 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 29 JUL 2025	DAY: Tuesday
TABLED BY: Hon Fatuma Zainab MP	
CLERK-AT THE-TABLE: A. Shibuko	



Approved
SNA
29/7/25

REPUBLIC OF KENYA

THE NATIONAL ASSEMBLY

**THIRTEENTH PARLIAMENT-
FOURTH SESSION**

SPECIAL FUND ACCOUNTS COMMITTEE

**REPORT ON THE CONSIDERATION OF THE AUDITED
ACCOUNTS FOR THE NATIONAL HUMANITARIAN FUND FOR
THE FINANCIAL YEARS 2020/2021 AND 2021/2022**



**DIRECTORATE OF AUDIT APPROPRIATIONS
& GENERAL PURPOSE COMMITTEES,
NATIONAL ASSEMBLY
PARLIAMENT BUILDINGS
NAIROBI**

JULY 2025



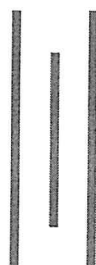
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JULY 2025

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LIST OF ABBREVIATIONS AND ACRONYMS

CoK	-	Constitution of Kenya, 2010
CBK	-	Central Bank of Kenya
FY	-	Financial Year
IDPs	-	Internally Displaced Persons
MDAs	-	Ministries, Departments and Agencies
NHF	-	National Humanitarian Fund
PFM	-	Public Finance Management
OAG	-	Office of the Auditor-General
PSASB	-	Public Sector Accounting Standards Board
RTGS	-	Real Time Gross Settlement

CHAIRPERSON'S FOREWORD

Hon. Speaker, on behalf of the Special Funds Accounts Committee and under Standing Order 199, it is my pleasant duty and honour to present to the House the report of the Committee on consideration of the reports of the Auditor-General on the audited financial statements for the National Humanitarian Fund for the financial years 2020/2021 and 2021/2022.

Oversight over national revenue and expenditure is amongst the roles of the National Assembly as stipulated under Article 95 (4) (c) of the Constitution of Kenya, 2010. Further, Article 226 of the CoK provides that an Act of Parliament shall provide for the designation of an Accounting Officer in every public entity at the national level who is accountable to the National Assembly for its financial management. In addition, Article 229(8) mandates this House to debate and take appropriate action on audit reports from the Auditor-General.

In fulfilment of these constitutional provisions, the National Assembly established various Committees to examine reports of the Auditor-General to ascertain whether public funds are utilized in a lawful, authorized, effective, efficient, economical, and transparent manner. The Special Funds Accounts Committee was established in the Fifth Session of the Eleventh Parliament following the review of the National Assembly's Standing Orders, is one of the Committees.

The Committee received oral and written submissions from Mr. Raymond Omollo, the Principal Secretary, State Department Internal Security and National Administration and the Accounting Officer of the Fund, regarding the audited financial statements for the Financial Year 2020/2021 and 2021/2022. The submissions formed the basis of the Committee's observations, findings, and recommendations. These are also contained in the Minutes and Hansard Reports of Committee proceedings.

Hon. Speaker, I wish to express appreciation to the Honourable Members of the Committee, the Office of the Speaker, the Clerk of the National Assembly, the Parliamentary Liaison Offices of the Auditor-General and the National Treasury and the Committee Secretariat for facilitating the Committee in the production of this report.



HON. FATUMA ZAINAB MOHAMMED, M.P.

CHAIRPERSON, SPECIAL FUNDS ACCOUNTS COMMITTEE

CHAPTER ONE

1.0 PREFACE

1.1 Establishment and Mandate of Special Funds Accounts Committee

1. The Special Funds Accounts Committee is one of the six Watchdog Committees of the National Assembly established under Standing Order 205. It is mandated to examine the reports of the Auditor-General on the following:

- i) *Funds established by statute or by subsidiary legislation, except Funds under Standing Order 205B (Decentralized Funds Accounts Committee)*
- ii) *The Equalization Fund;*
- iii) *The Equalization Fund Advisory Board;*
- iv) *The Political Parties Fund; and*
- v) *Other funds as may be communicated by the Honourable Speaker*

