

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

REPORT

OF

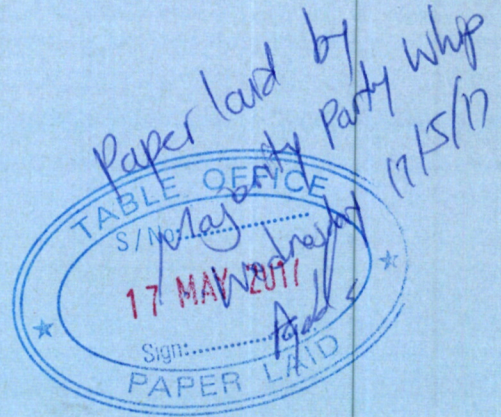
THE AUDITOR-GENERAL

ON

THE FINANCIAL STATEMENTS OF
KENYA LOCAL LOANS SUPPORT FUND

FOR THE YEAR ENDED
30 JUNE 2016

THE NATIONAL TREASURY





THE NATIONAL TREASURY

KENYA LOCAL LOANS SUPPORT FUND

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2016

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

KENYA LOCAL LOANS SUPPORT FUND

Reports and Financial Statements For the year ended June 30, 2016 (Kshs)

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KENYA LOCAL LOANS SUPPORT FUND

Reports and Financial Statements For the year ended June 30, 2016 (Kshs)

I. KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

The Kenya Local Loans Support Fund was established in 1948 under the Local Loans Act Cap. 248 of 1948, now repealed and applied under Section 20 of the Internal Loans Act Cap 420 of 1955.

The objectives of the fund were to facilitate the following:-

- Registration of stocks.
- issue, transfer, conversion and replacement of Bonds and stocks.
- Payment of interest and redemption of stocks.

Moneys would be transferred from the Consolidated Fund to Kenya Local Loans Support Fund to be spent on the objectives highlighted above. The Fund activities were discontinued in favour of making budgetary provisions. The Fund is dormant and awaiting completion of the winding up process.

The National Treasury is represented by the Cabinet Secretary who is responsible for the general policy and strategic direction.

(b) Key Management

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

- (i) Directorate of Accounting Services
- (ii) Directorate of Budget, Fiscal & Economic Affairs
- (iii) Directorate of Portfolio Management
- (iv) Directorate of Public Debt Management
- (v) Directorate of Administrative Services

(c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2016 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Accounting Officer	- Dr. Kamau Thugge, CBS
		-
2.	Director General, PDMO	- Wohoro Ndohho
3.	Head of Accounting Unit	- George Kihara Gichuru

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(d) Fiduciary Oversight Arrangements

- *Ministerial Audit Committee*
- *Parliamentary Public Accounts Committee*
- *Parliamentary Budget Committee*
- *Controller of Budget*

(e) Entity Headquarters

P.O. Box 30007 - 00100
The National Treasury House
Harambee Avenue
Nairobi, KENYA

(f) Entity Contacts

Telephone: (254) 252299
Website: www.go.ke

(g) Entity Bankers

1. Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
Nairobi, Kenya

(h) Independent Auditors

Auditor General
Kenya National Audit Office
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

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II. FORWARD BY THE CABINET SECRETARY

The National Treasury is mandated to coordinate economic and financial management of the country in accordance with section 12 of the Public Finance Management Act, 2012. Overall, the National Treasury has strived to maintain a policy environment that is conducive to economic growth and development of the Country. As a result of consistent implementation of the bold economic policies, structural reforms and sound macroeconomic management, the economy grew by 5.6 percent in 2015 compared to 5.3 percent growth in 2014. This strong growth was supported by positive growth in agriculture, forestry and fishing (4.8 percent), mining and quarrying (6.9 percent), electricity and water supply (8.5 percent), wholesale and retail trade (7.3 percent), accommodation and restaurant (12.1 percent) and information and communication (9.7 percent). Growth in other sectors, particularly manufacturing, construction, finance and insurance and real estate remained robust.

