

REPUBLIC OF KENYA



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on 06/08/2018
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REPORT

OF

THE AUDITOR-GENERAL

ON

**THE FINANCIAL STATEMENTS OF
REGISTRATION OF CERTIFIED PUBLIC
SECRETARIES BOARD**

**FOR THE YEAR ENDED
30 JUNE 2017**

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

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**THE FINANCIAL STATEMENTS OF
REGISTRATION OF CERTIFIED PUBLIC
SECRETARIES BOARD**

**FOR THE YEAR ENDED
30 JUNE 2017**



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

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**REGISTRATION OF CERTIFIED PUBLIC SECRETARIES BOARD
(RCPSB)**

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
30 JUNE 2017**

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

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I KEY RCPSB INFORMATION AND MANAGEMENT

(a) Background information

Registration of Certified Public Secretaries Board (RCPSB) is established under the Certified Public Secretaries of Kenya Act Cap 534 of the laws of Kenya. The Board has 10 members who are in charge of developing policies and strategies in order to achieve the mandate of the Board. The day to day operations of the board are under the responsibility of an Executive Officer appointed by the Board.

(b) Principal Activities

The principal activity of the Board is to register qualified Secretaries and issue practicing certificates to those registered Secretaries who are eligible to offer services to the public as Certified Public Secretaries of Kenya. The other mandate of the Board is a regulatory role which is to de-register members out of their professional misconduct or any other reason as stipulated in the Certified Public Secretaries Act Cap 534, Section 24.

(c) Key Management

The RCPSB's day-to-day management is under the following key organs:

1. Executive Officer
2. Clerical Officer
3. Secretarial Assistant

(d) Fiduciary Management

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

Designation	Name
1. Executive Officer	Patrick K. Mulwa

(e) Fiduciary Oversight Arrangements

- **The Board:** sets policy and is charged with the overall supervision of the Board activities.
- **Governance and Finance Committee:** in Charge of finance, audit and Governance Issues and reports to the Board.
- **Strategy and Development Committee:** in charge of strategy formulation, implementation, human resource management and reports to the Board
- **The Registrar:** An Ex-officio member of the Board appointed by the Cabinet Secretary, The National Treasury.

(f) RCPSB Headquarters

P.O. Box 58218 -00200
Treasury Building
Harambee Avenue
Nairobi, KENYA

(g) RCPSB Contacts

Telephone: (254) 020- 2252299 Ext: 33087/33276/33587

E-mail: regcpsb@gmail.com

Website: www.rcpsb.or.ke

(h) RCPSB Bankers

1. Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
Nairobi, Kenya
2. National Bank of Kenya Limited
Harambee Avenue Branch,
P. O. Box 41862 - 00100,
Nairobi.

(i) Independent Auditors

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

(j) Principal Legal Adviser

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




II THE BOARD OF DIRECTORS

II BOARD OF DIRECTORS	PROFESSIONAL EXPERIENCE
 <p>Lewis Kamau (Chairman)</p> <p>D.O.B 15/01/1951</p> <p>Master of Law (McGill University, LLB (UON), Postgraduate Diploma in Law (KSL)</p> <p>Certified Public Secretaries of Kenya –FCPS(K),</p>	<p>Lewis Kamau is a Consultant in private practice. He has previously worked at Kenya Airways as a company secretary. He is a Fellow, Institute of Certified Public Secretaries of Kenya</p>
 <p>Doris Murimi (Vice Chairman)</p> <p>D.O.B -27/12/1968</p> <p>Msc(HRM)(University of Leicester), MBA- Accounting Option (Maastricht School of Management), Diploma in Financial Management (ACCA), CPS(K), Member, Institute of Human Resources Management, Member, Professional Trainers Association of Kenya (PTAK), Member Australian Mediation Association (AMA)</p>	<p>Director (DMR Consultants, Deputy Executive Director-Institute of Security Studies –South Africa, Finance and Investment Manager (Kenya Community Development Foundation, KCDF), Regional Finance Manager (Africa Wildlife Foundation-AWF, Kenya)</p>
 <p>Jacqueline Waihenya</p> <p>Bachelor of Laws, LLB (UON)</p> <p>Post Graduate Diploma in Law (KSL),Certified Secretary (CS)</p>	<p>Advocate, Law Chambers of JACQUELINE WAIHENYA MAINA & CO. ADVOCATES, Member of the Chartered Institute of Arbitrators (MCI Arb)</p>


Registration of Certified Public Secretaries Board
Annual Report and Financial Statements for the Financial Year ended 30 June 2017

 <p>Geoffrey Njang'ombe (Member) D.O.B 19/10/2017 MBA (Strategic Management), Bachelor of Commerce</p>	<p>Deputy Director of Cooperative Audit Ministry of Industry, Trade and Cooperatives</p>
 <p>Linah J. Kiptoo (Member) D.O.B -17/11//1969 MBA (UON), B. Ed(UON), CPA (K), Member-Institute of Public Accountants of Kenya (ICPAK)</p>	<p>DCS - Administration and Finance (Commission of University Education), Chief Accountant (Daystar University), Divisional Accountant (Signon Freight Limited</p>
 <p>Tom. K. Khakame (Registrar) D.O. D: 1958</p>	<p>Senior Deputy Accountant General (The National Treasury)</p>
 <p>Catherine Wanja Maringa (Member) D.O.B 6/02/1960 Fellow Institute of Certified Public Secretaries of Kenya(FCS), CPS9K)</p>	<p>Senior Manager, Human Capital Development (KASNEB) and Fellow Institute of Certified Public Secretaries of Kenya(FCS). She has worked with the Public Service Commission as a Personnel Officer</p>


