

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

REPORT

OF

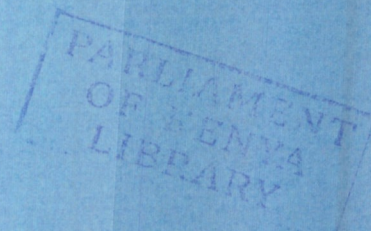
THE AUDITOR-GENERAL

ON

THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 19 FEB 2019	DAY: TUESDAY
TABLED BY: MAJORITY LEADER	
PERKAT TABLE:	

THE FINANCIAL STATEMENTS OF
MINISTRY OF DEFENCE

FOR THE YEAR ENDED
30 JUNE 2018





MINISTRY OF DEFENCE

REPORTS AND FINANCIAL STATEMENTS

**UN-AUDITED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2018**

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

MINISTRY OF DEFENCE
Reports and Financial Statements
For the year ended June 30, 2018

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I. KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

The Ministry continued to execute its mandate as provided for in Article 241 of the Constitution and Executive Order No. 2 of May 2013. To this end the Ministry was able to perform its core mandate and address emerging security challenges. The emerging security threats included terrorism, cattle rustling, human and drug trafficking, proliferation of small arms and piracy.

The Ministry is headed by the Cabinet Secretary, Ambassador Raychelle Awuor Omamo, SC, EGH who is responsible for the Policy and the General Administration of the Ministry.

The Ministry is categorised as vote 1041 within the approved National Budget which is administered by Mr Saitoti Torome, CBS as the Accounting Officer.

The accompanying financial statements constitute the financial statements for the Ministry of Defence.

(b) Key Management

The Ministry's day-to-day management during the report was under the following key personnel:

No.	Designation	Name
1.	Cabinet Secretary	Amb. Raychelle Awuor Omamo, SC,EGH
2.	Principal Secretary and Accounting Officer	Saitoti Torome,CBS
3.	The Chief of the Defence Forces	Gen. Samson Mwathethe MGH,MBS,DCO 'ndc' (K) 'psc' (UK)
4.	Commander Kenya Army	Lt. Gen Robert Kariuki Kibochi MGH,CBS,'ndc' (K) 'psc' (K)
5.	Commander Kenya Air Force	Maj. Gen. Samwel N Thuita MGH,EBS,OGW, 'ndc' , 'psc' (K)
6.	Commander Kenya Navy	Maj. Gen. Levi Franklin Mghalu MGH,MBS ,'ndc' (K) 'psc' (RSA)

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(c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2018 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Cabinet Secretary	Amb. Raychelle Awuor Omamo, SC,EGH
2.	Principal Secretary and Accounting Officer	Saitoti Torome,CBS
3.	Chief of the Defence Forces	Gen. Samson Mwathethe MGH,MBS,DCO 'ndc' (K) 'psc' (UK)
4.	Commander Kenya Army	Lt. Gen Robert Kariuki Kibochi MGH,CBS,'ndc' (K) ' psc' (K)
5.	Commander Kenya Air Force	Maj. Gen. Samwel N Thuita MGH,EBS,OGW, 'ndc' , 'psc' (K)
6.	Commander Kenya Navy	Maj. Gen. Levi Franklin Mghalu MGH,MBS ,'ndc' (K) 'psc' (RSA)

(d) Fiduciary Oversight Arrangements

(i) Ministerial Committees

(a) Budget Implementation

The committee is mandated to undertake the following:

- i. To review and consider the cash-flow plans
- ii. To review the utilization of cash limits and consider any changes as may be required
- iii. To review the utilization of donor funds voted to the Ministry
- iv. To advice the accounting officer on any challenges related to to the budget implementation
- v. To review and recommend reallocation of expenditure
- vi. To review and approve the submission of the expenditure returns, IPPD, pending bills and Revenue for the Ministry and recommend actions to be taken.
- vii. To participate in Sector Working Groups.
- viii. To prepare budgets for line Ministries in consultation with Heads of Departments

The Committee is scheduled to meet monthly in order to review any budget related issues and periodically advice the Accounting Officer

(b) Ministerial Human Resource Management Advisory Committee (MHRMAC)

The functions of MHRMAC entail making recommendations to the authorized officer regarding:

- i. Recruitment,
- ii. Performance management,
- iii. Promotions,
- iv. Training and development,
- v. Deployment,
- vi. Recommendations for retirement under 50 year rule among others.

