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## **TRANSITION AUTHORITY**

# **Report of The Auditor - General on The Financial Statements of The Transition Authority**

**For The Year Ended  
30 June 2015**





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TRANSITION AUTHORITY

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED JUNE 30, 2015

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

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## **1. KEY ENTITY INFORMATION AND MANAGEMENT**

### **Background Information**

The Transition Authority was established through an Act of Parliament, the Transition to Devolved Government Act (TDGA), 2012, with a mandate of facilitating and coordinating the devolution process from the National to the county Governments. Transition Authority Members are responsible for the general policy and strategic direction of the Authority.

### **Vision Statement**

To have a seamless transition for better devolved services.

### **Mission Statement**

To facilitate the realization of a devolved system of government through effective and efficient coordination of the transition process.

### **Mandate**

Transition Authority is a statutory body with the mandate of facilitating and coordinating the of transition to the devolved system of Government in Kenya as provided for under section 15 of the Sixth Schedule of the Constitution of Kenya 2010.

### **Core Values**

#### **a) Professionalism**

The TA is committed to professionalism in all its endeavours and has developed a Code of Ethics. A key component of the agreed upon code is performance standards which will continuously be evaluated and form the basis of annual performance reviews.

#### **b) Independence and Impartiality**

Transition Authority executes its mandate independently, impartially and in full compliance with the Constitution and all the laws of the Republic of Kenya. It does these through extensive and exhaustive consultation with relevant stakeholders to reach consensus.

#### **c) Accountability**

The Authority is a result oriented organization that emphasizes efficiency and financial probity in service delivery

#### **d) Equality, Equity, and Inclusion**

The Authority integrates equity, diversity, and inclusion in its operations. To this regard, the rights of the youths, women and marginalized continue to inform both policy and decisions taken by the Authority.



## **e) Co-operation**

Transition Authority embraces cooperation with all the stakeholders for effective and efficient delivery of services at devolved level.

### **Key Management**

The Transition Authority day-to-day management is under the following key organs:

- Chairman
- Members
- Chief Executive Officer/ Secretary
- Directors
- Heads of Departments

### **Fiduciary Management**

The key management personnel who held office during the financial year ended 30th June 2015 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Accounting Officer	Stephen K. Makori
2.	Chief Accountant	Edith Kanini Nzioki

### **FIDUCIARY OVERSIGHT ARRANGEMENTS**

#### **1. Finance and administration committee**

Deals with day to today operations on internal financial and administrative issues while ensuring that programmes and activities are implemented as planned and that they are within the budget

#### **2. Audit committee**

This is an internal oversight committee responsible for systems and expenditure review and advises management on necessary internal controls aimed at securing and safeguarding the assets of the organization

### **OVERVIEW**

The Transition Authority (TA) is a statutory body with the mandate of facilitating and coordinating the transition to the devolved system of government as provided for under section 15 of the Sixth Schedule of the Constitution of Kenya 2010. The Authority is established under the Transition to Devolved Government Act (TDGA), 2012, and is expected to execute its mandate within three years following the first General Election held on March 4, 2013.

**Transition Authority**  
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The transition to a devolved system of government was set in motion following the swearing in of a team to spearhead devolution on July 3, 2012. The team comprises of the chairman and eight other full-time members who were appointed by the President, in consultation with the Prime Minister, and following approval by the National Assembly as provided for in the First Schedule to the Transition to Devolved Government Act, 2012. Listed here below are the Transition Authority full-time members

**a). Full-time members**

1. Mr. Kinuthia Wamwangi EBS - Chairman
2. Mrs. Angeline Awino Hongo MBS- Vice Chairperson
3. Ms. Safia Abdi
4. Mrs. Mary Mwongeli Ndeto, HSC
5. Mrs. Jacqueline Akhalemesi Mogeni
6. Mr. Erastus B. I. Nyaga Rweria MBS
7. Mr. Simeon Pkatey Pkiyach
8. Mr. Bakari Garise Omara
9. Dr. Dabar Abdi Maalim

**b). Members**

1. The Principal Secretary, Office of the President and Secretary to Cabinet.
2. The Principal Secretary in the State department responsible for matters relating to devolution.
3. The Principal Secretary in the State department responsible for finance.
4. The Principal Secretary in the State department responsible for planning.
5. The Attorney-General who shall be an ex-officio member with no right to vote.
6. The secretary appointed under Section 9 of the Transition to Devolved Government Act, 2012, who shall be an ex-officio member with no right to vote.