1.2 Committee Membership

2. The Committee comprises the following members:

S/N	Name	Constituency	Party
1	Hon. Fatuma Zainab Mohammed, MP (Chairperson)	Migori (CWR)	Independent
2	Hon. Dawood Abdul Rahim, HSC, MP (Vice Chairperson)	North Imenti	Independent
3	Hon. Otucho Mary Emaase Mp, MP	Teso South (CWR)	UDA
4	Hon. Charles Ngusya Nguna, MP	Mwingi West	Wiper
5	Hon. Dr. Christine Ombaka Oduor, MP	Siaya (CWR)	ODM
6	Hon. Erastus Kivasu Nzioka, MP	Mbooni	Wiper
7	Hon. Eve Akinyi Obara, MP	Kabondo Kasipul	ODM
8	Hon. Joseph Majimbo Kalasinga, MP	Kabuchai	FORD-K
9	Hon. Tom Mboya Odege, MP	Nyatike	ODM
10	Hon. Catherine Nakhabi Omanyoo, MP	Busia (CWR)	ODM
11	Hon. Cecilia Asinyen Ngitit, MP	Turkana (CWR)	UDA
12	Hon. Erick Kahugu Wamumbi, MP	Mathira	UDA
13	Hon. Joseph Kimutai Cherorot, MP	Kipkelion East	UDA
14	Hon. Onchoke Charles Mamwacha, MP, MP	Bonchari	UPA
15	Hon. Paul Kibichi Biego, MP	Chesumei	UDA

1.3 Committee Secretariat

3. The Secretariat facilitating the Committee comprises the following staff:

S/N	NAME	DESIGNATION
1	Mr. Erick Nyambati	Senior Clerk Assistant
2.	Ms. Comfort Achieng	Clerk Assistant III
3	Mr. Nimrod Mate	Clerk Assistant III
4	Mr. Robert Ngetich	Fiscal Analyst II
5	Ms. Judith Kanyoko	Legal Counsel II
6	Ms. Bevaline Mosoti	Research Officer III
7.	Mr. Derrick Kathurima	Media Relations Officer III
9	Ms. Felistus Muiya	Public Communications Officer III
10	Mr. Peter Mutethia	Hansard Audio Officer III
11	Mr. Joshua Lenambet	Serjeant At Arms

CHAPTER TWO

2.0 EXAMINATION OF THE AUDITOR GENERAL REPORT FOR NATIONAL HUMANITARIAN FUND FOR THE FINANCIAL YEARS 2020/2021 AND 2021/2022

4. Mr. Mr. Raymond Omollo, the Principal Secretary Internal Security and National Administration appeared before the Committee on Thursday 7th March 2024 to adduce evidence on the audited financial statements for the National Humanitarian Fund for the Financial Years 2020/2021 and 2021 /2022. During the meeting, the Accounting Officer was accompanied by:

- | | |
|----------------------|--------------------------------------|
| 1. Ms. Anne Ngetich | - Principal administrative secretary |
| 2. Mr. Fred Muhul | - Deputy Accountant General |
| 3. Mr. John Nyabwari | - Senior Chief Finance Officer |
| 4. Mr. Keffa Onyiso | - Legal Counsel |
| 5. Mr. Jamed Muigai | - Head of Internal Audit |

2.1 Examination of the Auditor General reports for National Humanitarian Fund for the financial year 2020/2021

1. Unsupported Payments to Internally Displaced Persons (IDPs)

2. As disclosed under Note 4 to the financial statements, the statement of receipts and payments for the year ended 30th June, 2021 reflects a total of kshs.116, 198,000.60 in respect of other grants and transfers and payments/expenses out of which payments amounting to Kshs.43,800,000 were made to various IDPs under the cash payment programme through Equity Bank.
3. However, the payments were not supported with verifiable accounting documents including clearly authenticated schedules from the receiving bank and acknowledgements from the beneficiaries. Consequently, the validity and propriety of the disbursement of Kshs.43,800,000 included in other grants and transfers and payments/expenses could not be confirmed.