The annual inflation rate was 6.4 percent by June 2016 compared 6.5 percent in June 2015, and was therefore, within the current allowable margin of 2.5 percent on either side of the target of 5.0 percent. The Kenya shilling continued to display relatively less volatility compared with the major regional currencies due to improved Diaspora remittances and the narrowing of the current account deficit while official foreign exchange reserves held by the Central Bank grew to US\$ 7,648 million (equivalent to 5.1 months of import cover) by June 2016 from US\$ 7,212 million (4.5 months of import cover) in June 2015.

In budget performance, the National Treasury expenditure stood at **Kshs.38,523,924,151** against an approved budget of **Kshs.40,667,213,863** in recurrent while Development expenditure stood at **Kshs.43,832,593,224** against an approved budget of **Kshs.45,836,475,797** giving an overall absorption rate of 95.2%.

Other key achievements during the year under review are:-

- The National Treasury mobilized external resources amounting to Kshs.366.67 billion. This included Kshs.320.23 billion in loans and Kshs.46.44bilicn in grants.
- The National Treasury continued to support Kenya Revenue Authority to achieve its target in revenue collection and simplification of the tax system. This included the implementation of the *i-tax* platform.
- In its commitment to deepen the Financial Markets, the Ministry finalized the Financial Services Authority bill and disseminated to stakeholders for comments and prepared the draft Nairobi International Financial Centre Bill.
- The National Treasury developed a pipeline of 65 bankable Public Private Partnership projects ready for investment. Other achievements in promoting PPP include continuous financial, technical and legal support to MDAs in the preparation of PPP projects, development of standardized documentation framework to support implementation of PPP and development of a template on PPP project submission.
- The National Treasury continued to build capacity on Public Financial Management in Ministries, Departments, Agencies as well as County Governments. 1,297 officers were trained over the financial year 2015/16 across the country.

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Some of the challenges the National Treasury faced while implementing the budget 2015/16 include:-

1. Lack of adequate funds to finance all the budget requests by Ministries, Departments and Agencies.
2. Inadequate funds to finance all the programmes and projects of the National Treasury.
3. Low absorption of Official Development Assistance (ODA).
4. Slow enactment of relevant regulation and related legal instruments to facilitate financial sector deepening.
5. High turnover of staff especially in the core technical areas of the National Treasury.

To surmount the above challenges and ensure successful implementation of the National Treasury goals and objectives, the Ministry will:-

1. Continue to maintain a prudent fiscal stance consistent with the medium-term debt targets while pursuing a shift in the composition of expenditure towards development priorities.
2. Strengthen capacity building in public financial management to MDAs and County Governments to ensure that the high expectations linked to devolution are met.
3. Enhance the Government's cash management system to avoid undue pressure on payment flows and interest rates, and reduce borrowing costs for the government and the private sector.
4. Ensure constant collaboration between the National Treasury and all the Stakeholders.
5. Promote the Public Private Partnership initiatives to finance government capital projects.
6. Engage other developments partners for concessional loans and grants as well as pursue strategies to facilitate issuance of international bonds to finance government projects.
7. Fast track and implement the proposed new scheme of service for the National Treasury officers to retain staff.



HENRY K. RONCHI, FGH
CABINET SECRETARY

KENYA LOCAL LOANS SUPPORT FUND

Reports and Financial Statements For the year ended June 30, 2016 (Kshs)

III. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES

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

The Accounting Officer in charge of The National Treasury is responsible for the preparation and presentation of the financial statements for Share Subscriptions and Capital Contribution to International Organizations 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 ended on June 30, 2016. 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 entity; (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 Share Subscriptions and Capital Contribution to International Organizations accepts responsibility for the entity'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 entity's financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2016, and of the entity's financial position as at that date. The Accounting Officer in charge of the Share Subscriptions and Capital Contribution to International Organizations further confirms the completeness of the accounting records maintained for the entity, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

The Accounting Officer in charge of the Share Subscriptions and Capital Contribution to International Organizations confirms that the entity has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the entity'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.

KENYA LOCAL LOANS SUPPORT FUND

Reports and Financial Statements For the year ended June 30, 2016 (Kshs)

Approval of the financial statements

The financial statements for Kenya Local Loans Support Fund were approved and signed by the Accounting Officer on 29th September, 2016.