Registration of Certified Public Secretaries Board
Annual Report and Financial Statements for the Financial Year ended 30 June 2017

 <p>Benrodgers M. Milaih (Member)</p> <p>D.O.B -3/12/1962</p> <p>MBA(HRM) (KU), BA(Hons) (UON), Higher National Diploma (HRM) , Full Member Institute of Human Resources Management (Kenya)</p>	<p>Director , Human Resource Management (Policy), Directorate of Public Service Management (DPSM), Ministry of Public Service , Youth and Gender Affairs</p>
 <p>Benjamin Achode (Member)</p> <p>D.O.B 13/04/1957</p> <p>Executive Masters of Business Administration –EMBA- (JKUAT),, BComm (UON), Certified Secretary (CS), Certified Public Accountant (CPA)</p>	<p>Partner Wach Consultants, Certified Public Accountants, Member ICPAK and ICPSK</p>
 <p>Patrick N. Wachira (Member)</p> <p>D.O.B -27/8/1981</p> <p>Bachelor of Laws (Moi University), Diploma Legal Education (KSL), ACCA (Part III)</p>	<p>Senior State Counsel (Attorney General Chambers), Partner (Wachira Nguyo & Co. Advocates.</p>

Registration of Certified Public Secretaries Board
Annual Report and Financial Statements for the Financial Year ended 30 June 2017

 <p>Patrick K. Mulwa (Executive Officer & Secretary to the Board)</p> <p>D.O.B -18/10/1969</p> <p>Bachelor of Commerce (UON), CPSK (K), Member ICPSK, Associate Member, Kenya Institute of Management, Member, Professional Trainers Association of Kenya)</p>	<p>Executive Officer (RCPSB), Academic Administrator (Kenya Institute of Development Studies), Principal (Legacy College), Principal and Chief Trainer (East Africa School of Management), Lecturer, (Kigali Institute of Management), Programs Manager (TEC Institute of Management), Training and Marketing Manager (Onix Computer Services Limited)</p>
<p>The Following Served as Directors between July 2016 –December 2016</p> <ol style="list-style-type: none"> 1. Jophece Yogo - Chairman 2. Doris Murimi – Vice Chairman 3. Pius Nduatih – Member 4. Mary N. Mungai - Member 5. Damary Ayuku - Member 6. Benrodgers M. Milaih – Member 7. Patrick N. Wachira – Member 8. Linah J. Kiptoo – Member 	

II MANAGEMENT

<p>MANAGEMENT</p>	
 <p>Patrick K. Mulwa (Executive Officer & Secretary to the Board)</p> <p>D.O.B -18/10/1969</p> <p>Bachelor of Commerce (UON), CPSK (K), Member ICPSK, Associate Member, Kenya Institute of Management, Member, Professional Trainers Association of Kenya)</p>	<p>Executive Officer (RCPSB), Academic Administrator (Kenya Institute of Development Studies), Principal (Legacy College), Principal and Chief Trainer (East Africa School of Management), Lecturer, (Kigali Institute of Management), Programs Manager (TEC Institute of Management), Training and Marketing Manager (Onix Computer Services Limited)</p>

IV	CHAIRMAN'S STATEMENT
	<p>I take this opportunity to once again present the Board's annual report and financial statements for the year ended 30 June 2017. The Board continued implementing its core mandate which is to register qualified secretaries and issue practicing certificates to those registered secretaries who are eligible to offer services to the public as Certified Secretaries.</p> <p>The adoption of Mwongozo: A Code of Governance for State Corporation by the Government in 2015 has led to an increased interest in registrations as a Certified Secretary in the public service. This has created opportunities for the Certified Secretary's profession and opportunities for CS graduates have been created in the devolved government units and the Board will continue being in the forefront in ensuring that those that the law requires to be certified secretaries have the necessary qualifications.</p> <p>The evolving legal and regulatory environment has continued to impact the Certified Secretarial Profession. The enactment of the Companies Act No. 17 of 2015 removed the requirement for a company to have a Company Secretary if it has a share capital of less than Ksh. 5 million. This has led to a decline in the number of registrations in the FY 2016/2017 hence a decline in revenue. The previous Board's term ended in December 2016 and a new Board was gazetted on 17th March 2017. The absence a Board in the third quarter to authorize investment of its surplus funds in government Treasury bills saw the Board's investment income decline in the fourth quarter of the year. These events saw a decline in the Board's overall revenue leading to a financial deficit in the FY year 2016/2017. The Board will continue with cost control measures and looking for new avenues of financing so as to ensure financial sustainability.</p> <p>The Board in line with its strategic plan will continue working with its strategic partners to promote the CPS profession by increasing membership, opportunities for members and ensuring the highest degree of professional discipline.</p> <p>The continued success of the Board would not have been possible without the continued support of our clients, stakeholders and the National Treasury. On behalf of the Board I would like to extend my sincere gratitude to all for their valuable support and confidence.</p> <p>I would like to thank the staff of the Board for their dedication and hard work that has ensured that the Board is able to discharge its mandate effectively.</p> <p>Finally I would like to thank my fellow Board members for their commitment to the Board and the support they have accorded me and the Board in implementing its mandate.</p> <p>Lewis G. Kamau Chairman</p> <p>..... Date: 9/4/2018</p>

V REPORT OF THE CEO

The evolving legal and regulatory environment has continued to impact the Certified Secretarial Profession. The enactment of the Companies Act No. 17 of 2015 removed the requirement for a company to have a Company Secretary if it has a share capital of less than Ksh. 5 million. This has led to a decline in the number of registrations in the FY 2016/2017 hence a decline in revenue.

