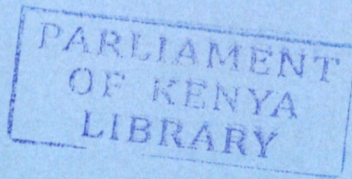


REPUBLIC OF KENYA



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OFFICE OF THE AUDITOR-GENERAL



REPORT

OF

THE AUDITOR-GENERAL

ON

**THE FINANCIAL STATEMENTS OF
MINISTRY OF EDUCATION, SCIENCE AND
TECHNOLOGY- STATE DEPARTMENT OF
SCIENCE AND TECHNOLOGY**

**FOR THE YEAR ENDED
30 JUNE 2016**

REPUBLIC OF KENYA



MINISTRY OF EDUCATION

STATE DEPARTMENT OF SCIENCE AND TECHNOLOGY

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
30 JUNE , 2016

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

MINISTRY OF EDUCATION SCIENCE AND TECHNOLOGY
STATE DEPARTMENT OF SCIENCE AND TECHNOLOGY
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I. KEY ENTITY INFORMATION AND MANAGEMENT

Background information

The State Department of Science and Technology was one of the two state departments that form the ministry of Education, Science and Technology. The Executive Order No. 1/2016 of May 2016 on organization of the government of the Republic of Kenya renamed the Ministry as the Ministry of Education and created three State Departments namely: Basic Education; University Education; and Vocational and Technical Training. Thus, the State Department of Science and Technology was split into University Education; and Vocational and Technical Training. The two state departments were headed by respective Principal Secretaries. However, they remained under the Science and Technology vote with the Principal Secretary, University Education, being the accounting officer.

Principle activities

The principal activity/ mission of the ministry of education, science and technology is to provide, promote and co-ordinate lifelong education, training and research for Kenya's sustainable development. To focus on priority areas within overall education goals, notably towards attaining "universal primary education" by 2005 within the context of the wider objective of "education for all" (EFA) by 2005.

(a) Key management

The department's day to day management was under the principal secretary: **Prof. Collette A. Suda, PhD, FKNAS, CBS**

(b) Fiduciary Management

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

S/No. Designation	Name
1. Accounting Officer	Prof. Collette. Suda, PhD, FKNAS, CBS
2. Under Secretary	Anne Mworio and Salim Ali Molla
3. Director /HRD	Andrew Mwakira Nakitare
4. Director Higher Education	James Kiburi
5. Director Research	Dr. George Ombakho
6. Director Youth Training	Ombima Willis Ayub
7. Head Finance	Ezra Magati
8. Head Accounts	CPA Peter M. Mokobo

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(c) Fiduciary Oversight Arrangements

- Audit and finance committee activities.
- Parliamentary committee activities
- Development partner oversight activities
- Budget implementation committee
- Ministerial human resource advisory committee
- Ministerial tender committee

(d) Entity Headquarter

P.O BOX 9583-00200
Jogoo House "B"
Harambee Avenue
Nairobi, Kenya

(e) Entity Contacts

Telephone: (254) 318581

E-mail: cs@scienceandtechnology.go.ke and ps@scienceandtechnology.go.ke

Website: www.go.ke

(f) Entity Bankers

Central Bank of Kenya
Haille Selassie Avenue
P.O BOX 6000
City Squire 00200
Nairobi Kenya

(g) Independent Auditors

Auditor General
Anniversary Tower, University Way
P.O BOX 30084
GPO 00100
Nairobi, Kenya

(h) Principal Legal Adviser

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

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II. FORWARD BY THE CABINET SECRETARY

The State Department of Science and Technology envisages “a globally competitive education, training, research and innovation for sustainable development”. In realization of this, the department undertakes “to provide, promote and coordinate quality education and training; integration of Science, Technology and Innovation in sustainable national socio- economic development processes.”

The objectives of the State Department includes: enhanced access and ensure equity at all levels of technical education and training; improve the quality and relevance of teaching, learning and research in institutions of higher learning ; provide bursaries to students in Technical Training Institutions and universities; promote and popularize Open and Distance Learning (ODL), Information and Communication Technology (ICT) as well as research, science and technology and promote linkages and collaborations between industry and institutions of higher learning.

In the 2015/16 FY the State Department for Science and Technology was allocated a total budget of Ksh. 73.49 Billion. Out of this, Ksh. 60.38 Billion was for recurrent expenditure while Ksh 13.11 Billion was for development expenditure. The State Department has been implementing Vision 2030 flagship projects and other high priority projects that address the above listed programmes deliverables

The State Department continued with implementation of the five programmes namely: University Education, Technical and Vocational Education and Training, Vocational Education and Training, Research, Science, Technology and Innovations and General Administration, Planning and support Services. These priorities were guided by the strategic objectives as articulated in the Medium Term Plan 2013 – 2017, the sector plans (Education and Training Medium Term Plan 2013 – 2017, the Science, Technology and Innovation Medium term Plan 2013 – 2017), the MOEST Strategic plan 2013–2017, the national development Strategies in the Vision 2030, the Jubilee Manifesto and the Constitution of Kenya 2010. The priority areas include: Access to affordable, equitable and quality education and training; ICT integration; Curriculum reform; Technical and Vocational Education and Training; Science and Technology and improved Governance.

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A number of achievements were realised including: the number of universities both public and private increasing from 65 in 2013/2014 and 67 in 2014/15 to 70 in 2015/2016 comprising of twenty three (23) public chartered universities, Ten (10) Public University Constituent Colleges, seventeen (17) private chartered universities, fourteen (14) universities operating with Letters of Interim Authority (LIA), five (5) Private University Constituent colleges and one (1) registered private universities. This expansion in the number of universities has led to an increased enrolment of students pursuing university education in both public and private universities to stand at 475,750 in 2015/2016 from 421,152 in 2014/2015 and 361,388 in 2013/2014.

During the same period, the Kenya Universities and Colleges Central Placement Services (KUCCPS) processed the third cycle of placement for the 2015 cohort. There was a considerable increase in the number of students placed in public universities from 56,986 placed for the 2013 KCSE cohort to 74,046 students placed for the 2015 KCSE cohort. Of these students placed 42,494 were male students and 31,552 were female students.

The number of students receiving university loans increased from 167,861 in 2014/2015 to 181,933 in 2015/16. The total amount of funds disbursed for undergraduate loans also increased from Ksh. 6.828 Billion in 2014/2015 to Ksh. 7.223 Billion in 2015/16. The number of postgraduate students receiving loans was at 2245 students in 2014/2015 and increased to 2151 students in 2015/16. The total amount of loan funds disbursed to postgraduate students was Ksh. 227.4 million in 2014/15 and increased to Kes. 263.9 million in 2015/2016.

The number of students receiving scholarships increased from 75 students in 2014/15 to 83 students in 2015/16. The amount also increased from Ksh. 21.7 Million in 2014/15 to 24.1 million in 2015/16. The number of students receiving bursary funds increased from 15,174 in 2014/2015 to 15,171 students in 2015/16. The amount disbursed as bursary increased from Ksh. 91.08 million in 2014/2015 to Ksh. 92 million in 2015/2016. The Universities Funding Board (UFB) was operationalized. The Board developed a funding criteria based on the Differentiated Unit Cost (DUC) of university programmes.

The Higher Education Loans Board (HELB) also disbursed loans and bursaries to TVET institutions. In the financial year 2014/15, the number of students receiving TVET bursary funds increased from 7071 students to 12,148 students in 2015/16. In 2015/2016, the amount disbursed as TVET Bursary stood at Kshs. 92 million. In the 2014/15FY TVET loans amounting

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to Ksh 260.1 Million was given to 10,148 students which rose to Ksh 555.1 million which was disbursed to 16,822 students in 2015/16.

The science, technology and innovation Act 2013 that was enacted in 2013 paved way for the establishment of an enabling legal and institutional framework for science, technology and innovation development in Kenya. The Act created three bodies in regulatory, implementation and monitoring and evaluation of the ST&I programme: The bodies so established under the Act are: the National Commission for Science, Technology and Innovation (NACOSTI), The National Research Fund (NRF) and the Kenya National Innovation Agency (KENIA). Under this framework, the Ministry also attracted European Union ST&I Collaborations funded research that stood at Ksh. 100 million with the Government funding Ksh. 50 million. 308 research projects were funded in 2013/2014, 256 research projects in 2014/2015 financial year and 243 research projects in 2015/16 totalling to Ksh. 1.42 billion.

Following the enactment of the TVET Act (2013), TVETA was formed with the core mandate of licensing Public and Private TVET institutions. Since its operationalization in FY 2014/2015, TVETA has registered 612 TVET institutions. The TVET Curriculum Development, Assessment and Certification Council (TVET CDACC) was also operationalized to undertake design and development of curricular for the training institutions' examination, assessment and competence certification. The Council in its effort to address mismatch in the TVET graduates skills and the industry demand developed the Competence Based Education and Training (CBET) implementation guidelines.

As part of the government's effort to rehabilitate, modernize and expand the Vocational Centers, two (2) twin workshops at Lucy Onono Vocational Training Center in Siaya County were constructed at the cost of Ksh. 19,500,000. A hundred and four (104) County Government officials were trained on the effective management of vocational training centers at Kenya Education Management Institute (KEMI) at the cost of Ksh. 2,400,000. Training tools and equipment were procured for distribution to 67 vocational training centers in all counties at a cost of Ksh. 8,290,000.00.

