

REPUBLIC OF KENYA



**KENYA NATIONAL AUDIT OFFICE**



**REPORT**

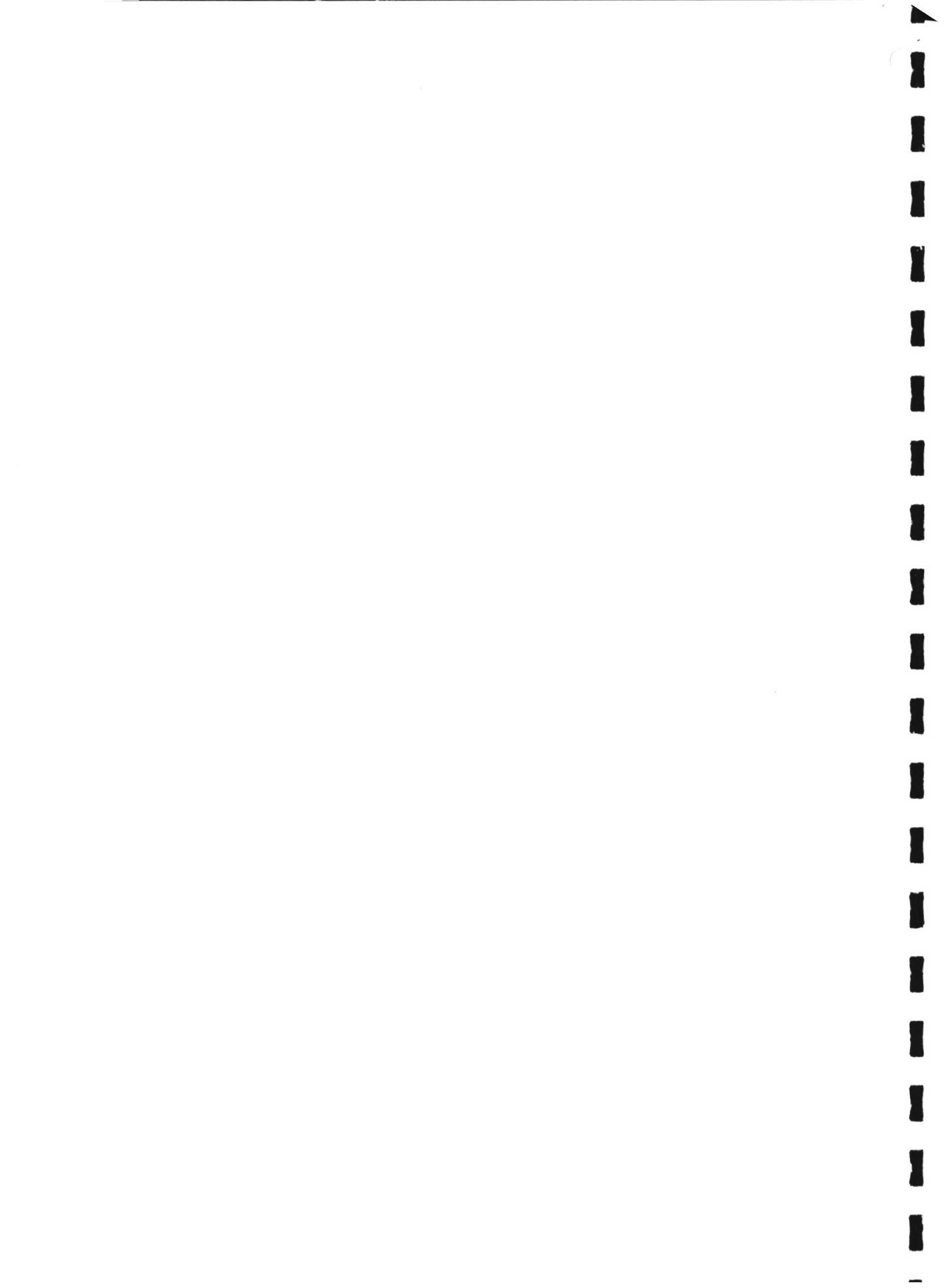
**OF**

**THE AUDITOR-GENERAL**

**ON**

**THE FINANCIAL STATEMENTS OF  
NEPAD KENYA SECRETARIAT**

**FOR THE YEAR ENDED  
30 JUNE 2014**



# REPUBLIC OF KENYA

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



P.O. Box 30084-00100  
NAIROBI

## KENYA NATIONAL AUDIT OFFICE

### REPORT OF THE AUDITOR-GENERAL ON NEPAD KENYA SECRETARIAT FOR THE YEAR ENDED 30 JUNE 2014

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#### REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of NEPAD Kenya Secretariat set out on pages 1 to 23, which comprise statement of assets and liabilities as at 30 June 2014, the statement of receipts and payments, 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 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 (IPSAS) 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.

Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 7 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 9 of the Public Audit Act, 2003. The audit was conducted in accordance with International Standards on Auditing (ISA). 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.

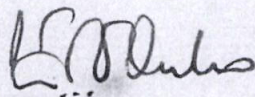
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected

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 secretariat'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 audit opinion.

### **Opinion**

In my opinion, the financial statements present fairly, in all material respects, the financial position of NEPAD Kenya Secretariat 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 (IPSAS) cash basis and comply with the Public Finance Management Act, 2012.



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

**Nairobi**

**9 January 2015**



# NEPAD KENYA SECRETARIAT

## FINANCIAL REPORT

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**FY 2013/2014**

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The Secretariat's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS) and relevant legal framework of the Government of Kenya.

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## **1.0 BACKGROUND**

