

REPUBLIC OF KENYA



THE AUDITOR-GENERAL

REPORT			
NATIONAL ASSEMBLY		PAPERS LAID	
DATE:	27 JUN 2019	DAY:	Thursday
TABLED BY: OF	Hon. Washak. Jomo		
CLERK-AT THE TABLE:	Majesty Pety Njorah		
	Lemua Mosey.		

THE AUDITOR-GENERAL

ON

FINANCIAL STATEMENTS OF
COMMISSION ON REVENUE ALLOCATION
FOR THE YEAR ENDED
30 JUNE 2018





COMMISSION ON REVENUE ALLOCATION

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30 JUNE 2018

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



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I. KEY COMMISSION INFORMATION AND MANAGEMENT

Background information

The Commission was formed by the Constitution under section 215 in December, 2010 and is represented by 8 Commissioners and a Commission Secretary who are responsible for the general policy and strategic direction of the Commission.

Principal Activities

The principal activity of the Commission is to recommend the basis for equitable sharing of revenues raised nationally between the national and the county governments and sharing of revenue among the county governments.

Mission

To make reliable recommendations on equitable revenue sharing, revenue enhancement and prudent public financial Management.

Vision

No Kenyan Left Behind.

Key Management

The Commission's day-to-day management for the said financial year was under the following team:

- | | |
|-------------------------|-----------------------------|
| 1. George Ooko | Commission Secretary |
| 2. Angela Kariuki | Director Corporate Services |
| 3. James Katule | Director Fiscal Affairs |
| 4. Sheila Yieke | Director Legal |
| 5. Joseph Kuria | Director ICT |
| 6. Lineth Oyugi | Director Research |
| 7. Dr. Amenity Nyakundi | Advisor Natural Resources |
| 8. Maureen Junge | Finance Manager |

Commission Headquarters

Commission on Revenue Allocation
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Grosvenor suite 2nd and 3rd Floor
P.O Box 1310-00200 Nairobi
Tel: (020) 4298000

Commission Contacts

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E-mail: info@crakenya.org
Website: www.crakenya.org

Commission Bankers

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

Kenya Commercial Bank
KICC Branch
Harambee Avenue
P. O. Box 46950-00100 Nairobi
Tel: (020) 29248501,
Fax: (020) 29248501,

Independent Auditors



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

Principal Legal Adviser



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



Commissioners

 <p>Dr. Jane Kiringai Chairperson</p>	<p>Dr. Jane Kiringai is a seasoned economist with experience spanning over twenty years. She started her career as an economist in the Ministry of Finance determining the aggregate budget framework and ministerial and sectoral budget ceilings.</p> <p>Before joining CRA she worked as a senior Economist with the World Bank covering a broad range of economic development issues, including macroeconomic analysis and forecasting, public expenditure management and fiscal decentralization. She has also worked with other development institutions including Department for International Development (DFID), the European Commission Delegation, and as a Policy Analyst with Kenya’s Policy think tank, Kenya Institute for Public Policy Research and Analysis (KIPPRRA).</p> <p>Dr. Kiringai holds a PhD in Economics from University of Nottingham, UK, a Masters in Development Economics from Williams College, US, a Bachelor of Philosophy in Economics and a Bachelor of Science in Mathematics and Computer Science both from University of Nairobi.</p>
 <p>Mr. Humphrey Wattanga Vice Chairperson</p>	<p>Mr. Humphrey Wattanga holds a Masters in Business Administration from the Wharton School of Finance, USA, and a Bachelor’s degree in Biochemistry (cum laude) from Harvard University, USA.</p> <p>He has over 15 years’ global experience serving as a business development, corporate finance and transaction advisor to private equity entities, private sector companies, development finance institutions, governments and public organisations.</p> <p>He is a Peer Review member of Grand Challenges Canada; a member of the</p>


	<p>Brookings Institution’s review panel on the potential and limitations of Social Impact Bonds; and an integral party in the conceptualization, structuring and rollout of the M-Akiba platform, the world’s first mobile-only government bond.</p>
 <p>Prof. Edward Oyugi Commissioner</p>	<p>Professor Edward Akong’o Oyugi holds a PhD in Psychology and Paedagogy from the University of Cologne, Germany and post-doctoral training from University of Cologne, Germany and University of Bayreuth, Germany.</p> <p>He has held senior academic and research positions in several universities such as Kenyatta University, Bayreuth University (Germany), University of Heidelberg, (Germany), United States International University, Kenya and Tangaza College, Kenya.</p> <p>He has been a member of the National Economic and Social Council and the Task Force on Devolution. He was also the executive Director of Social Development Network (SODNET) for several years.</p> <p>Professor Oyugi has published extensively and written several books, articles, book chapters, and papers on diverse subjects. He has received several awards including Otto Benecke Foundation Award (1980) and Hellmann/Hammett Award of the Fund for Free Expression, New York (1992).</p>
 <p>Dr. Irene Asienga Commissioner</p>	<p>Dr. Irene Koech Asienga has over 15 years’ experience in research, teaching and administration.</p> <p>Prior to joining the Commission on Revenue Allocation, Dr. Asienga worked as a Senior Lecturer and Director of Kabarak University, Nairobi Campus. Under this capacity, she was responsible for mentoring, teaching, grading and supervising students. She was also involved in preparation and implementation of the campus strategic plan, coordination of academic programs,</p>




	<p>supervision of teaching and non-teaching staff, academic advising, marketing the campus programs, drawing up annual reports for the campus and preparation of annual estimates of income and expenditure. She is a former Dean, Business School and Head of Commerce Department at the same university.</p> <p>She holds a doctorate degree in Economics from the University of Strathclyde, Scotland, UK; a Master of Arts in Economics from the University of Malawi and a Bachelor of Arts in Economics from the University of Nairobi.</p> <p>She has interests in public finance, environmental, agricultural and development economics and has published widely in peer reviewed journals.</p>
 <p>Mr. Kishanto Suuji Commissioner</p>	<p>Mr. Kishanto ole Suuji has over twenty seven years’ experience in public service and the financial sector.</p> <p>Prior to joining the Commission on Revenue Allocation, Mr. Suuji worked as a Director at Kenya School of Monetary Studies, Central Bank of Kenya, where he rose through the ranks in various departments of the bank. Under this capacity, he was in charge of the Finance and Administration Department.</p> <p>He holds an MBA from Jomo Kenyatta University of Agriculture and Technology (JKUAT) and a B.A. in Economics and Government from University of Nairobi.</p>
	<p>Mr. Peter Gachuba is an Investment Banker with over 20 years of Investment Banking and Private Equity experience. Prior to joining CRA, Mr. Gachuba worked as the Managing Partner of Strategic Africa Fund, Strategic Africa Advisors from 2012 to 2016 and as the Managing Partner of AfriCap Fund, a specialized Private Equity Fund</p>


 <p>Mr. Peter Gachuba Commissioner</p>	<p>based in Johannesburg, South Africa from 2004 to 2010.</p> <p>Mr. Gachuba has also worked for Kestrel Capital, Cooperative Bank of Kenya, Acacia Fund Limited, CDC Capital Partners, KPMG and Loita Capital Partners. He has also served as a Non- Executive Director in many boards including Faulu Microfinance Bank, Equity Bank Limited, and has worked in USA, South Africa, Mozambique, Malawi, Uganda and Tanzania.</p> <p>He holds an Accounting and a Master’s Degree in International Business from Southern New Hampshire University in New Hampshire, USA.</p>
 <p>Prof. Peter Kimuyu Commissioner</p>	<p>Professor Peter Kiko Kimuyu holds a PhD in Energy Economics from University of Nairobi, a M.Sc. in Energy Economics from University of Surrey, UK, an M.A. in Economics from University of Nairobi, and a B. Ed. in Economics and Mathematics from University of Nairobi.</p> <p>He is the founder director of the School of Economics in the University of Nairobi and former Executive Director of the Institute of Policy Analysis and Research.</p> <p>He has held board-level appointments with the Export Promotion Council, Privatization Commission and KCB Group. He is a trustee with Africa International University, Technical Advisor to Scott Christian University and a lapsed member of the New York Academy of Sciences.</p> <p>Professor Kimuyu has published extensively and written several books, articles, book chapters, and papers on diverse development issues.</p>



 <p>Ms. Fouzia Abdikadir Commissioner</p>	<p>Ms. Fouzia has over 10 years’ experience in financial management. Prior to joining the Commission on Revenue Allocation, she worked as a finance manager.</p> <p>She holds a Postgraduate Diploma in Portfolio Management and Investment Analysis from the London School of Commerce, U.K. and a Bachelor of Commerce-Finance from Jomo Kenyatta University of Agriculture and Technology (JKUAT). She is currently undertaking an MBA from the University of Wales Institute, Cardiff. She also has certification in civic leadership from Tulane University (USA). Commissioner Fouzia is a Mandela fellow (Young African Leadership Initiative, 2014) and she has also published on the challenges of the girl child in Africa education in the Hunger Report by Bread for the World.</p>
 <p>Dr. Kamau Thugge PS Treasury/ Commissioner</p>	<p>Dr. Thugge holds a Bachelors of Arts (Economics) from Colorado College, USA, Master in Economics from Johns Hopkins University, USA and a Doctor of Philosophy (PhD) in Economics from Johns Hopkins University, USA</p> <p>Dr. Kamau Thugge is currently the Principal Secretary at the National Treasury. He has previously worked in the Ministry of Finance as Head of Fiscal and Monetary Affairs Department, Economic Secretary and as Senior Economic Advisor. Before joining the Ministry of Finance he worked with the International Monetary Fund (IMF) both in the policy making Departments and non-policy making Departments as Economist/Senior Economist and Deputy Division Chief.</p>

