

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

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REPORT

OF

THE AUDITOR-GENERAL

ON

**THE FINANCIAL STATEMENTS OF
STATE DEPARTMENT OF TRANSPORT
(VOTE 1092)**

**FOR THE YEAR ENDED
30 JUNE 2016**

**MINISTRY OF TRANSPORT,
INFRASTRUCTURE, HOUSING AND URBAN
DEVELOPMENT**



**MINISTRY OF TRANSPORT, INFRASTRUCTURE, HOUSING AND URBAN
DEVELOPMENT**

(STATE DEPARTMENT FOR TRANSPORT)

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)

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STATE DEPARTMENT OF TRANSPORT
Reports and Financial Statements
For the year ended June 30, 2016

I. KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

The State Department of Transport was formed on May 2013 by merging the Ministry of roads and the Ministry of Transport. At cabinet level, the State Department of Transport is represented by the Cabinet Secretary for Ministry of Transport and Infrastructure, who is responsible for the general policy and strategic direction of the State Department of Transport.

(b) Key Management

The State Department of Transport's day-to-day management is under the following key organs:

- The Ministry's Headquarters, Transcom house, Community
- Kenya Railways Corporation (KRC (Amendment) Act, 2005)
- Kenya Railways Training School (KRC (Amendment) Act, 2005)
- Kenya Ports Authority (KPA Act)
- Kenya Airports Authority (KAA Act, 1991)
- East African School of Aviation (KCAA Amendment) ACT, 2002)
- Kenya Civil Aviation Authority (KCAA (Amendment) ACT, 2002)
- Transport Licensing Board
- Transport Licensing Appeals Board
- National Transport Safety Authority (NTSA)
- Kenya Ferry Services
- LAPSSET Authority (Kenya Gazette Notice 51, No. 58 of 2013)
- Kenya Maritime Authority

(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.	Cabinet Secretary	CS James Wainaina Macharia
2.	Principal Secretary	PS Wilson Nyakera Irungu

(d) Fiduciary Oversight Arrangements

Members of the audit committee were appointed as guided by the treasury's circular at the beginning of the financial year ended 2015/16. All the audit queries that were raised during the year were scrutinized by the committee and the reports were shared with the executive for implementation in the areas which were affected. Also, a major oversight role was provided by the Parliamentary Accounts Committee. They had meetings with the State department officers led by the accounting officer and sought responses for the issues which were raised by the Auditor general. The department addressed the issues as was required to the satisfaction of the committee before the issues were discharged. Further, development partners assisted in monitoring the projects and issuance of no objection before the expenditures were incurred. Other oversight activities were executed by various committees including budget implementation and Ministerial tender committee

(e) State Department of Transport Headquarters

P.O. Box 52692
Transcom House,
Ngong Road,
Nairobi, KENYA

STATE DEPARTMENT OF TRANSPORT
Reports and Financial Statements
For the year ended June 30, 2016

(f) State Department of Transport Contacts

Telephone: (254) 22729200
E-mail: ps@transport.go.ke
Website: www.transport.go.ke

(g) State Department of Transport Bankers

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

II. FORWARD BY THE CABINET SECRETARY



FORWARD BY THE CABINET SECRETARY

The State Department for Transport is charged with the development of transport policies at the national level of government as well as channeling government investments in the programmes and projects in the transport sector with a view to facilitate interconnectivity within Kenya and between Kenya and the rest of the World. The department further provides oversight over the various government institutions in the transport sector.

a) Key Achievements

The state department of Transport presides over and oversees government investments detailed in the economic pillar of vision 2030 as flagship projects and thereby plays a key role in accelerating the economic growth and development of Kenya. In addition the department is tasked with the management of the country's transport system by formulating both transport policies as well as the legislation required for smooth implementation of government programmes.

During the financial year 2015/16, the state department undertook several projects which included the revamping of construction of the first three berths at the LAPSSET project, furtherance of construction of the Standard Gauge Railway (SGR) as well as the completion of construction of the

second container terminal at the Port of Mombasa. The department further rehabilitated several airstrips across the country and over saw the construction of 4,000 relocation housing units under the Kibera Mukuru relocation action plan. Other achievements include the management of road safety as well as reduction in clearance period of all goods at various border points amongst others.

b) Emerging issues

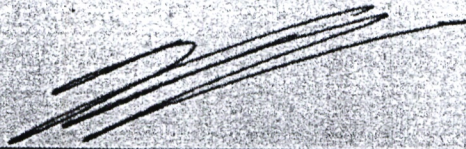
Several salient issues emerged during execution of the department's mandate over the course of the financial year. These are:

- Higher than anticipated compensation costs of land property in the areas where projects are being implemented;
- Austerity and revision of budgets at the national level of government which affected the flows of funds to projects;
- Litigation against the organs of the department which led to some delays in project implementation;
- Inadequate human capacity especially in the technical departments of the ministry that provide oversight;
- Lengthy procurement processes that hampered resource absorption; and
- Lack of funds for M&E.

c) Conclusion

In spite of these challenges, I am pleased that the department triumphed and had commendable output at the end of the financial year as demonstrated in the outmodes and targets stipulated in the 2016/17 programme based budget

presented to Parliament. The department will continue to surmount the challenges and to fulfil its mandate and institute prudent financial management policies while engaging National Treasury and donors to fast track the disbursement of funds, train personnel where there are inadequacies and engage other stake holders such as security agencies to provide support to the department as required.



James Macharia, EGH
Cabinet Secretary

STATE DEPARTMENT OF TRANSPORT
Reports and Financial Statements
For the year ended June 30, 2016

**STATEMENT DEPARTMENT OF TRANSPORT MANAGEMENT
RESPONSIBILITIES**

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

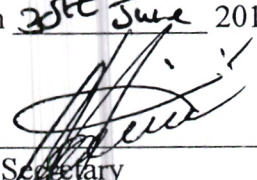
The Accounting Officer in charge of the State Department of Transport is responsible for the preparation and presentation of the State Department of Transport's financial statements, which give a true and fair view of the state of affairs of the State Department of Transport for and as at the end of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

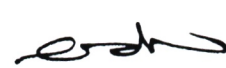
The Accounting Officer in charge of the State Department of Transport accepts responsibility for the State Department of Transport's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the State Department of Transport's financial statements give a true and fair view of the state of State Department of Transport's transactions during the financial year ended June 30, 2016, and of the State Department of Transport's financial position as at that date. The Accounting Officer charge of the State Department of Transport further confirms the completeness of the accounting records maintained for the State Department of Transport, which have been relied upon in the preparation of the State Department of Transport's financial statements as well as the adequacy of the systems of internal financial control.

The Accounting Officer in charge of the State Department of Transport 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 State Department of Transport'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 State Department of Transport's financial statements were approved and signed by the Accounting Officer on 30th June 2016.