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The New Partnership for Africa's Development (NEPAD) is both a vision and a policy framework for Africa in the twenty-first century. NEPAD is a unique intervention, spearheaded by African leaders, to address critical challenges facing the continent: poverty, development and Africa's marginalization internationally. The framework enunciates the vision of 'African Renewal', of indigenously driven sustainable and equitable socio economic development to guide continent wide transformation. As such the focus is on Africans harnessing their collective energies to transform the continent into a region where economic progress, development, consolidation of democracy, good governance and peace, security and stability reign. The framework provides guidelines to assist Regional Economic Communities (RECs) and Member States to prioritize, adapt and design their own programs and projects according to their own needs and local realities.

NEPAD Kenya Secretariat houses both the NEPAD / ARPM Programmes.

## **2.0 NEPAD KENYA'S VISION**

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To be the center of excellence for coordinated, harmonized and integrated implementation of NEPAD/APRM priority programmes for improved governance, sustainable development, peace and security in Kenya and the Eastern Africa region.

## **3.0 MISSION**

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To facilitate the implementation of NEPAD/APRM priority programmes through coordination, information sharing and enhancement of partnerships among stakeholders in Kenya and the Eastern Africa region.

## **4.0 FORESEABLE CONSTRAINTS**

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Some of the challenges faced in programme implementation to date include: (i) Significant resource gaps; (ii) Inadequacies in frameworks/institutional mechanisms to oversee programme implementation.

## **5.0 NEPAD KENYA**

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The New Partnership for Africa's Development (NEPAD) initiative in Kenya came into being in the year 2002 after the appointment of a task force under Gazette Notice No. 6225 of 25<sup>th</sup> September, 2002. The task force, subsequently referred to as the National Steering Committee (NSC), was to spearhead Kenya's participation in the NEPAD process. The Mandate of the NSC is:

- a. To intensify Kenya's participation in the activities of the New Partnership for Africa's Development (NEPAD) at all appropriate levels;
- b. To oversee regional projects that have a direct link with national priorities;
- c. To co-ordinate priority projects identified in the Poverty Reduction Strategy paper (now Vision 2030) and NEPAD;
- d. To oversee the implementation of Kenya's national development goals in relation to NEPAD priorities;
- e. To market the NEPAD initiative among the business community in Kenya; and
- f. To give direction to the National Secretariat.