It is chaired by the Principal Secretary or his deputy. The Director HRM is the Secretary. The HoD's and Military representation from DHQ and the three Services are members of the Committee.

(c) Ministerial Performance Management Committee(MPMC)

The functions of MPMC entail:

- i. Undertaking quarterly review of implementation of Strategic Plans and Performance Contracts,
- ii. Ensure linkage between institutional performance contract and individual performance contract,
- iii. Ensure that the performance of all officers are evaluated and feedback on performance is relayed at the end of the Financial Year,
- iv. Develop and implement the internal monitoring and evaluation and reporting system.

It is chaired by the Principal Secretary or his deputy. The Director HRM is the Secretary. The HoD's and Military representation from DHQ and the three Services are members of the committee.

(d) Procurement Advisory Board

The function of Accounting Officer is to facilitate decision making on matters procurement and assets disposals.

(ii) Ministerial Audit Committee

The Ministerial Audit Committee has been reorganized with guidance from the National Treasury and has clear terms corporate terms of reference which include the following:-

- i. Follow up on recommendations of the Parliamentary Accounts Committee(PAC).
- ii. Preparation of responses on the Annual Report of the Auditor General.
- iii. Arranging for entry and exit meetings with the External Auditors

(iii) Parliamentary Committee Activities

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(a) Parliamentary Committee on Defence and Foreign Relations.

The Ministry engaged the committee to:

- i. Discuss the budget strategy paper
- ii. To discuss National Space Agency Management.
- iii. To review the performance of the National Security Sector.

(b) Public Accounts Committee

- i. The Committee held discussions with the Ministry on the Report of the Auditor General on the Ministry's Appropriation Accounts for the Financial Year 2015/2016 and Financial Year 2016/2017

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(e) Entity Headquarters

P.O. Box 40668-00100
Ulinzi House
Lenana Road
Nairobi, KENYA

Entity Contacts

Telephone: (254) 020-2721100
E-mail: ps@mod.go.ke
Website: www.mod.go.ke

(f) Entity Bankers

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

(g) Independent Auditors

Auditor General
Kenya National Audit Office
Anniversary Towers, 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 Square 00200
Nairobi, Kenya

II. FOREWARD BY THE CABINET SECRETARY



Cabinet Secretary

MANDATE

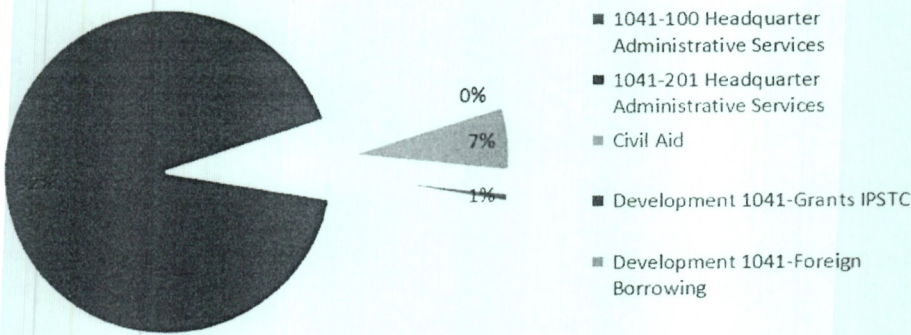
Article 241, sub-article 3 (a), (b) and (c) of the Constitution provides that the Mandate of the Ministry shall be the Defence and protection of the sovereignty and territorial integrity of the Republic, assist and co-operate with other authorities in situations of emergency or disaster and report to the National Assembly whenever deployed in such circumstances and may be deployed to restore peace in any part of Kenya affected by unrest or instability only with the approval of the National Assembly.