Submission by the Accounting Officer

The Accounting Officer submitted that—

4. The Statement of Receipts and Payments for the year ended 30th June 2021 reflects a total of Kshs 116,198,000.60 in respect grants, transfers and payments/expenses as disclosed in Note 4 to the NHF financial statements. Out of which payments amounting to Kshs

43,800,000.00 were made to various IDPs under the cash payment programme through Equity Bank.

5. In the Financial Year under review the fund made disbursements to various IDPs under cash payment programme amounting to Kshs. 43,800,000.00 through Equity Bank. The State Department secured verifiable and authenticated payment schedules from the bank and they are available for audit verification to support the disbursement and has being Annexed in the submissions

Findings and observation of the committee

6. The Committee Observed that—

- i. **payments amounting to Kshs 43,800,000.00 were made to various IDPs under the cash payment programme through Equity Bank.**
- ii. **Payments were supported with verifiable accounting documents although not submitted at the time of audit.**
- iii. **The matter is resolved.**

5. Unsupported Bank Balances

7. As disclosed under Note 5 to the financial statements, the statement of assets and liabilities as at 30th June, 2021 reflects a balance of Kshs.272,622,221.80 in respect of cash and cash equivalents. However, the unpaid list of IDPs to support the amount of Kshs. 259,321 and Kshs.99,760 held in National Bank of Kenya and Equity Bank respectively and all amounting to Kshs.359,081 was not provided for audit verification.
8. Further, a review of the Fund's Bank statement for the account maintained at Equity Bank for the period between 01.07.2020 to 30.06.2021 showed the following unexplained transactions.
 - i. RTGS State Department for Interior and Citizen Services Kshs.193,537,036.05 Credit on 26.02.2021 and Debit of the same amount on 19.03.2021.
 - ii. RTGS State Department for Interior and Citizen Services Kshs.3,012,737.00 Credit on 28.05.2021 and Debit of the same amount in 25.06.2021

In the circumstances, the validity and completeness of the cash and cash equivalent of Kshs.272,622,221.80 as at 30th June, 2021 could not be confirmed.

Submission by the Accounting Officer

9. The Accounting Officer submitted that—

The State Department requested the National Bank of Kenya to give an account of funds held in the NHF account of Kshs 259,321 and the same is available for audit verification. Annex 2 of the submitted document. Similarly, upon request by the State Department, Equity Bank gave an account statement and clarifications to support the balance of Kshs. 99,760. This amount is deemed to be unclaimed amount for two IDPs and the bank statement is available for audit verification. Annex 3 of the submitted document.

10. For the RTGS amount of Kshs. 193,537,036.05 credited by Equity Bank on 26.02.2021 and a Debit of the same amount on 19.03.2021. The bank clarified that the amount was meant for payroll request from the Ministry done on 2nd February 2021 which was credited to the account erroneously hence necessitating a reversal after the Ministry clarified that the funds were meant to cover the payroll. For the RTGS of Kshs. 3,012,737.00 Credited on 28.05.2021 and a Debit of the same amount on 25.06.2021. The Bank clarified that the Central Bank of Kenya recalled the funds with "SET I ERROR" reason, which necessitated the reversal. Annex 3 of the submitted document.

Observation of the committee

11. The Committee observed that—

- i) **An amount of Kshs. 259,321 and Kshs. 99,760 was held in National Bank of Kenya and Equity Bank respectively**
- ii) **The National Bank of Kenya was yet to give an account of funds held in the NHF account of Kshs 259,321 while Kshs. 99,760 that was held in Equity Bank was deemed to be unclaimed amount for two IDPs .**
- iii) **The RTGS amount of Kshs. 193,537,036.05 was meant for payroll request from the Ministry necessitating a reversal after the Ministry clarified that the funds were meant to cover the payroll.**
- iv) **The RTGS amount of Kshs. 3,012,737.00 was recalled by Central Bank of Kenya with "SET I ERROR" reason necessitating a reversal.**
- v) **The matter is resolved.**

6. Non-Functioning Fund Committee

12. As reported in the previous year, although the Prevention, Protection and Assistance to Internally Displaced Persons and Affected Communities Act, 2012 prescribes the Fund Administration procedures including the composition and functions of the Committee and Secretariat, there was no evidence in form of minutes to indicate that the Committee deliberated on the matters of the Fund and directed its administration in the year under audit as provided for under the Act. Further, no evidence was provided of an active Secretariat as provided for in the enabling Act. In the circumstances, the adequacy and effectiveness or otherwise of risk management and oversight on the Fund could not be confirmed.