## **6.0 NEPAD THEMATIC PROGRAMMES**

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NEPAD manages a number of programmes and projects in six thematic areas. These are:

- Agriculture and Food Security
- Regional Integration and Infrastructure
- Human Development
- Economic and Corporate Governance
- Cross-cutting Issues(Gender & Capacity Development)

## **7.0 AFRICAN PEER REVIEW MECHANISM (APRM)**

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The APRM is a voluntary Governance "Self-Assessment" by African countries, which was agreed upon by African Union (AU) and adopted in 2003. Kenya signed the APRM memorandum of understanding in March 2003 and in 2006, it became the third African state to be peer reviewed at AU Banjul Summit.

To date 34 countries have acceded to this mechanism. Ghana, Kenya, Rwanda and Mauritius were the first four countries to be peer reviewed.

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Through the APRM structure, the Government ensures structured engagement with local and international agencies undertaking and disseminating reviews on Kenya's governance to ensure accuracy of facts and fidelity to best practices on objective reporting.

After the APRM Special Review Report was withdrawn in 2012, the Chairperson of the APR Forum of Heads of State and Government informed Kenya it could conduct a comprehensive 2nd APRM Country Review.

The NEPAD/APRM Kenya Secretariat engaged a Consultant to undertake the Country Self-Assessment, which is the first stage of the review. The Country Self-assessment exercise is a national consultative process that uses the following methods:

- 1) Desk Research
- 2) A National Survey of Households
- 3) Focus Group Discussions; and
- 4) Experts Panel Survey

This process culminated in the development of a Comprehensive Country Self-Assessment Report. The APRM Self-Assessment Report will be validated by a wide cross section of stakeholders drawn from each of the 47 counties in the country.

## **8.0 KEY MANAGEMENT**

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The Secretariat day-to-day management is under the following key organs

1. The Chief Executive Officer
2. Programme Director, NEPAD
3. Programme Director, APRM
4. Human Resource and Administration Manager
5. Programme Officers, NEPAD
6. Programme Officers, APRM
7. Governance Analyst
8. Finance Officer
9. Accountant

### **(a) Fiduciary Management**

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

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No.	Designation	Name
1.	Chief Executive Officer	<b>Lillian Wanja Mbogo</b>
2.	Programme Director, NEPAD	<b>Daniel Nyakundi Osiemo</b>
3.	HR & Administration Manager	<b>Ibrahim Ibu Yunis</b>

**(b) Fiduciary Oversight Arrangements**

- Human Resource Management and Development Committee
- Tender Committee
- Procurement Committee
- Disposal Committee
- Budget Implementation Committee
- Audit Committee

**(c) Entity Headquarters**

P.O. Box 46270-00100  
Liaison House, 4<sup>th</sup> Floor  
State House Avenue  
Nairobi, KENYA

**(d) Entity Contacts**

Telephone: (254) 20 2733735/38/42  
E-mail: [info@nepadkenya.org](mailto:info@nepadkenya.org)  
Website: [www.nepadkenya.org](http://www.nepadkenya.org)

**(e) Entity Bankers**

Co-Operative Bank (Account No. 01136006041100)

CO-OP House

P.O. Box 62084 - 00200

Nairobi, Kenya

**(f) Independent Auditors**

Auditor General

Kenya National Audit Office

Anniversary Towers, University Way

P.O. Box 30084

GPO 00100

Nairobi, Kenya

**(g) Principal Legal Adviser**

The Attorney General

State Law Office

Harambee Avenue

P.O. Box 40112

City Square 00200

Nairobi, Kenya

## 9.0 STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES

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Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the accounting officer for a national government entity shall prepare financial statements in respect of that entity. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed the Public Sector Accounting Standards Board of Kenya from time to time.

The Chief Executive Officer in charge of NEPAD Kenya Secretariat is responsible for the preparation and presentation of the Secretariat's financial statements, which give a true and fair view of the state of affairs of the Secretariat for and as at the end of the financial year ended on June 30, 2014. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Secretariat; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Chief Executive Officer in charge of the NEPAD Kenya Secretariat accepts responsibility for the Secretariat's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS) and relevant legal framework of the Government of Kenya. The Chief Executive Officer is of the opinion that the Secretariat's financial statements give a true and fair view of the state of Secretariat's transactions during the financial year ended June 30, 2014, and of the Secretariat's financial position as at that date. The Chief Executive Officer charge of the NEPAD Kenya Secretariat further confirms the completeness of the accounting records maintained for the Secretariat, which have been relied upon in the preparation of the Secretariat's financial statements as well as the adequacy of the systems of internal financial control.