DR. KAMAU THUGGE, CBS
ACCOUNTING OFFICER



GEORGE KIHARA GICHURU
SENIOR DEPUTY ACCOUNTANT GENERAL

Date: 30/9/16

Date: 30/9/16


KENYA LOCAL LOANS SUPPORT FUND

Reports and Financial Statements For the year ended June 30, 2016 (Kshs)

V. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2015-2016 Kshs	2014-2015 Kshs
RECEIPTS			
Exchequer releases	1	0	0
TOTAL RECEIPTS		0	0
PAYMENTS			
Payments – Redemption of stocks	2	0	0
TOTAL PAYMENTS		0	0
SURPLUS/DEFICIT		0	0

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 **29th September, 2016** and signed by:


DR. KAMAU THUGGE, CBS
ACCOUNTING OFFICER

Date: 30/9/16.....


GEORGE KIHARA GICHURU
SENIOR DEPUTY ACCOUNTANT GENERAL

Date: 30/9/16.....

REPUBLIC OF KENYA

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NAIROBI

OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON KENYA LOCAL LOANS SUPPORT FUND FOR THE YEAR ENDED 30 JUNE 2016 – THE NATIONAL TREASURY

REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of the Kenya Local Loans Support Fund set out on pages 9 to 20, which comprise the statement of financial assets as at 30 June 2016, and the statement of receipts and payments, summary statement of appropriation and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, in accordance with the provisions of Article 229 of the Constitution of Kenya Section 35 of the Public Audit Act, 2015.

Management's Responsibility for the Financial Statements

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

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

Auditor-General's Responsibility

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

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

Report of the Auditor-General on the Financial Statements of Kenya Local Loans Support Fund for the year ended 30 June 2016- The National Treasury

on the effectiveness of the National Treasury's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

Because of the matters described in the Basis for Disclaimer of Opinion paragraph, however, I am not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion

Basis for Disclaimer of Opinion

1. Inaccurate Financial Statements

The statement of financial assets as at 30 June 2016 reflects total cash and cash equivalents balance of Kshs.5,000,000.00 while the statement of cashflows reflects a nil balance in respect of the same item as at that date. No explanation has been provided for this anomaly.

2. Un-supported Balances

The balances reflected in the statement of assets under account receivable-investment cost (CSFC), accrued interest, bank balance and fund balance of Kshs.10,410,373.50, Kshs.71,595,406.15, Kshs.5000,000.00 and Kshs.87,005,779.65, respectively have not been supported by notes, analyses and other documentary evidence. Therefore the accuracy of the balances cannot be ascertained.

3. Comparative Balances

The comparative balances for 2014/2015 reflected in the financial statements for the year under review differ with the balances shown in the audited financial statements for 2014/2015 as follows:

Item Description	Comparative balance 2014/2015 (Kshs)	Audited financial statement 2014/2015 (Kshs)
Receipts	0	660,000.00
Bank/Cash balance	5,000,000.00	67,355,406.15
Accrued interest	71,595.406.15	9,240,000.00
Fund Account	87,005,779.65	5,000,000.00

No explanation and disclosures have been provided for the retrospective adjustment of these prior period balances.

4. Failure to Redeem Stocks

In the reports for previous years, reference was made to stocks valued at Kshs. 10,430,700.00 which were past their redemption dates with the last redemption date for a sum of Kshs.17, 400.00 having been on 6 February 2010. The National Treasury had

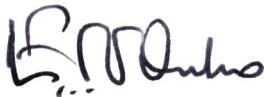
explained in the past that the stocks were redeemed some years ago but erroneously accounted for as revenue. However, records to confirm the erroneous accounting for receipts and subsequent correction in the books of account were not presented for audit during the year under review.

5. Winding Up of the Fund

According to information available, the Kenya Local Loans Support Fund is in the process of being wound up in line with recommendations of the Public Accounts Committee and instructions issued by the National Treasury that all dormant funds are wound up. However, the process had not been completed as at 30 June 2016.

Disclaimer of Opinion

Because of the significance of the matters described in the Basis of Disclaimer of Opinion paragraph, however, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, I do not express an opinion on the financial statements.