Amb Raychelle Awuor Omamo,SC,EGH

BUDGETARY ALLOCATION

The budget allocated to the Ministry for the FY 2017/18 to accomplish the set objectives was **KShs 114,310,379,864**. This constituted an allocation of **Kshs 106,835,384,819** for Recurrent Expenditure and **Kshs 7,429,995,045** as Foreign Loan 'AIA' for the implementation of Military Modernization Programme and **Kshs 45,000,000** as Foreign Grants; apportioned as shown on the Chart below.

Budget Allocation



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The total budgetary allocation for FY 2017/18 was **KShs. 114,310,379,864**, but the actual expenditure was **KShs. 100,072,154,510**; with Recurrent Expenditure having an actual expenditure of **Kshs 94,112,647,638** while Development Expenditure (Foreign Loan 'AIA') had an actual expenditure of **Kshs 5,959,506,872**.

Below is an overview of the financial performance for the year ended 30th June 2017 as reported in the detailed financial statements.

For Budgeted Recurrent Expenditure;

	Printed Estimates	Actual	Variance	% Utilization Variance
Total Receipts	106,835,384,820	94,114,815,498	12,720,569,322	12%
Total Payments	106,835,384,820	94,112,647,638	12,722,737,182	12%
		2,167,860.00	-2,167,860.00	

For Budgeted the Development Expenditure;

	Printed Estimates	Actual	Variance	% Utilization Variance
Total Receipts	7,474,995,045	5,959,506,872	1,515,488,872	20%
Total Payments	7,474,995,045	5,959,506,872	1,515,488,872	20%

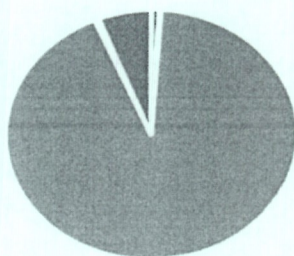
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Budget Utilization

The Ministry spent **KShs. 100,072,154,510** against an approved budget of **KShs. 114,310,379,864** representing absorption of **88%**. Utilisation of the budget was carried out through various activities (economic classifications) as shown in the chart below:

	Approved Budget Allocation (KShs)	Actual(Kshs)	Variance(Kshs)
Compensation of Employees	871,400,000	872,932,361	-1,532,361
Use of goods and services	311,183,269	243,504,722	67,678,547
Military Payments	105,641,000,000	92,566,050,401	13,074,949,599
Grants-Kenya Ordnance Factories	0	420,362,914	-420,362,914
Proceeds from Foreign Grants	45,000,000	45,000,000	0
Proceeds from Foreign Borrowing	7,429,995,045	5,914,506,872	1,515,488,173
Acquisition of Assets	11,801,550	9,797,240	2,004,310
TOTAL PAYMENTS	114,310,379,864	100,072,154,510	14,238,225,354

Budget Utilization



- Compensation of Employees
- Use of goods and services
- Military Payments
- Other Grants
- Proceeds from Foreign Grants
- Proceeds from Foreign Borrowing
- Acquisition of Assets

Current year performance against prior year

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Receipts and Payments

	Year to Year Ending 30 th June 2018	Year to Year Ending 30 th June 2017	Change	% Change
Total Receipts	106,196,579,747	111,881,487,418	-5,684,907,671	5%
Total Payments	106,194,411,886	111,877,534,768	-5,683,122,882	5%

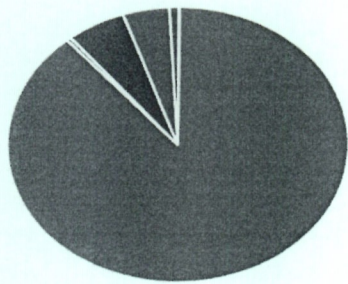
Total Receipts Broken Down

RECEIPTS	Year to Year Ending 30 th June 2018	Year to Year Ending 30 th June 2017	Change	% Change
Proceeds from Domestic and Foreign Grants	45,000,000	25,000,000	20,000,000	180%
Exchequer releases	94,114,815,498	101,148,200,000	-7,033,384,502	93%
Transfers from Other Government Entities	483,170,314	2,379,132,870	-1,895,962,556	20%
Proceeds from Foreign Borrowings	5,914,506,872	0	5,914,506,872	
Reimbursements and Refunds	4,695,516,824	7,640,109,471	-2,944,592,647	61%
Other Receipts	913,298,453	689,045,077	224,253,376	133%
TOTAL RECEIPTS	106,166,307,961	111,881,487,418	-5,715,179,457	95%