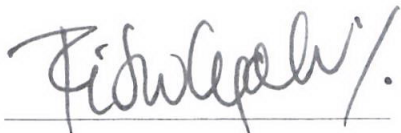
The Chief Executive Officer in charge of the NEPAD Kenya Secretariat confirms that the entity has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Chief Executive Officer confirms that the Secretariat'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.

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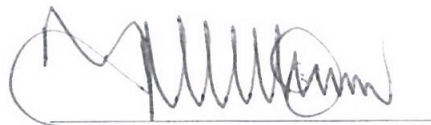
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Approval of the financial statements

The Secretariat's financial statements were approved and signed by the Chief Executive Officer on 30<sup>th</sup> September, 2014



Chief Executive Officer



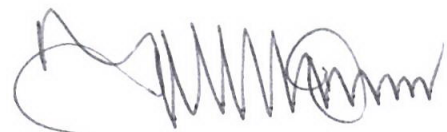
Finance Officer

## 10.0 STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2013 - 2014 Kshs.	2012 - 2013 Kshs.
<b>RECEIPTS</b>			
Surplus Brought Forward			-
Proceeds from Domestic and Foreign Grants	1	26,008,927.00	24,647,718.00
Transfer from Other Government Entities	2	155,165,000.00	148,152,000.00
Proceeds from Sale of Tender Documents	3	297,000.00	243,000.00
<b>TOTAL RECEIPTS</b>		<b>181,470,927.00</b>	<b>173,042,718.00</b>
<b>PAYMENTS</b>			
Compensation of Employees	4	37,737,907.06	26,344,337.47
Use of Goods and Services	5	157,561,381.54	88,039,774.73
Transfer To Other Government Entities	6	-	5,000,000.00
Acquisition of Assets	7	3,689,951.40	23,264,841.00
Other Expenses	8	405,000.00	-
<b>TOTAL PAYMENTS</b>		<b>199,394,240.00</b>	<b>142,648,953.20</b>
<b>SURPLUS/DEFICIT</b>		<b>(17,923,313.00)</b>	<b>30,393,764.80</b>



Chief Executive Officer



Finance Officer

**11.0 STATEMENT OF ASSETS AND LIABILITIES**

	Notes	2013 - 2014 Kshs.	2012 - 2013 Kshs.
<b>FINANCIAL ASSETS</b>			
Bank Balances	9A	21,472,578.80	39,392,890.80
Cash Balances	9B	-	3,001.00
<b>TOTAL FINANCIAL ASSETS</b>		<b>21,472,578.80</b>	<b>39,395,891.80</b>
<b>REPRESENTED BY:</b>			
Funds balance B/Fwd		39,395,891.80	9,002,127.00
Surplus/Deficit from the year		(17,923,313.00)	30,393,764.80
<b>NET FINANCIAL POSITION</b>		<b>21,472,578.80</b>	<b>39,395,891.80</b>



