

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

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DATE: 13 FEB 2019	DAY: Wednesday
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THE AUDITOR-GENERAL

ON

THE FINANCIAL STATEMENTS OF
STATE DEPARTMENT FOR SOCIAL
PROTECTION

FOR THE YEAR
ENDED 30 JUNE 2018



MINISTRY OF LABOUR AND SOCIAL PROTECTION
(STATE DEPARTMENT FOR SOCIAL PROTECTION)

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2018

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

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I. KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

The State Department for Social Protection was formed on 1/7/2016 at a Cabinet level. The State Department is represented by the Cabinet Secretary for Ministry of East African Community, Labour and Social Protection, who is responsible for the general policy and strategic direction of the State Department, to ensure that the Ministry's Vision and Mission are realised.

(b) Key Management

The State Department for Social Protection's day-to-day management is under the following key organs:

1. Social Assistant Unit; (SAU)
2. Directorate Children Services; (DCS)
3. Directorate of Social Development, (DSD)
4. Social Protection Secretariat,(SPS)

(c) Fiduciary Management

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

No.	Designation	Name
1	Accounting Officer	Nelson Marwa Sospeter- EBS
2	Director Children Services	Mr. Noah Sanganyi
3	Director Social Development.	Ms. Josephine Muriuki
4	Head Social Assistance Unit	Ms. Judy Ndungu

(d) Fiduciary Oversight Arrangements

- I. Budget Implementation Committees
- II. Audit Committee
- III. Medium Term Expenditure Framework Committee
- IV. Medium Term Planning Committee
- V. Sector Policies Committee
- VI. Performance Contracting Committee
- VII. Sustainable Development Goals Committee
- VIII. Mentoring & Evaluating Committee
- IX. Corruption eradication Committee
- X. Safety & Security Committee

(e) State Department for Social Protection

P.O. Box 46205-00100
NSSF Building
Bishops Road
Nairobi, KENYA

(f) State Department for Social Protection

Telephone: (254) 2727980

E-mail: Info@labour.go.ke

Website: www.labour.go.ke

(g) Entity Bankers

- 1. Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
Nairobi, Kenya
- 2. Kenya Commercial Bank
Kencom House
P.O. Box 48400
GPO-00100.
Nairobi, Kenya
- 3. Co-operative Bank of Kenya
Co-operative House

Haile Selassie Avenue
P.O. Box 74956-00200
Nairobi, Kenya

(h) Independent Auditors

The Auditor General
Office of the Auditor General
Anniversary Towers, University Way
P.O. Box 30084
GOP 00100
Nairobi, Kenya

(i) Principal Legal Adviser

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

II. FORWARD BY THE CABINET SECRETARY

The State Department for Social Protection plays a pivotal role towards the realization of the country's transformation agenda as advocated in Kenya Vision 2030, Medium Term Plan (MTP), the Constitution, and Jubilee Manifesto administration transformative agenda whose term run concurrently with MTP II. The State Department is linked to the Social Pillar of the Kenya Vision 2030 which focuses on equity in access, control and participation in resource distribution for improved livelihoods of vulnerable groups specifically the orphans and vulnerable children, the elderly, and Persons with Disabilities.

The State Department's overall strategic focus in the National Development Agenda is geared towards empowerment of vulnerable groups. The Key Result Areas (KRA's) for the State Department during the 2017/18 period were: empowerment of communities, Persons With Disabilities (PWDs) and older persons; Social Protection for Vulnerable Groups; safeguarding the rights and welfare of children. **Major Mile Stones (achievements) during 2017/18**

NATIONAL SAFETY NET (INUA JAMII) PROGRAMME

The overall objective of this programme is to cushion the vulnerable section among the population specifically Orphans & Vulnerable Children, Older Persons and Persons with Severe Disabilities against vulnerability. The programme provides monthly cash transfers of Kshs. 2,000, delivered every two months to targeted beneficiaries to enable them meet basic human needs and live a dignified life.

➤ By the end of the 2017/18 financial year, the cumulative number of beneficiaries receiving the cash transfers was 1,210,000 as follows:-

- (i) Older Persons 810,000;
- (ii) Orphans & Vulnerable Children 353,000;
- (iii) Persons with Severe Disabilities 47,000

➤ Established an Integrated MIS (Single Registry) for the National Social Safety Net Programme as a central database aimed to improve sector coherence, accountability and transparency as well to avoid duplication of efforts, prevent double dipping and incidences of fraud. This was launched on 14th September, 2016;

➤ To ensure synergy across all National Safety Net programme, the State Department consolidated all the three cash transfers and created **Social Assistance Unit (SAU)** as the overall coordinate Agency;

Initiated the process of linking Older Persons cash transfer beneficiaries to NHIF; and

➤ Developed a harmonized targeting and enrollment tool for all cash transfer initiatives across national and decentralized units. This is aimed at enhancing synergy, avoid duplication and hence ensure transparency and accountability. Electronic registration using tablets is being used for this purpose.

OPERATIONALIZATION OF THE COUNTER TRAFFICKING IN PERSONS ACT, 2010

Counter Trafficking in Persons is one of the interventions under the Children Services Department as per Executive order No.1 of May 2016. The enactment of the Counter Trafficking in persons act in 2010 was not accompanied with enhanced resource allocation to enable its effective implementation. The Act obligates the Ministry in charge of children to: operationalize the Counter Trafficking in Persons Secretariat and Advisory Committee; set up a Trust Fund for Victims; and implement the National Plan of Action (NPA).

- The State Department established a secretariat on Counter Trafficking in Persons as well as the National Referral Guidelines. Nominated persons to oversee the National Trust Fund for Counter Trafficking in persons;
- The State Department supported 22,000 Orphans and Vulnerable Children (OVCs) with scholarship under the Presidential Bursary Scheme for OVCs;
- Developed and launched the National Child Protection Information Management (CPIMS) aimed to provide timely, accurate and reliable data on the status of child protection issues; and
- 308,689 children in distress assisted through the child help line 116.

SOCIAL DEVELOPMENT

- The State Department in collaboration with stakeholders developed the National Volunteerism Policy, which was approved by Parliament on 18th February, 2016, developed a Volunteerism Portal in the Kenya Labour Market Information System which will facilitate the linkage of volunteers and volunteer involving organization, developed the draft Volunteerism Bill, and established a National Volunteerism secretariat that will provide for coordination and regulatory structures in the volunteerism field.
- Initiated the process of formulating various sectoral policies and legal frameworks which include Community Development Policy, Family Promotion and Protection Policy, National Policy on Older Persons and Persons with Disability policy. These policies are at different stages of development. Development of draft older members of society Bill, Community Mobilization and Group Registration Bill was also initiated.
- Developed Regulatory National Standards and Guidelines for establishment and management of institutions for older persons and initiated the establishment of a National Rescue Centre for abandoned, abused and neglected older persons in Mwea – Kirinyaga County.

Disability Mainstreaming

- The National Council for Persons with Disabilities provided sunscreen lotions and protective clothing to 3,156 persons with albinism. On skin cancer intervention, the council conducted skin cancer screening to 464 persons with albinism.
- Towards employment creation, the National Development Fund for PWDS, provided grants to 1,025 PWDs self-help groups for economic empowerment against a target of 965 supported 25 PWDs with LPO financing fund under AGPO; identified 245 VRC graduates with disabilities to support with tools of trade for self-employment. Provided 3,616 assistive and supportive devices against a target of 3,000; 1,917 scholarships to PWDs to improve their enrolment, retention and completion of education cycle for the eventual engagement in decent and gainful employment

against a target 1,156; supported 43 learning institutions which provide education or social services to Persons with Disabilities with infrastructure and equipment against a target of 40; and supported 54 National DPOs with grants for awareness and advocacy on disability issues. Trained 237 workers offering essential services in Kenya sign language against a target of 300.

CHILD WELFARE SOCIETY OF KENYA

The Child Welfare Society of Kenya, a State Corporation for the care, protection; welfare and adoption of children, implemented programmes through four main thematic areas, where the following achievements were realized:-

- Under the OVC and vulnerable young person's provision of psychosocial support outside family households including education support a total of 47,200 children were supported. 46,116 children were supported under child protection in emergencies. 21,595 families and children were supported in family strengthening and promotion of quality care to children; a total of 23,671 duty bearers, rights holders were supported in the capacity building programme. In adoption services programme, 114 children were issued with adoption orders while several others are in the process of adoption.

Implementation Challenges and Recommendations

1. Huge demand for Social Protection support services to enable the vulnerable meet basic human needs in line with Article 43 of the Constitution on the Bill of Rights;
2. Inadequate and declining budgetary allocation to the State Department programmes and projects;
3. The State Department has low staffing level at both the headquarters and field offices, has an ageing workforce and lack effective succession management. There is need to enhance human resource capacity in terms of the number of personnel in order to enable the State Department effectively delivery the required services across the country. To address the State Department is working closely with Public Service Commission in order to have the vacant positions filled;
4. The budget ceiling for use of goods and acquisition of assets has remained almost at the same levels for the last three years. Consequently, it has been difficult to accommodate any new and ongoing strategic priorities;

5. Lack of adequate allocation to cater for universal cash transfers as advocated in the Government transformative agenda;
6. Inadequate policy, legal and legislative frameworks to guide the various players in social development arena; and
7. Need to upgrade dilapidated infrastructure in Statutory Children Institutions given the fact that they were construction during colonial time.

Sign

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Cabinet Secretary

III. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES

Section 81 (1) of the Public Finance Management Act, 2013 requires that, at the end of each financial year, the accounting officer for a National Government Entity shall prepare financial statements in respect of that entity. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed the Public Sector Accounting Standards Board of Kenya from time to time.

The Accounting Officer in charge of the State Department for Social Protection is responsible for the preparation and presentation of the Department's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2018. 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 department; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

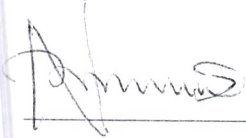
The Accounting Officer in charge of the State Department for Social Protection accepts responsibility for the Department's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the Department's financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2018, and of the Department's financial position as at that date. The Accounting Officer charge of the State Department for Social Protection further confirms the completeness of the accounting records maintained for the Department, which have been relied upon in the preparation of the Department's financial statements as well as the adequacy of the systems of internal financial control.

The Accounting Officer in charge of the State Department for Social Protection confirms that the Department has complied fully with applicable Government Regulations and the terms of external

financing covenants (where applicable), and that the Department's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the Department's financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the financial statements

The Department's financial statements were approved and signed by the Accounting Officer on 19th Dec 2018.



Principal Secretary
Nelson Marwa Sospeter, EBS



Assistant Accountant General
Alice W. Mwaniki
ICPAK Member Number: **5425**

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OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON STATE DEPARTMENT FOR SOCIAL PROTECTION FOR THE YEAR ENDED 30 JUNE 2018

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of the State Department for Social Protection set out on pages 12 to 42, which comprise the statement of assets and liabilities as at 30 June 2018, and the statement of receipts and payments, statement of cash flows and summary statement of appropriation: recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis of Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the State Department for Social Protection as at 30 June 2018, and of its financial performance and its cash flows for the year then ended, in accordance International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1.0 Assets Management

1.1 Grounded Motor Vehicles

Examination of motor vehicles register and subsequent verification revealed that a total of fifty-eight (58) motor vehicles with undetermined values were packed at various yards for several years with no indication as to whether there were plans to repair or dispose-off the vehicles as shown in Appendix 1. Apart from such vehicles depreciating in value and also occupying valuable space, they also fail to contribute towards the achievement of the State Department's strategic goals.

1.2. Lack of Land Ownership Documents

The State Department occupies numerous parcels of land spread across the country which did not have ownership documents while on some, buildings had been erected

Report of the Auditor-General on the Financial Statements of State Department for Social Protection for the year ended 30 June 2018

as listed in the attached Appendix 2 and 3 respectively. No efforts seem to have been made to secure these properties.