Management

 <p>George Ooko Commission Secretary</p>	<p>He holds a Masters of Business Administration degrees and Bachelor of Commerce from the University of Nairobi. He has vast experience from both the public and private sectors. He was formerly a Senior Executive at Barclays and NIC Banks.</p> <p>He is the founding CEO of Coffee Development Fund where he served from 2007 to 2011 and has practical experience in establishing and managing public sector special fund. He is also the first CEO at Commission on Revenue Allocation since August 2011.</p>
 <p>Angela Kariuki Director Corporate Services</p>	<p>She holds a Masters in International Commercial Law (LLM) from the University of Nottingham (UK) and a Bachelor of Laws (LLB) from the University of Sheffield (UK). She is an Advocate of the High Court of Kenya; member of the Law Society of Kenya and the Institute of Certified Public Secretaries of Kenya. Mrs. Kariuki has been with the Commission from inception for a period of six years. She has broad professional experience in the areas of human capital management, facilities management, supply chain management, strategic planning and corporate governance, legal compliance with regards to securities law, corporate law, policy formulation and implementation.</p> <p>She previously worked with the Capital Markets Authority for nine years and Kilonzo & Company Advocates for two years.</p>

 <p>James Katule Director Fiscal Affairs</p>	<p>He holds a Masters of Business Administration from the Eastern and Southern Africa Management Institute (ESAMI) and a Bachelor of Arts in Economics & Business Education from Kenyatta University. He is a Certified Public Accountant and a member of ICPAK. He has a wealth of experience in financial management, administration, people management and procurement gained in working for the Kenya National Trading Corporation, the International Centre for Insect Physiology and Ecology (ICIPE), International Livestock Research Institute (ILRI), the Africa Medical Research Foundation (AMREF) and most recently, Capital Markets Authority (CMA).</p>
 <p>Sheila Yieke Director Legal and Public Affairs</p>	<p>She is an Advocate of the High Court of Kenya and holds an MBA, Finance from the United States International University and a Certified Public Secretary (K). In addition she is alumni of the International Development Law Organization (IDLO) and a member of the Chartered Institute of Purchasing and Supplies (UK). She has worked with Sotik Tea and Sotik Highlands Tea Estates, Kenya Investment Authority and Kosgey and Masese Co. Advocates. Internationally she has worked at the UN, IGAD, NORDIC and UNOPS.</p>
 <p>Joseph Kuria Director ICT</p>	<p>He holds a Master’s Degree in Business Administration, Strategic Management from the University of Nairobi and a BSc. Degree in Computer Science from Egerton University. He is currently pursuing a PhD in Information Systems.</p> <p>He holds the following professional certifications: MCP, MCSE, MCDBA, CISA, CEH, MCT, PMP and PRINCE2 He is a member of Information Systems Audit and Control Association (ISACA). He has over 16 years working experience in both Public and Private Sector. Mr. Kuria is a leading technology strategist with experience</p>

	<p>spanning systems and network architecture, business re-engineering, data center technologies, application development, global vendor management, budgeting and project portfolio management. He is a strategic adviser to both National and County governments of Kenya on the adoption of computer based financial and revenue management systems and deployment of Integrated Shared Services across government.</p>
 <p>Lineth Oyugi Director Research and Policy</p>	<p>Lineth Oyugi holds a Masters of Arts in Economics from the University of Nairobi and a 4th year Phd student of Economics at University of Nairobi. She has vast knowledge and experience in Research having worked for the Federation of Kenya Employers as the Head of Research and Policy Advocacy.</p> <p>Additionally Lineth has worked with the Institute of Policy Analysis and as a Research Fellow, Macroeconomics programme and also with the Ministry of Finance and Ministry of Planning and National Development as an Economist.</p>

 <p data-bbox="523 667 711 730">Dr. Amenity P. Nyakundi</p> <p data-bbox="523 768 735 831">Advisor Natural Resource</p>	<p data-bbox="834 342 1366 835">Dr. Amenity Nyakundi has a distinctive knowledge in the field of natural resources development, energy, and environment. He holds PhD in Environment Technology from JKUAT; an MA in (planning) from the University of Nairobi, a B.Sc in geology from Poona University, advanced certificate in Geothermal Energy- University of Pisa (Italy), Certificate of Corporate Governance (KIM), Certificate in Strategic leadership Development (Kenya School of Governance) and senior management course (Government Training Institute Mombasa).</p> <p data-bbox="834 880 1366 1137">Dr. Nyakundi previously worked in the office of the former Prime Minister (Coordinating Inter-Ministerial Energy and Environment projects).He also worked in the Ministry of Energy for over Twenty Five (25) years and has extensive experience in energy project planning, development and management.</p>
 <p data-bbox="244 1720 464 1783">Maureen Junge Finance Manager</p>	<p data-bbox="834 1216 1366 1619">Ms. Junge has extensive work experience in public finance with emphasis on budgeting, financial management and reporting. She holds a Masters of Science degree and a B.Com(Finance) from the University of Nairobi. She is a Certified Secretary, Certified accountant and a member of the Institute of Certified Public Accountants of Kenya (ICPAK) and Association of Women Accountants of Kenya (AWAK). She currently heads the Finance department at the Commission on Revenue Allocation.</p> <p data-bbox="834 1653 1366 1783">She previously worked as a senior finance officer at Kenya Investment Authority and a Revenue Accountant at Reliance General Limited.</p>

II. CHAIRPERSON'S STATEMENT

It is my pleasure to deliver this statement, and annual report 2017-2018, my second as Chairperson of the Commission. The Commission formulated and launched its' robust strategic plan 2017-2022 which will run for the term of the second Commissioners.

The Commissions' vision is that no Kenyan will be left behind.

The Commission works through five committees as provided for by the CRA Act 2011. The committees are aligned with the mandate of the commission; equitable sharing of revenue, prudent public financial management, revenue enhancement, transitional equalization; and institutional capacity and resource mobilization. This report highlights some of the Commissions' key achievements for the year 2017-2018. In Transitional Equalization, the Commission completed and launched the second policy identifying marginalized areas. In a departure from the first policy, the Commission used sub-location as a unit of analysis in identifying the marginalized areas. The policy identifies 1,424 sub-locations spread across 34 counties and targeting 5.6 million Kenyans.

In Revenue Enhancement, the Commission undertook a Revenue Systems Audit across several counties and worked with various counties to enhance their Revenue Analysis and Forecasting capacity. Several counties have benefitted from the Commission's training on Revenue Enhancement. This work culminated into the third County Revenue Enhancement and Automation Conference (CREAC) which brought together actors from all counties. The conference formulated a road map for a uniform county revenue automation system.

In the PFM mandate, the Commission made recommendations on the recurrent expenditure ceilings for the counties which was included in the CARA 2018. The Commission has also contributed to the ongoing discussions on the Ward Development Equalization Fund Bill. The Commission also supported counties to operationalize the County Budget & Economic Forums.

I would like to thank all our partners for their support in the past year. In particular, the Commission received invaluable support from AHADI, World Bank and UNDP. I look forward to even more fruitful engagements in the coming year.

Dr. Jane Kiringai
CHAIRPERSON



Date: 20/09/2018.....

III.REPORT OF THE COMMISSION SECRETARY / CEO

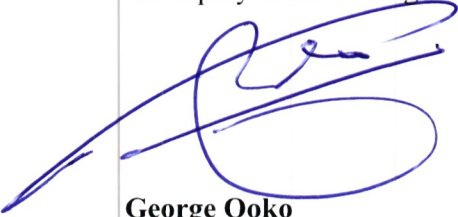
It is an honour for me to enthusiastically present to you the Commission on Revenue Allocation (CRA) Annual Report and Financial statements for the financial year 2017-2018. During this year, the Commission finalised its Strategic Plan 2017-2022. The period of the strategic plan coincides with the term of office of the second team of commissioners. The key result areas identified in the strategic plan are Equitable Sharing of Revenue, Prudent Public Financial Management, Revenue Enhancement, Transitional Equalisation and Institutional capacity. The strategic plan inaugurates how the Commission will fulfil its constitutional mandate in order to ensure equitable sharing of resources between national and county governments and among county governments. The other key highlights of the report during the financial period are as follows:

The Commission developed the Second Policy and Criteria for Sharing the Equalisation Fund among Marginalised Areas. This is in pursuit of the Constitutional mandate which requires CRA to determine, publish and regularly review a policy in which it sets out the criteria by which to identify marginalized areas for purposes of the Equalization Fund. The Commission has recommended prioritization and implementation of projects and programs in water, education and health sectors. This will contribute directly to the achievement of the Big Four Agenda as prioritised by the President.

CRA undertook capacity building for county budget economic forum's (CBEFs). By conducting the training CRA envisions that the CBEFs will be well equipped to provide counsel and direction to county governments in matters relating to budgeting, the economy and financial management at county level. The Commission prepared various recommendations. These include a recommendation on the basis for equitable sharing of revenue between national and county governments for the Financial Year 2018/2019. This will enable national and county governments to undertake assigned functions. The Commission also presented its recommendation on the 2017/2018 county recurrent expenditure ceilings to Senate. This recommendation seeks to ensure financial propriety in relation to expenditure by counties.

CRA with assistance from the European Union (EU) worked with pilot county governments to assess their revenue management systems and make recommendations on areas for improvement. In addition, CRA held the third revenue and enhancement conference 2018. With these missions, CRA targets to enhance revenue administration and management by counties in order for them to enhance operational efficiency and service delivery to their constituents / residents.

In the coming year, the Commission's key focus will be on development of the third basis for revenue sharing among county governments. I am grateful to members of the CRA secretariat whose tireless efforts continue to ensure that CRA implements its mandate with excellence. To our external stakeholders who include Parliament, county governments, the public, development partners, academia and research institutions among others, we will continue to cooperate and partner with you to ensure that equity in the sharing of resources is promoted in order to ensure that no Kenyan is left behind.