Chief Executive Officer



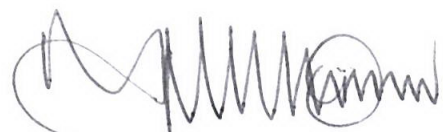
Finance Officer

**12.0 STATEMENT OF CASHFLOW**

		2013 - 2014 Kshs.	2012 - 2013 Kshs.
<b>CASHFLOW FROM OPERATING ACTIVITIES</b>			
<b>RECEIPTS</b>			
Proceeds from Domestic and Foreign Grants	1	26,008,927.00	24,647,718.00
Transfer from Other Government Entities	2	155,165,000.00	148,152,000.00
Proceeds from Sale of Tender Documents	3	297,000.00	243,000.00
<b>Total Receipts</b>		<b>181,470,927.00</b>	<b>173,042,718.00</b>
<b>PAYMENTS</b>			
Compensation of Employees	4	(37,737,907.06)	(26,344,337.47)
Use of Goods and Services	5	(157,561,381.54)	(88,039,774.73)
Other Expenses	8	(405,000.00)	-
Transfer To Other Government Entities			(5,000,000.00)
<b>Net cash flow from operating activities</b>		<b>(14,233,361.60)</b>	<b>53,658,605.80</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Acquisition of Assets	7	(3,689,951.40)	(23,264,841.00)
<b>Net cash flows from Investing Activities</b>		<b>(3,689,951.40)</b>	<b>(23,264,841.00)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>			
		(17,923,313.00)	30,393,764.80
Cash and cash equivalent at beginning of the year	10	39,395,891.80	9,002,127.00
<b>Cash and cash equivalent at end of the year</b>		<b>21,472,578.80</b>	<b>39,395,891.80</b>



Chief Executive Officer



Finance Officer

## 13.0 SIGNIFICANT ACCOUNTING POLICIES

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

### 1. Statement of compliance and basis of preparation

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

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

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

### 2. Recognition of revenue and expenses

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

### 3. In-kind contributions

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

### 4. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

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Bank account balances include amounts held at the Co-operative Bank of Kenya at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

**5. Pending bills**

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

**6. Receivables and payables**

These relate to provisioning balances for the GAV and Exchequer accounts as required by the current Government Financial Regulations and Procedures. These provisioning balances do not have an impact on the receipts and payments and therefore do not contravene the principles on the cash based IPSAS.

**7. 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 Secretariat's budget was approved as required by Law and as detailed in the Government of Kenya Budget Printed Estimates. A high-level assessment of the Secretariat's actual performance against the comparable budget for the financial year under review has been included in an annex to these financial statements.

**8. Comparative figures**

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

**9. Subsequent events**

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

## 14.0 NOTES TO FINANCIAL STATEMENTS

### 1 PROCEEDS FROM DOMESTIC AND FOREIGN GRANTS

Name of Donor	Date Received	Amount in Foreign Currency	2013-2014	2012-2013
Grants Received from Bilateral Donors (Foreign Governments)				
DANIDA			22,632,000.00	21,218,000.00
OSIEA			3,376,927.00	3,429,718.00
<b>Total</b>			<b>26,008,927.00</b>	<b>24,647,718.00</b>

### 2 TRANSFERS FROM OTHER GOVERNMENT ENTITIES

	2013 - 2014	2012 - 2013
	Kshs	Kshs
Total transfer from State Department of Planning for Quarter 1	26,291,250.00	46,000,000.00
Total transfer from State Department of Planning for Quarter 2	26,291,250.00	5,640,000.00
Total transfer from State Department of Planning for Quarter 3	76,291,250.00	86,192,000.00
Total transfer from State Department of Planning for Quarter 4	26,291,250.00	10,320,000.00
<b>Total</b>	<b>155,165,000.00</b>	<b>148,152,000.00</b>

### 3 OTHER REVENUES

	2013 - 2014	2012 - 2013
	Kshs	Kshs
Receipts from Administrative Fees and Charges - Collected as AIA	297,000.00	243,000.00
<b>Total</b>	<b>297,000.00</b>	<b>243,000.00</b>

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**4 COMPENSATION OF EMPLOYEES**

	2013 - 2014	2012 - 2013
	Kshs	Kshs
Basic Salaries of Permanent Employees	17,099,504.00	13,472,242.00
Basic Wages of Temporary Employees		-
Personal Allowances Paid as Part of Salary	9,594,067.81	7,994,540.00
Personal Allowances Paid as Reimbursements		-
Personal Allowances Provided in Kind (Leave Allowance)	384,722.80	126,000.00
Pension and Other Social Security Contributions	1,734,314.60	4,715,555.47
Compulsory National Social Security Schemes	37,480.00	-
Compulsory National Health Insurance Schemes	61,120.00	36,000.00
Social Benefit Schemes Outside Government	8,826,647.85	-
<b>Total</b>	<b>37,737,907.06</b>	<b>26,344,337.47</b>