Submission by the Accounting Officer

13. The Accounting Officer submitted the following;

The Fund did not make any disbursements or any payments to the IDP'S In the Financial Year under review. No more funds have been disbursed and no new payment schedules have been forwarded to the banks for payment, thus, there are no minutes to indicate that the Committee deliberated on matters of the Fund.

14. It was only issues that required clarifications that were referred back to the Committee through the Secretariat but where beneficiaries' details were correct, no further

communication was required. The Committee was constituted on 9th December, 2014 for a period of 3 years. Upon expiry of its tenure, the Internally Displaced Persons (IDPs) camps had been closed with most of the IDP's having been integrated back to the society.

Findings and observation of the committee

15. The Committee observed that—

- i. The Fund does not have a functional Committee since its three-year tenure expired in 2017. Consequently, no funds can be disbursed or payment schedules can be prepared due to the absence of a functional committee**
- ii. Although most of the Internally Displaced Persons (IDPs) had been been integrated back to the society, IDPs camps were closed at the expiry of three years of the committee before all IDPs were compensated**
- iii. The matter is unresolved.**

Recommendations of the Committee

16. The Committee recommends that—

Within six months upon the adoption of this report, the cabinet secretary for Ministry of interior and National Administration Should reconstitute a functional national consultative coordination committee on IDPS to wind up issues related to the fund.

2.2 Examination of the Auditor General reports for National Humanitarian Fund for the financial years 2021/2022

1. Dormant Bank Accounts

17. Review of records provided for audit indicated that the Fund operated four commercial bank accounts and one account at Central Bank which were established for the purpose of disbursing grants to Internally Displaced Persons (IDPs) under the cash payment programme. Review of the bank statements revealed that the bank accounts have been dormant for over two years with a balance of Kshs.272,621,261.00 as at 30th June, 2022 despite the conclusion of disbursement of grants to IDPs under the cash payment programme.
18. This is contravention of the provision of Section 16 (2) of the prevention, and protection Assistance to Internally Displaced Persons and Affected Communities Act 2012 which provides that Accounting Officer may, with the approval of the Cabinet Secretary for the time being responsible for finance, invest or place on a deposit interest earning account any of the moneys of the fund and any interest earned on moneys so invested or deposited shall be placed to the credit of the Fund. In the circumstances, the effective use of the Fund's resources could not be confirmed.

Submission by the Accounting Officer

19. The Accounting Officer submitted that—

Sec16(2) of the prevention, protection and assistance to internally displaced persons and affected communities Act, 2012 provides that the Accounting Officer may, with the approval of the Cabinet Secretary for the time responsible for Finance, invest or place on a deposit account any of the money of the Fund and any interest earned on money so invested or deposited shall be placed to the credit of the Fund. It is also true that at the time of the audit the bank accounts were dormant and were holding idle funds despite provision in the Act and completion of disbursement of grants to IDPs.

20. The bank accounts, their bank balances and status were as detailed below:

S/NO	BANK	A/C NO.	BALANCE AS AT 30.06.22
1	Central Bank of Kenya	1000311339	271,250,155.00
2	Co-operative Bank of Kenya	01141010160000	12,985.00
3	Kenya Commercial Bank	1145110983	0.00
4	National Bank of Kenya	01001033074100	258,121.00
5	Equity Bank	0020261438740	100,000.00

21. There are modalities in considering investing or placing the funds in an interest earning account as recommended by the section 16(2) of the Act. As a prerequisite, section 16(1) provides that the Fund shall be administered by the Accounting Officer under the general

direction of the Committee. Notably, the National Consultative Coordination Committee on Internally Displaced Persons established under section 12 of the Act is not in place hence impairing the decision on modalities of investing or placing on a deposit account any of the money of the Fund that have been dormant in the bank accounts.