The members of the Authority listed in (b) above, apart from the secretary, may designate an officer from their respective State department to represent them.

Since the Authority's inception in July 2012, the Authority has accomplished various tasks in fulfilment of its mandate. The tasks continue being implemented in consultation and partnerships with the National Assembly, the Senate, County Governments, Government Ministries, Departments and Agencies (MDAs), the Constitutional and Independent offices, including Commission on Implementation of the Constitution (CIC), Commission on Revenue Allocation (CRA), Office of Auditor General, Office of Controller of Budget; development partners and Non- State Actors among others.

Section 14 (b) of the Transition to Devolved Government Act, 2012 provides that in the performance of its functions or the exercise of the powers conferred by this Act, the Authority shall be accountable to the people of Kenya and ensure their participation in the transition process. This has been achieved through consultative engagements with members of the public and stakeholders at large through print and mass media, workshops and forums.



**(a) Entity Headquarters**

EXTELCOMS House  
2<sup>ND</sup>, 5<sup>TH</sup> & 8<sup>TH</sup> Floor.  
HAILESELASIE Avenue  
Nairobi, KENYA

**Entity Contacts**

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Telephone: (+254-0710287080  
Landline: 020-2224291/3/4  
E-mail: info@transauthority.go.ke  
Website: www.transauthority.go.ke

**(a) Entity Bankers**

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

**© Independent Auditors**

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

**(d) Principal Legal Adviser**

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

## BOARD MEMBERS



**Kinuthia Wamwangi, EBS  
Chairman**



**Angeline Hongo, MBS  
Vice Chairperson**



**Erustus Rweria, MBS  
Member**



**Dr. Dabar Abdi Maalim  
Member**



**Simeon Pkiyach  
Member**



**Mary Ndeto, HSC  
Member**



**Jacqueline Mogeni  
Member**



**Bakari Omara  
Member**



**Safia Abdi  
Member**



**Stephen Makori  
Secretary/CEO**



## **II) FORWARD BY THE CHIEF EXECUTIVE OFFICER**

It gives me great pleasure to present the 2014/2015 Transition Authority (TA) Financial Report. The Authority was established following a landmark report by The Taskforce on Devolution. Upon the establishment of the Transition Authority, the members were charged with the responsibility of “facilitating the realization of a devolved system of government through effective coordination of the transition process”

During this reporting period, there were considerable achievements in the various departments and committees of the Transition Authority. I am confident to state that the Authority worked diligently to deliver desirable results while leveraging opportunities that arose from time to time. Strategically, the Authority adopted and implemented practical approaches, which continue to guide the transition process, while drawing from successful models around the world.

The end of the financial year is a perfect time to take stock. The Transition Authority continued to deliver on its mandate and seek more effective and efficient ways to support devolution. With county governments in place and most process taking off, the Authority has focused more on operational issues.

Key among them is the inventory of assets and liabilities for the defunct local authorities, which has been finalised and reports presented to the county governments and the public for validation. The assets and liabilities will undergo a comprehensive audit before they are transferred to the appropriate level of government.

We completed the collection and analysis of data for the costing of functions for five sectors of health, agriculture, water and sanitation, transport and infrastructure and foreign affairs. The final report, expected by August 2015, will be a useful guide on resource allocation.

During the 2014/2015 Financial Year, The Authority's approved recurrent budget amounted to Kshs.758, 000,000. Under the same period, total expenditure was Kshs 757,276,536 leaving a balance of Kshs 723,464

This expenditure represents an absorption rate of 99.6%

The funds were utilized as follows:

- i). Compensation to employees Kshs 325. Million.
- ii). Use of goods and services kshs 432 million

We at TA are committed to ensuring that the Authority continues to utilize its budgetary allocation for the intended purposes. I would therefore urge all our stakeholders to continue supporting our activities, so that we can collectively achieve success in the transition process and entrench devolution in our country.