Principal Secretary


Principal Accounts Controller

STATE DEPARTMENT OF TRANSPORT
Reports and Financial Statements
For the year ended June 30, 2016

REPUBLIC OF KENYA

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OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON STATE DEPARTMENT OF TRANSPORT (VOTE 1092) FOR THE YEAR ENDED 30 JUNE 2016 - MINISTRY OF TRANSPORT, INFRASTRUCTURE, HOUSING AND URBAN DEVELOPMENT

REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of State Department of Transport (Vote 1092) set out on pages 11 to 36, which comprise the statement of financial assets as at 30 June 2016, and the statement of receipts and payments, statement of cash flows, summary statement of appropriation: recurrent and development combined and summary statement of provisionings for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

Management's Responsibility for the Financial Statements

The Accounting Officer-State Department of Transport is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and Government Financial Regulations and Procedures and Public Finance Management Act, 2012 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

Report of the Auditor-General on the Financial Statements of State Department of Transport (Vote 1092) for the year ended 30 June 2016 - Ministry of Transport, Infrastructure, Housing and Urban Development

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 on the effectiveness of the Department'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 qualified audit opinion.

Basis for Qualified Opinion

1.0 Budgetary Control

1.1 The financial statements for the year ended 30 June 2016 include a summary of appropriation; recurrent and development combined which reflects an expenditure of Kshs.73,004,859,771 against the budget of Kshs.170,322,963,791 thus resulting in an under-expenditure of Kshs.97,318,104,020 i.e 57% under-utilization and no satisfactory explanation was provided.

1.2 Note 26.1 to the financial statements reflects pending accounts payables totaling Kshs.66, 010,455 which remained outstanding as at 30 June 2016. No satisfactory explanation was provided as to why the bills were not settled despite the knowledge that their non-payment would constrain the budget for 2016/2017 financial year should they be paid in the year. Had the pending bills been paid in the year under review, the under-utilization would have been reduced by Kshs.66,010,455.

Prior Year Matters

2.0 Budgetary Control

Examination of the combined recurrent and development summary statement at page 12 of the financial statements for the 2014/2015 financial year revealed expenditure of Kshs.161,204,337,095 against a budget of Kshs.187,742,634,777 representing an under-expenditure of Kshs.26,538,297,682 or 14% under-utilization.

In addition, Note 19.1 to the financial statements reflected pending bills of Kshs.2,408,879,265. Had the pending bills been paid, the under-utilization would have reduced by Kshs.2,408,879,265.

Further, no analysis had been provided to give the details of pending bills as required by Kenya Public Sector Accounting Standards Board.

3.0 Government Clearing Agency

As reported in the previous year, the State Department reflected expenditure by Government Clearing Agency totaling Kshs.81,725,454 for the year ended 30 June 2015. However, the financial statements of the Agency prepared by the National Treasury and submitted for audit reflected receipts of Kshs.1, 747,692 while the State

Department of Transport indicated receipts of Kshs.1,341,835 resulting to unexplained variance of Kshs.405, 857.

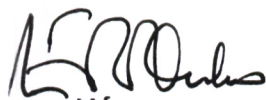
4.0 Unaccounted for Deposits

As reported in the previous year, the financial statements of the Ministry of Transport and Infrastructure for the year ended 30 June 2014 omitted the deposits bank balance of Kshs.558, 884,792.25 held in Central Bank Account No. 1000182188.

Re-examination of the deposits balance during the year under review revealed that, out of the bank balance of Kshs.558,884,792.25 reflected in a reconciliation dated 8 September, 2014, the State Department of Transport received Kshs.101,772,643.55 and the State Department of Infrastructure received the balance amounting Kshs.457,112,148.70. However, and although the State Department of Transport received Kshs.101,772,643.55 only Kshs.63,266,317.05 was reflected in the financial statements leaving a balance of Kshs.38,506,326.60 which was explained to have been transferred to the National Treasury in unclear circumstances.

Qualified Opinion

In my opinion, except for the effect of the matters described in Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of the State Department of Transport as at June 30 2016, and 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 the Public Finance Management Act, 2012.



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

Nairobi

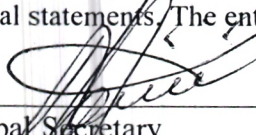
25 May 2017

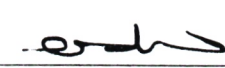
STATE DEPARTMENT OF TRANSPORT
Reports and Financial Statements
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IV. STATEMENT OF RECEIPTS AND PAYMENTS

	Not e	2015 - 2016 Kshs	2014-2015 Kshs
RECEIPTS			
Tax Revenues	1	-	0
Social Security Contributions	2	-	0
Proceeds from Domestic and Foreign Grants	3	-	0
Transfers from National Treasury	4	7,673,779,523	7,611,347,585
Transfers from Other Government Entities	5	-	0
Proceeds from Domestic Borrowings	6	-	0
Proceeds from Foreign Borrowings	7	51,376,071,721	143,368,419,747
Proceeds from Sale of Assets	8	-	0
Other Revenues	9	14,376,668,764	2,547,384,149
TOTAL REVENUES		73,426,520,008	153,527,151,481
PAYMENTS			
Compensation of Employees	10	197,757,616	213,995,287
Use of goods and services	11	334,658,921	712,226,633
Transfers to Other Government Units	12	5,168,808,115	5,911,485,177
Other grants and transfers	13	84,395,323	130,120,757
Social Security Benefits	14	12,839,519	0
Acquisition of Assets	15	67,206,400,277	146,643,177,919
TOTAL PAYMENTS		73,004,859,771	153,611,543,627
SURPLUS/DEFICIT		421,660,237	(83,854,292)

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 30th June 2016 and signed by:


Principal Secretary

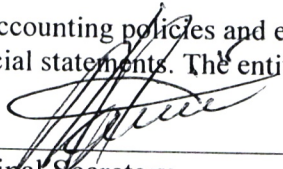

Principal Accounts Controller

STATE DEPARTMENT OF TRANSPORT
Reports and Financial Statements
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V. STATEMENT OF ASSETS

	Not e	2015 - 2016 Kshs	2014-2015 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	22A	667,662,240	105,934,173
Cash Balances	22B		286,030
Total Cash And Cash Equivalents		676,248,768	106,220,203
Accounts Receivables - Outstanding Imprest and Clearance Accounts	23	-	2,024,250
TOTAL FINANCIAL ASSETS		676,248,768	108,244,453
LESS: FINANCIAL LIABILITIES			
Accounts Payables - Deposits	24	239,679,829	101,922,279
NET FINANCIAL ASSETS		427,982,411	6,322,174
REPRESENTED BY			
Fund balance b/fwd	25	6,322,174	90,176,466
Surplus/Deficit for the year		421,660,237	(83,854,292)
Prior year adjustments			
NET FINANCIAL POSITION		427,982,411	6,322,174

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 28th June, 2016 and signed by:


Principal Secretary


Principal Accounts Controller

STATE DEPARTMENT OF TRANSPORT
Reports and Financial Statements
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VI. STATEMENT OF CASHFLOW