The previous Board's term ended in December 2016 and a new Board was gazetted on 17th March 2017. The absence a Board in the third quarter to authorize investment of its surplus funds in government Treasury bills saw the Board's investment income decline in the fourth quarter of the year. These events saw a decline in the Board's overall revenue leading to a financial deficit in the FY year 2016/2017. The Board also incurred a one off expense in facilitating the development of the Certified Secretary Profession Strategic Plan 2017-2021. The Board will continue with cost control measures and looking for new avenues of financing so as to ensure financial sustainability.

The Board continued its core mandate which is to register qualified secretaries and issue practicing certificates to those who are eligible to offer services to the public as Certified Secretaries.

The Board and other like-minded stakeholders will continue their efforts in entrenching the Certified Secretary in both public and private organizations. This will create opportunities for CPS graduates and drive the demand for registration which accounts for a large percentage of the Board's revenue. Towards this end the Board together with KASNEB and the ICPSK jointly developed the Strategic Plan for the Certified Secretary profession 2017-2021. The Board has commenced with the process of constituting the Inter-Institutional Strategy Committee of the three Certified Secretary institutions; the RCPSB, ICPSK and KASNEB in order to operationalize and implement the strategic plan of the Certified Secretary Profession and to enhance the visibility of the profession.

Patrick Mulwa

Executive Officer


.....

Date: 9/4/2018
.....

VI CORPORATE GOVERNANCE STATEMENT

In the Financial year ended 30 June 2017, Board held a total of 16 meetings. Out of these 9 were board meetings and 2 were Strategy and Development Committee meeting and 5 were Governance and Finance Committee Meetings.

The members of the Board are appointed by the Cabinet Secretary, The National Treasury according to the requirements of the Certified Public Secretaries of Kenya Act, Cap 534 of the Laws of Kenya. The members are appointed to serve for a term of 3 years.

Three months before the expiry of the term of the Board, the Registrar of the Board through the Office of the Director General Accounting Services and Quality Assurance, the National Treasury writes to the nominating institutions to nominate members for appointment by the Cabinet Secretary, The National Treasury to the next Board.

Directors can be removed through the nominating institution writing to the Cabinet Secretary and requesting for revocation of the directors nomination.

Roles and Functions of the Board

- (a) Determine the Board's mission, vision, purpose and core values;
- (b) Review, evaluate and approve, on a regular basis, long-term plans for the Board;
- (c) Review, evaluate and approve the Board's budget and financial forecasts;
- (d) Review, evaluate and approve major resource allocations and capital investments;
- (e) Ensure that the procurement process is cost-effective and delivers value for money;
- (f) Review and approve the operating and financial results of the Board;
- (g) Ensure effective, accurate, timely and transparent disclosure of pertinent information on the Board's operations and performance;
- (h) Ensure that effective processes and systems of risk management and internal controls are in place;
- (i) Review, evaluate and approve the overall organizational structure, the assignment of senior management responsibilities and plans for senior management development and succession;
- (j) Review, evaluate and approve the remuneration structure of the Board;
- (k) Adopt, implement and monitor compliance with the Board's Code of Conduct and Ethics;
- (l) Review on a quarterly basis the attainment of targets and objectives set out in the agreed

performance measurement framework with the Government of Kenya;

- (m) Review periodically the Board's strategic objectives and policies relating to sustainability and social responsibility/investment;
- (n) Protect the rights of stakeholders and optimize stakeholder value;
- (o) Enhance the Board's public image and ensure engagement with stakeholders through effective communication;
- (p) Monitor compliance with the Constitution, all applicable laws, regulations and standards; and
- (q) Review, monitor and ensure that the organization is effectively and consistently delivering on its mandate.

The current Board was appointed and gazetted on 17th March 2017 and an induction for the Board held on 21st April 2017. The board undertakes a Board evaluation at the end of each financial year. Board members are paid sitting allowances these are disclosed as board members remuneration in the statement of Financial performance. The members of the Board are bound by the provisions of Mwongozo: The Code of Ethics for State Corporations.

VII MANAGEMENT DISCUSSION AND ANALYSIS

The previous Board's term ended in December 2016 and a new Board was gazetted on 17th March 2017. The absence a Board in the third quarter to authorize investment of its surplus funds in government Treasury bills saw the Board's investment income decline in the fourth quarter of the year. These events saw a decline in the Board's overall revenue leading to a financial deficit in the FY year 2016/2017. The Board also incurred a one off expense in facilitating the development of the Certified Secretary Profession Strategic Plan 2017-2021. The Board will continue with cost control measures and looking for new avenues of financing so as to ensure financial sustainability.

The Board's revenue was also affected by the enactment of the Companies Act No. 17 of 2015 which has removed the mandatory requirement for all companies to have a company secretary. This saw a drop in the applications for registration as certified secretaries and hence a drop in the revenue of the Board.

The Board continued its core mandate which is to register qualified secretaries and issue practicing certificates to those who are eligible to offer services to the public as Certified Secretaries.

The Board and other like-minded stakeholders will continue their efforts in entrenching the Certified Secretary in both public and private organizations. This will create opportunities for CPS graduates and drive the demand for registration which accounts for a large percentage of the Board's revenue. Towards this end the Board together with KASNEB and the ICPSK jointly developed the Strategic Plan for the Certified Secretary profession 2017-2021. The Board has commenced with the process of constituting the Inter-Institutional Strategy Committee of the three Certified Secretary institutions; the RCPSB, ICPSK and KASNEB in order to operationalize and implement the strategic plan of the Certified Secretary Profession and to enhance the visibility of the profession.