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

Nairobi

27 March 2017

KENYA LOCAL LOANS SUPPORT FUND

Reports and Financial Statements For the year ended June 30, 2016 (Kshs) VI. STATEMENT OF FINANCIAL ASSETS AS AT 30 JUNE, 2016

	Note	2015-2016 Kshs	2014-2015 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	4	5,000,000.00	5,000,000.00
Cash Balances		0	0
Total Cash and cash equivalent		5,000,000.00	5,000,000.00
Investment at cost (CSFC)		10,410,373.50	10,410,373.50
Accrued interest yet to be received	3	71,595,406.15	71,595,406.15
TOTAL FINANCIAL ASSETS		87,005,779.65	87,005,779.65
FINANCIAL LIABILITIES			
Accounts Payables – Deposits and retentions		0	0
NET FINANCIAL ASSETS		87,005,779.65	87,005,779.65
REPRESENTED BY			
Fund balance b/fwd		87,005,779.65	87,005,779.65
Surplus/Deficit for the year		0	0
NET FINANCIAL POSITION		87,005,779.65	87,005,779.65

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 **29th September, 2016** and signed by:


DR. KAMAU THUGGE, CBS
ACCOUNTING OFFICER

Date: 30/9/16


GEORGE KIHARA GICHURU
SENIOR DEPUTY ACCOUNTANT GENERAL

Date: 30/9/16


KENYA LOCAL LOANS SUPPORT FUND

Reports and Financial Statements For the year ended June 30, 2016 (Kshs)

VII. STATEMENT OF CASHFLOW

	Note	2015 - 2016 Kshs	2014 - 2015 Kshs
Receipts for operating income			
Exchequer Releases	1	0	0
Payments			
	2	0	0
Adjusted for:			
Net cash flow from operating activities		0	0
Cash flow from Borrowing activities		0	0
Net cash flow from financing activities		0	0
NET INCREASE IN CASH AND CASH EQUIVALENT		0	0
Cash and cash equivalent at BEGINNING of the year		0	0
Cash and cash equivalent at END of the year		0	0

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 **29th September, 2016** and signed by:


DR. KAMAU THUGSE, CBS
ACCOUNTING OFFICER

Date: 30/9/16


GEORGE KIHARA GICHURU
SENIOR DEPUTY ACCOUNTANT GENERAL

Date: 30/9/16

II. SUMMARY STATEMENT OF APPROPRIATION:

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Exchequer releases	0	0	0	0	0	
PAYMENTS						
Other Payments	0	0	0	0	0	
NET TOTAL	0	0	0	0	0	

(a) [The entity is dormant.]

The entity financial statements were approved on 29th September, 2016 and signed by:


DR. KAMAU THUGGE, CBS
ACCOUNTING OFFICER



GEORGE KIHARA GICHU
SENIOR DEPUTY ACCOUNTANT GENERAL

Date: 30/9/16

Date: 30/9/16

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 and comply with International Public Sector Accounting Standards (IPSAS) with particular emphasis on Cash Basis Financial Reporting under the Cash Basis of Accounting and applicable government legislations and regulations. The financial statements comply with and conform to the form of presentation prescribed by the Public Sector Accounting Standards Board of Kenya.

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

The financial statements have been prepared on the cash basis following the Government's standard chart of accounts.

2. Recognition of revenue and expenses

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

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 revenue and as an expense in equal and opposite amounts; otherwise, the contribution is not recorded.

4. Cash and cash equivalents

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

KENYA LOCAL LOANS SUPPORT FUND

Reports and Financial Statements For the year ended June 30, 2016 (Kshs)

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.

5. **Accounts Receivable**

For the purposes of these financial statements, imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year is treated as receivables. This is in recognition of the government practice where the imprest payments are recognized as expenditure 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.

6. **Accounts Payable**

For the purposes of these financial statements, deposits and retentions held on behalf of third parties has been recognized as accounts payables. This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. This is an enhancement to the cash accounting policy adopted by National Government Ministries and agencies. Other liabilities including pending bills are disclosed in the financial statements.