George Ooko
COMMISSION SECRETARY / CEO

Date: 20/09/2018

IV. REPORT OF THE COMMISSIONERS

The Public Finance Management Act 2012 requires the Commission to prepare financial statements for each financial year, which includes a Statement of Financial Position showing in details assets and liabilities of the Commission, a Statement of Comprehensive Income, and such other Statements that the Commissioners may deem necessary. CRA Act (22) requires the Commission to ensure that proper books are kept recording all the property, undertakings, funds, activities, contracts, transactions and other business of the Commission. The Commissioners are also responsible for safeguarding assets of the Commission.

The Commissioners accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with generally accepted accounting practice and in the manner required by the CRA Act. The Commissioners are of the opinion that the financial statements give a true and fair view of the state of financial affairs of the Commission and of its operating results. The Commissioners further accept responsibility for maintenance of accounting records which may be relied upon in the preparation of the financial statements, as well as adequate systems of internal financial control.

Nothing has come to the attention of the Commissioners to indicate that the Commission will not remain as a going concern for at least the next 12 months from the date of this statement.

Principal activities

The principal activity of the Commission is to recommend the basis for equitable sharing of revenues raised nationally between the national and the county governments and sharing of revenue among the county governments.

Mission

To make reliable recommendations on equitable revenue sharing, revenue enhancement and prudent public financial Management.

Vision

No Kenyan Left behind

Results

The results of the Commission for the year ended June 30, 2018 are set out on page 1 to 15.

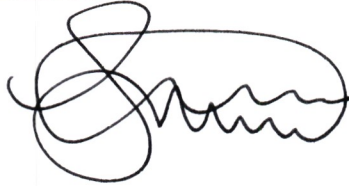
Commissioner

The members of the Commission who served during the year are shown from page v-xiii In accordance with CRA's act.

Auditors

The Auditor General is responsible for the statutory audit of the Commission in accordance with the Public Finance Management (PFM) Act, 2012, which empowers the Auditor General to nominate other auditors to carry out the audit on his behalf.

By Order of the Commission



Dr. Jane Kiringai
CHAIRPERSON

Date: 20/09/2018.....

V. STATEMENT OF COMMISSIONERS' RESPONSIBILITIES

Section 81 (1) of the Public Finance Management Act, 2012 requires the Accounting Officer to prepare financial statements in respect of that Commission, which give a true and fair view of the state of affairs of the Commission at the end of the financial year/period and the operating results of the Commission for that year/period. The Commissioners are also required to ensure that the Commission keeps proper accounting records which disclose with reasonable accuracy the financial position of the Commission. The Commissioners are also responsible for safeguarding the assets of the Commission.

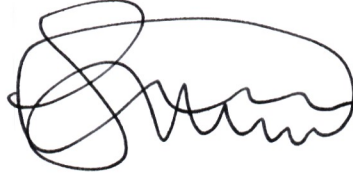
The Commissioners are responsible for the preparation and presentation of the Commission's financial statements, which give a true and fair view of the state of affairs of the Commission for and as at the end of the financial year (period) ended on June 30, 2018. This responsibility includes: (i) maintaining 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 Commission; (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 Commission; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Commissioners accept responsibility for the Commission's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Financial Reporting Standards (IFRS), and in the manner required by the PFM Act and the Commission's Act. The Commissioners are of the opinion that the Commission's financial statements give a true and fair view of the state of Commission's transactions during the financial year ended June 30, 2018, and of the Commission's financial position as at that date. The Commissioners further confirm the completeness of the accounting records maintained for the Commission, which have been relied upon in the preparation of the Commission's financial statements as well as the adequacy of the systems of internal financial control.

Nothing has come to the attention of the Commissioners to indicate that the Commission will not remain a going concern for at least the next 12 months from the date of this statement.

Approval of the financial statements

The Commission's financial statements were approved by the Commission on **20th September 2018** and signed on its behalf by:



Dr. Jane Kiringai
CHAIRPERSON

Date: 20/09/2018.....

VI. REPORT OF THE AUDITOR GENERAL.

REPUBLIC OF KENYA

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OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON COMMISSION ON REVENUE ALLOCATION FOR THE YEAR ENDED 30 JUNE 2018

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of Commission on Revenue Allocation set out on pages 1 to 16, which comprise the statement of financial position as at 30 June 2018, statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts 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.

In my opinion, the financial statements present fairly, in all material respects, the financial position of Commission on Revenue Allocation as at 30 June 2018 and its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual basis) and comply with the Public Finance Management Act, 2012.

The audit was conducted in accordance with the International Standards of Supreme Audit Institutions (ISSAIs). I am independent of Commission on Revenue Allocation in accordance with ISSAI 30 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those that, in my professional judgement, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matter described in the Basis for Conclusion on Lawfulness

Report of the Auditor-General on the Financial Statements of Commission on Revenue Allocation for the year ended 30 June 2018

and Effectiveness in Use of Public Resources section of my report, I confirm that nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Irregular Payment of Airtime Allowances.

During the year under review, the Commission made payments of Kshs.2,784,000 and Kshs.3,166,865 as telephone allowances to Commissioners and Commission Employees respectively. Included in these payment is an over payment of Kshs.1,232,000 and Kshs.154,000 respectively both totaling Kshs.1,386,000. A review of the payroll for the year under audit revealed that each commissioner and the Chief Executive were each paid Kshs.29,000 per month contrary to the Gazette Notice No.6519 issued on 7 July 2017 which indicate that State Officers in full time Constitutional Commissions and Independent Offices be paid airtime allowances at the rate of Kshs.15,000 per month. There was therefore an over payment of Kshs.14,000 per month to each Commissioner and Chief Executive for a period of eleven (11) months which is in contravention of the Kenya Gazette Notice No. 6519 issued on 7 July 2017 on allowances payable to 'State Officers in full time Constitutional Commissions and Independent Offices'.

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan to perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON INTERNAL CONTROLS EFFECTIVENESS, GOVERNANCE AND RISK MANAGEMENT SYSTEMS

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, I confirm that nothing has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

The audit was conducted in accordance with ISSAI 1315 and ISSAI 1330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal control, risk management and governance were operating effectively. In all material respects, I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and Those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective 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 and for its assessment of the effectiveness of internal control, risk management and governance.

In preparing the financial statements, management is responsible for assessing the ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate or to cease operations, or have no realistic alternative but to do so.

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.

In addition to the responsibility for the preparation and presentation of the financial statements described above, management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

Those charged with governance are responsible for overseeing the financial reporting process, reviewing the effectiveness of how the entity monitors compliance with relevant legislative and regulatory requirements, ensuring that effective process and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion 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. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the

Constitution and submit the audit report in compliance with Article 220(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit, I also:

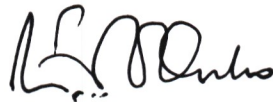
- Identify and assess the risks of material misstatements of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatements resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability to continue as a going concern or to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Commission to cease to continue as a going concern or to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements

represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Commission to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with the management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that are identified during the audit.

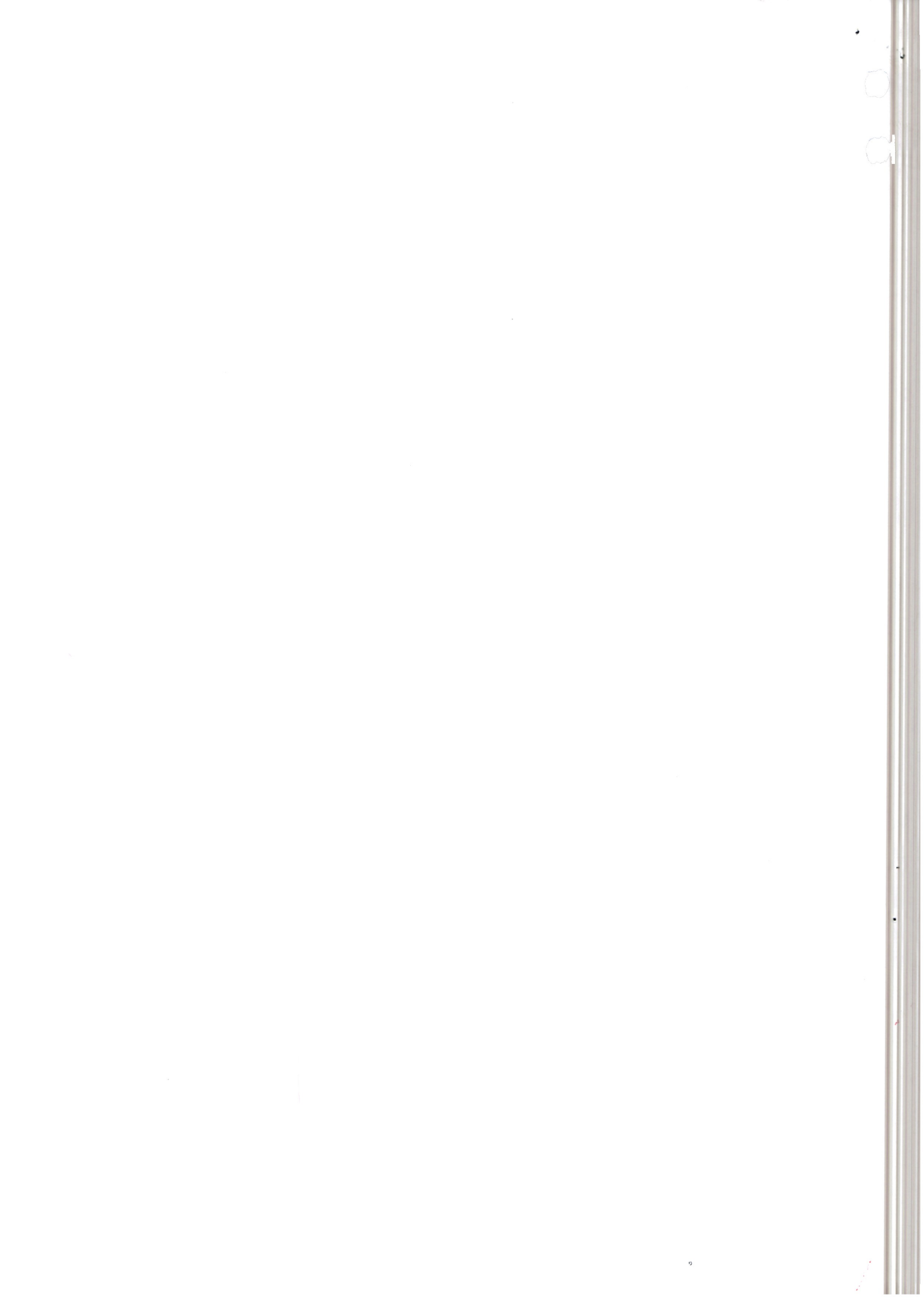
I also provide management with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.