	Not e	2015 - 2016 Kshs	2014-2015 Kshs
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts for operating income			
Tax Revenues	1	-	-
Social Security Contributions	2		
Proceeds from Domestic and Foreign Grants	3	-	-
Transfers from National Treasury	4	7,673,779,523	7,611,347,585
Transfers from Other Government Entities	5	-	-
Other Revenues	9	14,376,668,764	2,547,384,149
		22,050,448,287	10,158,731,734
Payments for operating expenses			
Compensation of Employees	10	- 197,757,616	- 213,995,287
Use of goods and services	11	- 334,658,921	- 712,226,633
Transfers to Other Government Units	12	- 5,168,808,115	- 5,911,485,177
Other grants and transfers	13	- 84,395,323	- 130,120,757
Social Security Benefits	14	- 12,839,519	
		- 5,798,459,494	- 6,967,827,854
Adjusted for:			
Changes in receivables		2,024,250	(452,151,633)
Changes in payables		137,725,623	(1,586,285)
Adjustments during the year		-	537,854
		16,391,738,666	2,737,703,816
Net cashflow from operating activities			
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	8	-	-
Acquisition of Assets	15	(67,206,400,277)	(146,643,177,919)
Net cash flows from Investing Activities		(67,206,400,277)	(146,643,177,919)

STATE DEPARTMENT OF TRANSPORT
Reports and Financial Statements
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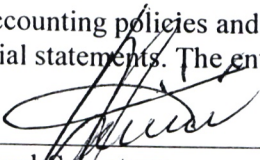
CASHFLOW FROM BORROWING ACTIVITIES

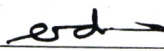
Proceeds from Domestic Borrowings	6	-	-
Proceeds from Foreign Borrowings	7	51,376,071,721	143,368,419,747
Net cash flow from financing activities		51,376,071,721	143,368,419,747

NET INCREASE IN CASH AND CASH EQUIVALENT

	561,410,110	537,592,210
Cash and cash equivalent at BEGINNING of the year	106,252,130	643,844,340
Cash and cash equivalent at END of the year	667,662,240	106,252,130

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 28th Jun, 2016 and signed by:


 Principal Secretary


 Principal Accounts Controller

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

VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Revenue/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation Difference to Final Budget
	a	b	c=a+b	d	e=d-c	f=d/c %
RECEIPTS						
Tax Receipts			-		-	
Social Security Contributions			-		-	
Proceeds from Domestic and Foreign Grants			-		-	
Exchequer releases	6,759,432,646	1,501,482,400	8,260,915,046	7,673,779,523	587,135,523	93%
Transfers from Other Government Entities			-		-	
Proceeds from Domestic Borrowings			-		-	
Proceeds from Foreign Borrowings	127,444,920,000	4,552,246,159	131,997,166,159	51,376,071,721	80,621,094,438	38%
Proceeds from Sale of Assets	2,000,000		2,000,000		2,000,000	0%
Reimbursements and Refunds			-		-	
Returns of Equity Holdings			-		-	
Other Receipts	30,047,882,586	15,000,000	30,062,882,586	14,376,668,764	15,686,213,822	48%
Total Receipts	164,254,235,232	6,068,728,559	170,322,963,791	73,426,520,008	96,896,432,783	
Payments						
Compensation of Employees	253,500,000	(34,174,014)	219,325,986	197,757,616	21,568,370	90%
Use of goods and services	1,146,633,828	(620,844,786)	525,789,042	334,658,921	191,130,121	64%
Subsidies	-	0	-	-	-	

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

Transfers to Other Government Units	17,212,211,127	8,354,547,359	25,652,295,359	5,168,808,115	-	20,397,950,371	20%
Other grants and transfers	85,536,873	7,200,000	85,536,873	84,395,323	-	1,141,550	99%
Social Security Benefits	9,359,700	0	16,559,700	12,839,519	-	3,720,181	78%
Acquisition of Assets	145,546,993,704	-	143,908,993,704	67,206,400,277	-	76,702,593,427	48%
Repayment of principal on Domestic and Foreign borrowing	-	0	-	-	-	-	
Other Expenses	-	0	-	-	-	-	
	164,254,235,232	6,068,728,559	170,322,963,791	73,004,859,771	-	97,318,104,020	

(a) [For the revenue items, indicate whether they form part of the AIA by inserting the "AIA" alongside the revenue category.]

(b) [Provide below a commentary on significant underutilization (below 50% of utilization) and any overutilization]

i. Proceeds from foreign borrowings 38%:-

This is because of the stringent procurement procedures and some projects which could not take off.

ii. Other Receipts-48% :-

These were especially receipts from the Railway Development Levy. This underutilization was because of late presentation of request for payment. Some payment could not be completed in time because they were not presented in time for example because of court cases especially on issues of land compensation.

The transfers of staff around the time of closure of financial year also contributed to some payments being locked out during June.

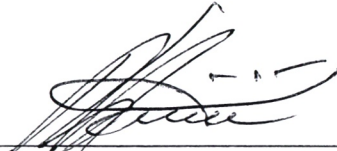
iii. Transfer to other Government Units-20% :-

Most World Bank projects did not proceed as planned especially NUTRIP and KTSSP where out of Kshs. 1.4 billion budgeted only Kshs. 277 million was absorbed.

iv. Acquisition of Assets-48% :-

The payment for SGR was behind schedule during this financial year hence affected the absorption rate. These were because of technical reasons which could not have been avoided.

The entity financial statements were approved on 30th June 2016 and signed by:


Principal Secretary


Principal Accounts Controller

VIII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT

Revenue/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation Difference to Final Budget
	a	b	c=a+b	d	e=d-c	f=d/c %
RECEIPTS						
Tax Receipts			0			
Social Security Contributions			0			
Proceeds from Domestic and Foreign Grants			0			
Exchequer releases	1,421,462,190	(15,321,600)	1,406,140,590	1,388,780,000	(17,360,590)	99%
Transfers from Other Government Entities			0		0	
Proceeds from Domestic Borrowings			0		0	
Proceeds from Foreign Borrowings			0		0	
Proceeds from Sale of Assets	2,000,000		2,000,000		(2,000,000)	0%
Reimbursements and Refunds			0		0	
Returns of Equity Holdings			0		0	
Other Receipts	4,375,487,127	15,000,000	4,390,487,127	23,146,832	(4,367,340,295)	1%
Total Receipts	5,798,949,317	(321,600)	5,798,627,717	1,411,926,832	(4,386,700,885)	24%
PAYMENTS						
Compensation of Employees	253,500,000	(34,174,014)	219,325,986	197,757,616	(21,568,370)	90%
Use of goods and services	250,825,641	26,652,414	277,478,055	200,127,918	(77,350,137)	72%
Subsidies			0		0	
Transfers to Other Government Units	5,284,000,000	0	5,284,000,000	987,161,467	(4,296,838,533)	19%
Other grants and transfers		0	0		0	-
Social Security Benefits	9,359,700	7,200,000	16,559,700	12,839,519	(3,720,181)	78%
Acquisition of Assets	1,263,976		1,263,976	834,244	(429,732)	66%
Repayment of principal on Domestic and Foreign borrowing					0	
Other Expenses					0	
	5,798,949,317	(321,600)	5,798,627,717	1,398,720,764	(8,773,401,770)	

