,452,899,691</b>	<b>3,274,399,691</b>	<b>(178,500,000)</b>	<b>5.17</b>
<b>Payments</b>						
Transfers to other government entities	435,377,316	15,590,844	450,968,160	308,300,186	(142,667,974)	(31.64)
Other grants – Cash Payment Programme	3,319,600,000		3,319,600,000	3,030,400,000	(289,200,000)	(8.71)
Other grants – Construction of IDPs Houses	256,525,107		256,525,107	256,525,107	-	-
<b>Total Payments</b>	<b>4,011,502,423</b>	<b>15,590,844</b>	<b>4,027,093,267</b>	<b>3,595,225,293</b>	<b>(431,867,974)</b>	<b>10.72</b>

Note: The budget utilisation/performance differences in the last column are explained in Annex 1 to these financial statements.



Principal Secretary

30/09/14  
Date



Fund Coordinator

30/9/14  
Date

## SIGNIFICANT ACCOUNTING POLICIES

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

### 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.

#### i. Recognition of revenue and expenses

The Fund recognises all revenues from the various sources 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.

#### ii. In-kind donations

In-kind donations are contributions made to the Fund 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 of in-kind donations can be reliably determined, the Fund includes such value in the statement of receipts and payments both as revenue and as an expense in equal and opposite amounts; otherwise, the donation is not recorded.

#### 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.

**NATIONAL HUMANITARIAN FUND  
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**iv. Pending bills**

There were no pending bills as at 30 June, 2014.

**v. 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.

**vi. Exchange rate differences**

The accounting records are maintained in the functional currency of the primary economic environment in which the Fund operates, Kenya Shillings. Transactions in foreign currencies during the year/period are converted into the functional currency using the exchange rates prevailing at the date of the transactions. Any foreign exchange gains and losses resulting from the settlement of transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statements of financial performance.

**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.

**viii. 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, 2014.

NATIONAL HUMANITARIAN FUND  
 REPORTS AND FINANCIAL STATEMENTS  
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NOTES TO THE FINANCIAL STATEMENTS

1. RECEIPTS FROM GOVERNMENT OF KENYA

These represent counterpart funding and other receipts from government as follows:

	2013/14 Kshs	2012/13 Kshs	Cumulative to-date
<b>Counterpart funding through Ministry of Devolution and Planning</b>			
Counterpart funds Quarter 1	310,000,000	300,000,000	610,000,000
Counterpart funds Quarter 2	-	297,007,100	297,007,100
Counterpart funds Quarter 3	-	429,250,000	429,250,000
Counterpart funds Quarter 4	200,000,000	-	200,000,000
<b>Other transfers from government entities</b>			
Ministry of Interior and Coordination of National Government	200,000,000	-	200,000,000
Ministry Lands, Housing and Regional Development	2,342,652,968	-	2,342,652,968
The National Treasury	200,000,000	-	200,000,000
<b>Total</b>	<b>3,252,652,968</b>	<b>1,026,257,100</b>	<b>4,278,910,068</b>

2. MISCELLANEOUS RECEIPTS

	2013/14 Kshs	2012/13 Kshs	Cumulative Kshs
Interest earned	21,746,723	14,711,010	36,457,733
<b>Total</b>	<b>21,746,723</b>	<b>14,711,010</b>	<b>36,457,733</b>

**NATIONAL HUMANITARIAN FUND  
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**3. TRANSFERS TO OTHER GOVERNMENT ENTITIES**

During the 12 months to 30 June 2014, we transferred funds to reporting government entities as shown below:

	<b>Financial Year 2013/14 Kshs</b>	<b>Financial Year 2012/13 Kshs</b>	<b>Cumulative To date Kshs</b>
<b>Transfers to Government entities</b>			
Various	308,300,186	342,301,182	650,601,350
<b>TOTAL</b>	<b>308,300,186</b>	<b>342,301,182</b>	<b>650,601,350</b>

*These expenses relate to AIEs given out in previous year and expenditure returns received this year. The whole amount relates to one line expenditure on National Humanitarian Fund.*

We have confirmed that the beneficiary institutions have received the funds and have recorded these as inter-Fund receipts.