**5 USE OF GOODS AND SERVICES**

	2013 - 2014	2012 - 2013
	Kshs	Kshs
Utilities, Supplies and Services	9,250,368.15	5,043,742.48
Communication, Supplies and Services	5,175,166.26	3,236,661.40
Domestic Travels and Subsistence	49,525,553.07	12,862,853.00
Foreign travels and Subsistence	22,872,281.20	12,853,755.95
Printing, Advertising and Information Supplies & Services	1,870,820.00	1,757,435.00
Rentals of Produced Assets	-	6,522,854.00
Training Expenses	6,642,834.00	2,625,008.00
Hospitality, Supplies and Services	22,916,963.46	14,798,103.47
Insurance Costs	4,548,380.50	2,607,163.25
Specialised Materials and Services (Contracted Professional Services)	25,538,650.00	11,483,079.64
Office and General Supplies and Services	5,743,772.00	4,411,699.50

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Other Operating Expenses (Bank Charges)	160,000.00	155,318.74
Routine Maintenance - Vehicles and Other Transport Equipment	2,973,052.90	2,698,584.10
Routine Maintenance - Other Assets	343,540.00	6,983,516.20
<b>Total</b>	<b>157,561,381.54</b>	<b>88,039,774.73</b>

6 TRANSFER TO OTHER GOVERNMENT ENTITIES

	2013 - 2014	2012 - 2013
	Kshs	Kshs
Transfer to Central Government Entities (Ministry of Planning)	-	5,000,000.00
<b>Total</b>	<b>-</b>	<b>5,000,000.00</b>

7 ACQUISITION OF ASSETS

	2013 - 2014	2012 - 2013
	Kshs	Kshs
<b>Non-Financial Assets</b>		
Purchase of Vehicles and Other Transport Equipment	-	17,713,117.00
Purchase of Office Furniture and General Equipment	2,599,551.40	4,351,724.00
Acquisition of Intangible Assets	1,090,400.00	1,200,000.00
<b>Financial Assets</b>		-
<b>Total</b>	<b>3,689,951.40</b>	<b>23,264,841.00</b>

8 OTHER EXPENSES

	2013 - 2014	2012 - 2013
	Kshs	Kshs
Other Expenses (Teen Challenge)	405,000.00	-
<b>Total</b>	<b>405,000.00</b>	<b>-</b>

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**9A BANK ACCOUNTS**

	2013 - 2014	2012 - 2013
	Kshs	Kshs
Co-Operative Bank Account No. 01136006041100	21,472,578.80	39,392,890.80
<b>Total</b>	<b>21,472,578.80</b>	<b>39,392,890.80</b>

**9B CASH IN HAND**

	2013 - 2014	2012 - 2013
	Kshs	Kshs
Nicholas Kosgei (Petty Cash)	-	3,001.00
<b>Total</b>	<b>-</b>	<b>3,001.00</b>

**10 BALANCE BROUGHT FORWARD**

	2013 - 2014	2012 - 2013
	Kshs	Kshs
Bank Accounts	39,392,890.80	9,002,127.00
Cash in Hand	3,001.00	-
<b>Total</b>	<b>39,395,891.80</b>	<b>9,002,127.00</b>

**11 OTHER IMPORTANT DISCLOSURES**

**11.1 PENDING ACCOUNTS PAYABLE (Annex 2)**

	2013 - 2014	2012 - 2013
	Kshs	Kshs
Supply of Services	1,357,750.00	-
<b>Total</b>	<b>1,357,750.00</b>	<b>8,999,127.00</b>

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11.2 PENDING STAFF PAYABLES (Annex 3)

	2013 - 2014	2012 - 2013
	Kshs	Kshs
Senior Management	834,432.00	-
Middle Management	2,005,740.00	-
Unionisable Employees	398,047.60	-
Ministry of Devolution & Planning	35,000.00	-
<b>Total</b>	<b>3,273,219.60</b>	<b>-</b>

11.3 OTHER PENDING PAYABLES (Annex 4)

	2013 - 2014	2012 - 2013
	Kshs	Kshs
Amount Due to National Social Security Fund (NSSF)	41,040.00	-
Amount Due to Faulu Kenya	10,716.00	-
Ambassador Koki Muli	825,799.70	-
<b>Total</b>	<b>877,555.70</b>	<b>-</b>