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

Nairobi

16 April 2019



VII. STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 30 JUNE 2018

	Note	2017-2018 Kshs	Restated 2016-2017 Kshs
REVENUE			
I Revenue from non-exchange transactions			
Exchequer Transfers	3	355,044,310	318,957,000
		355,044,310	318,957,000
II Revenue from Exchange Transactions			
Other income	4	7,212	609,709
		7,212	609,709
Total revenue		355,051,522	319,566,709
EXPENDITURE			
Employee Benefits	5	168,349,598	161,534,180
Commissioner's Expenses (Board)	6	20,886,609	19,001,657
Depreciation & amortization	7	16,644,377	17,021,325
Repairs & maintenance	8	6,556,562	7,922,047
General expenses	9	154,179,539	125,885,741
Finance costs	10	63,934	7,449
Total expenses		366,680,620	331,372,398
Surplus / (Deficit) for the period		(11,629,098)	(11,805,689)

The notes set out on page 6 to 15 form an integral part of the Financial Statements

III. STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2018

	Note	2017-2018 Kshs	Restated 2016-2017 Kshs
ASSETS			
Current assets			
Cash and cash equivalents	11	904,383	9,596,070
Receivables from non-exchange transactions	12	35,473,783	31,903,894
		36,378,166	41,499,963
Non-current assets			
Property, plant and equipment	13	36,047,168	41,290,940
Intangible assets	14	3,326,372	3,551,762
Mortgage Account (Restricted cash)	15	104,305,126	90,805,126
		143,678,666	135,647,828
TOTAL ASSETS		180,056,831	177,147,791
LIABILITIES			
Current liabilities			
Trade and other payables from exchange transactions	16	21,334,414	6,796,276
		21,334,414	6,796,276
Non-current liabilities			
Non-current employee benefit obligation		-	-
TOTAL LIABILITIES		21,334,414	6,796,276
NET ASSETS		158,722,416	170,351,514
Represented by:			
Reserves		(11,629,098)	(11,805,689)
Accumulated surplus		170,351,514	182,157,203
TOTAL NET ASSETS & LIABILITIES		158,722,416	170,351,514

The Financial Statements set out on pages 1 to 15 were signed on behalf of the Commission by:



George Ooko

COMMISSION SECRETARY / CEO



Maureen Junge

FINANCE MANAGER / ICPAK No. 9883

Date... 20/09/2018

Date... 20/09/2018

**IX. STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED 30 JUNE 2018**

	Accumulated surplus Kshs
Balance as at 30 June 2016	
Surplus / (Deficit) for the year	182,157,203
Balance as at 30 June 2017	(11,805,689)
	170,351,514
Surplus / (Deficit) for the year	
Balance as at 30 June 2018	(11,629,098)
	158,722,416

X. STATEMENT OF CASH FLOWS

	Note	2017-2018 Kshs	Restated 2016-2017 Kshs
Cash flows from operating activities			
Surplus / (Deficit) from operating Activities		(11,629,098)	(11,805,689)
Adjusted for:			
Depreciation and Amortisation	7	16,644,377	17,021,325
Working capital adjustments:			
(Increase)/Decrease in receivables	12 (a & c)	(330,679)	4,961,872
Increase/(Decrease) in payables	16	14,538,138	494,236
Increase in payments received in advance		-	-
Net cash flows from operating activities		19,222,739	10,671,743
Cash flows from investing activities			
Purchase of property, plant, equipment and Refurbishment	13	(9,583,392)	(3,789,431)
Purchase of intangible assets	14	(1,591,823)	(2,547,441)
Mortgage Account (Restricted cash)	15	(13,500,000)	(10,000,000)
Net cash flows used in investing activities		(24,675,215)	(16,336,872)
Cash flows from financing activities			
(Increase)/Decrease in deposits	12(b)	(3,239,210)	(560,000)
Net cash flows used in financing activities		(3,239,210)	(560,000)
Net increase/(decrease) in cash and cash equivalents		(8,691,686)	(6,225,129)
Cash and cash equivalents at 1 July 2017	11	9,596,070	15,821,199
Cash and cash equivalents at 30 June 2018	11	904,383	9,596,070

XI. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	Utilization %
	2017-2018 Kshs	2017-2018 Kshs	2017-2018 Kshs	2017-2018 Kshs	2017-2018 Kshs	2017-2018
Revenue						
Government grants and subsidies	365,000,000	26,711,000	391,711,000	355,044,310	(36,666,690)	91%
Other Income (A.I.A)	-	-	-	-	-	
Total income	365,000,000	26,711,000	391,711,000	355,051,522	(36,659,478)	91%
Expenditure						
Repair and Maintenance	7,026,761	(500,000)	6,526,761	6,556,562	(29,801)	100%
General Expenses (Operation and Maintenance)	129,590,961	19,908,673	149,499,634	175,066,148	(25,566,514)	117%
General Expenses (Capital Expenditure)	17,533,569	7,302,327	24,835,896	24,675,215	160,681	99%
Finance cost	65,000	-	65,000	63,934	1,066	98%
Depreciation	-	-	-	16,644,377	(16,644,377)	
Total expenditure (O&M)	365,000,000	26,711,000	391,711,000	391,355,835	355,165	100%
Surplus/(Deficit) for the period				(36,304,313)		

Note:

1. An approved reallocation of Kshs. 11,530,000/ was effected in the budget and incorporated under the adjustments besides the additional resource allocation of Kshs. 26,711,000/ which was approved for the development of the 2nd Policy identifying Marginalised areas. The reallocation was mainly undertaken to realign the budget to the Commissions planned activities and also cater for pending bills from previous year.
2. The negative performance differences are mainly due to (i) Commission budget reported on cash basis while (ii) Expenditure items reported on accrual basis.
3. The low utilisation of 80% for salaries was due to failure to implement the Commission's salary review proposal as planned.
4. Over utilisation of 117% on general expense was mainly due to accrued expenditure items.

XII. NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

1. Statement of Compliance and basis of preparation – IPSAS 1

The Financial Statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS) with particular emphasis on accrual basis under the accrual basis of accounting and relevant legal framework of Kenya. The financial statements comply with and conform to the form of presentation prescribed by the Public Sector Accounting Standards Board of Kenya (IPSASB)

The Financial statements are presented in Kenya Shillings, which is the functional and reporting currency of the Commission and all values are rounded to the nearest cent. The Accounting policies have been consistently applied to all the years presented

The financial statements have been prepared on the basis of historical cost, except where otherwise stated in the statement of accounting policies below. The cashflow statement is prepared using the indirect method, while the financial statements are prepared on accrual basis which recognises transactions and events whenever they are incurred.

2. Summary of Significant Accounting Policies

(i) Revenue from non-exchange transactions – IPSAS 23

Exchequer Allocations

The Commission recognizes revenue from exchequer allocation when the monies are received, and asset recognition criteria are met. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, differed income is recognized instead of revenue. Other non-exchange revenues are recognized when it is probable that the future economic benefits or service potential associated with the asset will be received by the Commission and fair value of the asset can be measured reliably.

(ii) Revenue from exchange transactions – IPSAS 9

Sale of newspapers

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of goods and when the amount of revenue can be measured reliably, and it is probable that the economic benefits or service potential associated with the transaction will flow to the Commission.

(iii) Donor Funding

In the reporting year, the Commission received donor support of 1) Kshs. 11 million from UNDP. An absorption of 50% of the funding i.e Kshs. 5.2 million was achieved. The funding was in support of the Commission's mandate in realizing the following activities:

- a) Strengthening public participation through County Economic forums (PFMA Section 137)
- b) Drafting of Policy to identify marginalised areas.
- c) Strengthening Revenue collection at county level.

2) Approximately KShs.2 million from the World bank in support of the South Africa trip on peer to peer learning on intergovernmental transfers.

(iv) Non-Current Assets

Property, Plant and Equipment – IPSAS 17

All property Plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of the property, plant and equipment are required to be replaced at intervals, the Commission recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed its, its cost is recognised in the carrying amount of the asset as a replacement if the recognition criteria are satisfied. Depreciation is calculated on the cost of the fixed assets on a straight-line basis at annual rates estimated to write off these assets over their expected useful life. Additionally, depreciation on assets disposed during the financial year is calculated up to the month of disposal.

It is the Commission’s policy to charge full depreciation on all its non-current assets in the year of purchase if the acquisition was done in the first half year.

Mortgage (Fund Account)

The approved mortgage scheme set up by the Commission is classified as restricted cash since its utilisation goes beyond one year after the balance sheet date. The scheme is mainly set up to facilitate members of staff to benefit from Government funded loans by accessing affordable mortgage facilities. The scheme draws its strength from the SRC’s circular Ref No. SRC/ADM/CIR/1/13. III (128) dated 17th December 2014 and CRA’s internal rules

(v) Intangible Assets – IPSAS 31

Intangible assets acquired separately are initially recognised at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

(vi) Annual Depreciation & Amortization rates

A straight-line method of depreciation was applicable to all Commission's assets.

Motor Vehicle	25%
Furniture & Fittings	12.5%
Office Equipment and Accessories	30%

Computers & Printers	30%
Software (Intangible assets)	33%

(vii) Provisions – IPSAS 19

Provisions are recognised when the Commission has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of obligation.