Notes

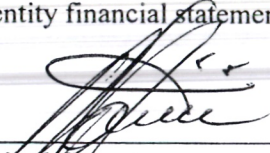
Reports and Financial Statements

For the year ended June 30, 2016

(a) *[For the revenue items, indicate whether they form part of the AIA by inserting the "AIA" alongside the revenue category.]*

(b) *[Provide below a commentary on significant underutilization (below 50% of utilization) and any overutilization]*

The entity financial statements were approved on 30th June 2016 and signed by:



Principal Secretary



Principal Accounts Controller

IX. SUMMARY STATEMENT OF APPROPRIATION: DEVELOPMENT

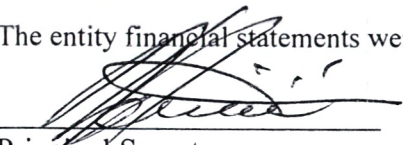
Code	Revenue/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation Difference to Final Budget
		a	b	c=a+b	d	e=d-c	f=d/c %
	RECEIPTS						
	Tax Receipts			0		0	
	Social Security Contributions			0		0	
	Proceeds from Domestic and Foreign Grants			0		0	
	Exchequer releases	5,337,970,456	1,516,804,000	6,854,774,456	6,285,010,486	(569,763,970)	92%
	Transfers from Other Government Entities			0		0	
	Proceeds from Domestic Borrowings			0		0	
	Proceeds from Foreign Borrowings	127,444,920,000	4,552,246,159	131,997,166,159	51,376,071,721	(80,621,094,438)	35%
	Proceeds from Sale of Assets			0		0	
	Reimbursements and Refunds			0		0	
	Returns of Equity Holdings			0		0	
	Other Receipts	25,672,395,459		25,672,395,459	14,353,521,932	(11,318,873,527)	56%
	Total Receipts	158,455,285,915	6,069,050,159	164,524,336,074	72,014,504,176	(92,509,831,898)	
						0	
	Payments					0	
21	Compensation of Employees			0		0	
22	Use of goods and services	895,808,187	(647,497,200)	248,310,987	134,531,003	(113,779,984)	54%
25	Subsidies			0	0	0	
263	Transfers to Other Government Units	12,013,748,000	8,354,547,359	20,368,295,359	4,181,646,648	(16,186,648,711)	28%
261/2/4	Other grants and transfers			0	84,395,323	84,395,323	
27	Social Security Benefits			0	0	0	
31	Acquisition of Assets	145,545,729,728	(1,638,000,000)	143,907,729,728	67,205,566,033	(76,702,163,695)	42%
55	Repayment of principal on Domestic and Foreign borrowing			0		0	
28	Other Expenses			0		0	
Total Payments		158,455,285,915	6,069,050,159	164,524,336,074	71,606,139,007	(92,918,197,067)	

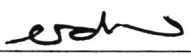
Reports and Financial Statements
For the year ended June 30, 2016

(a) [For the revenue items, indicate whether they form part of the AIA by inserting the "AIA" alongside the revenue category.]

(b) [Provide below a commentary on significant underutilization (below 50% of utilization) and any overutilization]

The entity financial statements were approved on 30th June, 2016 and signed by:


Principal Secretary


Principal Accounts Controller

X. SUMMARY STATEMENT OF PROVISIONINGS

[The provisioning summary statement is required for entities that have a vote in the National Budget.]

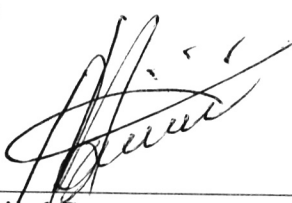
Details of General Accounts On Vote

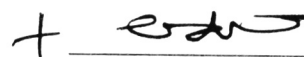
	2015 - 2016	2014 - 2015
	Kshs	Kshs
GAV Provisioning account balance	736,649,252	105,934,173.00
Total	736,649,252	105,934,173.00

Details of Exchequer
Provisioning

	2015 - 2016	2014 - 2015
	Kshs	Kshs
Exchequer Provisioning balance	587,135,523	7,611,347,585
Total	587,135,523	7,611,347,585

Total


Principal Secretary


Principal Accounts Controller

XI. 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 State Department of Transport and all values are rounded to the nearest thousand (Kshs'000). 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 State Department of Transport recognises all revenues from the various sources when the event occurs and the related cash has actually been received by the State Department of Transport. In addition, the State Department of Transport recognises all expenses when the event occurs and the related cash has actually been paid out by the State Department of Transport

3. In-kind contributions

In-kind contributions are donations that are made to the State Department of Transport 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 State Department of Transport 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 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 State Department of Transport 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.

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 State Department of Transport'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 State Department of Transport's actual performance against the comparable budget for the financial year under review has been included in an annex to these financial statements.

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.

STATE DEPARTMENT OF TRANSPORT
Reports and Financial Statements
For the year ended June 30, 2016

XII. NOTES TO THE FINANCIAL STATEMENTS

1 TAX REVENUES

	2015 - 2016	2014 - 2015
	Kshs	Kshs
Taxes on Income, Profits and Capital Gains	-	-
Total	-	-

2 SOCIAL SECURITY CONTRIBUTIONS

	2015 - 2016	2014 - 2015
	Kshs	Kshs
Receipts for Health Insurance Contribution	-	-
Total	-	-

3 PROCEEDS FROM DOMESTIC AND FOREIGN GRANTS

Name of Donor	Date received	Amount in foreign currency	2015 - 2016	2014 - 2015
			Kshs	Kshs
Grants Received from Bilateral Donors (Foreign Governments)				
Grants Received from Multilateral Donors (International Organisations)				
(Insert name of donor)	-	-	-	-
(Insert name of donor)	-	-	-	-

STATE DEPARTMENT OF TRANSPORT
Reports and Financial Statements
For the year ended June 30, 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 EXCHQUER RELEASES

Description and reference of the transfer		Date of transfer	2015 - 2016	2014 - 2015
			Kshs	Kshs
SGR				
1st quarter transfer			402,000,000	458,544,695
2nd quarter transfer			1,689,457,838	3,098,754,675
3rd quarter transfer			359,487,375	1,242,861,887
4th quarter transfer			5,222,834,310	2,811,186,328
Total			7,673,779,523	7,611,347,585

5 TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description	2015 - 2016 Kshs	2014 - 2015 Kshs
Transfers from Central government entities (insert name of budget agency)	-	-