2.0 Cash Transfer Agreements with Payment Service Providers (PSP)

2.1 Unfavorable Agency Agreements

During the year ended 30 June 2018, the State Department of Social Protection transferred a total of Kshs.13,088,588,000 to the Kenya Commercial Bank (KCB) for onward payment to beneficiaries under the three cash transfer programs out of which a commission of Kshs.167,745,360 was paid to the Bank. Further, Kshs.4,513,036,000 was transmitted through Equity Bank Limited for onward payment to beneficiaries and a bank commission of Kshs.75,795,840 was paid. However, a balance of Kshs.2,864,456,000 remained unpaid to the beneficiaries beyond the stipulated 14 days' period and the State Department of Social Protection did not earn any interest on the balances as the agency agreements only provided for commission payable to the banks but did not have a clause on interest accruing on the funds held by the two banks.

As previously reported, the State Department continues to be deprived of interest which could have been earned.

2.2 Low Absorption Rate of Cash Transfers to Beneficiaries

A review of cash transfers records for the year ended 30 June 2018 showed that in the six transaction cycles for July 2017 to June 2018, a total of Kshs.13,088,588,000 was sent to KCB bank for onward transmission to the beneficiaries out of which Kshs.11,313,640,000 was paid out leaving a balance of Kshs.1,774,948,000 translating to an absorption rate of 86%. In the same period, Kshs.4,513,036,000 was sent through Equity bank out of which Kshs.3,423,528,000 was paid to the beneficiaries leaving a balance of Kshs.1,089,508,000 translating to an absorption rate of 76% of the total funds disbursed.

No reasons were given for the low absorption rate of cash transfers to the beneficiaries yet the cash payments were based on registered beneficiaries.

3.0 Pending Bills

Annex 1 to the financial statements reflects pending bills totalling Kshs.33,125,571. Had the bills been charged and paid in the year under review, the statement of receipts and payments would have reflected a surplus of Kshs.176,161,933 instead of a surplus of Kshs.209,287,504 now shown. A review of the position as at the time of audit in November 2018 revealed that out of Kshs.33,125,571, bills totalling Kshs.24,629,136.00 had been settled leaving a balance of Kshs.8,496,435.

No explanation was given for accumulating pending bills and committing the State Department's resources beyond the available funds or why the bills did not form the first charge in the subsequent year as required.

4.0 Outstanding Imprests

The statement of assets and liabilities as at 30 June 2018 reflects outstanding imprests balance of Kshs.3,584,940 which had not been surrendered by the due dates. A review of the position in November 2018 showed that an amount of Kshs.1,420,050.00 had been surrendered leaving a balance of Kshs.2,164,890.

No satisfactory explanation was given as to why the Accounting Officer had not enforced recoveries of the outstanding imprests as required by the regulations governing the issuance of imprests.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of State Department for Social protection 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 qualified opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. I have determined that there are no other key audit matters to communicate in my report.

Other Matters

Budget and Budgetary Performance

1. Receipts

The State Department had budgeted for receipts totalling Kshs.28,193,083,580 but actual receipts amounted to Kshs.22,821,553,372 resulting to a shortfall of Kshs.5,371,530,208 or 19% as follows:

Receipts	Budget Kshs.	Actual Kshs.	(Excess)/Shortfall Kshs.	Variance %
Exchequer releases	27,454,187,432	22,360,879,224	5,093,308,208	(19)
Proceeds from Foreign Grants (UNICEF)	44,902,000	17,090,800	27,811,200	(62)
Proceeds from Foreign Grants (World Bank)	642,948,000	392,537,200	250,410,800	(39)
Other receipts	51,046,148	51,046,148	0	100
Total	28,193,083,580	22,821,553,372	5,371,530,208	19

However, the variances relating to each of the components were not explained in the financial statements as required by the Public Accounting Standards Board template.

2. Payments

The State Department had budgeted to spend Kshs.28,191,231,369 but total payments amounted to Kshs.22,612,265,867 resulting to under expenditure of Kshs.5,578,965,502 or 20%. The under expenditure mainly occurred under use of goods and services, grants and transfers to other Government units and acquisition of assets at Kshs.648,895,545 or 34%, Kshs.4,740,092,167 or 19% and Kshs.120,531,896 or 49% respectively.

Payments	Budget Kshs.	Actual Kshs.	(Excess)/Shortfall Kshs.	Variance %
Compensation of Employees	1,284,663,514	1,215,217,620	69,445,894	(5)
Use of Goods and Services	1,863,397,763	1,214,502,218	648,895,545	(34)
Grants and Transfers to Other Government Units	24,795,467,274	20,055,375,107	4,740,092,167	(19)
Acquisition of Assets	247,702,818	127,170,922	120,531,896	(49)
Total	28,191,231,369	22,612,265,867	5,578,965,502	20

The failure to spend Kshs.5,578,965,502 or 20% of the budget implies that the State Department's planned activities were not achieved.

Unresolved Prior Year Matters

1. Lack of Comparative Balances in 2016/2017 Financial Statements

As previously reported, the financial statements for the year ended 30 June 2017 did not include 2015/2016 comparative balances. The reasons given for the above scenario was that the National Treasury failed to give guidance on how the balances were to be shared by the newly created State Departments carved out of the former Ministry of Labour, Social Security and Services which was then split into two State Departments and allocated new votes (Vote 1184 - State Department of Labour and Vote 1185 – State Department for Social Protection).

A review of the position in 2017/2018 revealed that the 2016/2017 had not been revised to incorporate the comparative balance.

2. Kabete / Getathuru Land - Directorate of Children Services Department

As previously reported, ownership documents for Nairobi Children's Remand Home occupying 28.6 HA, were not availed for audit review despite the fact that the institution

has existed since 1957 with only an allotment letter. Further, information available indicate that part of the land measuring 4.579 HA was being claimed by a private entity by the name M/s Laporte Investment Ltd which was also in possession of a title deed Ref: L.R No. 22355 dated 31/12/2002. In addition, several other claimants to the land including M/s China Roads and Bridges Corporation, Kenya Power and Lighting Company and other individuals had also occupied portions of the land.

As previously stated, it has not been clarified how individuals and these companies acquired Government land or whether any payments were made for the same.

3. Unpaid Cash Transfers Balances still held by Service provider - Postal Corporation of Kenya

As previously reported, the State Department contracted the Postal Corporation of Kenya (PCK) as an Agent to deliver cash to the vulnerable beneficiaries throughout the country. However, after the expiry of the contract between the State Department and the agent PCK, a balance of Kshs.169,300,000 remained unpaid. As at 30 June 2017, the agent had not refunded the unpaid balances. A review of the matter during the 2017-2018 audit revealed that the status had not changed.

4. Stalled Rehabilitation Dagoretti Girls School Dormitory

As previously reported, rehabilitation of Dagoretti Girls School Dormitory which was awarded to M/s Wanjugi Construction Co at a contract sum of Kshs.21,370,279.80 had stalled at the upper slab level and the contractor had by September 2017 abandoned the site. At the time the project stalled, the contractor had received payments totalling Kshs.9,731,997 or 45% despite completion level of only 20%. A review of the matter in 2017/2018 revealed that the position had not changed.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON INTERNAL CONTROLS EFFECTIVENESS, GOVERNANCE AND RISK MANAGEMENT SYSTEMS

Conclusion

As required by Section 7 (1) (a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matter described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

1. Lack of Audit Committee

Regulation 74(1) of the Public Finance Management Act, 2012 requires every National Government entity to establish an audit committee to provide oversight over management activities. It was observed that in the year under review, the State Department operated without an audit committee implying that the activities of State Department were not independently appraised.

In the circumstances, the State Department has not complied with the provisions of the PFM Act, 2012 as regards establishment of audit committee.

The audit was conducted in accordance with ISSAI 1315 and ISSAI 1330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal control, risk management and governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and Those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective 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 and for its assessment of the effectiveness of internal control, risk management and governance.

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

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

In addition to the responsibility for the preparation and presentation of the financial statements described above, management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

Those charged with governance are responsible for overseeing the State Department's financial reporting process, reviewing the effectiveness of how the entity monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7 (1) (a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that

misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

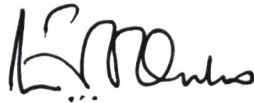
Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the State Department's policies and procedures may deteriorate.

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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the State Department's ability to continue as a going concern or to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the State Department to cease to continue as a going concern or to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the State Department 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

31 December 2018

Appendices

Appendix 1 – Grounded Motor Vehicles

S/No.	Model / Make	Registration No.	Location/Point of Use	Condition	Remarks
1	Motorcycle	GKA 796N	Tigania East/Central	Unserviceable	Not in use
2	MOTOVEHICLE- Nissan Sahara Pick -up	GKQ 828	Bondo Sub-County Childrens Office	Unserviceable	Boarding recommended
3	Motor Cycle-Honda XL 125	GK A 475U	Taveta	Serviceable	Engine Block
4	Yamaha Motor Cycle	GK A637N	Kapenguria-Social Development	serviceable	Grounded
5	Yamaha Motor Cycle	KAN 746H	Kapenguria-Social Development	serviceable	Grounded
6	Suzuki Motor Cycle	GKA 203P	Kapenguria-Social Development	serviceable	Grounded
7	Suzuki Motor Cycle	KAR 715Z	Kapenguria-Social Development	serviceable	Grounded
8	Yamaha Motor Cycle	GKA 656N	Kapenguria-Social Development	serviceable	Grounded
9	Yamaha Motor Cycle	GKA 389N	Kapenguria-Social Development	serviceable	Grounded
10	Yamaha Motor Cycle	GK 636N	Kapenguria-Social Development	serviceable	Grounded
11	Yamaha Motor Cycle	GK A637N	Kapenguria-Social Development	serviceable	Grounded
12	Peugeot Pick-up	GKA 811	Eldoret West Children services	Unserviceable	Grounded
13	Nissan Urvan	GK S 302Y	Othaya Rehabilitaton School	Serviceable	Grounded
14	Peugeot 504	GK S 803	Othaya Rehabilitaton School	Non-Serviceable	Grounded
15	Isuzu Double Cab	GKA 920K	Mbeere North Sub-County	Serviceable	Grounded
16	Motorcycle-Yamaha	DT	Mbeere North Sub-County	Serviceable	Grounded
17	Motorcycle-Suzuki	GK KAR 707Z	Mbeere South Sub-County	Unserviceable	Grounded
18	Motorcycle-Yamaha	GKA 680N	Mbeere South Sub-County	Unserviceable	Grounded
19	Landrover Caravan	GKU 123	Isiolo County	Unserviceable	Grounded
20	Land Rover	GK 708X	Igembe South	Unserviceable	Grounded
21	Motorcycle-Suzuki	GK KAR 718Z	Imenti South	Unserviceable	Grounded

S/No.	Model / Make	Registration No.	Location/Point of Use	Condition	Remarks
22	Land Rover	GK 672X	Kapenguria-Social Development	Non-Serviceable	Grounded
23	Toyota Hilux-Double Cabin	GK A 556T	Wajir East	Serviceable	Grounded after accident
24	Motorvehicle-Mitsubishi pick-up	GKB 845G	Bungoma County Childrens C-Oordinator Office	Serviceable	Major service required
25	Toyota Hilux-DHD	GKA 505T	Siaya County Chidrens Co-ordinator Office	Serviceable	Major service required
26	Motorvehicle-Mazda pick-up	GK A348E	Limuru	Serviceable	Needs a body
27	Motorvehicle-Isuzu Dmax	GK A308Z	Transmara Sub-County	Serviceable	Needs major repair
28	Landrover	GK A 733M	Bureti	Serviceable	Needs major repair
29	Landrover-Caravan	GK A 733M	Bureti	Serviceable	Needs major repair
30	Toyota Hilux-Double Cabin	GK.A075M	Msabweni Sub-County Children s Office	Serviceable	Needs major repair
31	Isuzu D-Max	GK A236G	Mwea Social Development Office-Kirinyaga County	Serviceable	Needs major service.
32	Motorvehicle-Isuzu Dmax	GKA 262U	Nyeri Central	Serviceable	Needs minor repair on the drivers right hand side door
33	MOTOVEHICLE-mitsubishi D/Cabin	GK.B 852G	West Pokot-Childrens County office	Serviceable	Needs repair, involved in an accident.
34	Motor Cycle-Yamaha	GK A 341K	Wamumu	Non-Serviceable	Not in use
35	Motorvehicle-SUZUKI	GK T840	Kajiado	Unserviceable	Not in Use
36	MOTOVEHICLE-D MAX Isuzu	GK A305Z	Mandera East, Sub-County Children's Office	Non-Serviceable	Not in use
37	MOTOVEHICLE-Suzuki Maruti	GKY 818	Mt. Elgon Sub-County Childrens Office	Non-Serviceable	Not in use
38	Motorcycle-Yamaha	GKA 237F	NYANDO Sub-County Childrens Office	Non-Serviceable	Not in use
39	MOTOVEHICLE-MAZDA Rustler	GKA 965A	Gucha South Sub-County Childrens Office	Non-Serviceable	Not in use
40	Motorcycle-Honda	GK A477U	Manga Sub-County Childrens Office	Non-Serviceable	Not in use
41	Honda NXR Motor Cycle	GKA 811L	Koibatek	Unserviceable	Not in use