12 PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

Reference No. on the external audit report	issues/observations from Auditor	Management comments	Focal point person to resolve the Issue	Status:(Resolved/Not Resolved)	Time Frame
The Auditor General, in his opinion, after assessment of the Secretariat's accounts, was satisfied with the sufficiency and appropriateness of the evidence provided.					
The Auditor General expressed an opinion that the financial statements presents fairly, in all material respects, the receipts and payments of NEPAD Kenya Secretariat for the year ended 30th June, 2013, in accordance with International Public Sector Accounting Standards (Cash Basis of Accounting)					

ANNEX 1 - VARIANCE EXPLANATIONS - COMPARATIVE BUDGET AND ACTUAL AMOUNTS

	Final Budget	Actual on Comparable Basis	Budget Utilisation Variance	% of Utilisation Variance to Final Budget	Comment on Variance
	a	b	c = a-b	d = c/a %	
<b>RECEIPTS DURING THE YEAR/PERIOD</b>					
State Department of Planning	154, 141, 934.00	155,165,000.00	(1,023,066)	(0.66)	Government budget ceiling
Grants from Development Partners	-	26,008,927.00	(26,008,927.00)	-	Resource mobilisation
Miscellaneous Receipts A.I.A.	540,000.00	297,000.00	243,000.00	45.00	Bidders response less than expected
<b>Total Receipts</b>	<b>154,681,934.00</b>	<b>181,470,927.00</b>	<b>(26,788,993.00)</b>	<b>(17.32)</b>	
<b>PAYMENTS DURING THE YEAR/PERIOD</b>					
Compensation of Employees	48,454,124.00	37,737,907.06	10,716,216.94	22.12	Government freeze on recruitment and salary review
Purchase of Goods and Services	85,677,810.00	157,561,381.54	(71,883,571.54)	(83.90)	Because of additional APRM activities of the country self-assessment
Acquisition of Non-Financial Assets	20,550,000.00	3,689,951.40	16,860,048.60	82.04	Motor vehicle not purchased due to

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					delayed procurement procedures.
Total Payments	154,681,934.00	200,836,709.10	(46,154,775.10)	(29.84)	

ANNEX 2 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods and Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2013	Outstanding Balance 2012	Comments
	a	b	c	d=a-c		
Supply of Services						
Uniglobe Northline	129,000.00	26-Jun-14	-	129,000.00	-	-
Nairobi Serena Hotel	29,550.00	26-Jun-14	-	29,550.00	-	-
Safaricom Limited	30,000.00	30-Jun-14		30,000.00		
Lucy Kathuri (Consultancy)	922,200.00	30-Jun-14		922,200.00		
Ali Khamisi Ali	30,000.00	26-Jun-14		30,000.00		

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Munir Abubakar Masoud	30,000.00	26-Jun-14		30,000.00		
Lydia Mathia	187,000.00	26-Jun-14		187,000.00		
Sub-Total	-	30-Jun-14	-	1,357,750.00	-	-
Grand Total	-	30-Jun-14	-	1,357,750.00	-	-

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ANNEX 3 - ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2013	Outstanding Balance 2012	Comment
		a	b	c	d=a-c		
Senior Management		-	-	-	-	-	-
Daniel Osiemo	S	5,000.00	20-Jun-14	-	5,000.00	-	-
Lillian W. Mbogo	U	150,000.00	24-Jun-14	-	150,000.00	-	-
Daniel Osiemo	S	5,000.00	30-Jun-14	-	5,000.00	-	-
Lillian W. Mbogo	U	674,432.00	30-Jun-14		674,432.00		
Sub-Total		-	-	-	834,432.00	-	-
Middle Management		-	-	-	-	-	-
Nicholas Thairu	R	140,816.00	4-Jun-14	-	140,816.00	-	-