6 PROCEEDS FROM DOMESTIC BORROWINGS

	2015 - 2016 Kshs	2014 - 2015 Kshs
Borrowing within General Government	-	-
Total	-	-

STATE DEPARTMENT OF TRANSPORT
Reports and Financial Statements
For the year ended June 30, 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7 PROCEEDS FROM FOREIGN BORROWINGS

	2015 - 2016	2014 - 2015
	Kshs	Kshs
Foreign Borrowing – Draw-downs Through Exchequer		19,252,240,845
Foreign Borrowing - Direct Payments	51,376,071,721	1,116,178,902
Foreign Currency and Foreign Deposits		123,000,000,000
Total	51,376,071,721	143,368,419,747

8 PROCEEDS FROM SALE OF ASSETS

	2015 - 2016	2014 - 2015
	Kshs	Kshs
Receipts from the Sale of Buildings		
Total	-	-

STATE DEPARTMENT OF TRANSPORT
Reports and Financial Statements
For the year ended June 30, 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

9 OTHER REVENUES

	2015 - 2016	2014 - 2015
	Kshs	Kshs
Receipts from Administrative Fees and Charges - Collected as AIA	22,625,832	5,985,551
Receipts from Incidental Sales by Non-Market Establishments		1,887,649,630
Receipts from Sale of Incidental Goods	521,000	67,000
Fines Penalties and Forfeitures		-
Receipts from Voluntary transfers other than grants		653,681,968
Other Receipts Not Classified Elsewhere -(SGR FUND)	14,353,521,932	-
Total	14,376,668,764	2,547,384,149

10 COMPENSATION OF EMPLOYEES

	2015 - 2016	2014 - 2015
	Kshs	Kshs
Basic salaries of permanent employees	94,864,709	136,407,923
Basic wages of temporary employees	33,897,172	26,758,924
Personal allowances paid as part of salary	68,995,735	50,828,440
Total	197,757,616	213,995,287

STATE DEPARTMENT OF TRANSPORT
Reports and Financial Statements
For the year ended June 30, 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11 USE OF GOODS AND SERVICES

	2015 - 2016	2014 - 2015
	Kshs	Kshs
Utilities, supplies and services	15,757,990	16,918,461
Communication, supplies and services	10,423,122	9,422,530
Domestic travel and subsistence	13,056,048	8,188,583
Foreign travel and subsistence	6,873,153	3,138,957
Printing, advertising and information supplies & services	1,522,769	799,905
Rentals of produced assets	2,295,441	6,611,930
Training expenses	5,031,971	6,772,772
Hospitality supplies and services	9,943,180	6,604,047
Insurance costs		0
Specialised materials and services	11,411,503	15,761,647
Office and general supplies and services	3,467,021	2,041,984
Other operating expenses	158,283,452	100,882,810
Routine maintenance – vehicles and other transport equipment	5,698,668	3,827,706
Fuel Oil and Lubricants	4,517,862	3,350,843
Routine maintenance – other assets	86,376,741	527,904,458
Total	334,658,921	712,226,633

12 GRANTS AND TRANSFERS TO OTHER GOVERNMENT ENTITIES

Description			2015 - 2016	2014 - 2015
			Kshs	Kshs
Transfers to Central government entities(SCOA Codes 2630100, 2630200, 2640400, 2640500, 2649900, 2820100, 2820200, 2820300)				
See attached list			5,168,808,115	5,911,485,177
transfer to kenya forest services				
TOTAL			5,168,808,115	5,911,485,177

ORGANISATION	AMOUNT (KSHS)
KTSSP	127,195,859.60
NUTRIP	17,606,522.00
EATP	2,310,492.05
NCTIP	18,082,704.25
NTSA	736,000,000.00
KENYA FERRY	1,404,031,500.00
KAA	621,000,000.00
KCAA	105,000,000.00
NATIONAL SHPPING	74,547,200.00
KMA	50,776,000.00
KPA	2,000,000,000.00
KRC-NUTRIP COMPONENT	12,257,837
TOTALS	5,168,808,115

STATE DEPARTMENT OF TRANSPORT
Reports and Financial Statements
For the year ended June 30, 2016

13 OTHER GRANTS AND TRANSFERS

	2015 - 2016	2014 - 2015
	Kshs	Kshs
Scholarships and other educational benefits		-
Emergency relief and refugee assistance		-
Membership dues and Subscriptions to International Organisations	84,395,323	130,120,757
Total	84,395,323	130,120,757

14 SOCIAL SECURITY BENEFITS

	2015 - 2016	2014 - 2015
	Kshs	Kshs
Government pension and retirement benefits	12,839,519	-
Total	12,839,519	-

STATE DEPARTMENT OF TRANSPORT
Reports and Financial Statements
For the year ended June 30, 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

15 ACQUISITION OF ASSETS

	2015 - 2016	2014 - 2015
	Kshs	Kshs
<u>Non Financial Assets</u>		
Purchase of Buildings		-
Construction of Buildings		-
Refurbishment of Buildings	422,135	-
Construction of Roads/rail		20,000,000
Construction and Civil Works	67,203,167,969	144,477,292,941
Overhaul and Refurbishment of Construction and Civil Works		1,300,000,000.00
Purchase of Vehicles and Other Transport Equipment		600,000,000
Overhaul of Vehicles and Other Transport Equipment	448,844	426,580
Purchase of Specialised Plant, Equipment and Machinery	178,600	1,395,200
Research, Studies, Project Preparation, Design & Supervision	2,182,729	5,857,527
Rehabilitation of Civil Works		238,205,671
Acquisition of Strategic Stocks and commodities		-
Acquisition of Land		-
Total	67,206,400,277	146,643,177,919

*[construction of civil works include
SGR activities]*

**FINANCE COSTS, INCLUDING
LOAN INTEREST**

	2015 - 2016	2014 - 2015
	Kshs	Kshs
Interest Payments on Foreign Borrowings	-	-
Total	-	-

STATE DEPARTMENT OF TRANSPORT
Reports and Financial Statements
For the year ended June 30, 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

22A: Bank Accounts

Name of Bank, Account No. & currency	Indicate whether recurrent, Development, deposit, revenue, CRF e.t.c	2015 - 2016 Kshs	2014 - 2015 Kshs
CENTRAL BANK OF KENYA A/C 1000209968 RECURRENT	RECURRENT	8,965,144	408,245
CENTRAL BANK OF KENYA A/C 1000209879 DEVELOPMENT	DEVELOPMENT	419,017,267	3,571,723
CENTRAL BANK OF KENYA A/C1000212551 DEPOSIT	DEPOSIT	239,679,829	101,954,205
Total		667,662,240	105,934,173

22BCash in hand

	2015 - 2016 Kshs	2014 - 2015 Kshs
Cash in Hand – Held in domestic currency		286,030.00
Cash in Hand – Held in foreign currency		
Total		286,030.00

Cash in hand should also be analysed as follows:

	2015 - 2016 Kshs	2014 - 2015 Kshs
Location 1 RECURRENT		323
Location 1DEPOSIT		285,707
Total		286,030

STATE DEPARTMENT OF TRANSPORT
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

23: ACCOUNTS RECEIVABLE - OUTSTANDING IMPRESTS

<i>Description</i>			2015 - 2016	2014 - 2015
			Kshs	Kshs
Domestic Debtors and Advances			-	
Government Imprests			-	2,024,250.00
Clearance accounts& Suspense			-	
Total			-	2,024,250.00

24. ACCOUNTS PAYABLE (see Annex 2)

	2014 - 2015	2014 - 2015
	Kshs	Kshs
Deposits general	239,679,829	101,922,279
TOTAL	239,679,829	101,922,279

Deposits included an amount relating to Regional Improvement Programme (RIIP) where state department of transport is a custodian.