VIII REPORT OF DIRECTORS

The Directors submit their report together with the audited financial statements for the year ended June 30, 2017 which show the state of the RCPSB's affairs.

Principal activities

The principal activities of the Registration of Certified Public Secretaries Board continue to be to register qualified Secretaries and issue practicing certificates to those registered Secretaries who are eligible to offer services to the public as Certified Public Secretaries of Kenya. The other mandate of the Board is a regulatory role which is to de-register members out of their professional misconduct or any other reason as stipulated in the Certified Public Secretaries Act Cap 534, Section 24.

Results

The results of the RCPSB for the year ended June 30, 2017 are set out on pages 1 to 5

Directors

The members of the Board of Directors who served during the year financial year 2016/2017 shown on page (iv)- (vii)

Auditors

The Auditor General is responsible for the statutory audit of the *RCPSB* in accordance with the Section 34 of the Certified Public Secretaries Act, Section 14 (3) of the State Corporations Act (CAP 446) and Section 68 (2) of the Public Finance Management (PFM) Act, 2012)

By Order of the Board

CS. Patrick Mulwa

Executive Officer and Secretary to the Board

Nairobi

Date: 9/4/2018

IX STATEMENT OF DIRECTORS RESPONSIBILITY

Section 34 of the Certified Public Secretaries Act (CAP 534), Section 81 (1) of the Public Finance Management Act, 2012 and section 14 (2) of the State Corporations Act, require the Directors to prepare financial statements in respect of that RCPSB, which give a true and fair view of the state of affairs of the RCPSB at the end of the financial year/period and the operating results of the RCPSB for that year/period. The Directors are also required to ensure that the RCPSB keeps proper accounting records which disclose with reasonable accuracy the financial position of the RCPSB. The Directors are also responsible for safeguarding the assets of the RCPSB.


The Directors are responsible for the preparation and presentation of the RCPSB's financial statements, which give a true and fair view of the state of affairs of the RCPSB for and as at the end of the financial year (period) ended on June 30, 2017. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the RCPSB; (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 RCPSB; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Directors accept responsibility for the RCPSB's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act and the State Corporations Act. The Directors are of the opinion that the RCPSB's financial statements give a true and fair view of the state of RCPSB's transactions during the financial year ended June 30, 2017, and of the RCPSB's financial position as at that date. The Directors further confirm the completeness of the accounting records maintained for the RCPSB, which have been relied upon in the preparation of the RCPSB's financial statements as well as the adequacy of the systems of internal financial control.

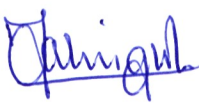
Nothing has come to the attention of the Directors to indicate that the RCPSB will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The RCPSB's financial statements were approved by the Board on 27th September 2017 and signed on its behalf by:



Director



Director



Director

REPUBLIC OF KENYA

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



P.O. Box 30084-00100
NAIROBI

OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON REGISTRATION OF CERTIFIED PUBLIC SECRETARIES BOARD FOR THE YEAR ENDED 30 JUNE 2017

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of Registration of Certified Public Secretaries Board set out on pages 1 to 22, which comprise the statement of financial position as at 30 June 2017, and the statement of financial performance, statement of changes in net assets, statement of comparison of budget and actual amounts and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and 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 the audit.

In my opinion, the financial statements present fairly, in all material respects the financial position of Registration of Certified Public Secretaries Board as at 30 June 2017, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Certified Public Secretaries Act, Cap 534 of the Laws of Kenya.

In addition, as required by Article 229(6) of the Constitution, except for the matter described in the Other Matter section of my report, I confirm that nothing has come to my attention to cause me to believe that public money has not been applied lawfully and in an effective way.

Basis of Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of Registration of Certified Public Secretaries Board 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.

Report of the Auditor-General on the Financial Statements of Registration of Certified Public Secretaries Board for the year ended 30 June 2017

Key Audit Matters

Key audit matters are those matters that in my professional judgement are of most significance in the audit of the financial statements. Except for the matter described in the Other Matter section of my report, I have determined that there were no Key Audit Matters to communicate in my report.

Other Matter

Lack of Internal Audit Function

The internal audit function which is an integral part of the board as required by good corporate governance is not functional. The board has not hired the services of an internal auditor and therefore there is no oversight on management. Although the management has indicated that it has a governance and finance committee of the board whose terms of reference include monitoring of financial management, developing and implementing effective internal controls, providing internal audit services and ensuring financial reporting accuracy and compliance. It's important to note that the existence of the committee is important but its effectiveness is dependent on the input of the internal auditor. Therefore, without the input of the internal auditor, the committee's output may not have an effect on the overall management of the institution.

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 (Accrual Basis) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Those charged with governance are responsible for overseeing the Board'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 of Kenya. 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 conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances and for the purpose of giving an assurance on the effectiveness of the Board'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 Board'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 Board's ability to continue as a going concern. 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 Board to cease to continue as a going concern.
- 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 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

24 April 2018

REGISTRATION OF CERTIFIED PUBLIC SECRETARIES BOARD

Annual Report and Financial Statements for The Financial Year ended 30 June 2017

**I. STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2017**

	Note	2016-2017 Kshs	2015-2016 Kshs
Revenue from non-exchange transactions			
Transfers from other governments – gifts and services-in-kind	1	1,271,200	1,271,200
Revenue from exchange transactions			
Rendering of services	2	1,840,500	2,246,500
Finance income - external investments	3	315,392	773,328
Other income	4	199,750	248,622
Total revenue		3,626,842	4,539,650
Expenses			
Employee costs	5	2,475,340	2,270,837
Remuneration of directors	6	702,500	855,500
Depreciation and amortization expense	7	17,640	25,033
Repairs and maintenance	8	13,100	11,600
General expenses	9	978,054	1,079,892
Bank Charges	10	26,048	33,945
Total expenses		4,212,682	4,276,807
Surplus/(deficit) for the period		(585,840)	262,843