The diagram above depicts the share of major categories of receipts for the fiscal year ended 30th June 2018. The major source of funding for the Ministry of Defence is exchequer releases that account for 94% of the total receipts

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RECEIPTS ANALYSED



- | | |
|---|-------------------------------------|
| ■ Tax Receipts | ■ Social Security Contributions |
| ■ Proceeds from Domestic and Foreign Grants | ■ Exchequer releases |
| ■ Transfers from Other Government Entities | ■ Proceeds from Domestic Borrowings |
| ■ Proceeds from Foreign Borrowings | ■ Proceeds from Sale of Assets |
| ■ Reimbursements and Refunds | ■ Returns of Equity Holdings |
| ■ Other Receipts | |

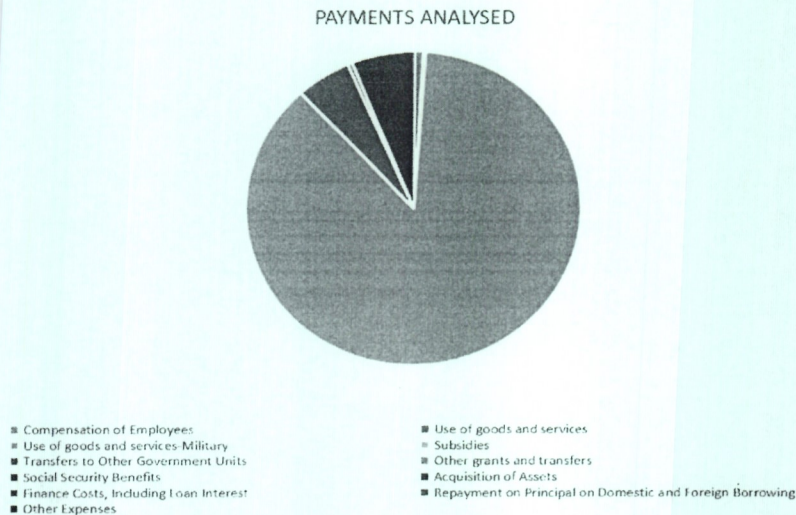
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Total Payments

PAYMENTS	Year to Year Ending 30 th June 2018	Year to Year Ending 30 th June 2017	Change	% Change
Compensation of Employees	872,932,361	774,878,400	98,053,961	113%
Use of goods and services	243,504,722	303,566,510	-60,061,788	80%
Use of goods and services- Military	92,566,050,401	99,665,596,347	-7,099,545,946	93%
Transfers to Other Government Units	5,586,952,527	8,121,486,388	-2,534,533,861	69%
Other grants and transfers	465,362,913	396,184,417	69,178,497	117%
Social Security Benefits			0	
Acquisition of Assets	9,797,240	29,021,676	-19,224,436	34%
Other Expenses	6,419,539,936	2,586,801,030	3,832,738,906	248%
TOTAL PAYMENTS	106,164,140,100	111,877,534,768	(5,713,394,667)	95%

The decreases in payments is attributable to a significant decrease in Exchequer Releases, decreases in Funds Reimbursed via UN. However there was an increase in collection of Revenue which was surrendered to the National Treasury.

The diagram below depicts the share of major categories of payments for the fiscal year ended 30th June 2018.