Report of the Auditor-General on the Financial Statements of State Department for Social Protection for the year ended 30 June 2018

S/No.	Model / Make	Registration No.	Location/Point of Use	Condition	Remarks
42	Land Rover	GKT 486	Baringo Central	Unserviceable	Not in use
43	Mazda Rustler Pick-Up	GK 836H	Laikipia East	Unserviceable	Not in use
44	Motorbike-Yamaha	GKA 815N	Kilifi County Childrens Office	serviceable	Not in use
45	Motorbike-Yamaha	GKA 651N	Kilifi County Childrens Office	Unserviceable	Not in use
46	MOTOVEHICLE-D MAX Isuzu	GKA 314Z	Taveta	Non-Serviceable	Obsolete
47	Motorvehicle-Nissan Urvan	GKA 945K	Nyeri -Remand home	Serviceable	Overheating
48	MOTOVEHICLE-Double Cab Isuzu	GKA 290U	Isiolo County	Serviceable	Poor condition
49	Motorvehicle-Double Cabin pick-up	GK A147K	Wamumu	Serviceable	Replacement needed
50	Nissan Urvan	GK A941K	Kiambu Childrens Remand Home	Serviceable	Requies floor repair
51	Motorvehicle-Chevrolet LUV	GK 255M	Wamumu	Non-Serviceable	Requires a new Engine
52	Nissan Urvan	GKA 943K	Kerich Rehabilitation School	Serviceable	Requires frequent maintenance and repairs
53	Motorvehicle-Double Cabin pick-up D Max	GK A251U	Thika/JUJA Childrens Sub-county	Serviceable	Requires general service
54	Toyota Hilux	GKA 160R	Malindi Sub-County Childrens Office	serviceable	Requires major repair
55	Motor bike-Yamaha	GK..A030G	Marakwet-West sub-county children office	Serviceable	Shelved
56	Motorvehicle-LANDROVER 110	GK S 356	Nakuru East	Unserviceable	To be boarded
57	Motorcycle-Yamaha	GKA 234F	Tana Delta	Unserviceable	To be boarded
58	Isuzu D Max	GKA 260U	Isiolo County	Serviceable	Worn out tyres

Appendix 2 - Parcels of Land with no Ownership Documents

S/No.	Parcel No.	Acreage	Title/Allotment No	Ownership	Location
1.	LR.NO.432-	49.1	N/A	Freehold	Dagoretti Thogoto-Kiambu County
2.	209163/A/1	1.285 Hac	Letter of allotment available	Leasehold-99 years from 1-8-2007	Nyeri Central Sub-County
3.	Othaya/Kiahagu 616	5.67 Hac	Title deed not yet issued	Freehold	Othaya Rehabilitation School
4.	House No.MG/127	0.1 Hac	Title deed not yet issued	Freehold	Nyeri Central Sub-County Children Office
5.	Plot No.219B	0.786 Acres	Allotment No.R163/2008/1	Freehold	Narok North Sub-County Children Office
6.	Mwea/Mutithi	50Ha	None	Freehold	Wamumu Rehabilitation Centre-Kirinyaga
7.	Mutithi Strip	60Ha	None	Freehold	Wamumu Rehabilitation Centre-Kirinyaga
8.	Murang'a Childrens Remand Home	4.9 Acres	None	Lease hold	Murang'a County
9.	Nakuru Childrens Remand Home	1.75 Acres	None	Lease hold	Nakuru-Bondeni
10.	Thika Children RescueCentre	25 Acres	LR.NO. 7932	Freehold	Thika West Sub-County, Kiambu County
11.	Plot no.199, Limuru	60 X50	None	Freehold	Limuru Sub County
12.	Plot	0.068 Acres	Title deed No.64	Freehold	Kiambu Sub-County
13.	NDUMBERI/RIABAI/ 527	2.6 Acres	NDUMBERI/RIABAI / 527	Freehold	Kiambu Childrens Remand Home
14.	Kericho Childrens Office	105 sq.metres	None	Lease hold	Kericho Childrens Office
15.	Institutional Land	15 Acres	None	Freehold	Kericho Rehabilitation School
16.	Land	5 Acres	None	Freehold	Garissa Town
17.	Land Plot No.580	6 Acres	None	Freehold	Kilifi Childrens Remand Home
18.	Land - PDP/MKS/56	0.13 Acres	None	Lease hold	Machakos County Children Coordinator's Office

S/No.	Parcel No.	Acreage	Title/Allotment No	Ownership	Location
19.	Land-75 x 100	75 x 100	None	Freehold	Bungoma South Sub-County Childrens Office
20.	Land	0.15 Hac	None	Freehold	Siaya County Head Quarter
21.	Land	1.722 acres	LR.NO.148/1140	Freehold	Kisumu Central Sub-County
22.	Land	0.102 Hac	KSI/37/207/03	Freehold	Kisii Central Sub-County Childrens Office
23.	Land	6.5 Acres	LR.Mwabosire/1237	Freehold	Manga Sub-County Childrens Remand Home
24.	Land	0.125 Acres	PDP No. NYR/428/2017	Freehold	Nyamira South Sub-County Childrens office
25.	Land	49.1 Acres	LR.NO.432	Freehold	Dagoretti Thogoto-Kikuyu Sub-County
26.	Land	15.5 hac	None		Mbere South
27.	Land	10 Acres	CKR/353/12/02	Freehold	Kirinyaga South
28.	Land	5.48 Acres	None	Freehold	Eldoret Childrens Remand Home
29.	Plot B-Eldoret Municipality	1.75 Hac	ELD17/85/108	Leasehold	Soy-Sub County
30.	Land	1 Acre	None	Freehold	Marigat Sub-County social Development
31.	Land	18 Acres	None	Freehold	Marigat
32.	CCSP Centre	27 Acres	None	Freehold	Kapenguria
33.	Land	2.7 Ha	None	Freehold	Kilifi County HQ.
34.	Land	0.02 Hac	None	Freehold	Lamu West Sub-County
35.	Land	0.67 Hac	42/21/95/04A	Freehold	Industrial Rehabilitation Centre-Nairobi

Appendix 3 - Buildings on Parcels of Land without Ownership Documents

S/No.	Parcel No.	Acreage	Title/ Allotment No.	Location	Remarks
1.	LR.NO.432-	Classrooms, dining hall, kitchen hall, dormitories, welfare offices, stores	N/A	Dagoretti Thogoto- Kiambu County	Building Permanent
2.	Office block	990 Sq ft	N/A	Nyeri Children's Remand Home	Building Permanent
3.	Kitchen	341Sq ft	N/A	Nyeri Children's Remand Home	Building Permanent
4.	Boys Dormitory/Dinning hall	4590 Sq ft	N/A	Nyeri Children's Remand Home	Building Permanent
5.	News Boys Dormitory	2432 Sq ft	N/A	Nyeri Children's Remand Home	Building Permanent
6.	Girls Boys Dormitory	442.5 Sq Ft	N/A	Nyeri Children's Remand Home	Building Permanent
7.	Three Bedroom House	1572Sq Ft.	N/A	Nyeri Children's Remand Home	Building Permanent
8.	One Bedroom flat	1512Sq Ft.	N/A	Nyeri Children's Remand Home	Building Permanent
9.	Old Toilet block	161Sq Ft.	N/A	Nyeri Children's Remand Home	Building Permanent
10.	Seven roomed stone Bungalow	15.95m *6m	N/A	Mathira East Sub-County Children Office	Building Permanent
11.	Office block with 5 No. Ofices and two toilets		None	Narok North Sub-County Children Office	Building Permanent
12.	Pit Latrines-2 roomed		None	Narok North Sub-County Children Office	Building Permanent
13.	Office block with 4 No. Ofices (Rooms)	50 X 100	None	Transmara Sub-County Children Office	Building Permanent
14.	Office block-two roomed		None	Marakwet West	Building Permanent
15.	Office block-Three roomed		None	Keiyo North	Building Permanent- Requires renovation
16.	Office block-two roomed		None	Keiyo South	Building Permanent
17.	Office block-two roomed		None	Marakwet East	Building Permanent

S/No.	Parcel No.	Acreage	Title/ Allotment No.	Location	Remarks
18.	Office Block with two offices,a store, Kitchen, 2 toilets and a reception room		None	Maral Sub-County Children's Office	Building Permanent
19.	Pit Latrines		None	Maral Sub-County Children's Office	Building Permanent
20.	Administration Office Block-		MWEA/ MUTITHI/ H1 523	Wamumu Rehabilitation Centre-Kirinyaga	Building Permanent
21.	Academic Office		MWEA/ MUTITHI/ H1 524	Wamumu Rehabilitation Centre-Kirinyaga	Building Permanent
22.	Kitchen & Kitchen Store		MWEA/ MUTITHI/ H1 525	Wamumu Rehabilitation Centre-Kirinyaga	Building Permanent
23.	Dinning Hall		MWEA/ MUTITHI/ H1 526	Wamumu Rehabilitation Centre-Kirinyaga	Building Permanent
24.	Classrooms		MWEA/ MUTITHI/ H1 527	Wamumu Rehabilitation Centre-Kirinyaga	Building Permanent
25.	Vocational Workshop		MWEA/ MUTITHI/ H1 528	Wamumu Rehabilitation Centre-Kirinyaga	Building Permanent
26.	Residential House		MWEA/ MUTITHI/ H1 529	Wamumu Rehabilitation Centre-Kirinyaga	Building Permanent
27.	Dispensary		MWEA/ MUTITHI/ H1 530	Wamumu Rehabilitation Centre-Kirinyaga	Building Permanent
28.	School Chapel		MUTITHI Strip/P 229	Wamumu Rehabilitation Centre-Kirinyaga	Building Permanent
29.	School Mosque		MUTITHI Strip/P 230	Wamumu Rehabilitation Centre-Kirinyaga	Building Permanent
30.	Managers House		None	Murang'a Children's Remand Home	Building Permanent
31.	Matrons House		None	Murang'a Children's Remand Home	Building Permanent
32.	5 No. Staff Houses		None	Murang'a Children's Remand Home	Building Permanent
33.	Administration Office		None	Murang'a Children's Remand Home	Building Permanent
34.	Girls Dormitory		None	Murang'a Children's Remand Home	Building Permanent

Report of the Auditor-General on the Financial Statements of State Department for Social Protection for the year ended 30 June 2018