22. The State Department has made follow-ups on the outstanding balances held by the Commercial banks and advised them to remit the outstanding balances to CBK National Humanitarian fund Account for further action. All the commercial bank accounts have since been closed and balances transferred to CBK account as per the attached CBK, Co-operative Bank and National Bank Statements.

23. It is notable that National Humanitarian Fund was formed under the Act of Parliament and only the same can wind it up, thus explaining the infinite life of the Fund. There are modalities and legal issues involved in the closure or winding up of such a fund.

Observations of the committee

24. **The Committee observed that—**

- i. **At the time of the audit four bank accounts were dormant and were holding idle funds despite provision in the Act and completion of disbursement of grants to IDPs.**
- ii. **All the commercial bank accounts have since been closed and balances transferred to CBK account, the Funds Couldn't be invested due to the lack of a Functioning Committee.**
- iii. **The Matter is unresolved.**

Recommendations of the Committee

25. **The Committee recommends that:**

Within six months upon the adoption of this report, the cabinet secretary for Ministry of interior and National Administration Should reconstitute a functional national consultative coordination committee on IDPS to wind up issues related to the fund.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

2. Non-Functioning Fund Committee

26. As reported in the previous year, although the Prevention. Protection and Assistance to Internally Displaced Persons and Affected Communities Act, 2012 prescribes the Fund Administration procedures including the composition and functions of the Committee and Secretariat, there was no evidence in form of minutes to indicate that the Committee deliberated on the matters of the Fund and directed its administration in the year under audit

27. The Accounting Officer submitted that—

The Fund did not make any disbursements or any payments to the IDP'S In the Financial Year under review No more funds have been disbursed and no new payment schedules have been forwarded to the banks for payment, thus, there are no minutes to indicate that the Committee deliberated on matters of the Fund. It was only issues that required clarifications that were referred back to the Committee through the Secretariat but where beneficiaries' details were correct, no further communication was required. The Committee was constituted on 9th December, 2014 for a period of 3 years. Upon expiry of its tenure, the Internally Displaced Persons (IDPs) camps had been closed with most of the IDPs having been integrated back to the society.

Findings and observation of the committee

28. The Committee observed that—

- i. The Fund did not have a functional Committee since its three-year tenure expired in 2017, resulting in no funds being disbursed and no payment schedules being prepared due to the absence of a functional committee
- ii. Although most of the Internally Displaced Persons (IDPs) camps had been integrated back to the society the IDP camps were closed at the expiry of three years of the committee before all IDPs were compensated
- iii. The matter is unresolved.

Recommendations of the Committee

29. The Committee recommends that—

Within six months upon the adoption of this report the cabinet secretary for Ministry of interior and National Administration Should reconstitute a functional national consultative coordination committee on IDPS to wind up issues related to the fund.

Signature

Date:

29/07/25



HON. FATUMA ZAINAB MOHAMMED, M.P.
CHAIRPERSON, SPECIAL FUNDS ACCOUNTS COMMITTEE



**MINUTES OF THE 10TH SITTING OF SPECIAL FUND ACCOUNTS COMMITTEE
HELD ON TUESDAY, 5TH MARCH 2024, CONTINENTAL BUILDING COMMITTEE
ROOM ON THE 2ND FLOOR AT 12.00 NOON.**

PRESENT

1. Hon. Fatuma Zainab Mohammed, MP - Chairperson
2. Hon. Dawood Abdul Rahim, HSC, MP - Vice Chairperson
3. Hon. Eve Akinyi Obara, MP
4. Hon. Charles Ngusya Nguna, MP
5. Hon. Erastus Kivasu Nzioka, MP
6. Hon. Dr. Christine Ombaka Oduor, MP
7. Hon. Tom Mboya Odege, MP
8. Hon. Catherine Nakhabi Omanyoo, MP
9. Hon. Cecilia Asinyen Ngiti, MP
10. Hon. Joshua Odongo Oron, MP
11. Hon. Kahugu Erick Mwangi, MP
12. Hon. Paul Kibichi Biego, MP