## **KEY ACHIEVEMENTS**

The 2014/2015 Financial Year was generally a successful one for the Transition Authority. Our success has been achieved by focusing intensively on embracing and managing devolution as it rapidly evolves in Kenya.

The Authority continued to collaborate closely with the Commission for the Implementation of the Constitution (CIC) and the Commission on Revenue Allocation (CRA), Office of the Auditor General, Ministry of Devolution and Planning, County Governments and other Government Ministries, Departments and Agencies (MDAs) to ensure a smooth transition to the devolved system.

On the whole, the transition to a devolved system of government has been well received and accepted by the general public in Kenya. Of note were the guidelines developed for the secondment of public officers to the County governments which were gazette on 7<sup>th</sup> February 2014 and shared with the county governments. These guidelines provide a mechanism to be used in transferring the services of seconded officers to the county governments. They will also safeguard the terms and conditions of service of the seconded staff and ensure the human resource component is effectively managed during the transition period.

TA also in conjunction with other stakeholders formed the joint capacity assessment and rationalization of public service (CARPS) programme in accordance with the provisions of Section 7(2)(i) of the Transition to Devolved Government Act 2012 which requires TA to carry out an audit of all existing human resource.

The Authority continued to engage other stakeholders in audit and verification of public assets and liabilities especially the office of the auditor general, CRA and the state department on Devolution. Ultimately, a zero draft report on management, transfer and audit of public assets and liabilities has been prepared and validation processes expected to be completed by 31<sup>st</sup> December 2015.

Other notable achievements over the period include the costing and transfer of delayed functions. The Authority continued with consultations and provision of guidance with various stakeholders on

- Preparation of inventory of assets and liabilities
- Preparation and dissemination of human resource audit report
- Provision of advisories on legal issues related to transition e.g Assets and Liabilities, Human Resource, Analysis and Costing of Functions, Planning and Budgeting
- Unbundled and transferred functions to counties as per schedule four of Constitution of Kenya 2010.
- Further unbundling and costing of functions



- Preparation and facilitation of the transition implementation plans (TIPS) by MDAs and County Governments
- Rationalization and deployment of staff framework
- Preparation of guidelines on classification of urban areas and cities
- Facilitation and coordination of capacity building programmes
- Facilitation and coordination of civic education
- Assessment and classification of urban areas and cities
- Facilitation on establishment of the County Public service Pension Scheme
- Participation in stakeholders meetings

## **I.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 Transition Authority is responsible for the preparation and presentation of the Transition Authority's financial statements, which give a true and fair view of the state of affairs of the Transition Authority for and as at the end of the financial year (2014/2015) ended on June 30, 2015. 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 Transition Authority; (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 Transition Authority accepts responsibility for the Authority'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 Transition Authority's financial statements give a true and fair view of the state of Authority's transactions during the financial year ended June 30, 2015, and of the Authority's financial position as at that date. The Accounting Officer in charge of the Transition Authority further confirms the completeness of the accounting records maintained for the Authority, which have been relied upon in the preparation of the Authority's financial statements as well as the adequacy of the systems of internal financial control.

The Accounting Officer in charge of the Transition Authority 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 Transition Authority'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 entity's financial statements were approved and signed by the Accounting Officer on 30/9/2015



CHIEF EXECUTIVE OFFICER/SECRETARY



CHIEF ACCOUNTANT



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NAIROBI HUB  
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## KENYA NATIONAL AUDIT OFFICE

### REPORT OF THE AUDITOR - GENERAL ON TRANSITION AUTHORITY FOR THE YEAR ENDED 30 JUNE 2015

#### REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of the Transition Authority set out on pages 1 to 11, which comprise the statement of financial assets as at 30 June 2015, the statement of receipts and payments, and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 8 of the Public Audit Act, 2003. I have obtained all the information and explanations which, to the best of my knowledge

#### Management's Responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (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 7 of the Public Audit Act, 2003.