S/No.	Parcel No.	Acreage	Title/ Allotment No.	Location	Remarks
35.	Boys Dormitory		None	Murang'a Children's Remand Home	Building Permanent
36.	Young Boys Dormitory		None	Murang'a Children's Remand Home	Semi permanent
37.	Welfare Office		None	Murang'a Children's Remand Home	Building Permanent
38.	Security Office		None	Murang'a Children's Remand Home	Building Permanent
39.	Murang'a South office		None	Deputy County Commissioner's office-Kenol	Building Permanent
40.	6 No. Houses Category 'F'	2052 SQ Ft	None	Nakuru-Bondeni	Building Permanent
41.	1 No. House Category 'E'	875 SQ Ft	None	Nakuru-Bondeni	Building Permanent
42.	Domitories	2664 Sq.Ft	None	Nakuru-Bondeni	Building Permanent
43.	Dining room & Kitchen	720 Sq.Ft	None	Nakuru-Bondeni	Building Permanent
44.	Sentry	94 Sq.Ft	None	Nakuru-Bondeni	Building Permanent
45.	Pit latrine	135 Sq.Ft	None	Nakuru-Bondeni	Building Permanent
46.	Toilet Block	147 Sq.Ft	None	Nakuru-Bondeni	Building Permanent
47.	Office Block	600Sq.Ft	None	Nakuru-Bondeni	Building Permanent
48.	5No. Office Block		None	Naivasha Su-County	Building Permanent
49.	2 No. Toilets		None	Naivasha HQ	Building Permanent
50.	7No. Office Block		None	Nakuru Bondeni-Nakuru Sub -County	Building Permanent
51.	2 No. Toilets		None	Nakuru Bondeni-Nakuru Sub -County	Building Permanent
52.	Office Block		None	Molo Sub County-Molo Head Quarter	Building Permanent
53.	Toilets		None	Molo Sub County-Molo Head Quarter	Building Permanent
54.	Kiambu Children's Remand Home		None	Kiambu Children's Remand Home	Building Permanent

S/No.	Parcel No.	Acreage	Title/ Allotment No.	Location	Remarks
55.	Office Block		None	Kericho Sub-County	Building Permanent
56.	Residential Building KER/I &J/1/2		KER/I &J/1/2	Kericho Rehabilitation School	Building Permanent
57.	Residential Building KER/MG.48		KER/MG.48	Kericho Rehabilitation School	Building Permanent
58.	Residential Building KER/MG.49		KER/MG.49	Kericho Rehabilitation School	Building Permanent
59.	Residential Building KER/LG/146A		KER/LG/146	Kericho Rehabilitation School	Building Permanent
60.	Residential Building KER/LG/146B		KER/LG/ 146B	Kericho Rehabilitation School	Building Permanent
61.	Offices ,Classrooms		None	Kericho Rehabilitation School	Building Permanent
62.	Dinning Hall		None	Kericho Rehabilitation School	Building Permanent
63.	Dormitories		None	Kericho Rehabilitation School	Building Permanent
64.	Kitchen		None	Kericho Rehabilitation School	Building Permanent
65.	Building-Office Block		None	Kipkelion Sub-County Children Office	Building Permanent
66.	Office Block with 4 offices		None	Kitui Central Sub-County Children Office	Building Permanent
67.	Office Block with 3 rooms		None	Mwingi Central Sub- County Children Office	Building Permanent
68.	Office Block with 4 rooms		None	Koibatek Sub-County Children Office	Building Permanent
69.	Office Block with 2 rooms		None	Baringo Central Sub- County Children Office	Building Permanent
70.	Administration Block		None	Garissa Childrens rescue	Building Permanent
71.	Dinning Hall		None	Garissa Childrens rescue	Building Permanent
72.	Open Kitchen		None	Garissa Childrens rescue	Building Permanent
73.	Workshops-4 units		None	Garissa Childrens rescue	Building Permanent
74.	4 No. Classrooms		None	Garissa Childrens rescue	Building Permanent

Report of the Auditor-General on the Financial Statements of State Department for Social Protection for the year ended 30 June 2018

S/No.	Parcel No.	Acreage	Title/ Allotment No.	Location	Remarks
75.	Staff Houses-7 Units		None	Garissa Childrens rescue	Building Permanent
76.	Boys Dormitory		None	Garissa Childrens rescue	Building Permanent
77.	Girls Dormitory		None	Garissa Childrens rescue	Building Permanent
78.	Mosque		None	Garissa Childrens rescue	Building Permanent
79.	Pit Latrines		None	Garissa Childrens rescue	Semi- permanent
80.	Office Bock-3 rooms		None	Wajir East Sub-county Children Office	Building Permanent
81.	Office Bock-3 rooms		None	Habaswein-Wajir County	Building Permanent
82.	Office block -8 rooms		None	Malindi Sub-County Childrens Office	Building Permanent
83.	Dormitories-3 rooms		None	Malindi Sub-County Childrens Office	Building Permanent
84.	Main Store-1 ROOM		None	Malindi Sub-County Childrens Office	Building Permanent
85.	Kitchen -1 room		None	Malindi Sub-County Childrens Office	Building Permanent
86.	Dinning-1 room		None	Malindi Sub-County Childrens Office	Building Permanent
87.	Playing Ground		None	Malindi Sub-County Childrens Office	Building Permanent
88.	1 no. Bedroomed House		None	Malindi Sub-County Childrens Office	Building Permanent
89.	Office block comprising of 2 offices and reception		None	Embu County Children Office-HQ	Building Permanent
90.	Office block comprising of 3 offices and store		None	Embu west Sub- County Children Office	Building Permanent
91.	Office block comprising of 4 offices and store		None	Mbere North Sub- County Children Office	Building Permanent
92.	Voi Sub-County Office- 3No. Rooms and Store		None	Voi Sub-County Childrens Office	Building Permanent
93.	Plot Nos. 167,365,366 and 1353	60.70 Ha	None	Likoni Sub-County- Rehabilitation Centre, Likoni childrens Remand Home, Mrima Health Centre	Building Permanent

S/No.	Parcel No.	Acreage	Title/ Allotment No.	Location	Remarks
94.	1 No.Administration block		None	Likoni Rehabilitation Centre	Building Permanent
95.	1 No.Staff room block		None	Likoni Rehabilitation Centre	Building Permanent
96.	7 No. class rooms		None	Likoni Rehabilitation Centre	Building Permanent
97.	Library		None	Likoni Rehabilitation Centre	Building Permanent
98.	2 No.Workshops		None	Likoni Rehabilitation Centre	Building Permanent
99.	Ablution block		None	Likoni Rehabilitation Centre	Building Permanent
100.	Dormitory-1 Block		None	Likoni Rehabilitation Centre	Building Permanent
101.	Kitchen		None	Likoni Rehabilitation Centre	Building Permanent
102.	Dinning Hall		None	Likoni Rehabilitation Centre	Building Permanent
103.	27 No. Staff Houses		None	Likoni Rehabilitation Centre	Building Permanent
104.	Building	25 Ft x 60 Ft	None	Kilifi North Office	Building Permanent
105.	3 roomed Office		None	KeiyoNorth Sub-County	Building Permanent
106.	House (33*23ft)	PDP/MKS/56	None	Machakos County Coordinator's Office	Building Permanent
107.	House (33*23ft)	PDP/MKS/57	None	Machakos County Coordinator's Office	Building Permanent
108.	9 roomed office block		None	Kajiado North Sub-County Office	Building Permanent
109.	Office block with 4 rooms, Kitchen, Washrooms and board room		None	Luanda/Emuhaya Sub-County Childrens Office	Building Permanent
110.	3 No. office rooms		None	Mt.Elgon Sub-County Childrens Office	Building Permanent
111.	Office block with 5 No.rooms		None	Bungoma East Sub-County Childrens Office	Building Permanent
112.	Government house No.MG6		None	BungomaSouth Sub-County Childrens Office	Building Permanent
113.	5 No. office rooms		None	Bondo Sub-County Childrens Office	Building Permanent

S/No.	Parcel No.	Acreage	Title/ Allotment No.	Location	Remarks
114.	Building		None	Siaya County Childrens Office	Building Permanent
115.	Administration Office Block-		None	Kisumu Childrens Remand Home	Building Permanent
116.	Dormitory-Senior Boys		None	Kisumu Childrens Remand Home	Building Permanent
117.	Dormitory-Middle Boys		None	Kisumu Childrens Remand Home	Building Permanent
118.	Dormitory-Young Boys		None	Kisumu Childrens Remand Home	Building Permanent
119.	Dormitory-Girls		None	Kisumu Childrens Remand Home	Building Permanent
120.	Kitchen/Dinning room		None	Kisumu Childrens Remand Home	Building Permanent
121.	Main store and Abolition block		None	Kisumu Childrens Remand Home	Building Permanent
122.	Food store and Classroom		None	Kisumu Childrens Remand Home	Building Permanent
123.	Cloth store		None	Kisumu Childrens Remand Home	Building Permanent
124.	Two twin staff houses		None	Kisumu Childrens Remand Home	Building Permanent
125.	Temporary staff houses		None	Kisumu Childrens Remand Home	Temporary
126.	Permanent House		None	Nyando Sub-County	Building Permanent
127.	Office Block		None	Kisii Central Sub-County Childrens Office.	Building Permanent
128.	Administration Block		None	Manga Sub- County Childrens Remand Home	Building Permanent
129.	1 No.3-bedroom residential house		None	Manga Sub- County Childrens Remand Home	Building Permanent
130.	4 No.2-bedroom residential house		None	Manga Sub- County Childrens Remand Home	Building Permanent
131.	4 No.1-bedroom residential house		None	Manga Sub- County Childrens Remand Home	Building Permanent
132.	Administration Block		None	Dagoretti Thogoto-Kikuyu Sub- County	Building Permanent
133.	Classrooms		None	Dagoretti Thogoto-Kikuyu Sub- County	Building Permanent
134.	Dinning Hall		None	Dagoretti Thogoto-Kikuyu Sub- County	Building Permanent

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S/No.	Parcel No.	Acreage	Title/ Allotment No.	Location	Remarks
135.	Kitchen		None	Dagoretti Thogoto- Kikuyu Sub- County	Building Permanent
136.	Dormitories		None	Dagoretti Thogoto- Kikuyu Sub- County	Building Permanent
137.	Welfare Office		None	Dagoretti Thogoto- Kikuyu Sub-County	Building Permanent
138.	Store		None	Dagoretti Thogoto- Kikuyu Sub-County	Building Permanent
139.	9-roomed office block		None	Nairobi Childrens protection centre-lower Kabete Westland	Building Permanent
140.	Office rooms		None	Njiru-Sub County	Building Permanent
141.	Kitchen		None	Njiru-Sub County	Building Permanent
142.	Washrooms		None	Njiru-Sub County Childrens Office	Building Permanent
143.	Store		None	Njiru-Sub County Childrens Office	Building Permanent
144.	Bungalow House		None	Dagoretti-Sub County Childrens Office	Building Permanent
145.	2 No. office blocks		None	Eldoret Childrens Remand Home	Building Permanent
146.	Store		None	Eldoret Childrens Remand Home	Building Permanent
147.	Kitchen		None	Eldoret Childrens Remand Home	Building Permanent
148.	Dinning Hall		None	Eldoret Childrens Remand Home	Building Permanent
149.	Dormitories		None	Eldoret Childrens Remand Home	Building Permanent
150.	5 No. residential houses		None	Eldoret Childrens Remand Home	Building Permanent
151.	Office Blocks		None	Wareng	Building Permanent
152.	Office Bloc k		None	Child Helpline	Building Permanent
153.	Office for the Social Development.		None	Wareng	Building Permanent
154.	Office block-4 rooms		None	Koibatek	Building Permanent
155.	Office block-2 rooms		None	Baringo Central	Building Permanent

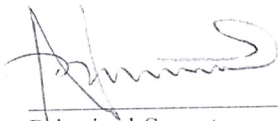
S/No.	Parcel No.	Acreage	Title/ Allotment No.	Location	Remarks
156.	Office Block-fabricated		None	Marigat	Semi-permanent
157.	Pit Latrine		None	Marigat	Semi-permanent
158.	Car shade		None	Marigat	Permanent
159.	6 No. Cottages		None	Marigat Community Capacity Support Centre	Permanent
160.	Conference Hall		None	Marigat Community Capacity Support Centre	Permanent
161.	Kitchen Block		None	Marigat Community Capacity Support Centre	Permanent
162.	Administration Block		None	Marigat Community Capacity Support Centre	Permanent
163.	Ablution block		None	Marigat Community Capacity Support Centre	Permanent
164.	8 No. pit latrines		None	Marigat Community Capacity Support Centre	Permanent
165.	Nursery Block		None	Marigat Community Capacity Support Centre	Permanent
166.	Office Block		None	Koibatek	Permanent
167.	4 Roomed Office Block		None	Marakwet West	Permanent
168.	3 Roomed Office Block		None	Keiyo North	Permanent
169.	2 Roomed Office Block		None	Marakwet West-Social Development	Permanent
170.	3 Roomed Office Block		None	Keiyo North-Social Development	Permanent
171.	2 Roomed Office Block		None	Keiyo South-Social Development	Permanent
172.	2 Roomed Office Block		None	Marakwet East-Social Development	Permanent
173.	CCSP Offices and Cottages		None	Kapenguria	Permanent
174.	Residential Office		Plan NO.TTA/227/2012/1	Mwatate	Permanent
175.	13.No. cottages-CCSP PROJECT		None	Kilifi County	Permanent
176.	Administration Block-CCSP PROJECT		None	Kilifi County	Permanent
177.	Office Buiding		None	Lamu West Sub-County	Permanent
178.	Administration Block	30m x 8m		Industrial Rehabilitation Centre-Nairobi	Permanent