(viii) Employee Benefits – IPSAS 2

Retirement Benefit Plans

The Commission operates a private retirement benefit scheme with Jubilee Insurance and administered by ICEA for all its permanent and pensionable employees. Further An amount equivalent to 20% and 31 % of basic is set aside as pension and gratuity for all permanent and contractual employees respectively.

Additionally, all the employees are members of the statutory National Social Security Fund (NSSF)

The Commission’s contribution towards employee pension and staff gratuity for those on contract are charged to the statement of financial performance in the year to which the employees rendered the services to the Commission.

(ix) Related parties – IPSAS 20

The Commission regards a related party as a person or an Authority with the ability to exert control individually or jointly, or to exercise significant influence over the Commission or vice versa. Members of key management are regarded as related parties and comprise the Commissioners, Commission Secretary and directors.

(x) Cash and Cash equivalents

For the purposes of the cash flow statements, cash and cash equivalent comprise cash in hand, cash book balance and bank balances at the end of the period. Bank account balances include amounts held as Central bank of Kenya at the end of financial year.

(xi) Pending Bills

Pending bills consist of unpaid liabilities at the end of the financial year arising from contractual obligations during the year or in the past. Such bills are accrued in the year in which they are incurred, however Service Charge of Kshs. 2,903,062 was accrued in the reporting year but relates to year 2011-2015 and 2016. The expense arose after an audit conducted by the Landlord for the respective years.

3 Exchequer Transfers

	2017-2018	2016-2017
	Kshs	Kshs
1st Quarter Exchequer	60,851,290	72,457,000
2nd Quarter Exchequer	92,181,320	87,400,000
3rd Quarter Exchequer	129,867,000	113,000,000
4th Quarter Exchequer	72,144,700	46,100,000
	<u>355,044,310</u>	<u>318,957,000</u>

4 Other income (A.I.A)

	2017-2018	2016-2017
	Kshs	Kshs
Interest on Deposit and other receipts	-	536,779
Sale of Newspapers/Assets	7,212	4,555
Insurance Refund	-	68,375
	<u>7,212</u>	<u>609,709</u>

5 Employee costs

	2017-2018	2016-2017
	Kshs	Kshs
Basic salaries	91,443,177	89,485,850
Casual Labour	3,036,613	1,466,882
Top up for seconded staff	230,179	266,160
House Allowance	19,661,866	19,195,929
Commuter Allowance	8,893,781	8,805,915
Responsibility Allowance	4,057,333	3,920,000
Telephone Allowance	3,166,865	3,120,100
Special Duty	2,288,000	1,818,000
Leave Allowance	1,650,908	1,080,834
Security Allowance	720,000	720,000
Acting Allowance	250,141	-
Pension contribution	17,411,615	16,176,247
Gratuity	1,657,468	1,657,468
Medical Insurance	11,765,350	13,820,795
Group Life Insurance	1,906,932	-
WIBA	209,371	-
	<u>168,349,598</u>	<u>161,534,180</u>

The significant increase in staff salaries was mainly due to (i) Annual increment which also had a positive effect on pension contribution, (ii) Engaging more short-term contractual staff (iii) Enhancing special duty allowance for logistic staff and (iv) Increase in leave allowance resulting from hiring of additional staff.

6 Commissioner's Expenses

	2017-2018	2016-2017
	Kshs	Kshs
Telephone Allowance	2,784,000	2,784,000
Leave Allowance	400,000	830,000
Security Allowance	6,880,000	5,840,646
Domestic Travel costs	1,896,300	1,778,098
Foreign Travel Costs	4,573,778	5,802,333
Pre-Feasibility Studies	2,441,850	753,000
Hospitality and Conference	725,806	853,945
Office and General Supplies	-	240,000
Training Expenses	202,375	-

Medical Insurance (Ex Gratia)	51,000	-
Club Membership	931,500	119,635
	20,886,609	19,001,657
7 Depreciation & Amortization		
	2017-2018	2016-2017
	Kshs	Kshs
Computer & Printers	993,955	475,843
Office Equipment	658,285	1,051,843
Furniture & Fittings	12,026,605	11,851,655
Motor Vehicle	1,148,319	1,914,543
Intangible Assets	1,817,214	1,727,441
	16,644,377	17,021,325
8 Repairs and maintenance		
	2017-2018	2016-2017
	Kshs	Kshs
Routine maintenance of Motor vehicles	5,625,072	5,536,849
Routine maintenance of Assets	931,490	2,385,198
	6,556,562	7,922,047
9 General expenses		
	2017-2018	2016-2017
	Kshs	Kshs
Utilities Supplies -Electricity	2,501,356	2,084,131
Utilities Supplies -Water	464,681	352,048
Communication Supplies & Services	4,425,292	4,774,675
Domestic Travel costs	7,707,836	9,013,685
Foreign Travel Costs	3,943,590	301,039
Printing Advertising & Information	5,988,649	4,639,347
Rent Expenses	48,140,659	44,522,725
Hire of Transport	2,043,129	473,830
Training Expenses	7,633,393	9,103,262
Catering Services	5,492,957	3,286,369
Boards, Seminars & Conferences	7,210,445	10,714,969
Boards, Seminars & Conferences - Audit Committee	132,000	-
Insurance Costs (Motor Vehicle & Plant and Machinery)	2,674,864	2,722,770
Specialised Materials & Supplies	2,011,977	300,320
Office & General Expenses	6,283,851	6,835,607
Fuel oils and Lubricants	5,476,473	4,756,733
Security Guards	1,414,247	1,503,406
Cleaning Services	2,113,051	1,860,600
Membership fee, Dues and Subscriptions	327,330	1,024,089
Contracted Professional Services	1,791,387	1,360,574
Feasibility Study	26,958,952	1,713,550
Refund to other Govt entities (NT)	8,979,421	14,078,014
	153,715,539	125,421,741
Audit fee	464,000	464,000
	464,000	464,000
Total General Expenses	154,179,539	125,885,741

10 Finance costs

	2017-2018 Kshs	2016-2017 Kshs
Bank Charges	63,934	7,449
Borrowings (amortized cost)	-	-
Finance leases (amortized cost)	-	-
	<u>63,934</u>	<u>7,449</u>

11 Cash and cash equivalents

	2017-2018 Kshs	2016-2017 Kshs
CBK - 1000181281 (Recurrent A/c)	59,999	8,979,421
CBK - 1000181998 (Deposit A/c)	265,902	265,902
CBK - 1000182512 (CBK 165 A/c)	500,000	-
KCB - Cash Book (1124885358, 1136367519, 1143027272, 1152647784)	-	4,750
I&M - Cash Book (01900710961210)	-	(2,565)
Cash-on-hand (Petty Cash & office float)	78,482	348,561
	<u>904,383</u>	<u>9,596,070</u>

12 Receivables (Current Receivables)

	2017-2018 Kshs	2016-2017 Kshs
(a) Prepayments		
Medical Insurance	8,408,383	6,791,888
Group Life	481,045	1,666,410
WIBA	418,741	-
Motor Vehicle	1,151,234	1,260,966
Plant & Machinery	207,077	827,236
Dstv and Others	235,204	193,780
	10,901,684	10,740,280
(b) Deposit		
Rent	21,992,532	18,753,322
Fuel	1,060,000	1,060,000
Provision of E1line (Internet)	50,000	50,000
	23,102,532	19,863,322

The rent deposit refers to 6 months rent deposit and it's inclusive of parking fees and service charge for the same period. Service charge deposit was enhanced from the original lease by Kshs.3,239,210/

(c) Debtors		
Outstanding Salary advance from Staff	1,170,000	1,167,000
Outstanding Imprest from staff	228,725	-
Others (Jubilee and First Assurance)	70,842	133,292
	1,469,567	1,300,292
Less: impairment allowance	-	-
	<u>35,473,783</u>	<u>31,903,894</u>

13 Property, Plant and Equipment

	Computers & Printers		Office Equipment		Furniture & Fittings		Motor Vehicles		Total	
	KShs		KShs		KShs		KShs		KShs	
<i>Cost or Valuation:</i>										
As at 30th June 2016	22,705,843		8,391,169		94,813,241		95,386,970		221,297,224	
Additions during the year	2,170,304		219,530		1,399,599		-		3,789,433	
Disposal									0	
Write off	(796,824)								(796,824)	
Transfer/Adjustments										
As at 30th June 2017	24,079,323		8,610,699		96,212,840		95,386,970		224,289,833	
Additions during the year	3,341,318		1,514,246		4,727,829		-		9,583,392	
Disposal										
Write off										
Transfer/Adjustments										
As at 30th June 2018	27,420,641		10,124,945		100,940,669		95,386,970		233,873,223	
<i>Depreciation and Impairment</i>										
As at 30 June 2016	21,778,648		6,558,153		48,989,242		91,175,790		168,501,832	
Depreciation	475,843		1,051,843		11,851,655		1,914,543		15,293,884	
Disposals/Write off									(796,824)	
Impairment									0	
Transfer/adjustment									0	
As at 30 June 2017	21,457,667		7,609,996		60,840,897		93,090,333		182,998,892	
Depreciation	993,955		658,285		12,026,605		1,148,319		14,827,164	
Disposals /Write off									0	
Transfer/adjustment										
At 30 June 2018	22,451,622		8,268,280		72,867,502		94,238,652		197,826,055	
<i>Net Book Values</i>										
At 30 June 2018	4,969,019		1,856,665		28,073,167		1,148,319		36,047,168	
At 30 June 2017	2,621,657		1,000,704		35,371,943		2,296,637		41,290,941	

13.a Write off of Fixed Assets

	2017-2018	2016-2017
	<u>KShs</u>	<u>KShs</u>
<i>Cost or Valuation:</i>		
As at 1st July 2017 & 1.7.2016	-	796,824
Accumulated depreciation		(796,824)
Net Book Value At 30 June 2018 & 30.6.2017	<u>-</u>	<u>-</u>
Salvage Value		-
Gain /(Loss on write off)	<u>-</u>	<u>-</u>

14 Intangible assets - software

	<u>KShs</u>
<i>Cost or Valuation:</i>	
At 30 June 2016	7,906,717
Additions	2,547,441
At 30 June 2017	<u>10,454,158</u>
Additions	1,591,823
At 30 June 2018	<u>12,045,981</u>
<i>Amortization and impairment</i>	
At 30 June 2016	5,174,954
Amortization	1,727,441
At 30 June 2017	<u>6,902,395</u>
Amortization	1,817,214
Impairment loss	
At 30 June 2018	<u>8,719,609</u>
<i>Net Book Values</i>	
At 30 June 2018	3,326,372
At 30 June 2017	3,551,763

15 Mortgage Account (Restricted cash)

	2017-2018	2016-2017
	Kshs	Kshs
KCB 1205003916	104,305,126	90,805,126
	<u>104,305,126</u>	<u>90,805,126</u>

The Mortgage scheme is administered by Kenya Commercial Bank (KICC branch). The loans to staff members were previously issued at rate of 6% being; 3% Administration cost and 3% earnings to the revolving fund. The borrowing rate was however revised to 4% i.e. 3% administration cost and 1% as earning to the revolving fund.