Work for the construction of sixty (60) new TTIs in constituencies went on in 59 sites. The institutions were averagely 85% complete as at 30th June 2016. Work for the construction of 70 additional TTIs started in 69 sites. Ten TVET institutions under GoK/AfDB TVET project phase I

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were completed, equipped and operationalized. All funds for the construction of the 9 Technical Training Institutions (TTIs) in Counties were disbursed and the institutions were 50% complete. The construction of Kipkabus Technical Training Institute was fully financed and the institution was 50% complete. The construction of Murang'a Technical Training Institute was 50% financed and the institution was 50% complete.

The state Department faced a number of emerging issues and challenges including the following:

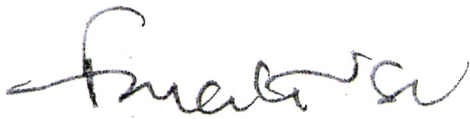
- 1) Inadequate budgetary allocations for the department's programmes and projects.
- 2) Implementation of a differentiated unit cost for Universities
- 3) Overlapping mandates of the department and the bodies created under TVET Act, 2013
- 4) Conversion of Middle-level Training Institutions to Universities
- 5) Slow progress of works due to adverse weather
- 6) Slow procurement processes
- 7) Inadequate staff for the newly established bodies and in the institutions of higher learning
- 8) High cost of implementing Competency Based Education and Training.
- 9) The ever increasing threats to security and safety in our universities and other learning institutions due to unemployment, violent extremism perpetrated by various global terror networks including alshabab among others.

The state department made big strides in addressing access to both university education and TVET despite the challenges. To address the inadequate funding levels for the department's activities diversification of sources of funding is key. Income generation activities, mobilization of funding from donors, well-wishers and utilization of the Public Private Partnerships window will be explored. Involvement of industry in Curriculum development will also help the TVET graduates access industrial attachment and secure employment opportunities in the various sectors. Efforts to sensitize students, staff and communities on the need for vigilance and concerted efforts to maintain security and safety both in the institutions of learning and within the community. The State department will also, ensure the implementation of governance and accountability frameworks as well as strengthen the monitoring and evaluation of projects and programmes under implementation in the state department.

Reflecting on the past year's achievements, I am encouraged by the progress we are making in building and strengthening our education and training system so that it delivers effective outcomes for our children and the youth.

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I thank all those working tirelessly to make this happen from parents and communities, teachers, tutors and lecturers, education system leaders, and Ministry staff.



Fred Matiang'i, PhD, EGH

Cabinet Secretary

Ministry of Education

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III. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES

Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each Financial Year, the accounting officer of 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 by the Public Sector Accounting Standards Board of Kenya from time to time.

The Accounting Officer in charge of the State Department of Science and Technology is responsible for the preparation and presentation of the departments' financial statements, which give a true and fair view of the state of affairs of the department as at the end of the financial year ended on June 30th 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 department; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the department; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

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

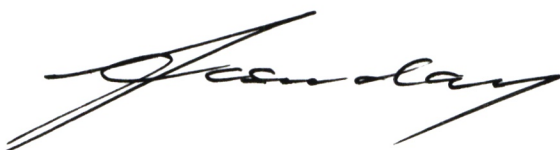
The Accounting Officer in charge confirms that State Department for Science and Technology as complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and the department's funds received during the year under audit

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were used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the department's financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya (PSASB).

Approval of the Financial Statements

The State Department's financial statements were approved and signed by the accounting Officer on 30th September, 2016.



Prof. Collette A. Suda, PhD, FKNAS, CBS
PRINCIPAL SECRETARY



CPA Peter M. Mokobo
SENIOR ASSISTANT ACCOUNTANT
GENERAL



OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON MINISTRY OF EDUCATION, SCIENCE AND TECHNOLOGY - STATE DEPARTMENT OF SCIENCE AND TECHNOLOGY FOR THE YEAR ENDED 30 JUNE 2016

REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of the Ministry of Education, Science and Technology-State Department of Science and Technology (Vote 1062) set out on pages 1 to 27, which comprise the statement of assets as at 30 June 2016, and the statement of receipts and payments, statement of cash flows, summary statement of appropriation for recurrent and development combined for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya, and Section 35 of the Public Audit Act, 2015. I have received 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-Ministry of Education, Science and Technology – State Department Science and Technology is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor-General's Responsibility

My responsibility is to express an opinion on these financial statements based on the audit and report in accordance with the provisions of Section 48 of the Public Audit Act, 2015. The audit was conducted in accordance with International Standards on Auditing. 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 evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including assessment of the risk of material misstatement of the

Report of the Auditor-General on the Financial Statements of Ministry of Education, Science and Technology - State Department of Science and Technology for the year ended 30 June 2016

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 circumstance, but not for the purpose of expressing an opinion on the effectiveness of the Ministry'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 of Qualified Opinion

1. Inaccuracies in Cash and Cash Equivalents

The statement of financial assets for the year ended 30 June 2016 reflects Kshs.114,885,090 being the bank balance against the combined Development, Recurrent and Deposits cash books bank balances totalling Kshs.86,562,980, resulting in an unexplained difference of Kshs.28,322,109 as detailed below:

A/c No	Account Name	Cashbook Balance Kshs	Financial statement balance Kshs	Variance Kshs
100209817	Development Account	5,979,096	39,186,212	33,207,116
1000209895	Recurrent Account	8,666,183	2,008,351	(6,657,832)
1000212667	Deposit Account	<u>71,917,700</u>	<u>73,690,526</u>	<u>1,772,826</u>
Total		<u>86,562,980</u>	<u>114,885,089</u>	<u>28,322,109</u>

Further, the bank reconciliation statement for the deposits bank account reflects un-presented amounts of Kshs.43,862,799 yet they had all cleared by 30 June 2016. No explanation has been provided for this anomaly.

In the circumstances the accuracy and completeness of the cash and cash equivalents balance of Kshs.115,687,142 as at 30 June 2016 could not be confirmed.

2. Nugatory payment

The statement of receipts and payments for the year ended 30 June, 2016 reflects use of goods and services figure of Kshs.1,544,102,053 which includes payments totalling Kshs.20,790,625 made to various suppliers in respect to demurrage, detention and customs warehouse rent for the equipment under the Support to enhancement of

Quality and Relevance in Higher Education Science and Technology (HEST) project. However, available information indicates that this was as a result of delay in clearing of the equipment at Mombasa port. No satisfactory explanation was provided for the delay which resulted to extra charges which could have been avoided.

In the circumstance, it has not been possible to confirm the propriety of expenditure totalling Kshs.20,790,625 for the year ended 30 June 2016.

3. Unsupported Expenditure on China Equipment Containers

The statement of receipts and payments for the year ended 30 June, 2016 reflects Kshs.51,411,624,073 under transfers to other Government Units which includes Kshs.38,597,824 paid vide PV No.18 of 16 March, 2016 in respect of provision of clearance and inland logistics services for Government of Kenya on China Project equipment whose supporting documents were, however, not availed for audit review.

In the circumstance, it has not been possible to confirm the propriety of expenditure totalling Kshs.38,597,824 for the year ended 30 June, 2016.

4. Unsupported School Fees Expenditure

The statement of receipts and payments for the year ended 30 June, 2016 reflects other grants and transfers figure of Kshs.212,635,290 which includes an amount of figure Kshs.5,242,496 paid vide payment voucher no 795 dated 28 October 2015 in favour of the Principal Secretary-Ministry of Foreign Affairs towards payment for maintenance of Ian Nderitu Githinji and Sandra Njeri Githinji while studying in Australia. However, and as previously reported, no documentation supporting the payment of Kshs.5,242,496 were availed for audit review. In the circumstances, it has not been possible to ascertain the propriety of this expenditure totalling Kshs.5,242,496 for the year ended 30 June 2016.

5. Accrued interest on delayed payment to Contractor-North Rift Technical Training Institute

The statement of receipts and payments for the year ended 30 June 2016 reflects a figure of Kshs.51,411,624,073 under acquisition of assets which includes an amount of Kshs.17,240,000 paid to the contractor vide payment voucher No. 004 dated 26 February 2016 towards construction of the North Rift Technical Training Institute. However, scrutiny of the supporting documents for Kshs.17,240,000 revealed that Kshs.990,000 was incurred in respect of interest accrued due to delayed payment to the contractor by the Ministry. Further, information available indicates that construction works were incomplete although the contract period lapsed on 12 November 2013. No evidence has been presented to show that the contract period was extended beyond 12 November, 2013. In addition, the nugatory expenditure of Kshs.990,000 did not constitute a proper charge on public resources.

6. Procurement of Equipment for North Rift Technical Training Institute

On 29 January 2015 the Ministry signed a contract with a firm for supply of electrical and electronic engineering equipment to the North Rift Technical Training Institute at a contract sum of USD 2,547,258.62 equivalent to Kshs.233,209,933. Payment records available at the Ministry indicated that Kshs.128,798,592 was paid to the firm during the year under review being final 50% of the invoice and effected vide payment voucher No 119 dated 30 June 2016. This expenditure is included in purchase of specialized plant, equipment and machinery balance of Kshs.185,152,868 under Note 10 to the financial statements. However, available information indicates that the Institute was not complete and as a result, the electronic and electrical engineering equipment procured were instead taken to Baringo Technical Training Institute. The Ministry has not explained why procurement of equipment was done for incomplete project.