S/No.	Parcel No.	Acreage	Title/ Allotment No.	Location	Remarks
179.	Girls Hostels	45m x 6m		Industrial Rehabilitation Centre-Nairobi	Permanent
180.	Boys Hostels	45m x 6m		Industrial Rehabilitation Centre-Nairobi	Permanent
181.	Kitchen & dinning hall	15m x7m		Industrial Rehabilitation Centre-Nairobi	Permanent
182.	Workshop2No.	60m x 9m		Industrial Rehabilitation Centre-Nairobi	Permanent
183.	Stores	40m x 10m		Industrial Rehabilitation Centre-Nairobi	Permanent
184.	Staff House	7m x 10m		Industrial Rehabilitation Centre-Nairobi	Permanent
185.	Canteen	3m x2 m		Industrial Rehabilitation Centre-Nairobi	Permanent
186.	Centry	2m x 2m		Industrial Rehabilitation Centre-Nairobi	Permanent

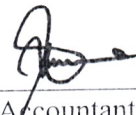
IV. REPORT OF THE INDEPENDENT AUDITORS ON THE STATE DEPARTMENT
FOR SOCIAL PROTECTION
V. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2017-2018 KES	2016-2017 KES
RECEIPTS			
Proceeds from Domestic and Foreign Grants	1	392,537,200.00	838,758,520.00
Exchequer releases	2	22,360,879,224.00	21,417,158,520.00
Proceeds from Foreign Borrowings	3	0	91,080,000.00
Other Receipts	2.A	51,046,147.75	30,594,989.65
Proceeds from Foreign Grants(UNICEF)	1	17,090,800.00	
TOTAL RECEIPTS		22,821,553,371.75	22,377,592,029.65
PAYMENTS			
Compensation of Employees	4	1,215,217,620.00	1,074,059,631.00
Use of goods and services	5	1,214,502,218.35	18,015,689,375.75
Transfers to Other Government Units	6	20,055,375,107.00	2,607,942,766.00
Acquisition of Assets	7	127,170,922.00	379,568,322.00
TOTAL PAYMENTS		22,612,265,867.00	22,077,260,094.57
SURPLUS/DEFICIT		209,287,504.00	300,331,935.08

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 19th Dec 2018 and signed by:



Principal Secretary
Nelson Marwa Sospeter, EBS



Assistant Accountant General
Alice W. Mwaniki
ICPAK Member Number: 5425

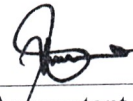
VI. STATEMENT OF ASSETS AND LIABILITIES

	Note	2017-2018 KES	2016-2017 KES
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	8	422,992,625.40	567,416,814.00
Cash Balances	9	799,357.00	1,010,426.20
Total Cash and cash equivalent		<u>423,791,982.40</u>	<u>568,427,240.00</u>
Accounts receivables – Outstanding			
Imprests	10	378,910,231.15	65,083,669.59
TOTAL FINANCIAL ASSETS		<u>802,702,213.55</u>	<u>633,510,909.00</u>
FINANCIAL LIABILITIES			
Accounts Payables – Deposits and retentions	11	293,082,774.15	333,178,974.45
NET FINANCIAL ASSETS		509,619,439.40	300,331,935.00
REPRESENTED BY			
Fund balance b/fwd		300,331,935.00	0
Prior year adjustment			
Surplus/Deficit for the year		209,287,504.40	300,331,935.00
NET FINANCIAL POSITION		<u>509,619,439.40</u>	<u>300,331,935.00</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 19th Dec 2018 and signed by:



Principal Secretary
Nelson Marwa Sospeter, EBS




Assistant Accountant General
Alice W. Mwaniki
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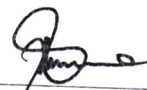
STATEMENT OF CASH FLOWS

		2017-2018 KES	2016-2017 KES
Receipts for operating income			
Proceeds from Foreign Grants (UNICEF)		17,090,800.00	
Proceeds from Foreign Grants (WORLD BANK)	1	392,537,200.00	838,758,520.00
Exchequer Releases	2	22,360,879,224.00	21,417,158,520.00
Other Revenues	2.A	51,046,147.75	30,594,989.65
		<u>22,821,553,371.75</u>	<u>22,286,512,029.65</u>
Payments for operating expenses			
Compensation of Employees	4	1,215,217,620.00	1,074,059,631.00
Use of goods and services	5	1,214,502,218.35	18,015,689,375.57
Transfers to Other Government Units	6	20,055,375,107.00	2,607,942,766.00
		<u>22,485,094,945.35</u>	<u>21,697,691,772.57</u>
Adjust for			
Changes in receivables		(313,826,562.00)	(65,083,670.00)
Changes in Payables		(40,096,200.00)	333,178,974.00
		<u>(17,464,336.00)</u>	<u>856,915,562.00</u>
Net cash flow from operating activities			
Acquisition of Assets	7	127,170,922.00	379,568,322.00
Net cash flows from Investing Activities		<u>(127,170,922.00)</u>	<u>(379,568,322.00)</u>
CASHFLOW FROM BORROWING ACTIVITIES			
Proceeds from Foreign Borrowings	3		91,080,000.00
Net cash flow from financing activities		0	<u>91,080,000.00</u>
NET INCREASE IN CASH AND CASH EQUIVALENT		(144,635,258.00)	568,427,240.00
Cash and cash equivalent at beginning of the year		568,427,240.00	0
Cash and cash equivalent at END of the year	8	<u>423,791,982.00</u>	<u>568,427,240.00</u>

The State Department for Social Protection financial statements were approved on 19th Dec 2018 and signed by:



Principal Secretary
Nelson Marwa Sospeter, EBS



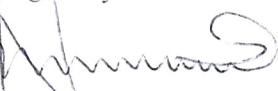
Assistant Accountant General
Alice W. Mwaniki

SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT
COMBINED

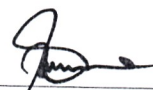
Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Exchequer releases	22,668,006,063	4,786,181,369	27,454,187,432	22,360,879,224	5,093,308,208	81%
Proceeds from Foreign Grants(UNICEF)	44,902,000	0	44,902,000	17,090,800	27,811,200	38%
Proceeds from Foreign Grants(WORLD BANK)	1,644,948,000	-1,002,000,000	642,948,000	392,537,200	250,410,800	61%
Other Receipts	51,046,148	0	51,046,148	51,046,148	0	100%
	24,408,902,211	3,784,181,369	28,193,083,580	22,821,553,372	5,371,530,208	81%
PAYMENTS						
Compensation of Employees	1,445,900,000	-161,236,486	1,284,663,514	1,215,217,620	69,445,894	95%
Use of goods and services	3,281,485,464	-1,418,087,701	1,863,397,763	1,214,502,218	648,895,545	65%
Grants and Transfers to Other Government Units	19,239,094,062	5,556,373,212	24,795,467,274	20,055,375,107	4,740,092,167	81%
Acquisition of Assets	440,570,474	-192,867,656	247,702,818	127,170,922	120,531,896	51%
Total Payments	24,407,050,000	3,784,181,369	28,191,231,369	22,612,265,867	5,578,965,502	80%
Surplus/ Deficit				209,287,504		

Note: The under receipt and payments was due to lack of exchequer

The State Department for Social Protection financial statements were approved on 19th Dec 2018 and signed by:



Principal Secretary
Nelson Marwa Sospeter, EBS



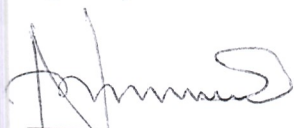
Assistant Accountant General
Alice W. Mwaniki
ICPAK Member Number: 5425

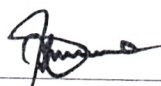
VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Exchequer releases	9,398,106,063	5,725,976,086	15,124,082,149	13,390,767,794	1,733,314,355	89%
Other Receipts	51,046,148	0	51,046,148	51,046,148	0	100%
	9,449,152,211	5,725,976,086	15,175,128,297	13,441,813,942	1,733,314,355	
PAYMENTS						
Compensation of Employees	1,245,500,000	-69,436,486	1,176,063,514	1,134,657,395	41,406,119	96%
Use of goods and services	1,638,839,726	-472,740,684	1,166,099,042	851,123,036	314,976,006	73%
Grants and Transfers to Other Government Units	6,510,000,000	6,282,373,212	12,792,373,212	11,277,828,076	1,514,545,136	88%
Acquisition of Assets	52,960,274	-14,219,956	38,740,318	27,914,956	10,825,362	72%
Total Payments	9,447,300,000	5,725,976,086	15,173,276,086	13,291,523,463	1,881,752,623	
Surplus/ Deficit				150,290,478		

Note: The under receipt and payments was due to lack of exchequer

The State Department for Social Protection financial statements were approved on 19th Dec 2018 and signed by:


 Principal Secretary
 Nelson Marwa Sospeter, EBS

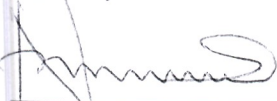

 Assistant Accountant General
 Alice W. Mwaniki
 ICPAK Member Number: 5425

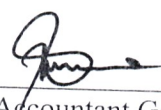
VIII. SUMMARY STATEMENT OF APPROPRIATION: DEVELOPMENT

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Exchequer releases	13,269,900,000	-939,794,717	12,330,105,283	8,970,111,430	3,359,993,853	73%
Proceeds from Foreign Grants(UNICEF)	44,902,000	0	44,902,000	17,090,800	27,811,200	38%
Proceeds from Foreign Grants(WORLD BANK)	1,644,948,000	-1,002,000,000	642,948,000	392,537,200	250,410,800	61%
	14,959,750,000	-1,941,794,717	13,017,955,283	9,379,739,430	3,638,215,853	
PAYMENTS						
Compensation of Employees	200,400,000	-91,800,000	108,600,000	80,560,225	28,039,775	74%
Use of goods and services	1,642,645,738	-945,347,017	697,298,721	363,379,182	333,919,539	52%
Grants and Transfers to Other Government Units	12,729,094,062	-726,000,000	12,003,094,062	8,777,547,031	3,225,547,031	73%
Acquisition of Assets	387,610,200	-178,647,700	208,962,500	99,255,966	109,706,534	47%
Total Payments	14,959,750,000	-1,941,794,717	13,017,955,283	9,320,742,404	3,697,212,879	
Surplus/ Deficit	0	0	0	58,997,026		

Note: The under receipt and payments was due to lack of exchequer

The State Department for Social Protection financial statements were approved on 19th Dec 2018 and signed by:


Principal Secretary
Nelson Marwa Sospeter, EBS


Assistant Accountant General
Alice W. Mwaniki
ICPAK Member Number: 5425

IX. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of compliance and basis of preparation

The financial statements have been prepared in accordance with Cash-basis IPSAS financial reporting under the cash basis of Accounting, as prescribed by the PSASB and set out in the accounting policy notes below.

This cash basis of accounting has been supplemented with accounting for; a) receivables that include imprests and salary advances and b) payables that include deposits and retentions.

The receivables and payables are disclosed in the Statement of Assets and Liabilities. The Statement of Assets and Liabilities is not mandatory statement under the IPSAS Cash basis but is encouraged in order to disclose information on assets and liabilities.

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

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

2. Recognition of receipts and payments

a) Recognition of receipts

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

Tax receipts

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

Transfers from the Exchequer

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

External Assistance

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

Donations and grants

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

Proceeds from borrowing

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

Undrawn external assistance

These are loans and grants at reporting date as specified in a binding agreement and relate to funding for projects currently under development where conditions have been satisfied or their ongoing satisfaction is highly likely and the project is anticipated to continue to completion. During the year ended 30th June 2018, there were no instances of non-compliance with terms and conditions which have resulted in cancellation of external assistance loans.