The notes set out on pages 6 to 21 form an integral part of these Financial Statements

REGISTRATION OF CERTIFIED PUBLIC SECRETARIES BOARD

Annual Report and Financial Statements for The Financial Year ended 30 June 2017

**XII: STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2017**

	NOTES	2016-2017 Kshs	2015-2016 Kshs
Assets			
Current assets			
Cash and cash equivalents	11	8,877,536	9,134,841
Receivables from non-exchange transactions	12	12,668	2,000
Total Current Assets		8,890,204	9,136,841
Non-current assets			
Property, plant and equipment	13	41,160	-
Total Non-current Assets		41,160	-
Total assets		8,931,364	9,136,841
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	14	568,353	473,206
Provisions	15	92,800	92,800
Total Current Liabilities		661,153	566,006
Total liabilities		661,153	566,006
Net assets			
Reserves	16	8,570,835	8,307,992
Prior Year Adjustments		285,216	-
Accumulated surplus (Deficit)	16	(585,840)	262,843
Total net assets		8,270,211	8,570,835
Total net assets and liabilities		8,931,364	9,136,841

The Financial Statements set out on pages 1 to 5 were signed on behalf of the Board of Directors by:

CEO

Patrick Mulwa

Sign: 

Date: 9/4/2018

Chairman – Governance and Finance Committee

Benjamin Achode

Sign: 

ICPAK Member Number: P1084

Date: 9/4/2018

Chairman:

Lewis Kamau

Sign: 

Date: 9/4/2018

REGISTRATION OF CERTIFIED PUBLIC SECRETARIES BOARD

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**XIII: STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED 30 JUNE 2017**

	Reserves Accumulated surplus	Total
	Kshs	Kshs
Balance as at 1 July 2015		
Surplus/(deficit) for the period	262,843	262,843
Transfers to/from accumulated surplus	8,307,992	8,307,992
Grants received during the year		
Balance as at 30 JUNE 2016	8,570,835	8,570,835
Balance as at 1 July 2016	8,570,835	8,570,835
Deficit for the period	(585,840)	(585,840)
Transfers to/from accumulated surplus	8,570,835	8,570,835
Prior year adjustments	285,216	285,216
Grants received during the year		
Balance as at 30 JUNE 2017	8,270,211	8,270,211

The reserve is a revenue reserve that is used for short-term investments in treasury bills and to meet recurrent expenditure

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XIV. STATEMENT OF CASH FLOWS AS AT 30 JUNE 2017

	NOTES	2016-2017 Kshs	2015-2016 Kshs
Cash flows from operating activities			
Receipts			
Transfers from other governments – gifts and services-in-kind	1	1,271,200	1,271,200
Rendering of services	2	1,840,500	2,246,500
Finance income - external investments	3	315,392	773,328
Other income	4	199,750	248,622
Total Receipts		3,626,842	4,539,650
Payments			
Employee costs	5	2,475,340	2,270,837
Remuneration of directors	6	702,500	855,500
Repairs and maintenance	8	13,100	11,600
General expenses	9	978,054	1,079,892
Bank Charges		26,048	33,945
Total Payments		4,195,042	4,251,774
Net cash flows from operating activities		(568,200)	287,876
Increase in payables		95,147	252,500
Increase in receivables		(10,668)	42,666
Prior year adjustments		285,216	-
		369,695	295,166
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets		(58,800)	-
Proceeds from sale of property, plant and Equipment		-	-
Decrease in non-current receivables		-	-
Increase in investments		-	-
Net cash flows used in investing activities		(58,800)	-
Cash flows from financing activities			
Proceeds from borrowings		-	-
Repayment of borrowings		-	-
Increase in deposits		-	-
Net cash flows used in financing activities		-	-
Net increase/(decrease) in cash and cash equivalents		(257,305)	583,042
Cash and cash equivalents at 1 JULY		9,134,841	8,551,800
Cash and cash equivalents at 30 JUNE		8,877,536	9,134,842

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**XV: STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
FOR THE PERIOD ENDED 30 JUNE 2017**

	Original budget 2016-2017	Adjustm ents 2016- 2017	Final budget 2016-2017	Actual on comparable basis 2016-2017	Performance difference 2016-2017
	Kshs	Kshs	Kshs	Kshs	Kshs
Revenue					
Government grants and subsidies	1,210,000		1,210,000	1,271,200	61,200
Rendering of services	2,242,500		2,242,500	1,840,500	(402,000)
Finance Income	693,000		693,000	315,392	(377,608)
Other Income				199,750	199,750
Total income	4,145,500		4,145,500	3,626,842	(518,658)
Expenses					
Compensation of employees	2,393,894		2,393,894	2,475,340	(81,446)
Board Remuneration	1,010,000		1,010,000	702,500	307,500
Administrative Expenses	718,800		718,800	1,034,842	(316,042)
Other payments				-	-
Total expenditure	4,122,694		4,122,694	4,212,682	(89,988)
Surplus for the period	22,806		22,806	(585,840)	(428,670)

Budget Notes

1. Rendering of services income declined for the year under reporting due to an adverse effect of the enactment of the Companies Act No. 17 of 2015. It made it not mandatory for companies with share capital of less than Ksh. 5 million to have a company secretary. Therefore the number of applications for membership to ICPSK and practicing members declined considerably.
2. Finance income dropped in the 4th quarter because the Board had not been constituted to authorize re-investments in treasury bills when they matured in February 2017. This had an impact on finance income of the Board.
3. Board remuneration declined due to the fact that the Board operated for three months before a new Board was appointed.
4. There was an increase in expenses because of a once off payment for the development of the RCPSB Strategic Plan.