16 Trade and other payables

	2017-2018	2016-2017
	Kshs	Kshs
Trade payables (Suppliers Invoices-Debit Notes)	13,259,967	895,872
Audit Fees	1,392,000	928,000
Gratuity	6,629,872	4,972,404
Other payables	52,575	-
	<u>21,334,414</u>	<u>6,796,276</u>

17. Financial Risk Management

The Commission regularly reviews its risk management policies and systems to reflect changes in markets and emerging best practices. Risk management is carried out by the management under the direct supervision of the Commission (Board).

The board provides policies for overall risk management as well as policies covering specific areas such as credit risk and liquidity risk.

(i) Credit Risk Management

Credit risk refers to the risk that a counterparty will default on its contractual obligation resulting in financial loss to the Commission. Credit Risk arises from bank balances, receivables and amounts due from related parties. Although this risk is unlikely to occur in the short term, it is mitigated as follows; (a) Cash and short-term deposits are placed with well established financial institutions of high credit standing, (b) The Commission does not raise debtors in its ordinary course of business apart from those arising from related parties.

Credit risk with respect to accounts receivable is limited due to the nature of the Commission's business and its reliance on government grant as the main source funding.

The amount that best describes the Commission's exposure to credit at the end of the financial year is made up of;

- a) Cash and bank balances
- b) Prepayments
- c) Deposits
- d) Outstanding salary advances
- e) Outstanding Staff travel imprests.

(ii) Liquidity Risk

Liquidity risk is the risk that the Commission will not be able to meet its financial obligations when they fall due. The Commission manages this risk by always ensuring that it has sufficient liquidity to meet its liabilities when due, under both normal and constrained conditions, without incurring unexpected losses.

The Commission ensures availability of sufficient cash on demand to meet expected operational expenses including servicing of financial obligations.

The amount that best describe the Commission's exposure to liquidity risk at the end of the financial year comprises of;

- a) Trade payables
- b) Accrued audit fees and
- c) Accrued gratuity.

18. Contingent liabilities /Assets

Gratuity payment for employees on contract

The Commission has made provision for accrued gratuity in its books, however the money has not been set aside but it is to be availed in the year of payment through the Commission's budget.

19. Comparatives

Prior year comparative information has been presented in the current financial year. The figures have however been restated to cater for changes in reporting of Assets and Liabilities. **Annex IV** is a detailed analysis of the restated figures.

20. Subsequent Events

There have been no events subsequent to the financial year end with significant impact on the financial statements for the year ended June 30, 2018.

Annex I. Progress on follow up of Audit recommendations

The Commission received unqualified opinion in financial year 2016/17 with no specific issues raised that needed the management attention.

Annex II. Analysis of pending accounts payable

S/N	SUPPLIER	Particulars	Item	Closing Bal FY16/17	Date Contracted	Paid Proforma Invoices FY 17/18	Actual Invoiced Amount	Amount Paid in FY 17/18	Date Paid FY 17/18	Closing Balance FY 17/18
1	Lineth Oyugi	Leave Allowance FY 17/18	2110320							40,000
3	Martha Maneno	Leave Allowance FY 17/18	2110320							12,575
		2110320								52,575
4	14 Riverside Management	Electricity May 17 - (232791)	2210101	10,309	May 17			10,309	43,010	-
5	Knight Frank Electricity	May-18	2210101			227,558	206,644			107,677
6	Knight Frank Electricity	Jun-18	2210101			81,000	209,591			107,677
		2210101								
7	Safaricom calls	May-18	2210201			0	51,699			51,699
8	Safaricom calls	Jun-18	2210201			0	73,206			73,206
9	Airtel calls	May-18	2210201			0	8,361			8,361
10	Airtel calls	Jun-18	2210201			0	8,219			8,219
		2210201								141,485
11	Longrock tours and travel	Air tickets for staff members to attend CRAC	2210301				433,470			433,470
12	Attic Tours	Air ticket for Edward Oyugi	2210301				11,735			11,735
		2210301								445,205
13	Raydoll Tours and Travel	Change of reservation for Lineth Oyugi SA flight	2210401				9,375			9,375
14	Job Otiwa	Training - Duke USA	2210401							478,905
15	Albert Mwenda	Delegation to South Africa	2210401							227,452
										715,732
16	Comm. Ole Suuji	Training - Duke USA	2210401							677,804
17	Jane Kiringai	Delegation to South Africa	2210401							177,800
18	Humphrey Wattanga	Delegation to South Africa	2210401							226,233

S/N	SUPPLIER	Particulars	Item	Closing Bal FY16/17	Date Contracted	Paid Proforma Invoices FY 17/18	Actual Invoiced Amount	Amount Paid in FY 17/18	Date Paid FY 17/18	Closing Balance FY 17/18
19	Edward Oyugi	Delegation to South Africa	2210401							186,111
20	Peter Kimuyu	Delegation to South Africa	2210401							177,965
21	Irene Asienga	Delegation to South Africa	2210401							177,965
22	Kixhanto Suuji	Delegation to South Africa	2210401							129,045
23	Peter Gachuba	Delegation to South Africa	2210401							242,400
24	Fouzia Dahir	Delegation to South Africa	2210401							242,400
										2,237,722
										2,953,454
25	Admark Enterprises	Supply of Branded bags and Pens	2210502				107,500			107,500
26	Teams that win	Video coverage for CRAC	2210502				170,000			170,000
27	Ashdown Limited	Supply of Maasai shukas	2210502				87,696			87,696
28	KRA	W/H VAT-IKUALITY GRAPHICS	2210502				144			144
										365,340
29	Rex Kiosk	May-18	2210503			69,291	70,530			1,239
										1,239
30	KRA	10% Rental Income - (Service Charge Oct - Dec 17) - PV 2418	2210603				137,254			137,254
31	KRA	10% Rental Income - (Service Charge Jul - Aug 17) - PV 2418	2210603				91,502			91,502
32	14 Riverside mngt	Service Charge - Sep 2017	2210603							482,467
33	14 Riverside mngt	Service Charge - Sep 2017	2210603							1,541,418
34	14 Riverside mngt	Service Charge - Sep 2017	2210603							743,017
34	14 Riverside mngt	Service Charge - March 2017	2210603							2,160,045
										5,155,703
35	Pewin Cabs	May-18	2210604			0	316,594			316,594

S/N	SUPPLIER	Particulars	Item	Closing Bal FY16/17	Date Contracted	Paid Proforma Invoices FY 17/18	Actual Invoiced Amount	Amount Paid in FY 17/18	Date Paid FY 17/18	Closing Balance FY 17/18
36	Pewin Cabs	Jun-18 2210604	2210604	-		0	188,102			188,102
										504,696
35	MARTHA MANENO	UNPAID REFUND TO LSK(ADVOCATES CONFERENCE) 2210700	2210700				28,300			28,300
										28,300
36	Naivas Supermarket	May-18	2210801			116,356	69,608			
37	Naivas Supermarket	Jun-18	2210801			0	55,881			9,133
38	Secret Garden	May-18	2210801			256,100	411,950			155,850
39	Secret Garden	Jun-18	2210801			0	217,950			217,950
40	System Inn	May-18	2210801			53,600	58,800			
41	System Inn	Jun-18	2210801			53,600	50,800			2,400
42	Dusit	Catering services for June	2210801				28,800			28,800
43	Dusit	Catering services for April	2210801				27,336			27,336
		2210801		-						441,469
44	Longrock tours and travel	Air tickets for staff members 2210802	2210802				157,505			157,505
										157,505
45	Njigua Books	Supply of library books	2211009				446,608			446,608
46	KRA	WH VAT-EDUCATE YOURSELF LIMITED 2211009	2211009				7,262			7,262
										453,870
47	Susma Suppliers	Supply of store items 2211101	2211101				232,650			232,650
										232,650
48	National Oil	May-18	2211201			0	431,472			431,472
49	National Oil	Jun-18	2211201			0	462,860			462,860