Other receipts

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

b) Recognition of payments

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

Compensation of employees

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

Use of goods and services

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

Interest on borrowing

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

Repayment of borrowing (principal amount)

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

Acquisition of fixed assets

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

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

3. In-kind contributions

In-kind contributions are donations that are made to the *entity* in the form of actual goods and/or services rather than in money or cash terms. These donations may include vehicles, equipment or personnel services. Where the financial value received for in-kind contributions can be reliably determined, the *entity* includes such value in the statement of receipts and payments both as receipts and as an expense in equal and opposite amounts; otherwise, the contribution is not recorded.

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. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year.

Restriction on cash

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

Amounts maintained in deposit bank accounts are restricted for use in refunding third party deposits as at 30th June 2018. There were no other restrictions on cash during the year

5. Accounts Receivable

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

X. NOTES TO THE FINANCIAL STATEMENTS

1 PROCEEDS FROM DOMESTIC AND FOREIGN GRANTS

Name of Donor	Date received	Amount in foreign currency	2017-2018	2016-2017
			KES	KES
Proceeds from Foreign Grants(WORLD BANK)	1-Nov-17		392,537,200.00	838,758,520.00
Proceeds from Foreign Grants(UNICEF)	15-Nov-17		17,090,800.00	
TOTAL			409,628,000.00	838,758,520.00

2 EXCHQUER RELEASES

Description	2017-2018	2016-2017
	KES	KES
Total Exchequer Releases for quarter 1	3,642,396,719.00	272,700,000.00
Total Exchequer Releases for quarter 2	3,446,789,175.00	9,948,640,340.00
Total Exchequer Releases for quarter 3	3,789,626,900.00	3,860,680,000.00
Total Exchequer Releases for quarter 4	11,482,066,430.00	7,335,138,180.00
Total	22,360,879,224.00	21,417,158,520.00

2.A OTHER RECEIPTS

	2017-2018	2016-2017
	KES	KES
A-I-A	51,046,147.75	30,594,989.65
Total	51,046,147.75	30,594,989.65

3 PROCEEDS FROM DOMESTIC AND FOREIGN BORROWING

Description	Recurrent	Development	Total	2016-2017
	KES	2017-2018 KES	KES	KES
IDA Credit		0		91,080,000.00
TOTAL		0		91,080,000.00

We have confirmed the above amounts with the disbursing entities and attached these confirmations as an Appendix to these financial statements.

4 COMPENSATION OF EMPLOYEES

	2017-2018	2016-2017
	KES	KES
Basic salaries of permanent employees	707,214,355.00	653,026,497.00
Basic wages of temporary employees	146,126,221.00	91,064,087.00
Personal allowances paid as part of salary	361,877,044.00	329,969,047.00
Total	1,215,217,620.00	1,074,059,631.00

5 USE OF GOODS AND SERVICES

	2017-2018	2016-2017
	KES	KES
Utilities, supplies and services	24,836,139.00	29,930,938.00
Communication, supplies and services	21,860,420.00	33,111,672.00
Domestic travel and subsistence	286,823,525.00	326,415,237.00
Foreign and Domestic travel and subsistence	57,904,492.00	18,589,231.00
Printing, advertising and information supplies & services	45,265,745.00	61,391,634.00
Rentals of produced assets	14,099,947.00	16,376,060.00
Training expenses	35,708,285.00	

		153,686,194.00
Hospitality supplies and services	63,099,585.00	151,725,285.00
Office and general supplies and services	37,494,545.00	67,976,598.00
Other operating expenses	326,939,623.00	711,467.00
Routine maintenance – vehicles and other transport equipment	38,815,266.00	73,046,295.00
Fuel Oil and Lubricants	138,227,100.35	80,539,065.00
Routine maintenance – other assets	25,947,812.00	51,879,385.00
Contracted Guards and Cleaning services		2,709,601.00
Contracted Professional Services		122,895,196.00
Courier & Postal Services		11,551,212.00
Supplies and Accessories for Computers and Printers		35,820,078.00
Telephone, telex, Facsimile and Mobile Phone services		445,500.00
Foods and Rations		149,547,719.00
Other Fuels		6,655,548.00
Donations		3,231,448,963.00
Medical Drugs		841,838.00
Veterinarian Supplies and Materials		331,590.00

Fungicide, Insecticide and sprays		452,940.00
Purchase of workshop tools spares and Small equipments		334,910.00
Agricultural Materials supplies and Small Equipment's	97,479,734.00	262,390.00
Education and Library Supplies		2,118,609.00
Purchase of Bedding and Linen		9,169,945.00
Supplies for women inmates		1,019,390.00
Supplies for productions		3,578,664.00
Sanitary and Cleaning Materials, Supplies and Services		6,471,210.00
Medical expenses		366,170.00
Routine Maintenance - Vehicles		488,627,858.57
Purchase of uniforms and clothing-Inmates		16,077,657.00
Internet Connection		15,135,088.00
Temporary Committee Expenses		4,007,694.00
Membership Fees, Dues and Subscriptions to Professional and Trade Bodies		1,489,700.00
scholarships and other Educational Benefits-Secondary Education		485,530,563.00
Non-Profit Non-Government Organization		19,478,599.00
Bank Service Commission and charges		286,283,728.00

Capital Transfer to Individuals		12,027,528,771.00
Purchase of Educational Aids and Related Equipment's		20,129,183.00
Total	1,214,502,218.35	18,015,689,375.75

6 GRANTS AND TRANSFERS TO OTHER GOVERNMENT ENTITIES

Description	2017-2018	2016-2017
	KES	KES
2630100 Current Grants to Government Agencies and other Levels of Government	1,558,216,084.00	1,950,292,760.00
2630200 Capital Grants to Government Agencies and other Levels of Government	561,500,000.00	657,650,000.00
Other Transfers and Emergency Relief		
2640100 Scholarships and other Educational Benefits	400,818,160.00	
2640400 Other Current Transfers, Grants and Subsidies	9,318,793,832.00	
2640500 Other Capital Grants and Trans	8,216,047,031.00	
TOTAL	20,055,375,107.00	2,607,942,760.00

The above transfers were made to the following self-reporting entities in the year as follows

SUMMARY OF TRANSFERS

Description	Recurrent	Development	Total 2017-2018	2016-2017
	KES	KES	KES	KES
Child Welfare Society of Kenya	481,250,000.00	432,000,000.00	913,250,000.00	879,449,500.00
National Council for Children Services	43,396,365.00		43,396,365.00	69,093,266.00

National Council For Persons with Disabilities	1,088,192,200.00	129,500,000	1,217,692,200.00	1,659,400,000.00
Presidential Bursaries and Emergency Reliefs	400,818,160.00		400,818,160.00	
Cash Transfers	9,264,171,351.00	8,216,047,031.00	17,480,218,382.00	
TOTAL	11,277,828,076.00	8,777,547,031.00	20,055,375,107.00	2,607,942,760.00

We have confirmed these amounts with the recipient entities and attached these confirmations as an Appendix to this financial statements

7 ACQUISITION OF ASSETS

Non-Financial Assets	2017-2018	2016-2017
	KES	KES
Construction of Buildings	4,078,686.00	
Refurbishment of Buildings	35,985,770.00	131,860,613.00
Purchase of Vehicles and Other Transport Equipment	39,176,701.00	109,670,200.00
Purchase of Household Furniture and Institutional Equipment	95,840.00	756,000.00
Purchase of Office Furniture and General Equipment	35,897,351.00	
Purchase of specialized Plants, Equipment and Machinery	3,250,500.00	67,791,326.00
Purchase of ICT Equipment, Software and Other ICT Assets	293,870.00	69,490,183.00
Purchase of Intangible Assets	8,392,204.00	
Total	127,170,922.00	379,568,322.00

8: Bank Accounts

Name of Bank, Account No. & currency	Amount in bank account currency	2017-2018	2016-2017
	KES	KES	KES

State Department For Social Protection, Central Bank Of Kenya, 1000303212 ,KES	39,380,991.30	Recurrent	39,380,991.30	104,402,319
State Department For Social Protection Central Bank of Kenya, 1000303228, KES	3,154.15	Development	3,154.15	109,829,700
State Department For Social Protection, Central Bank of Kenya, 1000303239 KES	281,085,746.65	Deposit	281,085,746.65	325,403,295
Cash Transfer- State Department For Social Protection, Central Bank Kenya,1000311304,KES	102,522,733.30	Project Account	102,522,733.30	27,781,500
Total	422,992,625.40		422,992,625.40	567,416,814

9: CASH IN HAND

	2017-2018	2016-2017
	KES	KES
Cash in Hand – (KES)	799,357.00	1,010,426.00
Total	799,357.00	1,010,426.00

Cash in hand has been analyzed as follows:

	2017-2018	2016-2017
	KES	KES
Head Quarters Cash Office	799,357.00	1,010,426.00
Total	799,357.00	1,010,426.00

10: ACCOUNTS RECEIVABLE.

Description	2017-2018	2016-2017
	KES	KES

Government Imprests	3,584,940.00	4,024,670.00
General Suspense		23,150,530.50
District suspense	311,527,649.85	1,223,404.99
Clearance accounts	63,797,641.30	36,685,064.10
Total	378,910,231.15	65,083,669.59

11. ACCOUNTS PAYABLE

Description	2017-2018	2016-2017
	KES	KE
Deposits	281,085,746.65	325,403,295.00
Other Payables-RD CHQS	11,997,027.50	4,450,677.00
General Deposits		3,325,002.00
Total	293,082,774.15	333,178,974.00

12. OTHER IMPORTANT DISCLOSURES

ANNEX 1 - VARIANCE EXPLANATIONS - COMPARATIVE BUDGET AND ACTUAL AMOUNTS

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization	Comments
	a	b	c=a+b	d	e=c-d	f=d/c %	
RECEIPTS							
Exchequer releases	22,668,006,063	4,786,181,369	27,454,187,432	22,360,879,224	5,093,308,208	81%	Lack of Exchequer especially Development
Proceeds from Foreign Grants(UNICEF)	44,902,000	-	44,902,000	17,090,800	27,811,200	38%	Lack of Fund Disbursement from the Donor

Proceeds from Foreign Grants(WORLD BANK)	1,644,948,000	- 1,002,000,000	642,948,000	392,537,200	250,410,800	61%	Incomplete service contracts which ends with the project ending date.
Other Receipts	51,046,148	-	51,046,148	51,046,148	-	100%	
	24,408,902,211	3,784,181,369	28,193,083,580	22,821,553,372	5,371,530,208	81%	
PAYMENTS							
Compensation of Employees	1,445,900,000	- 161,236,486	1,284,663,514	1,215,217,620	69,445,894	95%	Insignificance percentage of Under Utilization
Use of goods and services	3,281,485,464	- 1,418,087,701	1,863,397,763	1,214,502,218	648,895,545	65%	Lak of Exchequer
Grants and Transfers to Other Government Units	19,239,094,062	5,556,373,212	24,795,467,274	20,055,375,107	4,740,092,167	81%	Lak of Exchequer
Acquisition of Assets	440,570,474	- 192,867,656	247,702,818	127,170,922	120,531,896	51%	Lak of Exchequer
Total Payments	24,407,050,000	3,784,181,369	28,191,231,369	22,612,265,867	5,578,965,502	80%	
Surplus/ Deficit				209,287,504			

ANNEX 2 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

PENDING BILLS FOR 2017/2018 (RECURRENT)

S/No	Item Description	Supplier Name	P.O AMOUNT Kshs.	Department	Comments/Reason for Non-payment.
1.	Provision for conference facilities	Eseriani Hotel	61,950	Children Services	Supplier Site inactive. Could not be invoiced
2.	Supply & Delivery of Beddings	Excellent Twelve Supplies	110,000	Children Services	Online payment approval closed