**4. OTHER GRANTS AND TRANSFERS AND PAYMENTS**

	<b>2013/14 Kshs</b>	<b>2012/13 Kshs</b>	<b>Cumulative to-date</b>
Grants to IDPs under Cash Payment Programme	3,030,400,000	-	3,030,400,000
Construction of IDPs houses in Turkana County	256,525,107	457,262,327	713,787,437
Other expenditures		339,253,689	339,253,689
<b>Total</b>	<b>3,286,925,107</b>	<b>796,516,016</b>	<b>4,083,441,123</b>

**5. CASH AND CASH EQUIVALENTS**

	<b>2013/14 Kshs</b>	<b>2012/13 Kshs</b>
Bank accounts (Note 7.6A)	624,767,476	652,883,737
Outstanding imprests and advances (Note 7.7B)	1,657,974	135,377,310
<b>Total</b>	<b>1,674,334,430</b>	<b>1,058,610,047</b>

NATIONAL HUMANITARIAN FUND  
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Dc Nyahururu	A726535	50,000	49,924	76
R C Central/Eastern(Nyandarua)	A614856	13,332,315	12,723,315	609,000
R C Central/Eastern(Nyandarua)	A726534	4,596,240	4,365,240	231,000
R C Central/Eastern(Nyandarua)	A726520	21,454,300	21,006,300	448,000
R C Central/Eastern(Nyandarua)	A726520	3,371,390	-	3,371,390
R C Central/Eastern(Nyandarua)	A726992	22,621,200	22,021,200	600,000
R C Central/Eastern(Nyandarua)	A726994	9,843,712	9,395,712	448,000
R C Central/Eastern(Nyandarua)	A726995	9,997,520	9,542,520	455,000
Ps, Ministry Of Education	A636761	5,000,000	5,000,000	
Ps-Ministry Of Education	A726515	8,119,387	8,119,387	
Ps-Ministry Of Education	A726532	7,000,000	7,000,000	
Ps-Ministry Of Education	A726533	4,849,608	4,849,608	
Ps, Ministry Of Agriculture	A726998	23,154,780	23,154,780	
Ps-Ministry Of Forest	A726979	5,821,120	5,821,120	
Ps, Ministry Of Water & Irrg	A636765	12,000,000		12,000,000
Ps, Ministry Of Water & Irrg	A636766	3,000,000		3,000,000
Ps, Ministry Of Water & Irrg	A732304	8,040,000	8,040,000	-
Ps, Ministry Of Water & Irrg	A726545	7,000,000		7,000,000
Ps, Ministry Of Water & Irrg	A726501	42,473,050		42,473,050
Ps, Ministry Of Water & Irrg	A636757	32,500,000		32,500,000
Ps, Ministry Of Lands	A726513	62,850,066	62,850,066	
Ps Foreign Affairs	A418096	-	-	2,650,725
<b>GRAND TOTAL</b>		<b>450,168,160</b>	<b>308,300,168</b>	<b>142,667,974</b>

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5A BANK ACCOUNT BALANCES

	2013/14 Kshs	2012/13 Kshs
Central Bank of Kenya [A/c No. 1000187336]	362,667,844	645,983,787
Co-operative Bank of Kenya [A/c No.01141010160000]	8,832,907	6,899,950
Kenya Commercial Bank [A/c No.1145110983]	65,922,041	-
National Bank of Kenya [A/c No.01001033074100]	175,744,684	-
Equity Bank [A/c No.0020261408740]	11,600,000	-
<b>Total bank account balances</b>	<b>624,767,476</b>	<b>652,883,737</b>