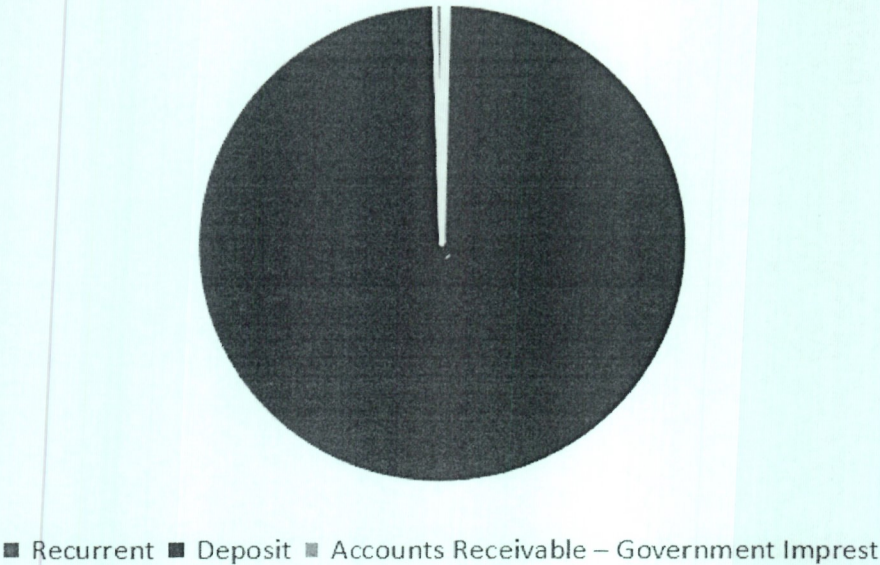
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Financial Assets Summary

Name of Bank, Account No. & currency	2017-2018 Kshs	2016-2017 Kshs	Change	% Change
CBK,1000181435,Kshs	2,167,830	3,970,254	-1,802,424	-45
CBK,100182032,Kshs	758,784,058	637,703,161	121,080,897	19
Accounts Receivable – Government Imprest	4,475,000	5,027,400	-552,400	-11
Total	765,428,905	646,700,815	118,726,073	18

Recurrent Bank balances reduced by 45% as a result of increased spending towards year end. Deposit Account Bank Balance increased by 19% as a result of increased collection of deposits, transfer of Unclaimed Liabilities (Pensions, Uncleared Effects) from recurrent account to the deposit account. The imprests decreased as a result of all officers surrendering imprests taken during the Financial Year by at the end of financial year.

Financial Assets Summary



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Cash Flows and Cash Position

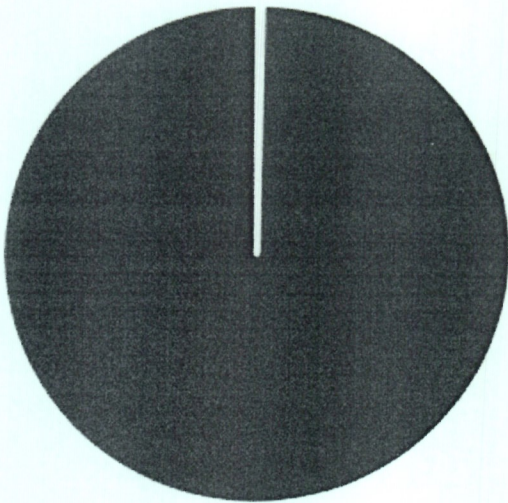
The cash and bank balances held by the Ministry of Defence, as at 30th June 2018 was **KShs 760,951,188** compared to **KShs 641,673,415** held as at 30th June 2017. The breakdown of the cash and bank balances is as summarized in the table below.

Name of Bank, Account No. & currency	2017-2018	2016-2017	Change	% Change
	Kshs	Kshs		
CBK,1000181435,Kshs	2,167,830	3,970,254	-1,802,424	-45
CBK,100182032,Kshs	758,784,058	637,703,161	121,080,897	19
CBK,1000182466,Kshs	0	0	0	
Total	760,951,888	641,673,415	119,278,473	18

Recurrent Bank balances reduced by **45%** as a result of increased spending towards year end.

Deposit Account Bank Balance increased by **19%** as a result of increased collection of deposits, transfer of Unclaimed Liabilities (Pensions,Uncleared Effects) from recurrent account to the deposit account.