S/N	SUPPLIER	Particulars	Item	Closing Bal FY16/17	Date Contracted	Paid Proforma Invoices FY 17/18	Actual Invoiced Amount	Amount Paid in FY 17/18	Date Paid FY 17/18	Closing Balance FY 17/18
		2211201		-						894,332
50	Nine One One	Bill for May 17 - (PSIN020033)	2211305	17,978	May 17			17,978	43,010	-
51	Nine One One	Bill for June 17 - (PSIN020330)	2211305	42,134	June 17			42,134	43,048	-
52	Liga Holdings	Extra toiletries for June	2211305				11,400			11,400
		2211305		-						11,400
53	Auditor General	Audit fee for 2015/16	2211306	464,000	2015/16					464,000
54	Auditor General	Audit fee for 2016/17	2211306	464,000	2016/17					464,000
55	Auditor General	Audit fee for 2017/18	2211306				464,000			464,000
		2211310								1,392,000
56	Toyota Kenya	Service for GKA 838X	2220101				67,254			67,254
57	Toyota Kenya	Service for GKB 200A	2220101				134,431			134,431
58	Toyota Kenya	Service for GKB 923C	2220101				494,199			494,199
59	Toyota Kenya	Service for GKB 040A	2220101				88,827			88,827
60	Toyota Kenya	Service for GKA 840X	2220101				137,522			137,522
		2220101		-						922,233
61	Accrued Gratuity - 2014/15		2710100	1,657,468	2014/15					1,657,468
62	Accrued Gratuity - 2015/16		2710100	1,657,468	2015/16					1,657,468
63	Accrued Gratuity - 2016/17		2710100	1,657,468	2016/17					1,657,468
64	Accrued Gratuity - 2017/18		2710100				1,657,468			1,657,468
		2710101								6,629,872
65	Boynce Solutions	Supply of binding machine	3111009				118,552			118,552
		3111009		-						118,552
66	CREDITORS	KRA-VAT WITHHOLDING - PV3571	3111112				1,077			1,077

S/N	SUPPLIER	Particulars	Item	Closing Bal FY16/17	Date Contracted	Paid Proforma Invoices FY 17/18	Actual Invoiced Amount	Amount Paid in FY 17/18	Date Paid FY 17/18	Closing Balance FY 17/18
67	CREDITORS	KRA-WH VAT-MEGABIT TECHNOLOGIES LTD - PV3569	3111112				44,531			44,531
		3111112								45,607
64	Ashdown	Printing of 2nd marginalisation policy	3111401				279,250			279,250
		3111401								279,250
		GRAND TOTAL		5,970,825		857,505	8,367,914	70,421		21,334,414

Annex III. Analysis of pending staff payables

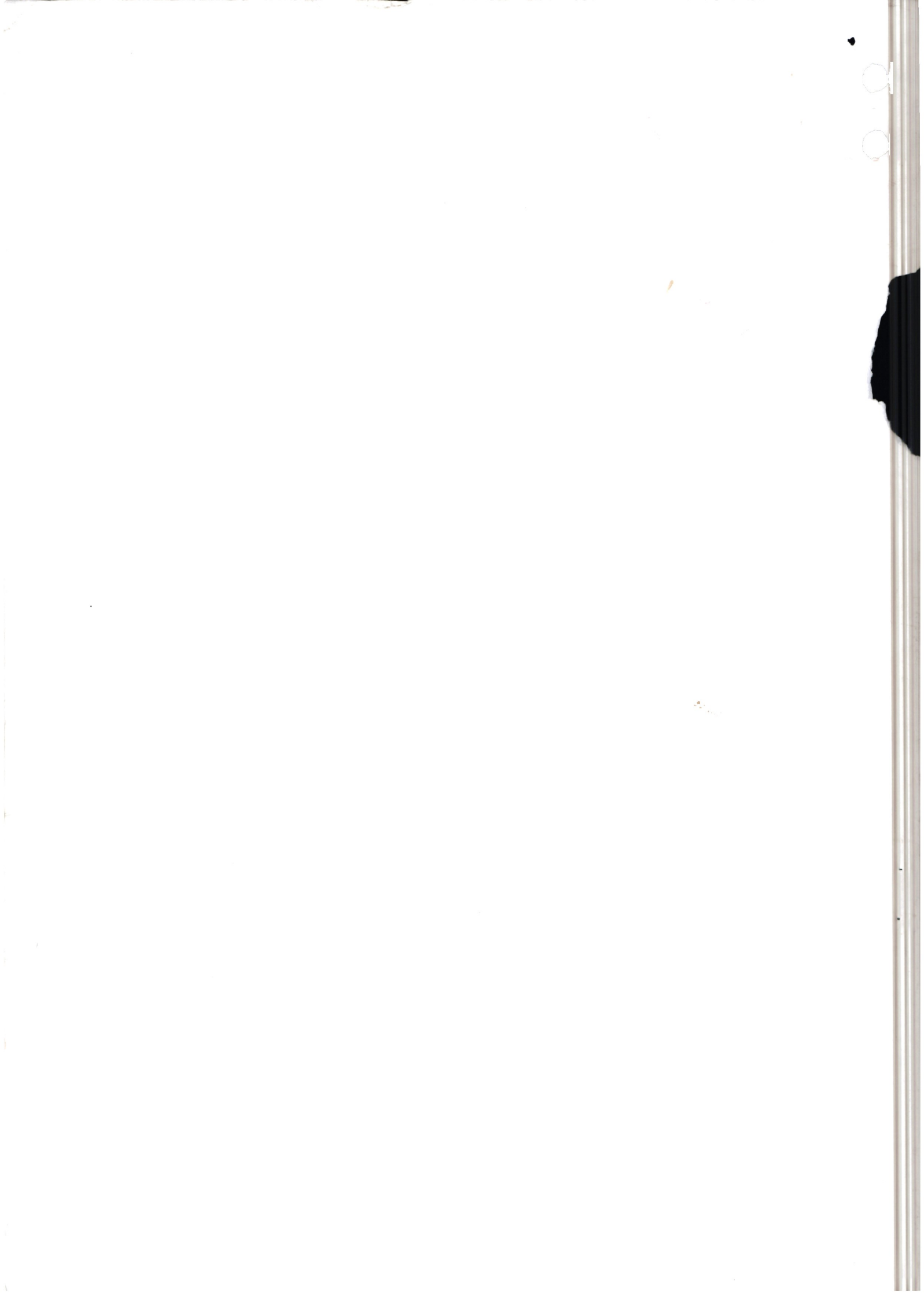
S/N	SUPPLIER	Particulars	Item	Outstanding Balance FY 17/18
1	Job Otiwa	Training - Duke USA	2210401	478,905
2	Albert Mwenda	Trip to South Africa	2210401	227,452
3	Comm. Ole Suuji	Training - Duke USA	2210401	677,804
4	Jane Kiringai	Trip to South Africa	2210401	177,800
5	Humphrey Wattanga	Trip to South Africa	2210401	226,233
6	Edward Oyugi	Trip to South Africa	2210401	186,111
7	Peter Kimuyu	Trip to South Africa	2210401	177,965
8	Irene Asienga	Trip to South Africa	2210401	177,965
9	Kishanto Suuji	Trip to South Africa	2210401	129,045
10	Peter Gachuba	Trip to South Africa	2210401	242,400
11	Fouzia Dahir	Trip to South Africa	2210401	242,400
		Total		2,944,079

Annex IV. Restatements for FY 2016/17

Note	Amount before	Amount After	Difference	Justification	Effect on Financial Statements
5 Commissioners	15,319,278	19,001,657	3,682,379		
1 Security Allowance	5,902,945	5,840,646	(62,299)	Had been captured under general expenses for staff. Note 8 below give a contra entry of the same amounts.	1) Statement of financial performance- Increase in Deficit, 2) Statement of Changes in Equity-Increase in Deficit, 3) Cashflow Statement-Cashflow from operating activities (Increase)
2 Domestic Travel	-	1,778,098	1,778,098		
3 Pre-feasibility studies	-	753,000	753,000		
4 Hospitality & Conference	-	853,945	853,945		
5 Office & General Supplies	-	240,000	240,000		
6 Club membership	-	119,635	119,635		
7 Repair & Maintenance	7,096,596	7,922,047	825,451	Accrued expenditure for motor vehicle maintenance paid in FY 2017/18	1) Statement of financial performance- Decrease in deficit, 2) Statement of Financial position-Increase in Current Liabilities, 3) Cashflow statements - Cashflow from operation activities (Increase)
8 General expenses for staff	130,628,119	125,885,741	(4,742,378)		
1 Domestic Travel	10,729,483	9,013,685	(1,715,798)	Refer to note 5 above on Commissioners expenses	1) Statement of financial performance- Decrease in Deficit, 2) Statement of Changes in Equity-Decrease in Deficit, 3) Cashflow statements - Cashflow from operation activities (Increase)
2 Pre-feasibility studies	2,466,550	1,713,550	(753,000)		
3 Hospitality & Conferences	14,855,283	14,001,338	(853,945)		
4 Office & General expense	7,075,607	6,835,607	(240,000)		
5 Membership fees (Clubs & professional bodies)	1,143,723	1,024,089	(119,634)		
6 Fuel & Lubricants	5,816,733	4,756,733	(1,060,000)	Deposit for fuel.	1) Statement of financial performance- Decrease in deficit, 2) Statement of Financial position-Increase in Current Assets, 3) Cashflow statements - Cashflow from financing activities (Increase)

Note

The above changes were not amended in the last audit for FY 2016/17 as proposed because of the level at which the review process had reached. It was then advised that a restatement be done in the reporting year.





REPUBLIC OF KENYA

TWELFTH PARLIAMENT – (THIRD SESSION)

THE NATIONAL ASSEMBLY

ORDERS OF THE DAY

THURSDAY, JUNE 27, 2019 AT 2.30 P.M.