25. FUND BALANCE BROUGHT FORWARD

	2015 - 2016	2014 - 2015
	Kshs	Kshs
Bank accounts	105,934,173	643,803,769
Cash in hand	286,030	40,571
Receivables - Outstanding Imprests	2,024,250	437,965
Payables - Deposits	(101,922,279)	(554,105,839)
Total	6,322,174	90,176,466

STATE DEPARTMENT OF TRANSPORT
Reports and Financial Statements
For the year ended June 30, 2016

26. OTHER IMPORTANT DISCLOSURES

26.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

	Kshs	Kshs
Construction of buildings	-	-
Construction of civil works	-	-
Supply of goods	49,399,788	-
Supply of services	16,610,668	-
	66,010,456	-

26.2: PENDING STAFF PAYABLES (See Annex 2)

	Kshs	Kshs
Senior management	-	-
Middle management	-	-
Unionisable employees	-	-
Others (<i>specify</i>)	-	-
	-	-

26.3: OTHER PENDING PAYABLES (See Annex 3)

	Kshs	Kshs
Amounts due to National Government entities	-	-
Amounts due to County Government entities	-	-
Amounts due to third parties	-	-
Others (<i>specify</i>)	-	-
	-	-

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.

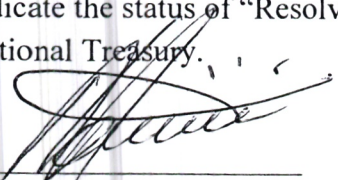
Referen ce No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
Para 378	Inaccuracies in the Financial Statements	As of the time of the Audit, book keeping in IFMIS had not been done to completion. This has since been completed and reconciliations done and the Financial Statements have been revised accordingly.	Head of the Accounting Unit	Resolved	
Para 379	Unsupported payments	The unsupported payments have since been availed and verified.	Head of the Accounting Unit	Resolved	
Para 380	Budgetary Control	Full budget Utilization could not be achieved because the bulk of the funds is given from borrowings and which are attached with conditions hence affecting releases	Head of the Accounting Unit	Resolved	
Para 381	Government Clearing Agency	A reconciliation between the Financial Statement prepared by the National Treasury and the Departments Deposit Account to explain the variance of Kshs 405,857 has been done and verified.	Head of the Accounting Unit	Resolved	
Para 382	Unaccounted for Deposits of kshs 38,511,926.65	A reconciliation has been done on the same	Head of the Accounting Unit	Resolved	

STATE DEPARTMENT OF TRANSPORT
Reports and Financial Statements
For the year ended June 30, 2016

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)
Para 383	Travel and Subsistence allowance- Mechanical and Transport Fund	The funds were refunded on 29 th June 2016 as reflected on the bank statement on 29 th June 2016	Head of the Accounting Unit	Resolved	
Para 384	Supply of Computers and related Equipment- to Mechanical and Transport Fund	The Attorney General has taken up the matter on behalf of the Ministry.	Head of the Accounting Unit	Resolved	
Para 385	Non-Disclosure of proceeds from the Railway Development Levy in the Financial Statement	The Financial Statement for the year ended 30 th June 2015 for the Railway Development Levy Fund has been prepared by the National Treasury under Sec 81 of the Public Financial Management Act 2-12	Head of the Accounting Unit	Resolved	
Para 386	Special Account Reconciliation	The Special Accounts has been reconciled as required.	Head of the Accounting Unit	Resolved	

Guidance Notes:

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


Principal Secretary


Principal Accounts Controller

STATE DEPARTMENT OF TRANSPORT**Reports and Financial Statements****For the year ended June 30, 2016****ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE**

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2016	Outstanding Balance 2016	Comments
	a	b	c	d=a-c		
Construction of buildings						
Construction of civil works						
Supply of goods						
M/S PLAJESPAR GENERAL MERCHANTS	564,000			564,000		
M/S FRANKMAR AGENCIES	1,924,050			1,924,050		
M/S OAKLEY AGENCIES	1,500,000			1,500,000		
M/S ELFORD MERCHANTS	175,945			175,945		
M/S ESTELLE DISTRIBUTORS	487,300			487,300		
M/S SWIVEL VENTURES LTD	965,000			965,000		
M/S KENSERVE INTERNATIONAL	140,000			140,000		
M/S DIANKEY ENTERPRISES	450,000			450,000		
M/S TEKALA GENERAL SUPPLIES	34,000			34,000		
M/S SPATRADE KENYA LTD	2,797,100			2,797,100		
M/S CHANNEL COMPUTERS	149,000			149,000		
M/S BOKAJ AGENCIES	875,000			875,000		
M/S OPEN VIEW DATA SYSTEM	75,000			75,000		
M/S EDWIVA GENERAL SUPPLIES	890,000			890,000		
M/S CLIDE GENERAL SUPPLIES	589,000			589,000		
M/S DECKMART GENERAL SUPPLIES	485,000			485,000		
M/S VICKNARD VENTURES	1,140,000			1,140,000		
M/S MALEX ENTERPRISES	185,437			185,437		
M/S TWO WHEELS ENTERPRISES.	498,950			498,950		
M/S JORAMOK ENTERPRISES	960,285			960,285		
M/S OFFICE STAK SUPPLIES	229,822			229,822		

STATE DEPARTMENT OF TRANSPORT
Reports and Financial Statements
For the year ended June 30, 2016