APOLOGIES

1. Hon. Faith Wairimu Gitau, MP
2. Hon. Joseph Majimbo Kalasinga, MP
3. Hon. Joseph Kimutai Cherorot, MP

IN ATTENDANCE

NATIONAL HUMANITARIAN FUND

1. Mr. Raymond Omollo - Principal Secretary Internal Security and National Administration
2. Ms. Anne Ngetich - Principal administrative secretary
3. Mr. John Nyabwari - Senior Chief Finance Officer
4. Mr. Keffa Onyiso - Legal Counsel
5. Mr. Fred Muhul - Deputy Accountant General
6. Mr. Stanely Mutua - Liaison Officer Interior
7. Mr. James Muigai - Head of Internal Audit

OFFICE OF THE AUDITOR-GENERAL

1. Mr. David Osiemo - liaison Officer
2. Mr. Richard Nyachio - Director Audit
3. Mr. Josephat Muthusi - Senior Auditor

NATIONAL ASSEMBLY SECRETARIAT

1. Mr. Erick Nyambati - Ag Senior Clerk Assistant
2. Ms. Comfort Achieng - Clerk Assistant III

- | | |
|--------------------------|---------------------------|
| 3. Mr. Nimrod Mate | - Clerk Assistant III |
| 4. Mr. Judith Kanyoko | - Legal Counsel II |
| 5. Mr. Derrick Kathurima | - Media Relations Officer |
| 6. Ms. Pauline Sifuma | - Hansard Reporter III |
| 7. Mr. Peter Mutethia | - Hansard Audio officer |
| 8. Mr. Abdifatah Mahat | - Attachee |

MIN. NA/AA&GPC-SFAC/2024/030:

PRELIMINARIES

The Chairperson called the meeting to order at 10.01am, followed by a word of prayer and introductions. The following agenda was adopted as circulated:

1. Prayers
2. Preliminaries/Introductions
3. **Examination of the Auditor General Reports on Accounts of the National Humanitarian Fund for the Financial Years 2020/2021 and 2021/2022.**
4. Any Other Business
5. Adjournment Date of the next meeting.

The Principal Secretary State Department Internal Security and National Administration and the Accounting Officer for the **National Humanitarian Fund** undertook oath of witness. He tabled the management responses and supporting documents on the audited accounts of **National Humanitarian Fund** for the financial years 2020/2021 and 2021/2022.

MIN. NA/AA&GPC-SFAC/2024/031: **CONSIDERATION OF THE AUDIT REPORTS OF THE NATIONAL HUMANITATION FUND FOR THE FINANCIAL YEARS 2020/2021 AND 2021/2022**

Brief on the mandate and scope of the Fund

The Accounting officer briefed the Committee on the operations of **National Humanitarian Fund** for the financial years 2020/2021 and 2021/2022.

Examination of the Auditor General reports for National Humanitarian Fund for the financial years 2020/2021 and 2021/2022.

The Committee examined the Auditor General's report for the National Humanitarian Fund for the financial years 2020/2021 and 2021/2022 as follows:

1. Unsupported Payments to Internally Displaced Persons (IPDs)

As disclosed under Note 4 to the financial statements, the statement of receipts and payments for the year ended 30th June, 2021 reflects a total of kshs.116, 198,000.60 in respect of other grants and transfers and payments/expenses out of which payments amounting to Kshs.43,800,000 were made to various IDPs under the cash payment programme through Equity Bank. However, the payments were not supported with verifiable accounting documents including clearly authenticated schedules from the receiving bank and acknowledgements from the beneficiaries.

Consequently, the validity and propriety of the disbursement of Kshs.43,800,000 included in other grants and transfers and payments/expenses could not be confirmed.

Submission by the Accounting Officer

The Accounting Officer submitted as follows;

The Statement of Receipts and Payments for the year ended 30th June 2021 reflects a total of Kshs 116,198,000.60 in respect grants, transfers and payments/expenses as disclosed in Note 4 to the NHF financial statements. Out of which payments amounting to Kshs 43,800,000.00 were made to various IDPs under the cash payment programme through Equity Bank.

In the Financial Year under review the fund made disbursements to various IDPs under cash payment programme amounting to Kshs. 43,800,000.00 through Equity Bank.