ORDER OF BUSINESS

PRAYERS

1. Administration of Oath
2. Communication from the Chair
3. Messages
4. Petitions
5. Papers
6. Notices of Motion
7. Questions and Statements

8*. MOTION – REPORT ON THE STATUS OF NATIONAL REFERRAL HOSPITALS

(The Chairperson, Departmental Committee on Health)

THAT, this House **adopts** the Report of the Departmental Committee on Health on the Status of National Referral Hospitals, *laid on the Table of the House on Thursday, May 09, 2019.*

(Resumption of debate interrupted on Wednesday, June 26, 2019 – Afternoon Sitting)

9*. MOTION – INQUIRY INTO ALLOCATION OF LAND IN KAMITI ANMER FOREST

(The Chairperson, Departmental Committee on Lands)

THAT, this House **adopts** the Report of the Committee on Lands on the Inquiry into a Complaint by *Kamiti Anmer Forest Squatters Association* regarding allocation of Land LR. No. 8390 in *Kamiti Anmer Forest*, *laid on the Table of the House on Tuesday, June 18, 2019.*

10*. MOTION - REPORT ON A MEETING TO PROMOTE AND POPULARIZE THE RATIFICATION OF THE PROTOCOL ON THE FREE MOVEMENT OF PERSONS AND ITS IMPLEMENTATION ROADMAP
 (The Chairperson, Departmental Committee on Defence and Foreign Relations)

THAT, this House **notes** the Report of the Departmental Committee on Defence and Foreign Relations on a Meeting with the Member States and Secretaries of the Economic Community of West African States and East African Community to Promote and Popularize the Ratification of the Protocol on the Free Movement of Persons and its Implementation Roadmap, *laid on the Table of the House on Wednesday, November 21, 2018.*

(Resumption of debate interrupted on Tuesday, March 19, 2019)

11*. MOTION – SENATE AMENDMENTS TO THE PUBLIC PRIVATE PARTNERSHIPS (AMENDMENT) BILL (NATIONAL ASSEMBLY BILL NO. 52 OF 2017)
 (The Leader of the Majority Party)

THAT, the Senate amendments to the Public Private Partnerships (Amendment) Bill (National Assembly Bill No. 52 of 2017) be now considered.

12*. MOTION - REPORT ON AN INQUIRY INTO LAND ACQUISITION BY THE KENYA DEFENCE FORCES FOR ESTABLISHMENT OF A FORWARD OPERATING BASE (FOB) IN NAROK COUNTY
 (The Chairperson, Departmental Committee on Defence and Foreign Relations)

THAT, this House **adopts** the Report of the Departmental Committee on Defence and Foreign Relations on the inquiry into land acquisition by the Kenya Defence Forces for establishment of Forward Operating Base (FOB) in Narok County, *laid on the Table of the House on Tuesday, April 2, 2019.*

*** Denotes Orders of the Day**

...../Notices*

NOTICES

The House resolved on Wednesday, February 13, 2019 as follows:-

- I. **THAT**, notwithstanding the provisions of Standing Order 97(4), each speech in debate on **Reports of Committees**, including a Report of a Joint Committee of the Houses of Parliament or any other Report submitted to the House for which limitation of time has not been specified, shall be limited as follows:- A maximum of sixty (60) minutes for the Mover in moving and thirty (30) minutes in replying, and a maximum of ten (10) minutes for any other Member speaking, except the Leader of the Majority Party and the Leader of the Minority Party, who shall be limited to a maximum of fifteen (15) minutes each; and that priority shall be accorded to the Leader of the Majority Party and the Leader of the Minority Party, in that order.
- II. **THAT**, notwithstanding the provisions of Standing Order 97(4), each speech in a debate on any **Motion**, including a Special motion shall be limited in the following manner:- A maximum of three hours with not more than twenty (20) minutes for the Mover and ten (10) minutes for each other Member speaking, except the Leader of the Majority Party and the Leader of the Minority Party, who shall be limited to a maximum of fifteen (15) minutes each, and that ten (10) minutes before the expiry of the time, the Mover shall be called upon to reply; and that priority in speaking shall be accorded to the Leader of the Majority Party, the Leader of the Minority Party and the Chairperson of the relevant Departmental Committee, in that order.

...../Notice Paper

NOTICE PAPER

Tentative business for

Tuesday, July 02, 2019

(Published pursuant to Standing Order 38(1))

It is notified that the House Business Committee, at their last meeting, approved the following **tentative** business to appear in the Order Paper for Tuesday, July 02, 2019:-

A. COMMITTEE OF THE WHOLE HOUSE

- (i) Consideration of the President's Reservations to the Statute Law (Miscellaneous Amendments) Bill (National Assembly Bill No. 21 of 2019)
(The Leader of the Majority Party)
- (ii) The Kenya Accreditation Service Bill (National Assembly Bill No. 17 of 2018)
(The Leader of the Majority Party)
- (iii) The Parliamentary Service Bill (National Assembly Bill No. 6 of 2018)
(The Leader of the Majority Party)

B. MOTION – **REPORT ON THE INQUIRY INTO THE PROPOSED KENYA AIRWAYS' PRIVATELY INITIATED INVESTMENT PROPOSAL TO KENYA AIRPORTS AUTHORITY**
(The Chairperson, Departmental Committee on Transport, Public Works & Housing)

C. MOTION – **INQUIRY INTO ALLOCATION OF LAND IN KAMITI ANMER FOREST**
(The Chairperson, Departmental Committee on Lands)

(If not concluded on Thursday, June 27, 2019)

D. MOTION - **REPORT ON A MEETING TO PROMOTE AND POPULARIZE THE RATIFICATION OF THE PROTOCOL ON THE FREE MOVEMENT OF PERSONS AND ITS IMPLEMENTATION ROADMAP**
(The Chairperson, Departmental Committee on Defence and Foreign Relations)

(If not concluded on Thursday, June 27, 2019)

E. MOTION – **SENATE AMENDMENTS TO THE PUBLIC PRIVATE PARTNERSHIPS (AMENDMENT) BILL (NATIONAL ASSEMBLY BILL NO. 52 OF 2017)**
(The Leader of the Majority Party)

(If not concluded on Thursday, June 27, 2019)

F. MOTION - REPORT ON AN INQUIRY INTO LAND ACQUISITION BY THE KENYA DEFENCE FORCES FOR ESTABLISHMENT OF A FORWARD OPERATING BASE (FOB) IN NAROK COUNTY

(The Chairperson, Departmental Committee on Defence and Foreign Relations)

(If not concluded on Thursday, June 27, 2019)

G. MOTION - ANNUAL REPORTS ON THE STATE OF THE JUDICIARY FOR THE FINANCIAL YEARS 2016/2017 AND 2017/2018

(The Chairperson, Departmental Committee on Justice and Legal Affairs)

APPENDIX

ORDER NO.7 - QUESTIONS

Pursuant to the provisions of Standing Order 42A (5) the following Members will ask questions for reply before the specified Departmental Committees:-

Question No. ORDINARY QUESTIONS

- 290/2019 **The Member for Kajiado East (Hon. Peris Tobiko, MP) to ask the Cabinet Secretary for Education: -**
- (i) Is the Cabinet Secretary aware that fifty-eight (58) TSC teachers in *Mashuhuru* Sub-County in Kajiado East Constituency were interdicted by the Government on allegations of insubordination, consequently leaving pupils under the unregulated care of PTA teachers?
 - (ii) Could the Cabinet Secretary state the timelines within which the said teachers shall be reinstated and duly paid their salaries and other dues in order to address the current teaching crisis in Kajiado East Constituency?
- (To be replied before the Departmental Committee on Education and Research)*
- 301/2019 **The Member for Tetu (Hon. James Gichuhi Mwangi, MP) to ask the Cabinet Secretary for Transport, Infrastructure, Housing & Urban Development: -**
- (i) Is the Cabinet Secretary aware that construction of the *Kigogoini-Wandumbi-Gatumbiro* Road in Tetu Constituency has been abandoned by the contractor (Intex Construction) despite the Government having allocated funds for the road?
 - (ii) What is the specific timeline within which construction of the said Road shall be completed?
- (To be replied before the Departmental Committee on Transport, Public Works and Housing)*
- 302/2019 **The Member for Lamu County (Hon. Capt. Ruweida Obo, MP) to ask the Cabinet Secretary for Education:-**
- (i) Is the Cabinet Secretary aware that *Mangai, Milimani, Basuba, Kiangwi, and Mararani* Primary Schools in Basuba Ward of Lamu County have been closed for the last four years due to insecurity, and as a result, most of the former pupils have flocked to Kiunga Ward leading to overcrowded classrooms that are now straining under scarce resources?
 - (ii) What measures is the Ministry putting in place to facilitate primary schools in Kiunga Ward with requisite facilities such as additional

classrooms, learning resources, school supplies and more teachers so as to standardize the teacher-pupil ratio?

- (iii) What short and long-term plan is the Government pursuing with regard to access to education for all children in Basuba Ward?

(To be replied before the Departmental Committee on Education and Research)

303/2019

The Member for Kisauni (Hon. Ali Menza Mbogo, MP) to ask the Cabinet Secretary for Interior and Coordination of National Government: -

- (i) Is the Cabinet Secretary aware that since 2009, Shimo La Tewa Maximum Prison, Shimo Borstal Prison, Mombasa Remand and Shimo La Tewa Medium Prison have not paid their suppliers for goods procured?
- (ii) When will the said suppliers be paid?

(To be replied before the Departmental Committee on Administration and National Security)

304/2019

The Member for Keiyo North (Hon. (Dr.) James Kipkosgei Murgor, MP) to ask the Cabinet Secretary for Transport, Infrastructure, Housing and Urban Development: -

- (i) Is the Cabinet Secretary aware that construction of *Iten-Nyaru* Road that commenced in 2017 and was scheduled to be undertaken within 30 months is yet to be completed?
- (ii) Could the Cabinet Secretary provide reasons that are occasioning the slow construction pace of the road and further specify the timelines within which the construction shall be completed?

(To be replied before the Departmental Committee on Transport, Public Works and Housing)

305/2019

The Member for Molo (Hon. Kuria Kimani, MP) to ask the Cabinet Secretary for the National Treasury and Planning: -

- (i) Could the Cabinet Secretary assure Kenyans of the integrity and reliability of the Integrated Financial Management Information System (IFMIS) in light of recent mishaps in County Budgeting whereby some County Governments have taken on board budget items meant for the National Government?
- (ii) Could the Cabinet Secretary confirm whether the IFMIS has ever been hacked into, and if so, what safeguards have been put in place to secure the System from cyber attacks?
- (iii) What measures is the Ministry taking to solve the perennial delays in payments that have been attributed to failures of the IFMIS?

(To be replied before the Departmental Committee on Finance and National Planning)