7. Pending Bills

As disclosed in Note 15 to the financial statements, the Ministry had pending bills amounting to Kshs.80,741,640.85 as at 30 June 2016 out of which Kshs.14,751,969.35 related to the development vote and Kshs.65,989,715 to the recurrent vote. Had these bills been paid by 30 June 2016, the statement of receipts and payments would have reflected a deficit of Kshs.36,673,614 instead of the surplus of Kshs.44,068,027 now reflected.

8. Mentorship Programme and construction of New Technical Training Institutes

The Ministry of Education, Science and Technology initiated a project for construction of sixty (60) and a further seventy (70) new technical training institutes (TTI's) across the Country in order to enhance technical training. In order to oversee these constructions, a number of existing institutions were appointed by the Ministry to mentor the new institutes. The statement of receipts and payments reflects total expenditure of Kshs.51,411,624,073 under transfers to other Government units under which the above expenditure was charged. Review of financial and contractual records as well as physical verification of these projects revealed the following unsatisfactory matters:

8.1 Construction of the Proposed Kakrao Technical Training Institute (TTI)

Records examined at Rongo University College indicate that, a contract was signed on 24 October 2014 between the College and a local contractor for construction of the proposed Kakrao TTI at a contract sum of Kshs.48,720,833 for an envisaged contract period of 52 weeks ending on 14 October 2015.

Physical verification of the project in September 2016, revealed that the project was still incomplete and no evidence was made available for audit review to show that the contract period was extended beyond 14 October 2015. Further, no explanation has

been provided for the significant delay in completion of the project. In the circumstances, the projects stakeholders may not obtain value for their resources if the project is not completed and put to intended use.

8.2 Construction of the proposed Nyakach Technical Training Institute

The Ministry through Kisumu Polytechnic awarded a tender for construction of Nyakach Technical Training Institute at a contract sum of Kshs.55,068,238 for an envisaged contract period of 52 weeks which was to end on 23 August 2015. The contract was later revised to Kshs.60,593,120 due to additional works not included in the original design. Physical examination of the project on 30 January 2017, that Kshs.24,921,350 or 41% of the contract sum had been paid to the contractor while clerk of works records revealed works were at 55% completion level and an extra seventy nine (79) weeks or 152% of the contract period had lapsed since project commenced. However, tender Minutes approving extension of the project duration beyond 23 August, 2015 were not availed for audit review. Therefore, it was not clear why the works were way behind schedule despite the Ministry and Constituency Development Fund disbursing a total of Kshs.60,593,120.

Under the circumstances, stakeholders may not realize the value for their resources if this project is not completed and put to intended use.

8.3 Construction of the Proposed Riamo Technical Training Institute

Available information revealed that on 5 November 2014, the Ministry, through Kisii National Polytechnic entered into a contract for construction of Riamo Technical Training Institute at a contract sum of Kshs.48,627,833. The anticipated project completion period was 52 weeks ending October 2015. Review of payment records revealed that the contractor had been paid a sum of Kshs.10,835,059 as at 28 January 2016. Further scrutiny of the records revealed that on 16 February 2016, the main contractor subcontracted the works, when the level of completion was at 24%. The agreement was signed by both parties before an advocate on 16 February, 2016. The terms of agreement were as detailed below:

- (i) the subcontractor was to supply all necessary materials and complete the works.
- (ii) the main contractor to be paid only 10% of all the certified amounts while the subcontractor was to get 90% and be paid directly to his account.

However, the following unsatisfactory matters were noted;

- a) The agreement between the contractor and sub-contractor did not involve Kisii National Polytechnic or its appointed representative.

- b) Certificate No. 5 raised by the project manager still bore the name of the main contractor as the payee. Thus, it would appear the project supervisor was not part of the agreement.
- c) The contract period as well as the performance bond had since expired and there was no evidence presented to show approval for contract's extension.

No plausible reasons have been provided for these anomalies. In addition, examination of records revealed that the contract sum was varied by Kshs.2,752,219 from 48,627,833 to Kshs.51,380,052, while no tender minutes and supporting analysis to confirm that the variation was approved by the management of Kisii National polytechnic were availed for audit review.

In the circumstance, the stakeholders may not realize value for their resources if this project is not completed and put to intended use.

8.4 Construction of the proposed Taveta Technical Training Institute

Coast Institute of Technology awarded a contract for the construction of a twin workshop on 8 September 2014 to a local contractor at a contract sum of Kshs.46,441,290. However, examination of payment vouchers revealed that the first and the second certificates for Kshs14,290,446 and Kshs.9,715,584.40 respectively were paid without deducting withholding tax at the rate of 3% both totalling Kshs.720,180.90 as required in the Section 5f(ii) of the Third Schedule of the Income Tax Act of 2014. In the circumstances, the institute risks penalties from the Kenya Revenue Authority for not complying with Law.

8.5 Construction of the proposed Kaloleni Technical Training Institute

Records available at Kenya Coast National Polytechnic indicate that on 27 March, 2015 the institution entered into a contract for construction of the proposed Kaloleni Technical Training Institute at a contract sum of Kshs.49,535,280 and a contract for a period of 52 weeks. However, available information indicates that additional works on septic tank were included and the project period was extended to 4 July, 2016. As at September 2016, the project was approximately 45% complete while Kshs.23,342,163 or about 47% of contract sum had been paid to the contractor.

Further, no site house was seen on the project site yet it had been provided for in the Bill of quantities. Besides, there was no evidence to show that the contract period was approved for extension beyond 4 July 2016. The Ministry has not provided satisfactory explanation for the delay in completion of the project and why the site house was not erected.

In the circumstances, stakeholders may not realize value for their resources if this project is not completed and put to intended use.

In addition, the general conditions of the contract require that the winning tenderer to provide a duly executed performance bond of 5 % of the contract value at the time the

contract is signed with the bond remaining valid during the duration of the contract. However, no performance bond was availed for audit review.

In the circumstances, the institute risks financial loss in the event the contractor fails to execute the contract as contracted.

8.6 Construction of the Proposed Lamu East Technical Training Institute

Records available at Kenya Coast National Polytechnic indicate that on 31 October 2014, the institution awarded and signed a contract for construction of the proposed Lamu East Technical Training Institute at a contract sum of Kshs.54,841,082 executable over a period of 52 weeks. Review of the project status in September 2016, revealed that the project was incomplete while Kshs.38,079,615 or 72% of the contract price had been paid to the contractor against time lapse of 198% of the contract period. No evidence of request for approval for extension of the contract period beyond November, 2015 was availed for audit review. Therefore the project is way behind schedule and it is not clear when, if at all it will be completed.

In the circumstances, the project's stakeholders may not realize value for their resources if the project is not completed and put to intended use.

8.7 Land Ownership

Review of the Ministry's records relating to the new sixty (60) technical training institutes revealed that the Director, TVET through a letter Ref no.MST/DTE/6/5/VOL.V dated 12 November 2014 directed all the mentoring institutions for the new technical training institutes not to commence any construction works before title deeds for the sites are submitted by respective area Members of Parliament. The title deeds were among documents expected to be handed over to the appointed principals. It was however, established that twenty five(25) sampled institutes stand on land that did not have title deeds as proof of ownership contrary to the Ministry's directives. Consequently, ownership of the land acquired for construction of sixty (60) new TTIs could not be ascertained at the time of audit.

8.8 Delay in Construction Works

Available records at various Technical Training Institutes indicate that tenders for the proposed erection and completion of twin workshops, classrooms and office blocks were awarded on various dates in 2014 for a period of fifty two (52) weeks. However, physical visits in September 2016 to eight (8) Institutes implementing projects with a total contract sum of Kshs.428,075,604 revealed that an amount totalling Kshs.294,864,837 was paid to various contractors for projects which were behind schedule as tabulated below:

Institution	Contract Sum (Kshs)	Amount Paid (Kshs)	% Paid Vs Contract Sum
Mirera TTI	49,235,785	36,721,324	74.58%
Koibatek TTI	52,318,715	41,274,498	78.89%
Kipipiri TTI	55,094,423	48,849,366	88.66%
Mathioya TTI	52,777,934	36,916,095	69.95%
Kaelo TTI	55,102,270	8,397,450	15.24%
Mathira TTI	57,369,957	28,343,767	49.41%
Laikipia North	52,332,676	43,978,328	84.04%
Muraga TTI	53,843,844	50,384,010	93.57%
Total	428,075,604	294,864,838	

No evidence of the extension of contract period and renewal of expired performance bonds was availed for audit review.

In the circumstance, the stakeholders may not realize value for their resources if these projects are not completed and put to intended use.

8.9 Borehole Drilling Project at the Coast Institute of Technology

Examination of records maintained at the Coast Institute of Technology revealed that the Institute awarded a contract for borehole drilling to a Company at a contract price of Kshs.3,936,450 on 10th March, 2015. The Institute paid Kshs.3,929,000 and a further Kshs.170,000 for four rolls of electric wire cables used to supply electricity to the borehole. As a result, the project costs totalled Kshs.4,099,000. The extra expenditure totaling Kshs.162,550 was not in the bill of quantities and was therefore not approved.

Physical verification of the borehole on September 2016 revealed that it had not been put to use as the management explained that the water was confirmed as unfit for human consumption by the Government chemist. In the circumstances, it has not been possible to confirm the propriety of expenditure totaling Kshs.4,099,000 incurred in drilling the borehole.