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2016	Outstanding Balance 2016	Comments
M/S WELGAS ENTERPRISES	128,600			128,600		
M/S JORAMOK ENTERPRISES	1,284,181			1,284,181		
M/S MONCAL TRAVEL AND TOURS LTD	375,819			375,819		
M/S KEFAME ENTERPRISES	201,100			201,100		
M/S SUNIK COMMUNICATIONS	1,325,000			1,325,000		
M/S GOLDPAL ENTERPRISES	492,400			492,400		
M/S CLIDE GENERAL SUPPLIES	91,000			91,000		
M/S HILPATEN ENTERPRISE	1,086,000			1,086,000		
M/S HAWACE AGENCIES	949,600			949,600		
M/S PLAJESPAR GENERAL MERCHANTS	449,900			449,900		
M/S PLAJESPAR GENERAL MERCHANTS	936,000			936,000		
M/S MOOPA INVESTMENTS	110,000			110,000		
M/S SAKAMU ENTERPRISES	777,000			777,000		
M/S SUNIK COMMUNICATIONS	930,000			930,000		
M/S CLIDE GENERAL SUPPLIES	850,000			850,000		
M/S HILPATEN ENTERPRISES	780,000			780,000		
M/S RITAXX ENTERPRISE	1,059,176			1,059,176		
M/S DECKMART GENERAL SUPPLIES	974,000			974,000		
M/S MALEX ENTERPRISES&GENERAL SUPPLIERS	185,437			185,437		
M/S BROMLEY COMPUTER SYSTEMS	973,000			973,000		
M/S BUTAH TECHNOLOGIES	501,500			501,500		
M/S SAMTECH TONER STATIONERS AND SUPPLIES	864,000			864,000		
M/S BREAK TIME LTD.	840,000			840,000		
M/S ROZMUG ENTERPRISES	1,387,300			1,387,300		
M/S CALLFAST SERVICES LTD.	247,538.50			247,539		
M/S WELCAS ENTERPRISES	182,800			182,800		

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M/S MONIQUE INVESTMENT	1,405,000			1,405,000		
M/S TERO ENTERPRISES	612,500			612,500		
M/S REAL MART SYSTEMS LTD	1,317,500			1,317,500		
M/S MOOPA INVESTMENT AGENCY	221,400			221,400		
M/S RAJOY INVESTMENT	1,188,000			1,188,000		
M/S BELL BII AGENCIES	420,000			420,000		
M/S CONTRUST ENTERPRISE	770,000			770,000		
M/S BEMAKE GENERAL SUPPLIES	2,200,000			2,200,000		
M/S ABIQUIN SUPPLIES	1,450,000			1,450,000		
M/S PHATFILL AGENCIES	1,680,000			1,680,000		
M/S SUNIK COMMUNICATIONS	850,147			850,147		
M/S MECHAN CONTRACTORS	1,850,000			1,850,000		
M/S QUENCT GEN. MERCHANTS	2,043,000			2,043,000		
M/S RUNYAJ INTERNATIONAL LTD	296,000			296,000		
Total- supply of goods	49,399,788			49,399,788		
Supply of services						
Copy Cat Ltd.	157,760.00			157,760.00		
Mombasa Beach Hotel	77,000.00			77,000.00		
People Newspapers	116,000.00			116,000.00		
Standard Newspapers	313,200.00			313,200.00		
Utalii Hotel	157,000.00			157,000.00		
MFI Document Imaging	184,440.00			184,440.00		
D.T. Dobie	225,504.00			225,504.00		
D.T. Dobie	10,000.00			10,000.00		
Utalii Hotel	70,000.00			70,000.00		
School of Monetary Studies	542,880.00			542,880.00		
Toyota Kenya	20,002.00			20,002.00		

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Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2016	Outstanding Balance 2016	Comments
School of Monetary Studies	121,800.00			121,800.00		
Serena Hotel	65,750.00			65,750.00		
People Newspapers	116,000.00			116,000.00		
Commissioner of Income Tax	113,095.60			113,095.60		
Chief Mechanical and Trans. Engineer	50,000.00			50,000.00		
Eastern & Southern Africa Mgt. Institute	248,640.00			248,640.00		
University of Nairobi (UNES) Ltd.	10,000.00			10,000.00		
Kenya Pipeline Company	387,000.00			387,000.00		
Copy Cat Ltd.	89,160.00			89,160.00		
Kenya Institute of Management	75,000.00			75,000.00		
M/S LONGROCK TOURS AND TRAVEL LTD	58,520			58,520.00		
M/S BECHY TOURS AND TRAVEL LTD	33,500			33,500.00		
M/S CONFERENCE CATERERS	24,780			24,780.00		
M/S ROCKEY AFRICA	290,000			290,000.00		
M/S TRAVIGENT AGENCIES	5,100			5,100.00		
M/S LONGROCK TOURS AND TRAVEL LTD	115,280			115,280.00		
M/S CONFERENCE CATERERS	14,160			14,160.00		
M/S BECHY TOURS AND TRAVEL LTD	38,650			38,650.00		
M/S CONFERENCE CATERERS	14,160			14,160.00		
M/S BECHY TOURS AND TRAVEL LTD	799,095			799,095.00		
M/S ROSMA TOURS AND TRAVEL	483,778			483,778.00		
M/S TUSMO TRAVEL TOURS & CARGO LTD.	184,000			184,000.00		
M/S TUSMO TRAVEL AND TOURS & CARGO LTD	337,860			337,860.00		
M/S PINACLE (k) TRAVEL & SAFARIS LTD	215,607			215,607.00		
M/S PINACLE (k) TRAVEL & SAFARIS LTD	212,007			212,007.00		
M/S CONFERENCE CATERERS	28,320			28,320.00		
M/S PINACLE (k) TRAVEL & SAFARIS LTD	153,690			153,690.00		

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Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2016	Outstanding Balance 2016	Comments
M/S PINACLE (k) TRAVEL & SAFARIS LTD	97,635			97,635.00		
M/S PINACLE (k) TRAVEL & SAFARIS LTD	129,660			129,660.00		
M/S TUSMO TRAVEL TOURS & CARGO LTD.	465,250			465,250.00		
M/S PINACLE (k) TRAVEL & SAFARIS LTD	105,530			105,530.00		
M/S SILVERBIRD TRAVEL LTD	105,530			105,530.00		
M/S SILVERBIRD TRAVEL LTD	59,980			59,980.00		
M/S CONFERENCE CATERERS	12,390			12,390.00		
M/S MFI DOCUMENT IMAGING	184,440			184,440.00		
M/S PINACLE (k) TRAVEL & SAFARIS LTD	133,605			133,605.00		
M/S CONFERENCE CATERERS	123,900			123,900.00		
M/S CONFERENCE CATERERS	14,868			14,868.00		
M/S TUSIMO TRAVEL TOURS AND CARGO LTD	82,000			82,000.00		
M/S SILVERBIRD TRAVEL LTD	195,775			195,775.00		
M/S SILVERBIRD TRAVEL LTD	23,555			23,555.00		
M/S CONFERENCE CATERERS	10,620			10,620.00		
M/S SILVERBIRD TRAVEL LTD	283,380			283,380.00		
M/S CONFERENCE CATERERS	7,080			7,080.00		
M/S VIVIENNES SUPER FLORISTS	280,200			280,200.00		
M/S CONFERENCE CATERERS	130,272			130,272.00		
M/S CONFERENCE CATERERS	63,720			63,720.00		
TECHNOLOGY DEVELOPMENT CENTRE(NITA)	372,000			372,000.00		
M/S CONFERENCE CATERERS	90,270			90,270.00		
M/S STAR TRAVEL AND TOURS LTD	89,000			89,000.00		
M/S SEGURO TOURS AND TRAVEL LTD	33,390			33,390.00		
M/S SEGURO TOURS AND TRAVEL LTD	35,600			35,600.00		
M/S LONGROCK TOURS AND TRAVEL LTD	26,460			26,460.00		
M/S BECHY TOURS AND TRAVEL LTD	33,500			33,500.00		