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Annual Report and Financial Statements for The Financial Year ended 30 June 2017

REGISTRATION OF CERTIFIED PUBLIC SECRETARIES BOARD

XVI : NOTES TO THE FINANCIAL STATEMENTS

1 GENERAL INFORMATION

Registration of Certified Public Secretaries Board (RCPSB) is established and derives its authority and accountability from the Certified Public Secretaries of Kenya Act Cap 534. The Board is wholly owned by the Government of Kenya and is domiciled in Kenya. The principal activity of the Board is to register qualified Secretaries and issue practicing certificates to those registered Secretaries who are eligible to offer services to the public as Certified Public Secretaries of Kenya. The other mandate of the Board is a regulatory role which is to de-register members out of their professional misconduct or any other reason as stipulated in the Certified Public Secretaries of Kenya Act Cap 534, Section 24.

2 STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

The Board's financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS). The financial statements are presented in Kenya shillings, which is the functional and reporting currency of the Board. The accounting policies have been consistently applied to all the years presented.

The financial statements have been prepared on the basis of historical cost, unless stated otherwise. The cash flow statement is prepared using the direct method. The financial statements are prepared on accrual basis.

3 ADOPTION OF NEW AND REVISED STANDARDS

The financial statements have been prepared on the basis of historical cost, unless stated otherwise. The cash flow statement is prepared using the direct method. The financial statements are prepared on accrual basis.

IPSAS 33: First time adoption of Accrual Basis IPSAS The RCPSB adopted IPSAS in the year ended 30 June 2014 and therefore provisions of first time adoption of accrual basis does not apply to the Board.

IPSAS 34: Separate Financial Statements The RCPSB does not have any subsidiaries, joint ventures or investments and therefore the standard does not apply

IPSAS35: Consolidated Financial Statements The RCPSB does not have any subsidiaries, joint ventures or investments and therefore the standard does not apply

IPSAS 36: Investments in Associates and Joint Ventures The RCPSB does not have investments in associates or joint venture

IPSAS 37: Joint Arrangements The RCPSB does not have an interest in a joint arrangement and therefore the standard does not apply

The Board does not have an interests in other entities and therefore the standard does not apply

Disclosure of Interests in Other Entities

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the Board and can be measured reliably.

ii) Revenue from exchange transactions

Rendering of services

The Board recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours.

Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

Interest income

Interest income is accrued using the effective yield method. The effective yield discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this yield to the principal outstanding to determine interest income each period.

b) Budget information

The original budget for FY 2016-2017 was approved by the National Treasury on June 30, 2016. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the Board upon receiving the respective approvals in order to conclude the final budget.

The Board's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts.

In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget.

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section XV of these financial statements.

c) Taxes

Current income tax

The RCPSB is exempt from tax.

d) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the Board recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

Depreciation on furniture and office equipment has been provided for on straight line basis at the rate of

12.5%. Depreciation on computers has been provided at 30%.

e) Financial instruments

Financial assets

Initial recognition and measurement

Financial assets within the scope of IPSAS 29 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. The Board determines the classification of its financial assets at initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Losses arising from impairment are recognized in the surplus or deficit.

Held-to-maturity

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the Board has the positive intention and ability to hold it to maturity. After initial measurement, held-to-maturity investments are measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The losses arising from impairment are recognized in surplus or deficit.

REGISTRATION OF CERTIFIED PUBLIC SECRETARIES BOARD

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Impairment of financial assets

The Board assesses at each reporting date whether there is objective evidence that a financial asset or a Board of financial assets is impaired. A financial asset or a Board of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the Board of financial assets that can be reliably estimated. Evidence of impairment may include the following indicators:

- The debtors or a Board of debtors are experiencing significant financial difficulty
- Default or delinquency in interest or principal payments
- The probability that debtors will enter bankruptcy or other financial reorganization
- Observable data indicates a measurable decrease in estimated future cash flows (e.g. changes in arrears or economic conditions that correlate with defaults)

ii) Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The Board determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

f) Provisions

Provisions are recognized when the Board has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Board expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain.

The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

Contingent liabilities

The Board does not recognize a contingent liability, but discloses details of any contingencies in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

Contingent assets

The Board does not recognize a contingent asset, but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Board in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

g) Nature and purpose of reserves

The Board creates and maintains reserves in terms of specific requirements. The reserves are held as current reserves for investment in treasury bills.

h) Changes in accounting policies and estimates

The Board recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

i) Employee benefits

Retirement benefit plans

The Board provides retirement benefits for its employees. Defined contribution plans are post-employment benefit plans under which an Board pays fixed contributions into a separate Board (a fund), and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable.

j) 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. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorized public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

k) Comparative figures

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

5 SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the Board's financial statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Board based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Board. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

Useful lives and residual values

The useful lives and residual values of assets are assessed using the following indicators to inform potential future use and value from disposal:

- The condition of the asset based on the assessment of experts employed by the Board
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes
- The nature of the processes in which the asset is deployed
- Availability of funding to replace the asset
- Changes in the market in relation to the asset

Provisions

Provisions were raised and management determined an estimate based on the information available.

Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value where the effect is material.