5B OUTSTANDING IMPRESTS & ADVANCES


Name of Officer or Institution	A/E NO	Amount Taken(2012-2013)	Amount Surrendered	2013-2014
HQ Imprests		837,970	-	-
<b>Outstanding Advances</b>				
Pc Rift Valley	A420782	3,840,000	3,839,971	29
Rc Central/South (Molo)	A439953	4,985,284	4,983,184	2,100
Rc Central/Eastern(Nyandarua)	A418096	1,570,000	1,552,000	18,000
Rc Central/Eastern(Nyandarua)	Various	10,642,265	10,642,265	-
Rc Central/Eastern(Nyandarua)	A418054	402,700	391,000	11,700
Rc Central/Eastern(Nyandarua)	A418051	610,550	569,900	40,650
Rc Central/Eastern(Nyandarua)	A418017	2,622,987	2,586,987	36,000
Rc Central/Eastern(Nyandarua)	A614875	61,566,894	61,041,894	525,000
Rc Central/Eastern(Nyandarua)	A614878	33,000	-	33,000
Pc Rift Valley	A430785	5,519,000	5,518,852	148
Ps Education	A418042	7,800,000	7,799,027	973
Ps Forestry & Wildlife	A418038	2,300,000		2,300,000
Ps Op-Prov Admn.	A418043	700,000	400,000	300,000
Ps Public Health&Sanitation	A418041	10,000,000	9,997,800	2,200
Ps Water & Irrigation	A418040	12,000,000	12,000,000	-
Ps Agriculture	A614398	33,751,437		33,751,437
Ps Foreign Affairs	511590	2,724,750	1,211,714	1,513,036
Ps Foreign Affairs	511590	1,154,850		1,154,850

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PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

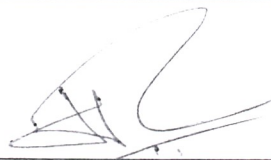
The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

Reference No.	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue	Status:
967	Non conformity with IFRS	New set of accounts were prepared	Naumy J Kemboi - Chief Accountant	Resolved
968	Lack of Ledger and Trial Balance	The ledger and TB were generated and presented	Naumy J Kemboi - Chief Accountant	Resolved
969	Non provision of Board of Survey Report, Certificate of Bank Balance and Bank Reconciliation Statements	Board of Survey Certificates of balance and bank recs were presented	Naumy J Kemboi - Chief Accountant	Resolved
970	Analysis of AIE Suspense Account	Analysis was presented	Naumy J Kemboi - Chief Accountant	Resolved
971	Analysis of Suspense (Task Force) and Supporting Documents	Analysis was presented	Naumy J Kemboi - Chief Accountant	Resolved
972	Unsupported Exchequer Receipts	Supporting documents were presented	Naumy J Kemboi - Chief Accountant	Resolved
973	Unsupported Excess of Income over Expenditure	Analysis of the excess was presented	Naumy J Kemboi - Chief Accountant	Resolved

  
 Principal Secretary

30/09/14

Date

  
 Fund Coordinator

30/9/14

Date

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ANNEX 1 - VARIANCE EXPLANATIONS - COMPARATIVE BUDGET AND ACTUAL AMOUNTS

Receipts /Payments Item	Final Budget	Actual on Comparable Basis	Budget Utilisation Variance	% of Utilisation Variance to Final Budget	Comments on Variance
	a	b	c=a-b	d=c/a %	
<b>RECEIPTS DURING THE YEAR/PERIOD</b>					
Government of Kenya	510,000,000	510,000,000	-	-	Full amount of Budgetary allocation was received
External financing (other government Ministries)	2,921,152,968	2,742,652,968	178,500,000	6.11	Ministry of Lands, Housing and Regional Development did not release the total amount apportioned
Miscellaneous receipts	21,746,723	21,746,723	-	-	Interest earnings for Fund bank accounts maintained at NBK, KCB and Coop.
<b>Total receipts</b>	<b>3,452,899,691</b>	<b>3,274,399,691</b>	<b>178,500,000</b>	<b>5.17</b>	
<b>PAYMENTS DURING THE YEAR/PERIOD</b>					
Ex - gratia Cash Payment Programme	3,319,600,000	3,030,400,000	289,200,000	8.71	723 Beneficiaries were not paid due to various logistical reasons
Ex - gratia Construction of IDPs Houses	256,525,107	256,525,107	-	-	All certified works presented during the financial year were paid
Others	450,968,160	308,300,186	142,667,974	31.64	Not all AIEs Issued to user Departments and Ministries were surrendered
<b>Total payments</b>	<b>4,027,093,267</b>	<b>3,595,225,293</b>	<b>431,867,974</b>	<b>10.72</b>	

*The Fund did not have any variance beyond 50% during the Financial Year*