8.10 Construction of Perimeter Wall

Further, records available at the Coast Institute of Technology revealed that the Institute awarded a contract for construction of a perimeter wall to a firm at a contract price of Kshs.24,519,639 for a period of twenty five(25) weeks ending on 24 September 2015. The bill of quantities prepared in February 2015 indicate that the Engineer's estimate was Kshs.27,26,962.

Review of the project in September 2016 revealed that the project was 65% complete and the performance bond of Kshs.1,225,928 which expired on 25th March 2016 and had not been renewed. Further, the contract price was varied by Kshs.222,940 without

approval of the tender committee. Under the circumstances, the stakeholders may not have realized value for their resources invested in this project.

9. Unresolved Prior Year Matters

9.1 Kisumu Polytechnic- Construction of Library Block

As reported in 2014/2015, records maintained by the Polytechnic showed that a construction firm was awarded a contract for construction of a library block in November 2011 at a contract price of Kshs.110,672,456.60 for a duration of 52 weeks. Examination of expenditure records revealed that Kshs.110,489,846.68 representing 99.8% of the initial contract sum had been paid to the contractor as at April 2015. An audit inspection in September 2016 revealed that no work was going on, since the contractor had abandoned the site and the project was about 70% complete. No explanation has been provided why 99.8% of the contract sum was paid when the project was only 70% complete and therefore way behind schedule. In addition, there was no evidence showing that the contractor had been issued with a default notice as per the terms of the contract.

Further, scrutiny of the bill of quantities, which reflect the proposed contract sum of Kshs.110,672,456.60 revealed the following unclear issues:

- i. An amount of Kshs.500,000 was provided for Clerk of Works. It was however established that the Clerk of Works who is an employee of the Institute was not paid Kshs.500,000 for the services he rendered.
- ii. The contract also provided for Kshs.200,000 for the project manager office. However, during the site visit no such structure was seen.
- iii. Kshs.1,500,363 was provided for in the tender to allow for any increase in the cost of labour and/or materials during the contract period. The same amount was again catered for under provisional sums for contingencies and fluctuations totalling to Kshs.6,000,000.

No satisfactory explanations have been provided for these anomalies. In the circumstances, it has not been possible to confirm that expenditures totalling Kshs.2,200,363 were a proper charge against public resources.

9.2 Economic Stimulus Programme- Proposed Bomet Technical Training Institute

As reported in 2014/2015, records held at the Ministry indicate that a total of Kshs.40,222,019 was disbursed vide payment vouchers No.313 of Kshs.37,900,000 and 559 of Kshs.2,322,019 dated 2 May 2012 and 29 June 2012 respectively to Eldoret Polytechnic towards construction of the proposed Bomet Technical Training Institute under the Economic Stimulus Programme (ESP). Additional information availed from Eldoret Polytechnic indicate that a firm was awarded the contract to construct Bomet Technical Training Institute and that the works commenced in 2011.

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However there was no clarity on how the contract was managed and project finances administered. Although, it was explained that Kshs.40,222,019 disbursed from the Ministry was handled by former management, no relevant financial and contractual documents such as tender documents, cash book, bank statements, bank reconciliation statements, bill of quantities and cheque books were availed for audit verification. Physical verification of the project in September 2015 revealed that the project was incomplete and the contractor was not on site. Further, no explanation has been provided as to why the project is incomplete despite the whole contract sum having been released by the Ministry.

In the circumstances, the propriety of the expenditure of Kshs.40,222,019 cannot be confirmed and it is not possible to confirm that the project's stakeholders will get value for their money.

9.3 Mawego Technical Training Institute

9.3.1 Stalled Project/Incomplete Construction of Classrooms

As reported in 2014/2015, on 22 December 2009 the Institute contracted a firm to construct ten (10) classrooms at a contract sum of Kshs.11,897,384. As the works commenced, the Institute varied the project to include one more floor to accommodate six (6) extra classrooms and the contract sum was revised to Kshs.22,437,051 by a variation of Kshs.10,539,667 or 88.5% of the original contract sum. The variation exceeded the allowable threshold of 15% of contract value contrary to the provisions of Section 47(b) of the Public Procurement and Disposal Act, 2005 and its Regulations of 2006.

Further, the Bill of Quantities reflect a provision of Kshs.440,000 for electrical works. However, a physical verification revealed that no electrical works were carried out in the building. In addition, the ground floor did not have a structural beam in the middle of the slab and instead a round, a re-in-forced metallic tube erected had lowered the quality of workmanship.

In addition, payment schedules availed for audit review indicate that the contractor has been paid Kshs.20,147,215 which is about 90% of the revised contract sum as at June, 2011 while the project is about 50% complete and the contractor has since abandoned the site. No satisfactory explanation has been provided for the failure to complete the project yet the contractor has been paid over 90% of the contract sum.

In the circumstances, the project's stakeholders have not yet obtained value for their resources after irregular variations of the contract and delays in its execution led the project to stall.

9.4 Bushiangala Technical Training Institute- Construction and Completion of Library Complex

As previously reported, documents available indicate that the Institute awarded a contract for the construction and completion of a library complex to a firm at a contract sum of Kshs.24,463,865 with a completion date of 31 December 2012. Records held at the Ministry revealed that Kshs.24,463,865 has been disbursed to the Institute towards the project with the final disbursement of Kshs.5,270,775 made in January, 2014, while payment records at the Institute revealed that Kshs.14,988,264 has been paid to the contractor as at April 2015. The variance of Kshs.9,475,600 has not been accounted for as at the date of this report.

Further, an audit inspection of the site in April 2015 revealed that the project was approximately 60% complete. No satisfactory explanation has been provided for the delay in completion of the project and no Minutes in support of extension of the contract period was availed for audit review.

In the circumstances, it has not been possible to confirm if and when the project will be completed and how the balance of Kshs.9,475,600 was utilized.

9.5 Eldoret Polytechnic

9.5.1 Construction of Institutional Management Laboratory and Kitchen Annex

As reported in 2014/2015, examination of payment vouchers and summary records of Eldoret Polytechnic revealed that the Institute engaged a contractor for a labour only contract for erection and completion of institutional management laboratory that also included a kitchen annex. Further scrutiny of payment records revealed that, the Polytechnic contracted for consultancy services and separately procured materials from pre-qualified suppliers. However, the Institute failed to provide relevant supporting procurement records that include description works, tender committee Minutes, evaluation and comparison of the bidders and contract agreements with the successful bidders. Further, as at the time of site visit in April 2015, the only records availed for audit review were payment vouchers and expenditure summaries which indicated that the Institute had spent Kshs.39,486,190 for purchase of building materials and Kshs.31,486,190.00 for labour and consultancy services. It was not possible to distinguish payments relating to the main laboratory or the kitchen annex. The payments related to 2012/2013 financial year only. Further, no supporting documents such as works valuation certificates were availed for audit review.

However, scrutiny of the payment vouchers supporting disbursements availed by the Ministry revealed that the Institute received Kshs.105,850,000 in the financial years 2010/2011 – 2013/2014. The certificates examined for the main food laboratory revealed that the initial cost of Kshs.152,000,000 was varied to Kshs.275,000,000 an increase of Kshs.123,000,000 or about 81% which has not been explained.

Further, examination of the public works certificates attached to the vouchers revealed that construction of the laboratory and Kitchen annex was varied from Kshs.120,000,000 to Kshs.225,000,000, an increase of Kshs.105,000,000 or about 88%. Despite these substantial payments to the contractor, the project is incomplete and no status report on level of completion from Ministry of Public Works was availed for audit review. In the circumstances, it has not been possible to establish the nature and terms of this contract and confirm that the costs totalling Kshs.225,000,000 were a proper charge on public funds.

9.5.2 Construction of Applied Science Laboratory

As reported in 2014/2015, examination of the Ministry's records indicated that in 2011/2012 and 2012/2013 financial years, funds totalling Kshs.49,650,000 were disbursed to Eldoret Polytechnic for construction of an Applied Science Laboratory. However, scrutiny of the public works certificates availed by the Ministry indicated that the initial estimated project cost of Kshs.62,000,000 was varied to Kshs.285,000,000 by an unexplained variance of Kshs.223,000,000 or about 360%. Further, no procurement and payment records relating to the project were availed for audit review and the project had stalled as at the time of the audit. In the circumstances, it has not been possible to confirm the propriety of the variation of Kshs.223,000,000.

9.5.3 Unsigned Schedules for Payment of Labourers

As reported in 2014/2015, examination of payment records revealed that the Institute paid Kshs.12,698,880 to casual workers whose supporting schedules were not signed by the respective workers. Further, available information indicates that some of the workers rendered services in many different areas within a span of a week as it would be practically impossible for one to engage in walling, roofing, plastering, plumbing, and electrical works and keying at the same time. In the circumstances, the total expenditure of Kshs.12,698,880 reported to have been incurred on labourers could not be confirmed as a proper charge to public funds.

9.6 Kiirua Technical Training Institute- Stalled Library Complex Project

As reported in 2014/2015, examination of procurement records at the Kiirua institute revealed that on 20 December 2011 the tender committee awarded a contract for construction of phase one of the proposed library complex to a contractor at a contract cost of Kshs.32,923,770 for a contract duration of 25 weeks. The contract was signed on 13 February 2012 and the works commenced on 14 February 2012, an extension of the completion period of 18 weeks was sought and granted by the client resulting in a revised contract duration of 43 weeks.