7. **Non-current assets**

Non-current assets are expensed at the time of acquisition while disposal proceeds are recognized as receipts at the time of disposal. However, the acquisitions and disposals are reflected in the entity fixed asset register a summary of which is provided as a memorandum to these financial statements.

8. **Pending bills**

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

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9. Budget

The budget is developed on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The entity's budget was approved as required by Law and as detailed in the Government of Kenya Budget Printed Estimates. A high-level assessment of the entity's actual performance against the comparable budget for the financial year under review has been included in these financial statements (Summary statement of appropriation).

10. Comparative figures

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

11. Subsequent events

Events subsequent to submission of the financial year end financial statements to the National Treasury and other stakeholders with a significant impact on the financial statements may be adjusted with the concurrence of National Treasury.

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X. NOTES TO THE FINANCIAL STATEMENTS

1 EXCHQUER RELEASES

	2015 - 2016	2014 - 2015
	Kshs	Kshs
Total Exchequer Releases for quarter 1	0	0
Total Exchequer Releases for quarter 2	0	0
Total Exchequer Releases for quarter 3	0	0
Total Exchequer Releases for quarter 4	0	0
Total	0	0

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2 Payments

	2015 – 2016 Ksh.	2014 – 2015 Ksh.
Payments for Redemption of stocks	0	0
	0	0

3 Account Receivables

	2015 - 2016 Kshs	2014 - 2015 Kshs
Investment at cost (CSFC)	10,410,373.55	10,410,373.55
Accrued Interest	71,595,406.15	71,595,406.15
Total	82,005,779.65	82,005,779.65

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4 Bank Accounts

Name of Bank, Account No. & currency	Amount in bank account currency	Indicate whether recurrent	Exch. rate (if in foreign currency)	2015 - 2016	2014 - 2015
				Kshs	Kshs
<i>Central Bank of Kenya, Account No. 1000182137</i>		Deposit	N/A	5,000,000.00	5,000,000.00
Total				5,000,000.00	5,000,000.00

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Reports and Financial Statements For the year ended June 30, 2016 (Kshs)

4. PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe : (Put a date when you expect the issue to be resolved)
41	Financial Statement include accounting policies used in their preparation and other explanatory information and disclosures.	Notes on preparation of financial statements have provided.	Hubert Anyanga	Not resolved	
42	Failure to Redeem Stocks	Redemption proceeds for stocks amounting to Ksh. 4,045,400.00 are with Central Bank of Kenya. Balance of Ksh. 6,385,300.00 not yet traced.		Not resolved since redemption of Ksh. 6,385,300.00 has not been confirmed.	
43	Winding up of the	Progress report on		Resolved	

KENYA LOCAL LOANS SUPPORT FUND

Reports and Financial Statements For the year ended June 30, 2016 (Kshs)

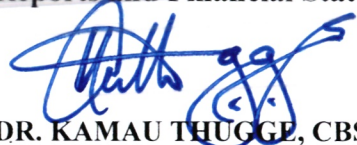
Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (<i>Name and designation</i>)	Status: (<i>Resolved / Not Resolved</i>)	Timeframe : (<i>Put a date when you expect the issue to be resolved</i>)
	Fund.	winding up of the fund was provided.			
44	Unsupported Balances	The only available record is prior year statements.		Not resolved	

Guidance Notes:

- (i) Use the same reference numbers as contained in the external audit report;
- (ii) Obtain the “Issue/Observation” and “management comments”. required above, from final external audit report that is signed by Management;
- (iii) Before approving the report, discuss the timeframe with the appointed Focal Point persons within your entity responsible for implementation of each issue;
- (iv) Indicate the status of “Resolved” or “Not Resolved” by the date of submitting this report to National Treasury.

KENYA LOCAL LOANS SUPPORT FUND

Reports and Financial Statements For the year ended June 30, 2016 (Kshs)



DR. KAMAU THUGGE, CBS
ACCOUNTING OFFICER



GEORGE KIHARA GICHURU
SENIOR DEPUTY ACCOUNTANT GENERAL

Date:

30/9/16

Date:

30/9/16