The State Department secured verifiable and authenticated payment schedules from the bank and they are available for audit verification to support the disbursement. Annex 1 of the documents submitted

Findings and observation of the committee

The Committee Observed that;

- i. Authenticity and accuracy of payment schedules provided would not be ascertained since some people paid were indicated as originating from three Counties raising concerns on whether the list provided was genuine and accurate.
- ii. The list provided was not a true reflection of the expected IDPS
- iii. Money was disbursed to IDPS in July 2020 yet at the time, there was no functional Committee tasked to do so.
- iv. Other IDPS remained uncompensated or unsettled
- v. The matter remained unresolved

2. Unsupported Bank Balances

As disclosed under Note 5 to the financial statements, the statement of assets and liabilities as at 30th June, 2021 reflects a balance of Kshs.272,622,221.80 in respect of cash and cash equivalents. However, the unpaid list of IDPs to support the amount of Kshs. 259,321 and Kshs.99,760 held in National Bank of Kenya and Equity Bank respectively and all amounting to Kshs.359,081 was not provided for audit verification.

Further, a review of the Fund's Bank statement for the account maintained at Equity Bank for the period between 01.07.2020 to 30.06.2021 showed the following unexplained transactions.

- i. RTGS State Department for Interior and Citizen Services Kshs.193,537,036.05 Credit on 26.02.2021 and Debit of the same amount on 19.03.2021.
- ii. RTGS State Department for Interior and Citizen Services Kshs.3,012,737.00 Credit on 28.05.2021 and Debit of the same amount in 25.06.2021

In the circumstances, the validity and completeness of the cash and cash equivalent of Kshs.272,622,221.80 as at 30th June, 2021 could not be confirmed.

Submission by the Accounting Officer

The Accounting Officer submitted the following;

The State Department requested the National Bank of Kenya to give an account of funds held in the NHH account of Kshs 259,321 and the same is available for audit verification. Annex 2 of the submitted document

Similarly, upon request by the State Department, Equity Bank gave an account statement and clarification to support the balance of Kshs. 99,760. This amount is deemed to be unclaimed amount for two IDPs and the bank statement is available for audit verification. Annex 3 of the submitted document

For the RTGS amount of Kshs. 193,537,036.05 credited by Equity Bank on 26.02.2021 and a Debit of the same amount on 19.03.2021. The bank clarified that the amount was meant for payroll request from the Ministry done on 2nd February 2021 which was credited to the account erroneously hence necessitating a reversal after the Ministry clarified that the funds were meant to cover the payroll. For the RTGS of Kshs. 3,012,737.00 Credited on 28.05.2021 and a Debit of the same amount on 25.06.2021. The Bank clarified that the Central Bank of Kenya recalled the funds with "SYSTEM ERROR" reason, which necessitated the reversal. Annex 3 of the submitted document.

Findings and observation of the committee

The Committee observed that;

- i) The fund was dormant from 2017 as the Committee's tenure was for 3 years only thus the Fund did not have a Functional Committee leading to the Funds not being utilized.
- ii) Some of the Internally Displaced Persons's were not paid by the time the Committee's tenure had come to an end and the Accounting Officer had initiated an engagement with the Executive to guide on the matter
- iii) The exact time Kshs. 272,622,221.80 was transferred to central bank and who authorized the same would not be established.
- iv) Approvals of debiting the Funds account on the RTGS amounts credited to its account was not explained
- v) The matter remained unresolved.

2. Non-Functioning Fund Committee

As reported in the previous year, although the Prevention, Protection and Assistance to Internally Displaced Persons and Affected Communities Act, 2012 prescribes the Fund Administration procedures including the composition and functions of the Committee and Secretariat, there was no evidence in form of minutes to indicate that the Committee deliberated on the matters of the Fund and directed its administration in the year under audit as provided for under the Act. Further, no evidence was provided of an active Secretariat as provided for in the enabling Act.

In the circumstances, the adequacy and effectiveness or otherwise of risk management and oversight on the Fund could not be confirmed.