The estimates are discounted at a pre-tax discount rate that reflect current market assessments of the time value of money.

l) 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, 2017

REGISTRATION OF CERTIFIED PUBLIC SECRETARIES BOARD

Annual Report and Financial Statements for The Financial Year ended 30 June 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)**NOTE****1 Transfers from Ministries, Departments and Agencies**

Name of the Entity sending the grant	Amount recognized to Statement of Comprehensive Income	Total grant income during the year	2016-2017
	KShs	KShs	KShs
The National Treasury	1,271,200	1,271,200	1,271,200
Total	1,271,200	1,271,200	1,271,200

2 Rendering of services

Description	2016-2017	2015-2016
Registration	1,315,000	1,558,500
Re-registration	108,000	93,000
Practicing Certificates	387,500	515,000
Authority to Practice	30,000	80,000
Total	1,840,500	2,246,500

3 Finance income - external investments

Description	2016-2017	2015-2016
	KShs	KShs
Interest income from Treasury Bills	315,392	773,328
Total finance income – external investments	315,392	773,328

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4 Other income

Description	2016-2017	2015-2016
	KShs	KShs
KASNEB	197,700	200,000
Gulam Hussein		4,000
W.K Kihara		9,000
Lake Naivasha Panorama		35,000
Miscellaneous Credit		550
Refund	50	72
Mbwiri	2,000	
	199,750	248,622

5 Employee costs

	2016-2017	2015-2016
	KShs	KShs
Salaries and wages	1,215,870	1,241,301
Employee related costs - contributions to pensions and medical aids	105,867	245,536
Travel, motor car, accommodation, subsistence and other allowances	206,000	202,000
Housing benefits and allowances	588,750	582,000
Performance and other bonuses	50,000	
Medical expenses	308,853	
Employee costs	2,475,340	2,270,837

6 Remuneration of directors

Description	2016-2017	2015-2016
	KShs	KShs
Chairman, Vice Chairman and Registrar Honoraria	218,500	220,000
Directors emoluments	484,000	635,000
Total director emoluments	702,500	855,000

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7 Depreciation and amortization expense

Description	2016-2017	2015-2016
	KShs	KShs
Property, plant and equipment	17,640	25,033
Total depreciation and amortization	17,640	25,033

8 Repairs and maintenance

Description	2016-2017	2015-2016
	KShs	KShs
Website Maintenance	11,600	11,800
Computer Repair	1,500	
Total repairs and maintenance	13,100	11,800

9 General expenses

Description	2016-2017	2015-2016
	KShs	KShs
Miscelenous Expenses	11,110	5,775
Audit fees	92,800	92,800
Conferences and delegations	138,200	390,700
Consulting fees	370,000	200,000
Consumables	74,853	88,909
News paper	14,820	15,060
Transport	18,640	37,410
Postage	910	1,915
Printing and stationery	122,926	189,423
Box Rental	6,960	6,960
Telecommunication	23,110	25,940
Other board Expenses	103,725	25,000
Total general expenses	978,054	1,079,892

10 Bank Charges

	2016-2017	2015-2016
Bank Charges	26,048	33,945
Total	26,048	33,945

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11 Cash and cash equivalents

Description	2016-2017	2015-2016
	KShs	KShs
Current account	877,536	1,434,841
Treasury Bills Investment	8,000,000	7,700,000
Total cash and cash equivalents	8,877,536	9,134,841

Detailed analysis of the cash and cash equivalents

Financial institution	Account number	2016-2017	2015-2016
		KShs	KShs
a) Current account			
National Bank of Kenya	01021002846501	877,536	1,434,841
Sub- total			1,434,841
b) Treasury Bills Investment			
Central Bank of Kenya	103798-1	8,000,000	7,700,000
Sub- total			7,700,000
Grand total		8,877,536	9,134,841

12 Receivables from non-exchange contracts

Description	2016-2017	2015-2016
	KShs	KShs
Current receivables		
Salary Advance to Patrick M. Nzola	-	2,000
Salary Advance to Patrick. O. Odhiambo	12,668	-
Total current receivables	12,668	2,000

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13 Property, plant and equipment

	Computers	Office Equipment	Total
Cost			
At 1 July 2015	70,000	31,557	101,557
Additions	-	-	-
Disposals	-	-	-
Transfers/adjustments	-	-	-
At 30th June 2016	70,000	31,557	101,557
Additions	58,800	-	58,800
Disposals	-	-	-
Transfer/adjustments	-	-	-
At 30th June 2017	128,800	-	128,800
Depreciation and impairment			
At 1 July 2015	49,000	27,049	76,049
Depreciation	21,000	4,508	25,508
Impairment	-	-	-
At 30 June 2016	70,000	31,557	101,557
Depreciation	17,640	-	17,640
Disposals	-	-	-
Impairment	-	-	-
Transfer/adjustment	-	-	-
At 30th June 2017	87,640	-	87,640
Net book values			
At 30th June 2017	41,160	-	41,160
At 30th June 2016	-	-	-

14 Trade and other payables from exchange transactions

Description	2016-2017	2015-2016
	KShs	KShs
ICPSK (Membership for Mr. Mwai)	100,000	100,000
Medical In-patient -ICPSK	305,953	120,706
PPD Consultants	-	252,500
Unearned Interest (Treasury Bills)	162,400	
Total trade and other payables	568,353	473,206

REGISTRATION OF CERTIFIED PUBLIC SECRETARIES BOARD

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15 Current Provisions

Description	Other provision KShs	Total KShs
Audit Fees	92,800	92,800
Total provisions	92,800	92,800

16 Reserves

Balance as at 1 July 2016	8,570,835
Surplus for the period	(585,840)
Prior year adjustments	285,216
Transfer of excess depreciation on revaluation	0
Grants received during the year	0
Balance as at 30 JUNE 2017	8,270,211

The prior year adjustment indicated above of Ksh. 285,216 comprise of errors that occurred in the previous years now corrected. These were:

(i) Bank balance was overstated by Ksh. 87,990. (ii) Medical expenses paid in the previous year but not adjusted of Ksh. 120,706.