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M/S BECHY TOURS AND TRAVEL LTD	304,620			304,620.00		
M/S LONGROCK TOURS AND TRAVEL LTD	73,330			73,330.00		
M/S MONCAL TRAVEL AND TOURS LTD	70,200			70,200.00		
M/S LONGROCK TOURS AND TRAVEL LTD	120,840			120,840.00		
M/S MONCAL TRAVEL AND TOURS LTD	66,340			66,340.00		
M/S CONFERENCE CATERERS	14,160			14,160.00		
M/S TUSMO TRAVEL TOUS AND CARGO LTD	36,000			36,000.00		
M/S TUSMO TRAVEL TOUS AND CARGO LTD	699,250			699,250.00		
M/S CEBETH EBTERPRISES	396,894			396,894.00		
M/S BECHY TOURS NAD TRAVELS	160,500			160,500.00		
M/S PINNACLE (K) TRAVEL & SAFARIS LIMITED	95,535			95,535.00		
M/S PINNACLE (K) TRAVEL & SAFARIS LIMITED	95,470			95,470.00		
M/S PINNACLE (K) TRAVEL & SAFARIS LIMITED	21,535			21,535.00		
M/S PINNACLE (K) TRAVEL & SAFARIS LIMITED	95,655			95,655.00		
M/S TOPDECK TRAVELAND TOURS LTD	73,000			73,000.00		
M/S CONFERENCE CATERES	50,150			50,150.00		
M/S LEKHA TRADING	1,189,700			1,189,700.00		
M/S SEGURO TOURS & TRAVEL	33,390			33,390.00		
M/S CONFERENCE CATERERS	43,896			43,896.00		
M/S STAR TRAVEL AND TOURS LTD.	174,500			174,500.00		
M/S STAR TRAVEL AND TOURS LTD.	235,000			235,000.00		
M/S STAR TRAVEL AND TOURS LTD.	51,200			51,200.00		
M/S STAR TRAVEL AND TOURS LTD.	34,300			34,300.00		
PINNACKLE (K) TRAVEL & SAFARIS LTD.	301,285			301,285.00		
M/S STAR TRAVEL AND TOURS LTD.	124,000			124,000.00		
M/S BECHY TOURS AND TRAVEL LTD.	304,620			304,620.00		
M/S TUSMO TRAVEL TOURS & CARGO LTD.	37,690			37,690.00		

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Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2016	Outstanding Balance 2016	Comments
M/S CONFERENCE CATERERS	78,234			78,234.00		
M/S TOPDECK TRAVEL & TOURS LTD.	29,000			29,000.00		
M/S TOPDECK TRAVEL & TOURS LTD.	273,000			273,000.00		
M/S SEGURO TOURS & TRAVEL LTD.	48,890			48,890.00		
M/S SEGURO TOURS AND TRAVEL	50,100			50,100.00		
M/S PAGO AIRWAYS TRAVEL SERVICES	218,160			218,160.00		
M/S RENTOKIL INITIAL	175,392			175,392.00		
M/S TOPDECK TRAVEL AND TOURS LTD	95,000			95,000.00		
M/S APEX MOTORS MART LTD	204,800			204,800.00		
M/S CONFERENCE CATERERS	10,620			10,620.00		
M/S VIVIENNES SUPER FLORISTS	260,180			260,180.00		
M/S TUSMO TRAVEL TOURS & CARGO LTD	69,520			69,520.00		
M/S LONGROCK TOURS AND TRAVEL LTD.	89,865			89,865.00		
M/S LONGROCK TOURS AND TRAVEL LTD.	61,960			61,960.00		
M/S CONFERENCE CATERERS	35,400			35,400.00		
M/S CONFERENCE CATERERS	189,980			189,980.00		
M/S CONFERENCE CATERERS	412,666			412,666.00		
GENDER AND DISABILITY DEVELOPMENT CENTER	56,492			56,492.00		
Total- supply of services	16,610,668			16,610,668		

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ANNEX 2 - ANALYSIS OF DEPOSITS

	Depositors	Amount(ksh.)
1	GOVERNMENT CLEARING SERVICES (GCS)	20,728,456.00
2	REGIONAL INTERGRATION IMPLEMENTTION PROGRAM (RIIP PROJECT)	26,901,321.71
3	NATIONAL TRANSPORT AUTHORITY (NTSA)	210,596.00
4	KRC RETRENCHES	18,835,730.30
5	I & M Bank (-EAST AFRICAN ELEVATORS)	7,032,629.80
6	LAMU PORT(LAPSSET ENVIROMENTAL IMPACT ASSESMENT)	2,074,078.40
7	KECOSO GAMES CONTRIBUTION	216,500.00
8	SHOW CONTRIBUTIONS	264,358.00
9	KPA(KENYA PORTS AUTHORITY)	1,057,392.00
	Sub-total	77,321,062.21
	Retention monies	
10	DEVISTA ENTERPRISES	411,194.00
11	EAST AFRICAN ELEVATUS LTD	469,752.00
12	MFI OFFICE SOLUTIONS	407,347.60
13	MANTRAX KENYA LTD	1,419,843.80
14	MEMU GENERAL BUILDERS	260,244.70
15	KALALU BUILDING CONTRACTOTRS	163,208.00
16	SAJAN BUILDING AND CIVIL ENG.	187,509.30
17	SITE GENERAL CONTRACTORS	2,485,369.60
18	RIFT VALLEY MACHINERY	73,865.40
19	PLUMBRAW SERVICES	64,322.00
20	EN-AR ENG. SERVICES	27,036.00
21	JOKAMI PLUMBING AMD DRAINAGE	14,040.00
22	FIREWALL AFRICAN COMPONY	103,946.60
23	SUPIRO ENTERPRISE	89,100.00
24	JITAHINDI CONSTRUCTION AND CIVIL ENG.	4,957.95
25	START GENERAL CONTRACTOR	665,379.40
26	GENERAL DEPOSIT	155,511,650.44
	Sub-total	162,358,766.8
	TOTAL AMOUNT AS AT 30TH JUNE 2016	239,679,829.00

ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost (Kshs) 2015/16	Historical Cost (Kshs) 2014/15
Land		
Buildings and structures	67,203,590,104	
Transport equipment	448,844	
Office equipment, furniture and fittings		
ICT Equipment, Software and Other ICT Assets		
Other Machinery and Equipment	178,600	
Heritage and cultural assets		
Intangible assets	2,182,729	
Total	67,206,400,277	