#### Auditor-General's Responsibility.

My responsibility is to express an opinion on these financial statements based on the audit and report in accordance with the provisions of Section 9 of the Public Audit Act, 2003. The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). 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 judgment, 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

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For the year ended June 30, 2015**


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and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my audit opinion.

**Opinion**

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Authority as at 30 June 2015 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis), and comply with Public Finance Management Act, 2012.



**Edward R. O. Ouko, CBS**

**AUDITOR-GENERAL**

**Nairobi**

**10 March 2016**



**STATEMENT OF RECEIPTS AND PAYMENTS**

	Note	2014 - 2015 Kshs	2013 - 2014 Kshs
<b>RECEIPTS</b>			
Transfers from other government entities	1	760,000,000	659,750,000
Reimbursements and Refunds	2	-	2,148,330
Other Receipts	3	<u>77,000</u>	<u>-</u>
<b>TOTAL RECEIPTS</b>		<b><u>760,077,000</u></b>	<b><u>661,898,330</u></b>
<b>PAYMENTS</b>			
Compensation of Employess	4	324,638,893	385,061,493
Use of goods and services	5	405,945,379	271,995,332
Other grants and transfers	6	1,396,764	1,146,870
Social Security Benefits	7	2,210,300	1,528,600
Acquisition of Assets	8	<u>23,085,199</u>	<u>-</u>
<b>TOTAL PAYMENTS</b>		<b><u>757,276,536</u></b>	<b><u>659,732,296</u></b>
<b>SURPLUS/DEFICIT</b>		<b><u>2,800,464</u></b>	<b><u>2,166,034</u></b>

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 30/09/2015 and signed by:

  
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CHIEF EXECUTIVE OFFICER/SECRETARY

  
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CHIEF ACCOUNTANT

**VI. STATEMENT OF FINANCIAL ASSETS**

	Note	2014-2015	2013-2014
		Kshs	Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances	9	1,183,272	451,374
<b>Receivables</b>			
Outstanding Imprests	10	1,617,192	1,714,660
<b>TOTAL FINANCIAL ASSETS</b>		<u>2,800,464</u>	<u>2,166,034</u>
<b>REPRESENTED BY</b>			
Fund balance brought forward		2,166,034	4,007,876
Surplus / Deficit for the year		2,800,464	2,166,034
Transfers to Treasury		-	(1,337,036)
General Suspense		(2,166,034)	(2,670,841)
<b>NET FINANCIAL POSITION</b>		<u>2,800,464</u>	<u>2,166,034</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 30/09/2015

and signed by:

  
 \_\_\_\_\_

CHIEF EXECUTIVE OFFICER/SECRETARY

  
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CHIEF ACCOUNTANT



**VII. STATEMENT OF CASHFLOW**

	Note	2014 - 2015 Kshs	2013 - 2014 Kshs
<b>Receipts for operating income</b>			
Transfers from National Treasury	1	758,000,000	659,750,000.00
Transfers from Other Government Entities	1	2,000,000	-
Reimbursements and Refunds	2	-	2,148,330.00
Other Revenues	3	77,000	-
<b>Payments for operating expenses</b>			
Compensation of Employees	4	(324,638,893)	(385,061,493)
Use of goods and services	5	(405,945,379)	(271,995,333)
Other grants and transfers	6	(1,396,764)	(1,146,870)
Social Security Benefits	7	(2,210,300)	(1,528,600)
Receivables	-	-	(1,714,660)
Refund to treasury	-	-	(1,337,035)
<b>Adjusted for:</b>			
Adjustments during the year		(2,166,033)	(2,670,841)
<b>Net cash flow from operating activities</b>		9,959,226	(3,556,502)
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Acquisition of Assets	8	(23,085,199)	-
Net cash flows from Investing Activities		(23,085,199)	-
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>		(13,125,973)	(3,556,502)
<b>Cash and cash equivalent at BEGINNING of the year</b>		<u>451,374.25</u>	<u>4,007,876</u>
<b>Cash and cash equivalent at END of the year</b>		<u>1,183,272</u>	<u>451,374</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