(iii) Consultancy fee of Ksh. 252,500 which was paid in the previous year but not adjusted.

17 Cash Generated From Operations

	NOTE	2016-2017 Kshs	2015-2016 Kshs
Cash flows from operating activities			
Receipts			
Transfers from other governments – gifts and services-in-kind	1	1,271,200	1271200
Rendering of services	2	1,840,500	2246500
Finance income - external investments	3	315,392	773328
Other income	4	199,750	248622
Total Receipts		3,626,842	4539650
Payments			
Employee costs	5	2,475,340	2270837
Remuneration of directors	6	702,500	855,500
Repairs and maintenance	8	13,100	11,600
General expenses	9	978,054	1,079,892
Bank Charges		26,048	33,945
Total Payments		4,195,042	4,251,774
Net cash flows from operating activities		(568,200)	287,876

REGISTRATION OF CERTIFIED PUBLIC SECRETARIES BOARD

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18. Financial Risk Management

The RCPSB activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The Board's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The Board does not hedge any risks and has in place policies to ensure that credit is only extended to customers with an established credit history.

The RCPSB financial risk management objectives and policies are detailed below:

(i) Credit risk

The RCPSB has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments.

Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the company's management based on prior experience and their assessment of the current economic environment.

The carrying amount of financial assets recorded in the financial statements representing the Board's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30 June 2017				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	12,668	12,668		
Bank balances	8,877,536	8,877,536		
Total	8,890,204	8,890,204		
At 30 June 2016				
Receivables from exchange transactions				
Receivables from non-exchange transactions	2,000	2,000		
Bank balances	9,134,841	9,134,841		
Total	9,136,841	9,136,841		

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the company has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts.

REGISTRATION OF CERTIFIED PUBLIC SECRETARIES BOARD

Annual Report and Financial Statements for The Financial Year ended 30 June 2017

The Board has significant concentration of credit risk on amounts due from banks.

The board of directors sets the Board's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

(ii) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board's directors, who have built an appropriate liquidity risk management framework for the management of the Board's short, medium and long-term funding and liquidity management requirements. The Board manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

The table below represents cash flows payable by the company under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2017				
Trade payables	-	-	568,353	568,353
Current portion of borrowings	-	-	-	-
Provisions	-	-	92,800	92,800
Employee benefit obligation	-	-	-	-
Total	-	-	661,153	661,153
At 30 June 2016	-	-		
Trade payables	-	-	473,206	473,206
Current portion of borrowings	-	-		
Provisions	-	-	92,800	92,800
Deferred income	-	-	-	-
Employee benefit obligation	-	-	-	-
Total	-	-	566,006	566,006

(iii) Market risk

The board has put in place an internal audit function to assist it in assessing the risk faced by the Board on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls.

Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the Board's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Governance and Finance Committee

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The Board's management is responsible for the development of detailed risk management policies (subject to review and approval by Governance and Finance Committee) and for the day to day implementation of those policies.

There has been no change to the Board's exposure to market risks or the manner in which it manages and measures the risk.

	Ksh	Other currencies	Total
	Kshs	Kshs	Kshs
At 30 June 2017			
Financial assets(investments, cash ,debtors)	8,000,000		8,000,000
Liabilities	-		-
Trade and other payables	-	-	-
Borrowings	-	-	-
Net foreign currency asset/(liability)	-	-	-

iv) Capital Risk Management

The objective of the Board's capital risk management is to safeguard the Board's ability to continue as a going concern. The Board capital structure comprises of the following funds:

	2016-2017		2015-2016
	Kshs		Kshs
Revaluation reserve			
Retained earnings	8,270,211		8,570,835
Capital reserve			
Total funds			
Total borrowings	-		-
Less: cash and bank balances			
Net debt/(excess cash and cash equivalents)			
Gearing	0%		0%

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19. Related Party Balances

a) Nature of related party relationships

Entities and other parties related to the Board include those parties who have ability to exercise control or exercise significant influence over its operating and financial decisions. Related parties include management personnel, their associates and close family members.

The Board is related to

- (i) The Parent Ministry;
- (ii) Key management;
- (iii) Board of directors;

b) Related party transactions

	2017 Kshs	2016 Kshs
Transfers from related parties`	1,271,200	1,271,200
Transfers to related parties	-	-
	=====	=====

c) Key management remuneration

	2017 Kshs	2016 Kshs
Directors`	702,500	855,500
Key management compensation	<u>1,222,080</u>	<u>1,186,080</u>
	1,924,580	2,041,580
	=====	=====

20. Events after the reporting period

There were no material adjusting and non- adjusting events after the reporting period.

21. Ultimate and Holding Board

The Board is a State Corporation/ or a Semi- Autonomous Government Agency under the National Treasury. Its ultimate parent is the Government of Kenya.

22. Currencies

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

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XVII:PROGRESS ON FOLLOW UP OF AUDITORS RECOMMENDATIONS

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

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

CHIEF EXECUTIVE OFFICER


PATRICK K. MULWA

SIGNATURE: 

DATE: 9/4/2018

CHAIRMAN OF THE BOARD

LEWIS G. KAMAU

SIGNATURE: 

DATE: 9/4/2018