Submission by the Accounting Officer

The Accounting Officer submitted the following;

The Fund did not make any disbursements or any payments to the IDP'S In the Financial Year under review. No more funds have been disbursed and no new payment schedules have been

forwarded to the banks for payment, thus, there are no minutes to indicate that the Committee deliberated on matters of the Fund. It was only issues that required clarifications that were referred back to the Committee through the Secretariat but where beneficiaries' details were correct, no further communication was required. The Committee was constituted on 9th December, 2014 for a period of 3 years. Upon expiry of its tenure, the Internally Displaced Persons (IDPs) camps had been closed with most of the IDP's having been integrated back to the society.

Findings and observation of the committee

The Committee observed that;

- i. There was no evidence attached in form of minutes to indicate that, the Committee deliberated on matters of the Fund.
- ii. The Fund did not have a functional Committee since its tenure of three years had expired in the year 2017 , but the committee noted with concern that financial transactions were carried out during the period under review.
- iii. The matter remained unresolved

The Committee directed that

- a) The Accounting Officer provides the following with seven days;
 - i. A list of all confirmed Internally Displaced Person's(IDPS) highlighting those who have been paid, when they were paid and those who not paid.
 - ii. Status report with supportive evidence on laid plans of compensating the remaining IDPS .
 - iii. The Fund's certified Bank Statements for January to 30th June ,2021of Equity and National bank .
 - iv. Bank certificates from both banks as at 30th June 2021.
 - v. Correspondences between Central Bank of Kenya and Ministry of interior and Coordination of National Government regarding following transactions;
 - a) RTGS State Department for Interior and Citizen Services Kshs.193,537,036.05 Credit on 26.02.2021 and Debit of the same amount on 19.03.2021.
 - b) RTGS State Department for Interior and Citizen Services Kshs.3,012,737.00 Credit on 28.05.2021 and Debit of the same amount on 25.06.2021
 - vi. A written submission on when the funds were transferred to Central bank with supporting evidence.

MIN. NA/AA&GPC-SFAC/2024/032: ADJOURNMENT/DATE OF NEXT MEETING

There being no other business, the meeting was adjourned at 2.15 p.m. The next meeting will be held on Tuesday 12th March 2024.

SIGNED.....Fatuma.....DATE.....18/03/24.....

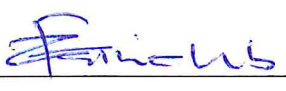
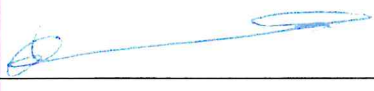

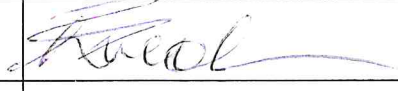

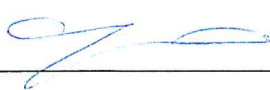

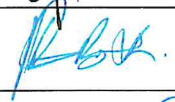
HON. FATUMA ZAINAB MOHAMMED, MP

(CHAIRPERSON)
SPECIAL FUNDS ACCOUNTS COMMITTEE

THIRTEENTH PARLIAMENT – SECOND SESSION
THE NATIONAL ASSEMBLY
SPECIAL FUNDS ACCOUNTS COMMITTEE.

ADOPTION LIST FOR THE
REPORT ON AUDITED FINANCIAL STATEMENTS FOR
THE:

National Humanitarian Fund - 2020/2021 and 2021/22

NO.	NAME	SIGNATURE
1.	Hon. Fatuma Zainab Mohammed, MP - Chairperson	
2.	Hon. Dawood Abdul Rahim, HSC, MP – Vice-Chairperson	
3.	Hon. Otucho Mary Emaase Mp	
4.	Hon. Charles Ngusya Nguna, MP	
5.	Hon. Dr. Christine Ombaka Oduor, MP	
6.	Hon. Erastus Kivasu Nzioka, MP	
7.	Hon. Eve Akinyi Obara, MP	
8.	Hon. Joseph Majimbo Kalasinga, MP	
9.	Hon. Tom Mboya Odege, MP	
10.	Hon. Catherine Nakhabi Omanyoo, MP	
11.	Hon. Cecilia Asinyen Ngirit, MP	
12.	Hon. Erick Kahugu Mwangi MP	
13.	Hon. Joseph Kimutai Cherorot, MP	
14.	Hon. Paul Biego Kibichy, MP	
15.	Hon. Onchoke Charles Mamwacha, MP	