30/09/2015

and signed by:



CHIEF EXECUTIVE OFFICER/SECRETARY



CHIEF ACCOUNTANT

**VIII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT**

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 %
<b>RECEIPTS</b>						
Transfer from National Treasury	758,000,000	-	758,000,000	758,000,000		100%
Transfer from Counties	2,000,000		2,000,000	2,000,000		
	758,000,000	-	758,000,000	758,000,000		100%
<b>PAYMENTS</b>						
Compensation of Employees	324,638,893		324,638,893	324,638,893		100%
Use of goods and Services	405,945,379		405,945,379	405,945,379		100%
Transfer to other Government Units	1,396,764		1,396,764	1,396,764		100%
Social Security Benefits	2,210,300		2,210,300	2,210,300		100%
Acquisition of Assets	23,085,199		23,085,199	23,085,199		100%
<b>TOTALS</b>						

The entity financial statements were approved on.....30/09/2015..... and signed by

  
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CHIEF EXECUTIVE OFFICER/SECRETARY

  
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CHIEF ACCOUNTANT



## **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. The financial statements comply with and conform to the form or 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 Transition Authority. 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 standard chart of accounts. The cash basis of accounting recognizes transactions and events only which cash is received or paid by the Transition Authority.

### **2. Recognition of revenue and expenses**

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

### **3. Cash and cash equivalents**

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

### **4. Pending bills**

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

## 5. 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 Transition Authority'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 Transition Authority's actual performance against the comparable budget for the financial year under review has been included in an annex to these financial statements.

## 6. Related parties

The authority regards a related party as a person with the ability to exert control individually or jointly or to exercise significant influence over the Authority or vice versa. Members of key management are regarded as related parties and comprise the Board members, Chief executive officer and the Directors.

### Key management compensation:

	2014/2015	2013/2014
Members	69,467,412.00	51,460,019.00
Directors	10,400,412.00	16,000,000.00
TOTAL	<u>79,867,824.00</u>	<u>67,460,019.00</u>

**N.B:** Please note that the amount of Ksh79,867,412.00 disclosed above relates salaries paid to top management staff of the organisation. These were paid through the monthly payrolls and forms part of the employee related costs figure of Ksh. 324,638,893.00 On note number 4

## 7. Comparative figures

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

## 8. Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2015.



## NOTES TO THE FINANCIAL STATEMENTS

### 1 . TRANSFERS FROM OTHER GOVERNMENT ENTITIES

	2014 - 2015	2013 - 2014
	Kshs.	Kshs.
State Department of Devolution	758,000,000	659,750,000
Mombasa County Commissioner	<u>2,000,000</u>	<u>-</u>
<b>Total</b>	<b><u>760,000,000</u></b>	<b><u>659,750,000</u></b>

#### Description and reference of the transfer

1st quarter transfer	171,750,000	138,937,500
2nd quarter transfer	171,750,000	138,937,500
3rd quarter transfer	171,750,000	-
4th quarter transfer	242,750,000	381,875,000
<b>Total</b>	<b><u>758,000,000</u></b>	<b><u>659,750,000</u></b>

### 2 . REIMBURSEMENTS AND REFUNDS

Reimbursement from Individuals and Private Organisations	-	2,148,330
<b>Total</b>	<b><u>-</u></b>	<b><u>2,148,330</u></b>

### 3 . OTHER RECEIPTS

Receipts from Administrative Fees and Charges – sale of tender documents	<u>77,000</u>	<u>-</u>
<b>Total</b>	<b><u>77,000</u></b>	<b><u>-</u></b>

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**4 . COMPENSATION OF EMPLOYEES**

Basic salaries of permanent employees	229,896,155	83,590,234
Personal allowances paid as part of salary	<u>94,742,738</u>	<u>161,471,259</u>
<b>Total</b>	<b><u>324,638,893</u></b>	<b><u>385,061,493</u></b>