Further, records held at the Institute revealed that a variation of Kshs.11,858,435 or approximately 38.35% of the contract sum was sought from the parent Ministry by the project manager. The Ministry declined the variation and thereafter the project manager scaled down the works to save an estimated amount of Kshs.11,422,025. As

at April 2015, Kshs.25,542,506 had been paid to the contractor yet the building was done up to the first floor and thereafter stalled. No evidence of approval of variation of scope of works as required by Section 47 of the Public Procurement and Disposal Act, 2005 was availed for audit review. The variations also exceeded the 15% acceptable threshold as prescribed in the Act. Although the project was incomplete, the contractor had written demand notices of payment of the outstanding balance on certified amounts together with accrued interest. In the circumstances, the stakeholders may not have obtained value for their resources.

9.7 Rwika Institute of Technology

9.7.1 Construction of the Multi-Complex Hall

As reported in 2014/2015, examination of available records indicate that on 22 September 2011, the Institute awarded a contract for construction of a multi complex hall to a contractor at a contract sum of Kshs.51,435,699 for a period of 52 weeks. However examination of records held at the Ministry revealed that Kshs.53,000,000 had already been disbursed to the institute towards completion of this development project out of which only Kshs.28,351,830 had been paid to the contractor as at 30 June 2015 leaving an unutilized balance of Kshs.24,648,170 which however has not been accounted for. Physical verification of the project/building revealed that the project stalled at the superstructure level and no valuation/progress report indicating percentage of completion was availed for audit review. It was also noted that the contractor vacated the site in 2013. It is not clear and management has not explained if and when the project will be completed so that the stakeholders may obtain value for their resources.

9.7.2 Sewerage and Drainage System

As previously reported, examination of records held at the Ministry and the Institute revealed that Kshs.19,842,175 was disbursed in the financial year 2014/2015 as a special grant from the Ministry towards completion of the sewerage project. The Institute awarded a contract for completion of the sewerage to a firm at a contract sum of Kshs.18,482,222. However, examination of payment records indicated that Kshs.15,556,217 was paid to the contractor leaving an unpaid balance of Kshs.2,926,006 to the contractor and Kshs.4,285,959 as unutilized funds which has not been accounted for as at the date of this report.

In the circumstances, it has not been possible to establish how the unutilized balance of Kshs.4,585,959 has been utilized.

9.8 PC Kinyanjui Technical Training Institute

9.8.1 Construction of Resource Centre

As previously reported, the Institute awarded Phase II of the above works to a contractor at a contract sum of Kshs.20,225,192. Physical verification of the project in August 2015 revealed that the project was incomplete as finishes and metal

fabrications had not been done. Thereafter, the contractor presented a claim for unpaid dues amounting to Kshs.11,944,946. Although the Institute disputed the claim, the management had, at the time of the audit, not computed the actual amount due to the contractor.

Further, the contractor raised a parallel bill of quantities dated 7 April, 2015 comparing the original bill of quantities and the re-measured works for the project indicating that the project costs were varied by Kshs.5,039,586 from Kshs.20,225,192 to Kshs.25,264,778 whose supporting analysis were not availed for audit review. In the circumstances, the Institute risks litigation from the contractor and may have contravened the Public Procurement and Disposal Act, 2005 and the related Procurement and Disposal Regulations of 2006.

9.9 Idle Equipment

As reported in 2014/2015, documentary evidence availed for audit review indicate that on 1 March 2011, the Government of Kenya through the Ministry of Higher Education entered into an agreement with the Republic of China represented by AVIC International Holding Corporation under the Kenya-China project on rehabilitation and upgrading of equipment in Universities and Technical Training Institutes. One (1) university and nine (9) technical training institutes were supplied with electrical/electronic engineering, mechanical engineering, rapid prototyping manufacturing laboratories and diesel generators at a cost of US \$ 29,281,624 or approximately Kshs.2,490,159,083.

Physical verification of the equipment in all the ten Institutes revealed that the equipment have not been utilized to full capacity and the generators have similarly not been put to use. Although the Ministry explained that the equipment require three (3) phase power supply to operate and that plans are underway to upgrade the power supply in order to operationalize the equipment it is not clear when the equipment will be put in use. In the circumstances, the stakeholders may not obtain value for their resources from equipment worth Kshs.2,490,159,083 supplied to the ten (10) institutions of higher learning.

Qualified Opinion

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of the Ministry of Education, Science and Technology-State Department of Science and Technology as at 30 June 2016, and of its financial performance and 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.

Other Matter

Budgetary Control and Performance

The Ministry of Education, Science and Technology-State Department of Science and Technology had a total budget of Kshs.73,483,600,749 voted for the financial year 2015/2016 comprising of Kshs.13,106,559,192 for the development vote and Kshs.60,377,041,557 for the recurrent vote. The budget absorption rates in the state department were as follows:-

Vote	Budgeted Allocation 2015/2016	Actual Expenditure 2015/2016	Under Absorption	Absorption in %
	Kshs	Kshs	Kshs	
Development	13,106,559,192	10,487,898,283	(2,618,660,909)	80%
Recurrent	60,377,041,557	59,510,570,624	(866,470,933)	99%
TOTAL	73,483,600,749	69,998,468,907	(3,485,131,842)	

It has not been explained why the Ministry did not utilize the budget allocation in whole as at June 30 June 2016

Recurrent Vote

The budget performance analysis for the recurrent budget totalling Kshs.60,377,041,557 is as detailed below:

Item	Budget 2015-2016 Kshs	Actuals 2015-2016 Kshs	Under expenditure Kshs	% absorption
Compensation of Employees	569,997,655	524,444,447	-45,553,208	92%
Use of goods and Services	1,321,371,296	760,233,349	-561,137,947	58%
Subsidies	56,000,000	56,000,000	0	100%
Transfers to Other Government Units	49,203,063,102	49,080,673,237	-122,389,865	100%
Other Grants and Transfers	262,000,000	211,725,890	-50,274,110	81%
Social Security Benefits	5,000,000	0	-5,000,000	0%
Acquisition of Assets	8,959,609,504	8,877,493,701	-82,115,803	99%
Grand Total	60,377,041,557	59,510,570,624	-866,470,933	99%

As the analysis shows, the Ministry underutilized the budget under use of goods and services and social security benefits by 42% and 100% respectively. This may imply that the Ministry had over budgeted or did not offer the envisaged services during the year under review.

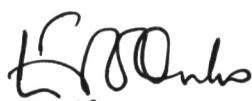
Development Vote

The budget performance analysis for Development vote budget totalling Kshs.3,106,559,192 was as detailed below:

Item	Budget 2015-2016 Kshs	Actuals 2015-2016 Kshs	Under expenditure Kshs	% absorption
Compensation of Employees	0	0	0	0%
Use of goods and Services	2,588,962,412	1,327,267,128	-1,261,695,284	51%
Transfers to Other Government Units	2,339,200,469	2,330,950,837	-8,249,632	99.6%
Other Grants and Transfers	9,320,230	909,400	-8,410,830	90%
Acquisition of Assets	8,169,076,081	6,828,770,919	-1,340,305,162	84%
Total	13,106,559,192	10,487,898,283	-2,618,660,909	80%

As the analysis shows, the Ministry underutilized the budget under use of goods and services by 49% which implies that the Ministry had over-budgeted or did not offer services envisaged for delivery to the citizens during the year under review.

However, overall, the Ministry's absorption rate for development expenditure was 80% which indicates a fairly good rate of use of allocated funds.



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

Nairobi

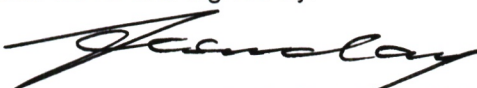
18 May 2017


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V. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2015-2016 Kshs	2014-2015 Kshs
RECEIPTS			
Proceeds from Domestic and Foreign Borrowings	1	1,878,930,067	2,885,382,927
Transfers from National Treasury	2	51,017,100,000	48,741,050,000
Proceeds from Sale of Assets	3	16,603,108,445	16,583,893,177
Transfers from Other Government Entities	4	-	142,279,968
TOTAL REVENUES		<u>69,499,138,512</u>	<u>68,352,606,072</u>
PAYMENTS			
Compensation of Employees	5	524,444,447	997,900,229
Use of goods and services	6	1,544,102,053	2,117,968,848
Subsidies	7	56,000,000	468,890,000
Transfers to Other Government Units	8	51,411,624,073	49,542,728,230
Other grants and transfers	9	212,635,290	334,750,000
Acquisition of Assets	10	15,706,264,621	14,886,307,700
TOTAL PAYMENTS		<u>69,455,070,484</u>	<u>68,348,545,007</u>
SURPLUS/DEFICIT		<u>44,068,027</u>	<u>4,061,065</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The department financial statements were approved on 30 September 2016 and signed by:


Prof. Collette A. Suda, PhD, FKNAS, CBS
PRINCIPAL SECRETARY

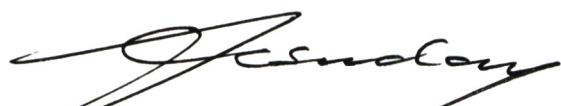

CPA Peter M. Mokobo
SENIOR ASSISTANT ACCOUNTANT
GENERAL

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VI. STATEMENT OF ASSETS

	Note	2015-2016 Kshs	2014-2015 Kshs
FINANCIAL ASSETS			
Cash and cash Equivalent			
Cash and Cash Equivalents			
	11. (a)	114,885,089	126,301,079
Bank Balances			
<u>Cash Balances</u>	11. (b)	802,053	957,334
Total cash Equivalent		<u>115,687,142</u>	<u>127,258,413</u>
Accounts Receivables- Outstanding imprests and clearances	12	6,132,476	540,884
TOTAL FINANCIAL ASSETS		<u>121,819,619</u>	<u>127,799,297</u>
FINANCIAL LIABILITIES			
Accounts Payables-			
Contractors retentions and other deposits	13	73,690,526	123,738,232
NET FINANCIAL ASSETS		<u>48,129,092</u>	<u>4,061,065</u>
REPRESENTED BY			
Fund balance b/fwd		4,061,065	-
Surplus/Deficit for the year		44,068,027	4,061,065
NET FINANCIAL POSITION		<u>48,129,092</u>	<u>4,061,065</u>

The financial statements were approved on 30 September 2016 and signed by:



Prof. Collette A. Suda, PhD, FKNAS, CBS
 PRINCIPAL SECRETARY



CPA Peter M. Mokobo
 SENIOR ASSISTANT ACCOUNTANT
 GENERAL

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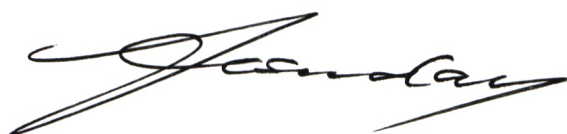
VII. STATEMENT OF CASHFLOW

	Note	2015 - 2016 Kshs	2014 - 2015 Kshs
CASH FLOW FROM OPERATING ACTIVITIES			
Transfers from National Treasury	2	51,017,100,000	48,741,050,000
Transfers from Other Government Entities	4	0	142,279,968
Payments for operating expenses			
Compensation of Employees	5	(524,444,447)	(997,900,229)
Use of goods and services	6	(1,544,102,053)	(2,117,968,848)
Subsidies	7	(56,000,000)	(468,890,000)
Transfers to Other Government Units	8	(51,411,624,073)	(49,542,728,230)
Other grants and transfers	9	(212,635,290)	(334,750,000)
Adjustment for: Adjustment during the year			
Changes in Receivables		(5,591,592)	540,884
Changes in Payables		(50,047,706)	123,738,232
		<u>(2,787,345,162)</u>	<u>(4,455,709,991)</u>
Net cash-flow from operating activities (a)			
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	3	16,603,108,445	16,583,893,177
Acquisition of Assets	10	(15,706,264,621)	(14,886,307,700)
Net cash flows from Investing Activities (b)		<u>896,843,824</u>	<u>1,697,585,477</u>
CASHFLOW FROM BORROWING ACTIVITIES			
Proceeds from Domestic & Foreign Borrowings	1	1,878,930,067	2,885,382,927
Net cash flow from financing activities		<u>1,878,930,067</u>	<u>2,885,382,927</u>

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Net increase in cash and cash Equivalent (a+b+c)	(11,571,271)	127,258,413
Cash and cash equivalent at BEGINNING of the year	127,258,413	-
Cash and cash equivalent at END of the year	115,687,142	127,258,413

The financial statements were approved on 30 September 2016 and signed by:



Prof. Collette A. Suda, PhD, FKNAS, CBS
PRINCIPAL SECRETARY



CPA Peter M. Mokobo
SENIOR ASSISTANT ACCOUNTANT
GENERAL

MINISTRY OF EDUCATION SCIENCE AND TECHNOLOGY
STATE DEPARTMENT OF SCIENCE AND TECHNOLOGY
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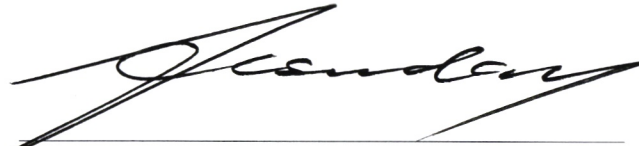
VIII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED


Revenue/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation to Final Budget
	a	b	c=a+b	d	e=d-c	f=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs	
RECEIPTS						
Exchequer releases	73,399,747,410	83,853,339	73,483,600,749	51,017,100,000	22,466,500,749	69%
Receipts to from other Government Entities				0	0	
Proceeds from Domestic and Foreign Grants	1,500,000,000	0	1,500,000,000	711,121,950	788,878,050	47.41%
Proceeds from foreign borrowings	1,461,000,000	1,237,000,000	2,698,000,000	1,167,808,117	1,530,191,883	44%
Proceeds from sale of assets	16,682,600,000	0	16,682,600,000	16,603,108,445	79,491,555	98%
Other receipts						
Total	93,043,347,410	1,320,853,339	94,364,200,749	69,499,138,512	24,865,062,237	
PAYMENTS						
Compensation of Employees	394,997,655	175,000,000	569,997,655	524,444,447	(45,553,208)	92%
Use of goods and services	2,587,998,577	1,322,335,131	3,910,333,708	1,544,102,053	(2,366,231,655)	39%
Subsidies	56,000,000	0	56,000,000	56,000,000	0	100%
Transfers to Other Government Units	53,768,207,037	(2,225,943,466)	51,542,263,571	51,411,624,073	(130,639,498)	100%
Other grants and transfers	452,000,000	(180,679,770)	271,320,230	212,635,290	(58,684,940)	78%

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Social Security Benefits	5,000,000	0	5,000,000	0	(5,000,000)	0%
Acquisition of Assets	16,135,544,141	993,141,444	17,128,685,585	15,706,264,621	(1,422,420,964)	92%
Other Expenses	0	0	0	0	0	
Total	73,399,747,410	83,853,339.00	73,483,600,749	69,455,070,484	(4,028,530,265)	

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 30 September 2016 and signed by:


 Prof. Collette A. Suda, PhD FKNAS, CBS
 PRINCIPAL SECRETARY


 CPA Peter M. Mokobo
 SENIOR ASSISTANT ACCOUNTANT GENERAL

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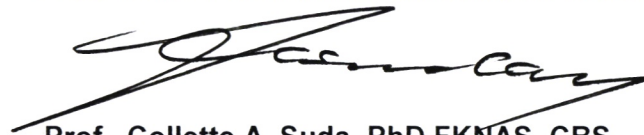
IX. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT

Revenue/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation to Final Budget
	a	b	c=a+b	d	e=d-c	f=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs	
RECEIPTS						
Exchequer releases	59,352,429,183	0	59,352,429,183	42,898,900,000	(16,453,529,183)	72%
Proceeds from sale of assets	16,682,600,000	0	16,682,600,000	16,603,108,445	79,491,555	100%
Other receipts	0	0	0	0	0	
Total	76,035,029,183	0	76,035,029,183	59,502,008,445	(17,966,220,738)	
PAYMENTS			0		0	
Compensation of Employees	394,997,655	175,000,000	569,997,655	524,444,447	(45,553,208)	92%
Use of goods and Services	1,454,998,577	(133,627,281)	1,321,371,296	216,834,926	(1,104,536,370)	16%
Subsidies	56,000,000	0	56,000,000	56,000,000	0	100%
Transfers to Other Government Units	49,580,207,037	(377,143,935)	49,203,063,102	49,080,673,237	(122,389,865)	100%

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Other Grants and Transfers	452,000,000	(190,000,000)	262,000,000	211,725,890	(50,274,110)	81%
Social Security Benefits	5,000,000	0	5,000,000	0	(5,000,000)	0%
Acquisition of Assets	7,409,225,914	1,550,383,590	8,959,609,504	8,877,493,701	(82,115,803)	99%
Grand Total	59,352,429,183	1,024,612,374	60,377,041,557	58,967,172,201	(1,409,869,356)	

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CPA Peter M. Mokobo
SENIOR ASSISTANT ACCOUNTANT GENERAL

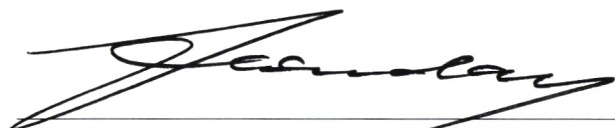
X. SUMMARY STATEMENT OF APPROPRIATION: DEVELOPMENT

Revenue/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation to Final Budget
	a	b	c=a+b	d	e=d-c	f=d/c %
RECEIPTS	Kshs	Kshs	Kshs	Kshs	Kshs	
Exchequer releases	14,047,318,227		14,047,318,227	8,118,200,000	(5,929,118,227)	57.79%
Proceeds from Domestic and Foreign Grants	1,500,000,000	0	1,500,000,000	711,121,950	788,878,050	47.41%
Proceeds from Foreign Borrowings	1,461,000,000	1,237,000,000	2,698,000,000	1,167,808,117	1,530,191,883	43.28%
Total	17,008,318,227	1,237,000,000	18,245,318,227	9,997,130,067	8,248,188,160	
PAYMENTS						
Compensation of Employees	0	0	0	0	0	0.00%
Use of goods and Services	1,133,000,000	1,455,962,412	2,588,962,412	1,327,267,128	(1,261,695,284)	51.27%

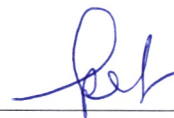
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Transfers to Other Government Units	4,188,000,000	(1,848,799,531)	2,339,200,469	2,330,950,837	(8,249,632)	99.65%
Other Grants and Transfers	0	9,320,230	9,320,230	909,400	(8,410,830)	90.24%
Acquisition of Assets	8,726,318,227	(557,242,146)	8,169,076,081	6,828,770,919	(1,340,305,162)	83.59%
Total	14,047,318,227	940,759,035	13,106,559,192	10,487,898,283	(2,618,660,909)	