3.	Supply and Delivery foodstuff	Kite Elegant Supplies	196,000	Children Services	No Funds
4.	Supply and Delivery Computer consumables	Josnad Agencies	944,000	Children Services	No Funds
5.	Supply & Delivery of office furniture	Panaseurs (K) Ltd	925,000	Administration	Validation closed
6.	Supply & Delivery of office cabinets	Bidii Enterprises	154,800	Administration	Validation closed
7.	Supply & Delivery of assorted office consumables	Nickolette General Supplies	1,790,000	Administration	Validation closed
8.	Supply & Delivery of assorted stationery	Nelianna Enterprise Limited	396,750	Social Assistance Unit	Validation closed
9.	Purchase of orthopedic chairs	Nelianna Enterprise Limited	579,420	Administration	Validation closed
10.	Supply and delivery of executive leather chairs	Diwasim Investment	498,000	National Council or Children's Services	Validation closed
11.	Supply and delivery of Conference tables	Joeran Enterprises	598,000	National Council or Children's Services	Validation closed
12.	Provision of air ticket	Pago Airways and Travel Services	240,490	National Council or Children's Services	Validation closed
13.	Provision of conference facilities	Eseriani Hotel	292,050	Social Development	Supplier Site inactive. Could not be invoiced

14.	Purchase of return air tickets	Freestem Travel Agency	535,205	Administration	No Funds
15.	Purchase of return air ticket	Pago Airways and Travel Agent	2,038,578	Administration	No Funds
16.	Supply of electricity	Kenya Power & Lighting Company	129,729	Administration	Insufficient Funds
17.	Supply and delivery of binding machine	Anclaud Investment	75,000	National Council for Children Services	Validation closed
	TOTAL		9,807,072		

PENDING BILLS FOR 2017/2018 (DEVELOPMENT)

S/No	Item Description	Supplier Name	P.O AMOUNT Kshs.	Department	Comments /Reason for Non-payment
1.	Supply and delivery of carpentry kits, sewing machine and knitting.	020 Investment Limited	1,174,600	Social Development	Lack of exchequer
2.	Supply & Delivery of Sumsung Galaxy Tablet	Larysat Commercials	693,000	Social Assistance Unit	Lack of exchequer
3.	Training on Strategic Leadership development programme	Kenya School of Government	1,843,820	Administration- HRM&D	Lack of exchequer
4.	Training on Senior Management Course for twenty Officers	Kenya School of Government	2,240,000	Administration- HRM&D	Lack of exchequer

5.	Supply & Delivery of Farming kit, Electrical Kit and welding kits	Geralyn Supplies	919,160	Social Development	Lack of exchequer
6.	Supply and delivery of TV Set and Scanner	Double Set Enterprises	622,000	Social Assistance Unit	Lack of exchequer
7.	Supply and delivery of Server upgrades equipment and UPS	Larix Technologies	813,160	Social Assistance Unit	Lack of exchequer
8.	Supply and Delivery of hair salon kit and Leather works kit	Mayiera Communication Limited	1,595,460	Social Development	Lack of exchequer
9.	Supply and delivery of tablet computers and IPAD	Kimjoy Ventures	300,000	Social Assistance Unit	Lack of exchequer
10	Supply and delivery of Hard Disk drive	Rygan Ventures	378,000	Social Assistance Unit	Lack of exchequer
11	Supply and delivery of 2 No. pro notebook	Patreda Global Enterprises	640,000	Social Assistance Unit	Lack of exchequer
12	Training of refresher course	Kenya Institute of Highways and Building Technology	2,261,516	Administration-HRM\$D	Lack of exchequer
13	Supply and delivery of Laptop Bags and Extension cables	Denkim Enterprises	469,750	Social Assistance Unit	Lack of exchequer
14	Supply and delivery	Wiskim Investment	1,200,000	Social Assistance Unit	Lack of exchequer

	automobile tyres				
15	Supply and delivery of Banners	Egato Enterprises	402,800	Social Assistance Unit	Lack of exchequer
16	Supply and delivery hard drivers	Gold Torch Enterprises	315,500	Social Assistance Unit	Lack of exchequer
17	Supply and delivery of air time	Vannetaka Enterprises	316,000	Social Assistance Unit	Lack of exchequer
18	Training of security wardens	KWS Law Enforcement Academy	3,967,618	Administration-HRM\$D	Lack of exchequer
19	Supply and delivery of Kyocera – Taskalfa 800	Nextus Enterprises	133,275	Social Protection Secretariat	Lack of exchequer
20	Supply and delivery of flash disks	Transmemo Traders	495,600	Social Protection Secretariat	Lack of exchequer
21	Supply and delivery automobile tyres	Scopelink Technologies	250,000	Social Protection Secretariat	Lack of exchequer
22	Provision of catering services	Jab Value Works	487,500	Social Protection Secretariat	Lack of exchequer
23	Provision of return airticket	Kenya Tulia Safaris Holiday Arcade	604,620	National Council for Children Services	Lack of exchequer
24	Provision of return air ticket	Pago Airways	1,195,120	Social Assistance Unit	Lack of exchequer
	TOTAL		23,318,499		
	GRAND TOTAL (RECURRENT + DEVELOPMENT)		33,125,571		

HISTORICAL PENDING BILLS

S/No	Item Description	Supplier Name	AMOUNT Kshs.	Department	Financial Year	Comments/Reason for Non-payment
1.	Provision of Internet	Access Kenya Group	827,742	Children services	2016/2017	Issue not resolved

	Services					with UNICEF
2.	Provision of Air ticket Services	Global Destinations Tours & Travel	885,726	Social Assistance Unit/Social Development	2015/2016	Missing documents
3.	Advertisement Services	Nation Media Group	7,467,499.45	All	2013/2014, 2014/2015	To be paid by GAA
4	Supply & Delivery of assorted stationery	Winglink Supplies	375,000	Administrati on	2016/2017	Failed to match at invoicing stage
5	Civil Case No. 174	Solicitor General	2,543,138	Children Services	2016/2017	Lack of budget
	TOTALS		9,555,967			

ANNEX 3 – LIST OF OUTSTANDING IMPRESTS

OUTSTANDING IMPREST REGISTER AS AT 30TH JUNE 2018

State Department for Social protection

Department : ADMIN			
PF/NO	Vendor Name		Designation
1981157571	BOIT ROSE		N.A.
Invoice Num	Due Date	Payment Date	Amount
IMP1195477	30/09/2017	5/1/2018	242,600.00
IMP3080589	30/10/2017	13/10/2017	496,000.00
STD010625		30-Jun-18	-406,000.00
IMP3139806	30/11/2017	10/11/2017	314,100.00
STD004376		28-Jun-18	-224,100.00
Outstanding Balance			422,600.00
2007127887	TIPIS KUYA		N.A.
Invoice Num	Due Date	Payment Date	Amount
IMP2994786	13/11/2017	28/09/2017	32,760.00
Outstanding Balance			32,760.00
2008068874	MUMO PAUL		N.A.
Invoice Num	Due Date	Payment Date	Amount
IMP1713030	18/11/2017	14/11/2017	12,600.00
Outstanding Balance			12,600.00
1998000353	KENNETH MBITO MVURYA		N.A.
Invoice Num	Due Date	Payment Date	Amount
IMP3139952	17/12/2017	21/12/2017	31,650.00
Outstanding Balance			31,650.00
2010027088	CHARLES NDIRANGU CHEGE		N.A.
Invoice Num	Due Date	Payment Date	Amount
IMP3089841	26/11/2017	10/11/2017	140,700.00
Outstanding Balance			140,700.00
1990020676	JOSEPHINE KEMUNTO OGUYE		N.A.
Invoice Num	Due Date	Payment Date	Amount
IMP3139820	24/11/2017	20/11/2017	91,800.00
Outstanding Balance			91,800.00
1991061968	MARYGORRET MUMBUA MOGAKA		N.A.
Invoice Num	Due Date	Payment Date	Amount
IMP3243472	28/02/2018	27/02/2018	52,500.00
Outstanding Balance			52,500.00
2004004624	JAMES NYUTU NJOGU		SDSP HSCM
Invoice Num	Due Date	Payment Date	Amount
IMP3243349	30/03/2018	23/03/2018	42,000.00
Outstanding Balance			42,000.00
2010029006	VICTOR OSAGA		N.A.
Invoice Num	Due Date	Payment Date	Amount
IMP3139631	23/11/2017	8/11/2017	120,000.00
Outstanding Balance			120,000.00
2011224987	HARRISON NG'ANG'A GAKUNGA		N.A.
Invoice Num	Due Date	Payment Date	Amount
IMP3243273	15/03/2018	6/4/2018	718,800.00
STD1305018		14-May-18	-688,800.00
STD1305018/		14-May-18	-25,000.00
Outstanding Balance			5,000.00
2012009404	FAITH KENDI GERALD		N.A.
Invoice Num	Due Date	Payment Date	Amount
IMP3364750	5/6/2018	6/6/2018	14,700.00
Outstanding Balance			14,700.00
1998000581	NYABUTO MATUNDURA		N.A.
Invoice Num	Due Date	Payment Date	Amount
IMP3089806	30/06/2018	28/09/2017	70,000.00
Outstanding Balance			70,000.00

2008091178	GETRY NYANGWESO MWANJE		N.A.
Invoice Num	Due Date	Payment Date	Amount
IMP3139955	17/12/2017	21/12/2017	33,300.00
Outstanding Balance			33,300.00
2008091275	JENNIFER WAIRIMU WANGARI		N.A.
Invoice Num	Due Date	Payment Date	Amount
IMP3364704	30/05/2018	26/05/2018	22,400.00
STD011087		24-Sep-18	-22,400.00
STD011087		24-Sep-18	22,400.00
STD011087		29-Jun-18	-22,400.00
STD011087		24-Sep-18	22,400.00
Outstanding Balance			22,400.00
Department : ECONOMIC PLANNING DIVISION			
PF/NO	Vendor Name		Designation
2006068242	PHILIP OGOLA DIDI		N.A.
Invoice Num	Due Date	Payment Date	Amount
IMPR3364725	30/05/2018	23/05/2018	1,169,200.00
STD011325		24-Aug-18	-50,000.00
STD011326		30-Jun-18	-1,089,200.00
Outstanding Balance			30,000.00
1979153228	PHILOMENA WANJIRU CHEGE		N.A.
Invoice Num	Due Date	Payment Date	Amount
IMP3139687	15/12/2017	11/12/2017	8,400.00
Outstanding Balance			8,400.00
2012009144	GEORGE OLUDHE OPIYOH		N.A.
Invoice Num	Due Date	Payment Date	Amount
IMP3103075	30/04/2018	19/04/2018	270,888.00
STD006081		12-Jun-18	-269,888.00
Outstanding Balance			200
Department : GENERAL ADMIN & PLANNING			
PF/NO	Vendor Name		Designation
1990149234	ALICE NJERI CHEGE		N.A.
Invoice Num	Due Date	Payment Date	Amount
STD010786		4-Sep-18	20,000.00
Outstanding Balance			20,000.00
Department : GENERAL ADMIN AND PLANNING			
PF/NO	Vendor Name		Designation
1985013282	EMILY MASINDE OCHIENG		N.A.
Invoice Num	Due Date	Payment Date	Amount
IMP3139657	16/12/2017	8/12/2017	26,900.00
Outstanding Balance			26,900.00
Department : HEADQUARTER - PERSONNEL			
PF/NO	Vendor Name		Designation
2010001359	DAVID NYAMAI KITETO		N.A.
Invoice Num	Due Date	Payment Date	Amount
IMP 2994637	30/06/2018	4/9/2017	305,000.00
Outstanding Balance			305,000.00
2013081802	WALTER JUMBA MWELESA		N.A.
Invoice Num	Due Date	Payment Date	Amount
IMP3080578	16/10/2017	9/10/2017	26,800.00
STD011215		30-Jun-18	-16,800.00
Outstanding Balance			10,000.00
1988025628	EUNICE HILDA WANGARI WANJOHI		N.A.
Invoice Num	Due Date	Payment Date	Amount
IMP3139658	16/12/2017	8/12/2017	26,900.00
IMP3139718	25/04/2018	12/4/2018	22,700.00
Outstanding Balance			49,600.00
1991076442	NATHANIEL NAKUTI MUTEKWA		N.A.
Invoice Num	Due Date	Payment Date	Amount
IMP3139599	24/11/2017	20/11/2017	526,600.00
SDT000823		22-Nov-17	-112,000.00
Outstanding Balance			414,600.00
1991077529	ESTHER WANJIRU WANJIHIA		N.A.
Invoice Num	Due Date	Payment Date	Amount
IMP3139709	25/04/2017	10/4/2018	22,700.00