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Edward Gaitho	Q	150,320.00	4-Jun-14	-	150,320.00	-	-
Milton Owino	P	60,000.00	16-Jun-14	-	60,000.00	-	-
Caroline Muinde	P	60,000.00	16-Jun-14	-	60,000.00	-	-
Edward Gaitho	Q	15,000.00	24-Jun-14	-	15,000.00	-	-
Caroline Muinde	P	10,000.00	24-Jun-14	-	10,000.00	-	-
Caroline Muinde	P	643,896.00	24-Jun-14	-	643,896.00	-	-
Caroline Muinde	P	115,000.00	24-Jun-14	-	115,000.00	-	-
Edward Gaitho	Q	12,000.00	30-Jun-14	-	12,000.00	-	-
David Yalla	Q	12,000.00	30-Jun-14	-	12,000.00	-	-
Caroline Opondo	P	8,000.00	30-Jun-14	-	8,000.00	-	-
Nicholas Thairu	R	11,240.00	30-Jun-14	-	11,240.00	-	-

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Nicholas Thairu	R	3,840.00	30-Jun-14		3,840.00		
Edward Gaitho	Q	53,100.00	30-Jun-14		53,100.00		
Nicholas Thairu	R	67,040.00	30-Jun-14		67,040.00		
Hilda Ndoka	P	643,488.00	30-Jun-14	-	643,488.00	-	-
<b>Sub-Total</b>					<b>2,005,740.00</b>	-	-
<b>Unionisable Employee</b>				-		-	-
Daniel Kamau	K	15,000.00	16-Jun-14		15,000.00		
Nicholas Kosgei	L	10,500.00	16-Jun-14		10,500.00		
Pauline Njoroge	N	40,547.60	20-Jun-14		40,547.60		
Daniel Elungat	N	15,000.00	24-Jun-14		15,000.00		
Nicholas Kosgei	L	20,000.00	24-Jun-14		20,000.00		

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Daniel Elungat	N	25,000.00	24-Jun-14	-	25,000.00	-	-
Ann Obwonya		10,000.00	24-Jun-14	-	10,000.00	-	-
Daniel Elungat	N	15,000.00	24-Jun-14	-	15,000.00	-	-
Nicholas Kosgei	L	92,000.00	30-Jun-14		92,000.00	-	-
Pauline Njoroge	N	8,000.00	30-Jun-14		8,000.00		
Lydia Odinga	N	8,000.00	30-Jun-14		8,000.00		
Nicholas Kosgei	L	20,000.00	30-Jun-14		20,000.00		
Pauline Njoroge	N	20,000.00	30-Jun-14		20,000.00		
Daniel Kamau	K	55,000.00	30-Jun-14		55,000.00		
Dismas Ochola	K	20,000.00	30-Jun-14		20,000.00		
Daniel Kamau	K	24,000.00	30-Jun-14	-	24,000.00	-	-

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Sub-Total		-	-	-	398,047.60	-	-
Others		-	-	-	-	-	-
Mohamed Omwoyo	Min. Of Dev. & PIng	15,000.00	17-Jun-14	-	15,000.00	-	-
Mary Muthoni	Min. Of Dev. & PIng	20,000.00	17-Jun-14	-	20,000.00	-	-
Sub-Total					35,000.00	-	-
Grand Total		-	-	-	3,273,219.60	-	-

ANNEX 4 - ANALYSIS OF OTHER PENDING PAYABLES

Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2013	Outstanding Balance 2012	Comments
		a	b	c	d=a-c		
Amount Due to National Government Entities		-	-	-	-	-	-

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NSSF	June	41,040.00	13-Jun-14	-	41,040.00	-	-
Sub-Total		-	-	-	41,040.00	-	-
Amount Due to Third Parties		-	-	-	-	-	-
Faulu Kenya DTB	June Repayment (Elungat)	10,716.00	13-06-14	-	10,716.00	-	-
Sub-Total		-	-	-	10,716.00	-	-
Others		-	-	-	-	-	-
Koki Muli	Refund of Air Fare From U.S.A. to Kenya	585,799.70	26-Jun-14	-	585,799.70	-	-
Koki Muli	DSA for 20 days	240,000.00	-	-	240,000.00	-	-
Sub-Total		-	-	-	825,799.70	-	-
<b>Grand Total</b>		-	-	-	<b>877,555.70</b>	-	-