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 30 September 2016 and signed by:



**Prof. Collette A. Suda, PhD FKNAS, CBS
PRINCIPAL SECRETARY**



**CPA Peter M. Mokobo
SENIOR ASSISTANT ACCOUNTANT GENERAL**

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XI. SUMMARY STATEMENT OF PROVISIONINGS

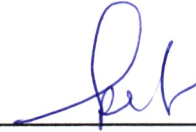
- Details of Exchequer Provisioning

	2015 - 2016	2014 - 2015
	Kshs	Kshs
Exchequer Provisioning balance	22,466,500,749	1,558,141,265
Total	22,466,500,749	1,558,141,265

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 30 September 2016 and signed by:



Prof. Collette A. Suda, PhD FKNAS, CBS
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CPA Peter M. Mokobo
SENIOR ASSISTANT ACCOUNTANT
GENERAL

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XII. NOTES TO THE FINANCIAL STATEMENTS

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

a. 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 and all values are rounded to the nearest thousand (Kshs). 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.

b. Recognition of revenue and expenses

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

c. In-kind contributions

In-kind contributions are donations that are made to the state department 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 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.

d. 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.

e. 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

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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.

f. 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.

g. 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 department fixed asset register a summary of which is provided as a memorandum to these financial statements.

h. 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 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.

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

j. Comparative figures

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

k. Subsequent events

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

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1 PROCEEDS FROM DOMESTIC AND FOREIGN BORROWINGS

Details	2015 - 2016	2014 - 2015
	Kshs	Kshs
GoK China	711,121,950	1,185,203,250
ADB Foreign Borrowing-Direct Payments-tivet	876,527,931	813,435,209
ADB Foreign Borrowing-Direct Payments-tivet	198,142,249	886,744,469
Foreign Borrowing-Direct Payments-Netherlands	93,137,936	-
TOTAL	1,878,930,066	2,885,382,928

2 EXCHQUER RELEASES

Description and reference of the transfer	2015 - 2016	2014 - 2015
Recurrent	Kshs	Kshs
National Government Exchequer Transfers - quarter 1	8,883,000,000	7,790,300,000
National Government Exchequer Transfers - quarter 2	11,532,000,000	14,188,750,00
National Government Exchequer Transfers - quarter 3	13,835,900,000	13,992,300,000
National Government Exchequer Transfers - quarter 4	16,766,200,000	12,769,700,00
Total	<u>51,017,100,000</u>	<u>48,741,050,000</u>

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3 PROCEEDS FROM SALE OF ASSETS

	2015 - 2016	2014 - 2015
	Kshs	Kshs
Receipts from the Sale of Inventories, Stocks and Commodities	14,103,108,445	14,083,893,177
Disposal and Sales of Non-Produced Assets	-	-
Receipts from the Sale of Strategic Reserves Stocks	2,500,000,000	2,500,000,000
Repayments from Domestic Loans to Individuals and Households		
Total	<u>16,603,108,445</u>	<u>16,583,893,177</u>

4 TRANSFERS FROM OTHER GOVERNMENT ENTITIES

	2015 - 2016	2014 - 2015
	Kshs	Kshs
State Department Of Education	-	142,279,968
Total	-	142,279,968

5 COMPENSATION OF EMPLOYEES

	2015 - 2016	2014 - 2015
	Kshs	Kshs
Basic salaries of permanent employees	199,695,982	141,742,262
Basic wages of temporary employees	177,441,005	643,471,382
Personal allowances paid as part of salary	147,307,459	70,406,617
*Compensation not in the budget (BTL)	-	142,279,968
Total	<u>524,444,447</u>	<u>997,900,229</u>

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6 USE OF GOODS AND SERVICES

	2015 - 2016	2014 - 2015
	Kshs	Kshs
Utilities, Supplies and Services	20,121,403	11,069,950
Communication, Supplies and Services	24,382,716	14,924,879
Domestic Travel and Subsistence, and Other Transportation Costs	65,053,385	42,961,778
Foreign Travel and Subsistence, and other transportation costs	20,761,564	7,741,895
Printing , Advertising and Information Supplies and Services	7,607,139	6,863,752
Rentals of Produced Assets	141,902,420	25,203,708
Training Expenses	122,720,970	18,500,842
Hospitality Supplies and Servi	19,927,460	17,780,852
Insurance Costs	-	-
Specialised Materials and Supp	887,168,761	1,782,230,421
Office and General Supplies and Services	34,944,550	19,180,429
Fuel Oil and Lubricants	29,642,078	28,745,091
Other Operating Expenses	113,739,587	130,986,007
Routine Maintenance - Vehicles	26,631,891	6,505,741
Routine Maintenance - Other Assets	29,498,129	5,273,504
Total	<u>1,544,102,053</u>	<u>2,117,968,849</u>

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7 SUBSIDIES

Description	2015 - 2016	2014 - 2015
	Kshs	Kshs
Africa institute of capacity and development	56,000,000	468,890,000
TOTAL	<u>56,000,000</u>	<u>468,890,000</u>

8 TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description	2015 - 2016	2014 - 2015
	Kshs	Kshs
Transfers to Central government entities		
Current Grants to Government Agencies and other Levels of Government	49,080,673,237	49,542,728,230
Capital Grants to Government Agencies and other Levels of Government	2,330,950,837	
TOTAL	<u>51,411,624,073</u>	<u>49,542,728,230</u>

9 OTHER GRANTS AND TRANSFERS

	2015 - 2016	2014 - 2015
	Kshs	Kshs
Grants and Transfers to Foreign Governments	-	-
Membership Fees and Dues and Subscriptions to International Organizations	10,819,720	133,750,000
Membership Fees and Dues and Subscriptions to International Organizations (Continued)	-	-
Scholarships and other Educational Benefits	201,815,570	201,000,000
Emergency Relief and Refugee Assistance	-	-
Grants to Small Businesses, Cooperatives, and Self Employed	-	-
Total	<u>212,635,290</u>	<u>334,750,000</u>

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10 ACQUISITION OF ASSETS	NIL	
	2015 - 2016	2014 - 2015
	Kshs	Kshs
<u>Non-Financial Assets</u>		
Purchase of Buildings	-	-
Construction of Building	6,454,324,755	7,295,142,682
Refurbishment of Buildings	-	1,400,000
Construction of Roads	52,250,000	52,250,000
Construction and Civil Works	62,947,141	45,000,000
Overhaul and Refurbishment of Construction and Civil Works	-	-
Purchase of Vehicles and Other Transport Equipment	14,250,000	11,716,188
Overhaul of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	25,621,663	17,097,580
Purchase of Specialised Plant, Equipment and Machinery	185,152,868	148,411,250
Rehabilitation and Renovation of Plant, Machinery and Equipment	185,000,000	135,000,000
Purchase of Certified Seeds, Breeding Stock and Live Animals	-	4,290,000
Research, Feasibility Studies, Project Preparation and Design, Project Supervision	6,787,494	-
Rehabilitation of Civil Works	61,930,700	162,000,000
Purchase of Specialised Plant	-	-
Acquisition of Strategic Stocks	-	-
Acquisition of Other Inventory	-	-
Acquisition of Land	-	-
Acquisition of Other Intangible Assets	-	-
Domestic Lending and On-lending	8,658,000,000	7,014,000,000
Domestic Equity Participation	-	-
Other Domestic Accounts Receivable	-	-
Foreign Lending and On- Lending	-	-
Total	<u>15,706,264,621</u>	<u>14,886,307,700</u>

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11

a. Bank Accounts

Name of Bank, Account No. & currency	2015 - 2016	2014 - 2015
	Kshs	Kshs
Central Bank of Kenya ,100000212667.kes	73,690,526	119,729,341
Central Bank of Kenya ,10000209895.kes	2,008,351	3,753,968
Central Bank of Kenya ,1000209817.kes	39,186,212	2,817,770
Total	<u>114,885,089</u>	<u>126,301,079</u>

b. CASH IN HAND

	2015 - 2016	2014 - 2015
	Kshs	Kshs
Cash in hand – Held in domestic currency	802,053	957,334
Total	<u>802,053</u>	<u>957,334</u>

Cash in hand should also be analysed as follows:

	2015- 2016	2014 - 2015
	Kshs	Kshs
Ministry Headquarter – Cash office	802,053	957,334
Total	<u>802,053</u>	<u>957,334</u>

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12 ACCOUNTS RECEIVABLE - OUTSTANDING IMPRESTS

	2015 - 2016	2014 - 2015
	Kshs	Kshs
Government imprests; District and advances – Annex 2	5,259,494	467,734
Clearance accounts- staff imprests – Annex 4	687,760	73,150
Salary advances-Annex 3	185,222	-
Total	<u>6,132,476</u>	<u>540,884</u>

13 ACCOUNTS PAYABLE

	2015 - 2016	2014 - 2015
	Kshs	Kshs
contractors retention	73,690,526	123,738,232
Total	<u>73,690,526</u>	<u>123,738,232</u>

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14 FUND BALANCE BROUGHT FORWARD