Outstanding Balance			22,700.00
1996116580	EDITH NANINI TOROME		N.A.
Invoice Num	Due Date	Payment Date	Amount
IMP3243321..	25/04/2018	10/4/2018	66,000.00
Outstanding Balance			66,000.00
2005028485	EVELYN WAMBUI MWANGI		N.A.
Invoice Num	Due Date	Payment Date	Amount
IMP3364591	17/05/2018	7/5/2018	394,000.00
STD0010134		23-Jun-18	-259,900.00
Outstanding Balance			134,100.00
2009089205	ELIZABETH DAYO		N.A.
Invoice Num	Due Date	Payment Date	Amount
IMP3364844	10/6/2018	8/6/2018	192,540.00
Outstanding Balance			192,540.00
Department : HEADQUARTERS ADMINSTRATIVE SERVICES			
PF/NO	Vendor Name		Designation
1985021667	CHRISTOPHER KITOVA KIMUYU		N.A.
Invoice Num	Due Date	Payment Date	Amount
STD002530		13-Mar-18	57,000.00
Outstanding Balance			57,000.00
2007027370	NAOM CHELAGAT		N.A.
Invoice Num	Due Date	Payment Date	Amount
IMP53400	5/4/2018	10/4/2018	53,400.00
Outstanding Balance			53,400.00
2008000224	WYCLIFFE NYAKUNDI MORIASI		N.A.
Invoice Num	Due Date	Payment Date	Amount
IMP2994787	13/11/2017	28/09/2017	52,760.00
IMP3080576	16/10/2017	9/10/2017	50,800.00
IMP3364764	5/6/2018	6/6/2018	142,000.00
STD011051		30-Jun-18	-40,000.00
Outstanding Balance			205,560.00
Department : HEADQUATERS &GEN ADMIN			
PF/NO	Vendor Name		Designation
1985099945	MARY MARIE AUMA OWINO		N.A.
Invoice Num	Due Date	Payment Date	Amount
IMP3080585	21/10/2017	24/10/2017	33,600.00
Outstanding Balance			33,600.00
Department : HRD			
PF/NO	Vendor Name		Designation
2003045554	MARTIN LIYAYI INGATI		N.A.
Invoice Num	Due Date	Payment Date	Amount
IMP3364773	5/6/2018	6/6/2018	32,600.00
Outstanding Balance			32,600.00
Department : HUMAN RESOURCE DEVELOPMENT			
PF/NO	Vendor Name		Designation
1983094559	ALOICE OLALI SUDHE		N.A.
Invoice Num	Due Date	Payment Date	Amount
IMP3089839	26/11/2017	10/11/2017	210,600.00
STD002148		5-Feb-18	-210,000.00
Outstanding Balance			600
Department : MATUNGULU DISTRICT			
PF/NO	Vendor Name		Designation
2007070224	SIMON GITERE WAMWEA		N.A.
Invoice Num	Due Date	Payment Date	Amount
IMP3243420	10/3/2018	30/06/2018	19,800.00
IMP3364774	10/6/2018	6/6/2018	32,600.00
Outstanding Balance			52,400.00
Department : MED. SUPT. MBAGATHI			
PF/NO	Vendor Name		Designation
2002000438	PETER KIPLANG'AT MARITIM		N.A.
Invoice Num	Due Date	Payment Date	Amount
IMP3139696	11/12/2017	11/12/2017	34,300.00
Outstanding Balance			34,300.00

1991043782	RAHAMA ALI MUGE		N.A.
Invoice Num	Due Date	Payment Date	Amount
IMP3139695	11/12/2017	8/12/2017	64,300.00
STD003005		6-Apr-18	-34,300.00
IMP3119858	20/02/2018	31/01/2018	244,000.00
STD002986		14-May-18	-50,000.00
Outstanding Balance			224,000.00
Department : National Council for Children's Services			
PF/NO	Vendor Name		Designation
2004010730	JOSEPH G OYUGI		SDSPROTECTION REQ NCCS
Invoice Num	Due Date	Payment Date	Amount
IMP3243397	28/02/2018	26/02/2018	70,000.00
Outstanding Balance			70,000.00
1997037446	MICHAEL MUSYIMI KATEMI		N.A.
Invoice Num	Due Date	Payment Date	Amount
IMP3103195	30/05/2018	18/05/2018	147,845.00
STD010398		25-Jun-18	-120,775.00
Outstanding Balance			27,070.00
2008034118	FRANCIS BARONGO NYAMARI		N.A.
Invoice Num	Due Date	Payment Date	Amount
IMP3103156	17/12/2017	15/12/2017	62,100.00
STD002215		5-Mar-18	-25,000.00
STD002214		5-Mar-18	-35,700.00
Outstanding Balance			1,400.00
2007076468	MARGARET ROSE SANDIRI		N.A.
Invoice Num	Due Date	Payment Date	Amount
IMP1195472	30/06/2018	28/09/2017	70,000.00
Outstanding Balance			70,000.00
1987099200	JOSEPH KIBURI KAGUNGA		N.A.
Invoice Num	Due Date	Payment Date	Amount
IMP3243464	28/02/2018	27/02/2018	191,250.00
Outstanding Balance			191,250.00
2009061011	WILLIAM ODONGO OKOBA		N.A.
Invoice Num	Due Date	Payment Date	Amount
IMP3364553	30/05/2018	18/05/2018	230,665.00
STD010181		22-Jun-18	-230,655.00
Outstanding Balance			10
2010026294	PATRICK LAPUT NCHOKO		N.A.
Invoice Num	Due Date	Payment Date	Amount
IMP3139626	30/11/2017	23/11/2017	114,700.00
Outstanding Balance			114,700.00
2010025303	EMILY JEPKOECH KIMOSOP		N.A.
Invoice Num	Due Date	Payment Date	Amount
IMP3119825	27/02/2018	20/02/2018	35,000.00
Outstanding Balance			35,000.00
2012009411	METRINE NAMAROME KAKALUKHA		N.A.
Invoice Num	Due Date	Payment Date	Amount
IMP3080524	14/10/2017	28/09/2017	10,000.00
Outstanding Balance			10,000.00
Department : YOUTH DEVELOPMENT AND TRAINING			
PF/NO	Vendor Name		Designation
			3,584,940.00

ANNEX 4 – LIST OF PROJECTS IMPLEMENTED BY THE STATE DEPARTMENT FOR SOCIAL PROTECTION

Ref	Project Name	Principal activity of the project	Accounting Officer	Project consolidated in these financial statements(yes/no)
1	Cash Transfer-OVC	Cash Transfers to the OVC	Principle Secretary Nelson Marwa Sospeter EBS -	

ANNEX 5 – LIST OF SCs, SAGAs AND PUBLIC FUNDS UNDER THE STATE DEPARTMENT FOR SOCIAL PROTECTION

Ref	SC, SAGA or Public Fund's name	Principal activity of entity	Accounting Officer	Amount transferred during the year	Inter- entity reconciliations done?(yes/no)
1	Child Welfare Society of Kenya	Social Assistance for children's	Irene Murithi(CEO)	913,250,000.00	Yes
2	National Council for Children Services	Children services	Noah Sanganyi-(Director Children Services)	43,396,365	Yes
3	National Council For Persons with Disabilities	Social Assistance to Persons with Disability	Mohamed H. Gabbow-(Executive Director)	1,217,692,200.00	Yes

ANNEX 6 – SUMMARY OF FIXED ASSET REGISTER

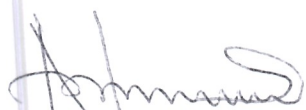
Asset class	Historical Cost b/f	Additions during the year	Disposals during the year	Historical Cost c/f
	(Kshs)	(Kshs)	(Kshs)	(Kshs)
Land			0	0
Buildings and structures	131,860,613	40,572,656	0	172,433,269
Transport equipment	109,670,200	39,176,701	0	148,846,901
Household Furniture and Institutional Equipment	756,000	95,840	0	851,840
Office equipment, furniture and fittings	67,791,326	47,439,271	0	115,230,597

ICT Equipment, Software and Other ICT Assets	69,490,183	386,210	0	69,876,393
Other Machinery and Equipment		6,939,720	0	6,939,720
Heritage and cultural assets				0
Intangible assets		7,468,034		7,468,034
Total	379,568,322	142,078,432	0	521,646,754

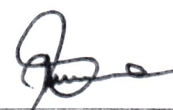
ANNEX 7 – PRIO YEAR AUDIT ISSUES

AUDIT ISSUES				
	ISSUE RAISED	MANAGEMENT RESPONSE	ASSIGNED TO	STATUS
1.Accuracy,Completeness and Presentation of Financial Statement				
1.1	Lack of Comparable Balances	The National Treasury failed to give guidance on how the balances were to be shared after the then Ministry of East African Community, Labour and Social Protection was split into three state departments and new votes. the department being a new entity under new vote did not have prio year comparable balances	Moses Muga	Resolved
1.2	Lack of Fixed Asset Register	The State department is working towards ensuring that an asset register is in place and updated regularly	James Njogu	Ongoing
1.3	6. Lack of Ownership Documents and Claims on Kabete/Gatathuru Land	The department holds Allotment letters and PDP (Physical Development Plan) as a proof towards ownership. The Department with National Land Commission are working on regularization of ownership though processing of title deed.	Fatma Ahmed	Ongoing
2.Cash Transfer Agreements with Payment Service Providers				
2.1	Unfavorable Agency Agreement	The department signed an agreement with payment service providers for onward remittance to the beneficiaries ,however it is not the intention of the to earn interest	Judy Ndungu	Resolved
2.2	Low absorption rate of Cash Transfers by beneficiaries	It is true there was low absorption rate due to carding system in KCB.However, the problem has been resolved in the new account based system as new payment solution.	Judy Ndungu	Resolved

2.3	Unpaid cash transfers . balances still held by Postal Corporation of Kenya	The refund of Kshs169, 300,000 is still not remitted by Postal Corporation of Kenya (PCK) as indicated in letter by the principal Secretary to the Accounting officer State Department for Broadcasting and Telecommunication Ref ML&EAA 9/45 dated 12 th July 2016.The State Department is still perusing the matter in liaison with the Ministry of ICT and The National Treasury.	Judy Ndungu	Unresolved
3	Pending Bills	The bills arose due to underfunding and ongoing procurement process which at times is beyond control as we adhere to the reporting standards of IPSAS Cash. The bills has so far been paid	James Njogu	Resolved
4	Stalled Project-Dagoreti Rehabilitation Girls School	The project delayed beyond the stipulated time frame, this was because of a budget cut experienced during the financial year. The State Department has provided for budget allocation and projection for the project to its completion. So far the completion and payments made are at 60%	Noah Sanganyi	Resolved



Principal Secretary
Nelson Marwa Sospeter, EBS



Assistant Accountant General
Alice W. Mwaniki
ICPAK Member Number: 5425

OTHER ANNEXES

- 1. Board of Survey certificates (Annex 6)**
- 2. Bank Reconciliation Statement (Annex 7)**

ANNEX 7- REPORTS GENERATED FROM IFMIS

The following financial Reports Generated from IFMIS should be generated and attached as appendices to these financial statements.

- i. GOK IFMIS Comparison Trial Balance
- ii. FO30 (Bank reconciliations) for all bank accounts
- iii. GOK IFMIS Receipts and Payments Statement
- iv. GOK IFMIS Statement of Financial Position
- v. GOK IFMIS Statement of Cash Flows
- vi. GOK IFMIS Notes to the Financial Statements
- vii. GOK IFMIS Statement of Budget Execution
- viii. GOK IFMIS Statement of Deposits
- ix. GOK IFMIS Budget Execution by Programme and Economic Classification
- x. GOK IFMIS Budget Execution by Heads and Programmes