**5 . USE OF GOODS AND SERVICES**

	<b>2014 - 2015</b>	<b>2013 - 2014</b>
	<b>Kshs.</b>	<b>Kshs.</b>
Utilities, supplies and services	81,600	-
Communication, supplies and services	11,652,583	13,541,857
Domestic travel and subsistence	89,079,348	28,466,234
Foreign travel and subsistence	11,024,380	9,434,842
Printing, advertising and information supplies & services	56,478,872	39,262,407
Rentals of produced assets	29,981,448	38,870,625
Training expenses	16,650,730	9,759,610
Hospitality supplies and services	42,474,648	18,124,563
Insurance costs	27,698,824	28,333,049
Specialised materials and services	274,001	16,649,300
Office and general supplies and services	16,879,556	11,197,535
Hire of Transport	7,197,000	375,000
Routine maintenance – vehicles and other transport equipment	7,799,079	2,578,552
Overhaul of Vehicles	1,459,736	466,203
Routine maintenance – other assets	4,650,737	27,623,212
Legal services	10,925,765	8,284,896
Contracted Professional Services	50,949,919	9,570,506
Fuel Oil and Lubricants	20,687,153	9,456,941
<b>Total</b>	<b><u>405,945,379</u></b>	<b><u>271,995,333</u></b>

**6 . OTHER GRANTS AND OTHER PAYMENTS**

Membership fees and dues, Subscriptions to Intl.Orgs	1,396,764	1,146,870
<b>Total</b>	<b><u>1,396,764</u></b>	<b><u>1,146,870</u></b>

**6 . SOCIAL SECURITY BENEFITS**

Government pension and retirement benefits	2,210,300	1,528,600
<b>Total</b>	<b><u>2,210,300</u></b>	<b><u>1,528,600</u></b>

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**8 . ACQUISITION OF ASSETS**

	<b>2014 - 2015</b>	<b>2013 - 2014</b>
	<b>Kshs.</b>	<b>Kshs.</b>
Purchase of Vehicles and Other Transport Equipment	-	123,024,557
Overhaul of Vehicles and Other Transport Equipment	-	353,579
Purchase of Office Furniture and General Equipment	8,896,419	8,024,870
Purchase of Specialised Plant, Equipment and Machinery	14,188,780	29,942,750
<b>Total</b>	<b><u>23,085,199</u></b>	<b><u>161,345,756</u></b>

**9 . BANK ACCOUNTS**

Name of Bank, Account No. & currency	Amount in bank		2014 - 2015 Kshs	2013 - 2014 Kshs
	account currency	Exc rate		
Central Bank of Kenya. - 1000185023			<u>1,183,272</u>	<u>451,374</u>
<b>Total:</b>			<b><u>1,183,272</u></b>	<b><u>451,374</u></b>

**9 . RECEIVABLES**

	<b>2014 - 2015</b>	<b>2013 - 2014</b>
	<b>Kshs</b>	<b>Kshs</b>
Outstanding imprests	1,617,192	1,714,660
(Annex 1)	<b><u>1,617,192</u></b>	<b><u>1,714,660</u></b>



**ANNEX 1**

**OUTSTANDING IMPRESTS - 2014/2015**

<i>Name of the officer or Institution</i>	<i>Amount Taken</i>	<i>Amount Surrendered</i>	<i>2014 - 2015</i>
JANE NJUGUNA			16,800.00
PHILIP BWONDA			58,100.00
DAVID KITHAKYA			153,300.00
SAIDI KIITA DAME			18,900.00
KARHAYU DEYE			42,000.00
Advances - 2014 / 2015			1328,091.60
<b>Total</b>			<b>1,617,191.60</b>

11: PENDING ACCOUNTS PAYABLE (See Annex 2)

**2014 - 2015**

**2013 - 2014**

**Kshs**

**Kshs**

Supply of goods

-

5,946,294.86

-

5,946,294.86





**TRANSITION AUTHORITY**