	2015 - 2016	2014 - 2015
	Kshs	Kshs
Bank accounts	126,301,077	-
Cash in hand	957,334	-
Cash equivalents (short-term deposits)	-	-
Imprest	-	-
Receivables	540,884	-
Payables	(123,738,232)	-
Total	<u>4,061,065</u>	-

15 OTHER IMPORTANT DISCLOSURES

a) PENDING ACCOUNTS PAYABLE

	Kshs	Kshs
Construction of buildings	3,043,575.32	226,636,194
Construction of civil works	9,184,795.93	-
Supply of goods	19,760,552.20	221,892,919
Supply of services	48,752,717.40	-
TOTAL	<u>80,741,640.85</u>	<u>448,529,113</u>

b) PENDING STAFF PAYABLES

	Kshs	Kshs
Senior management	xxx	xxx
Middle management	xxx	xxx
Unionisable employees	xxx	xxx
Others (Gratuity to temporary staff)	-	131,144,890
Total	-	<u>131,144,890</u>

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SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost (Kshs) 2015/16	Historical Cost (Kshs) 2014/15
Land	-	-
Buildings and structures	238,055,341.65	-
Transport equipment	28,837,078	-
Office equipment, furniture and fittings	49,876,136.45	-
ICT Equipment, Software and Other ICT Assets	460,536,600.10	-
Other Machinery and Equipment	-	-
Heritage and cultural assets	-	-
Intangible assets	-	-
Total	777,305,156.20	-

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XIII. ANNEXES TO THE FINANCIAL STATEMENTS

Annex 1: Summary of AIA realised from various institutions as budgeted for the financial year ended the 30th June 2016.

UNIVERSITY	BUDGETED AIA (Kshs)	COLLECTED AIA (Kshs)	CAPTURED AIA (Kshs)	EXCESS AIA (Kshs)
LAIKIPIA	78,500,000.00	414,816,848.00	78,500,000.00	(336,316,848.00)
KENYATTA	2,516,000,000.00	6,630,860,914.00	2,516,000,000.00	(4,114,860,914.00)
KABIANGA	28,000,000.00	415,826,258.30	28,000,000.00	(387,826,258.30)
MERU	16,000,000.00	79,114,524.00	16,000,000.00	(63,114,524.00)
MULTIMEDIA	164,000,000.00	84,508,445.00	84,508,445.00	
KISII	58,000,000.00	854,840,000.00	58,000,000.00	(796,840,000.00)
MASINDE MULIRO	629,000,000.00	1,113,439,000.00	629,000,000.00	(484,439,000.00)
KIRINYAGA	-	123,519,287.00	-	123,519,287.00
UNIVERSITY OF ELDORET	200,000,000.00	998,837,876.00	200,000,000.00	(798,837,876.00)
CHUKA	23,500,000.00	576,178,142.26	23,500,000.00	(552,678,142.26)
GARISSA	-	9,690,598.80	-	(9,690,598.80)
MURANGA	-	46,094,513.00	-	(46,094,513.00)
DEDAN KIMATHI	72,800,000.00	585,818,589.00	72,800,000.00	(513,018,589.00)
MASENO	551,000,000.00	1,451,103,000.00	551,000,000.00	(900,103,000.00)
SOUTH EASTERN KENYA	20,000,000.00	309,300,000.00	20,000,000.00	(289,300,000.00)
MACHAKOS UNIVERSITY	-	301,112,786.76	-	(301,112,786.76)
CO- OPERATIVE UNIVERSITY	-	313,682,246.00	-	(313,682,246.00)
RONGO	-	393,892,251.00	-	(393,892,251.00)

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UNIVERSITY OF NAIROBI	4,691,000,000.00	9,020,828,000.00	4,691,000,000.00	(4,329,828,000.00)
JARAMOGI OGINGA ODINGA	26,000,000.00	708,920,238.00	26,000,000.00	(682,920,238.00)
MAASAI MARA	46,000,000.00	422,625,774.00	46,000,000.00	(376,625,774.00)
PWANI	75,000,000.00	95,892,116.00	75,000,000.00	(20,892,116.00)
HELB	2,500,000,000.00	2,506,659,180.00	2,500,000,000.00	(6,659,180.00)
MOI	1,611,000,000.00	33,384,998,661.00	1,611,000,000.00	(31,773,998,661.00)
JKUAT	1,866,000,000.00	5,546,741,377.00	1,866,000,000.00	(3,680,741,377.00)
EGERTON	1,005,800,000.00	2,268,971,270.00	1,005,800,000.00	(1,263,171,270.00)
MOMBASA TECHNICAL	142,000,000.00	651,542,357.00	142,000,000.00	(509,542,357.00)
TECHNICAL UNIVERSITY OF KENYA	363,000,000.00	801,324,711.00	363,000,000.00	(438,324,711.00)
TAITA TAVETA	-	158,932,363.00	-	(158,932,363.00)
KIBABII	-	241,494,449.00	-	(241,494,449.00)
EMBU	-	197,808,244.00	-	(197,808,244.00)
Total	16,682,600,000.00	70,111,138,963.12	16,603,108,445.00	(53,859,227,000.12)

Note: The A.I. A as per approved estimates is Ksh: 16,682,600,000.00, and actual receipt from various institutions is Ksh: 70,111,138,963.12, hence there was excess A.I A of ksh: 53,859,227,000.12

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Annex 2: Summary of AIE's issued and outstanding balance as at 30th June 2016.

S/NO.	COUNTY NAME	AIE NOs AND AMOUNT (KSHS)	TOTAL AMOUNT (KSHS)	AMOUNT ACCOUNTED FOR (Ksh)	OUTSTANDING BALANCE AS OF 30 TH AUGUST, 2016 (Ksh)
1.	KISUMU	A 400973 - 3,462,160.00 A 814145 - 3,465,730.00	6,927,890.00	6,908,937.00	18,951.00
2.	UASIN GISHU	A 400968 - 3,170,018.00 A 814144 - 2,674,515.00	5,844,533.00	5,844,486.00	46.00
3.	KAKAMEGA	A 400980 - 3,465,732.00 A 400990 - 3,371,087.00	6,836,819.00	6,829,281.00	7,536.00
4.	NYERI	A 400976 - 3,264,303.00 A 400993 - 3,273,354.00	6,537,657.00	6,533,431.90	4,223.10
5.	TRANS NZOIA	A 400975 - 3,264,303.00 A 400994 - 3,221,659.00	6,485,962.00	5,766,617.00	719,343.00
6.	KERICHO	A 400971 - 2,624,878.00 A 400991 - 2,884,515.00	5,509,393.00	4,217,775.00	1,291,616.00
7.	ISIOLO	A 400972 - 3,170,018.00 A 400989 - 3,371,087.00	6,541,105.00	6,541,096.00	9.00
8.	EMBU	A 400966 - 3,170,018.00 A 400987 - 3,465,730.00	6,635,747.00	5,815,416.00	820,331.00
9.	BUSIA	A 400974 - 3,170,018.00 A 814146 - 3,170,016.00	6,340,034.00	6,339,676.00	358.00
10.	NAKURU	A 400969 - 3,170,018.00 A 400992 - 3,465,730.00	6,635,748.00	6,622,183.00	13,565.00
11.	MOMBASA	A 400967 - 3,075,375.00 A 814147 - 2,809,302.00	5,884,677.00	4,919,512.00	965,156.00
12.	KISII	- 3,371,089.00 A 814148 - 2,532,819.00	5,903,908.00	4,610,821.00	1,293,087.00
13.	GARISSA	- 3,465,732.00 A 400988 - 2,561,748.00	6,027,480.00	5,902,207.00	125,273.00
	Total		82,110,953	76,851,438.9	5,259,494.1

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Annex 3: Outstanding salary Advance for the year ended 30th June 2016.

Payroll No,	Officer's Name	ID/PP. No.	Amount (Ksh)	Balance (Ksh)
1980083533	Jacinta Njeri Mbugua	4878589	7,280.00	65,480.00
1986005818	Johnstone Mark Nyanumba	0304963	12,922.00	77,522.00
2009047083	Jacktone Kanyoru Kilungu	22585358	2,300.00	18,400.00
2009081079	Daisy Akinyi Opiyo	25476343	2,680.00	24,120.00
Total			25,182.00	185,522.00

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Annex 4: Outstanding Imprest as at 30th June 2016.

RECURRENT OUTSTANDING TEMPORARY IMPREST AS AT 30TH JUNE 2016							
NAMES	P/NO	DESIGNATION	J/ G	W/NO	DEPT	DUE DATE	AMOUNT(Ksh)
MOSES MUGA	2009123499	SNR ACC	L	2264243	ACCOUNTS	9/4/2016	67,200.00
JANE WANJIRU MUNGA	2014001155	P&RA	S	2577124	ADMN	5/18/2016	258,360.00
JENIFFER MBOGO	1989135858	SECRETARY		2627795	DHE	6/30/2016	39,200.00
JACK O. NYAMBURI	2008104471	DRIVER	G	2327463	TVETA	9/4/2015	50,400.00
JACK O ODHIAMBO	2001006669	SGT	H	2425461	ABMN	2/1/2016	12,600.00
ELIZAPTHAN. A. NYANGATE	2009099226	S.D.D	R	2577196	DHE	6/30/2016	182,000.00
TOTAL							609,760.00
DEVELOPMENT OUTSTANDING IMPREST AS AT 30TH JUNE 2016							
JENIFFER MBOGO	89135858	SEC		2172855		11/28/2014	78,000.00
TOTAL							687,760.00