Chart Title



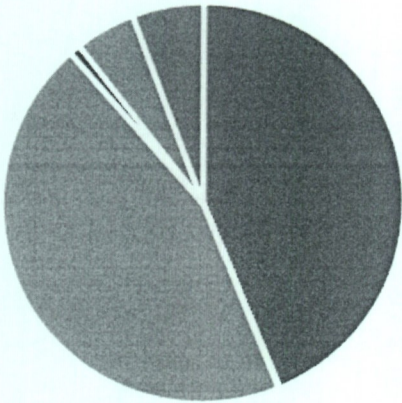
■ Recurrent ■ Deposit ■ CBK-165

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Cash Flow Activities

	Year to Year Ending 30 th June 2018	Year to Year Ending 30 th June 2017	Change	% Change
Net cash flow from operating activities	-5,785,431,170	147,034,842	-5,932,466,011	-4000%
Net cash flow from Investing Activities	-9,797,240	-29,021,676	19,224,436	-66%
Net cash flow from Financing Activities	5,914,506,872	0.00	-	
Net Increase in cash and cash equivalents	119,278,462	118,013,167	1,265,295	1%
Cash and Cash Equivalent as at 1 st July	641,673,415	523,660,247	118,013,168	23%
Cash and Cash Equivalent as at 30 th June	760,951,877	641,673,415	119,278,462	19%

Financing Activities



- Net cash flow from operating activities
- Net cash flow from Investing Activities
- Net cash flow from Financing Activities
- Net Increase in cash and cash equivalents
- Cash and Cash Equivalent as at 1st July
- Cash and Cash Equivalent as at 30th June

Net cash flows utilized in investing activities decreased due to a decline in amounts utilised in the acquisition of assets by the Ministry of Defence.

Net cash flows from operating activities decreased due to a decrease in payables during the financial year.

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ACCOMPLISHMENTS

During the period under review, the Ministry accomplished the following:

- i. Performed its primary role by deploying and manning the borders thus ensuring the sovereignty and territorial integrity of the Republic.
- ii. Deployed troops, alongside other Troop Contributing Countries (TCCs) under AMISOM (Somalia) Sector 2, UNMISS (South Sudan) and UNAMID (Darfur).
- iii. To ensure Customer Satisfaction uploading tenders, posting press releases and statements such as Defence Council Decisions on postings, promotions and appointments. The Ministry also advertised recruitment for the Cadets, Specialists and Servicemen interested to join KDF in in the local dailies.
- iv. Supported other Authorities in situations of emergency and disaster in Boni Forest in Lamu, Nairobi and Kiambu Counties.
- v. Awarded procurement opportunities worth **Kshs 1,440,086,686** to the Youth, Women and PWDs owned enterprises in order to promote uptake in the **30%** procurement rule on Access to Government Procurement Opportunities (AGPO).
- vi. In support of the Government effort in Environmental Sustainability in line with MDG's and Kenya's Vision 2030, the Ministry planted trees in deforested areas and identified water towers through the Environmental Soldier Programme (ESP). During the Financial Year under review, 2,457,360 seedlings were planted and have survived.

Under the ESP The Ministry has adopted 5 forests namely Kibiku, Thogoto, Ngong, Ooloolua and Mareba Wetlands. Tree planting in Kibiku and Thogoto are complete whereas Ngong, Ooloolua and Mareba Wetlands is ongoing.
- vii. To foster Regional cooperation the Ministry has taken a leading role by supporting and participation in both the EAC and EASF activities. Notable among them are; Participated in all EASF activities including Exercise Amani Africa II and all EAC activities including workshops on Expert Working Groups in Communications, Training, Operations, Games.
- viii. Ensured that the Ministry's assets were maintained well for operational readiness, an Asset and Property Register was developed while plant and equipment were maintained in accordance with the manufacturer's schedules.
- ix. Supported the Government Policy on Gender mainstreaming by developing Gender Policy in the Ministry and the capacity of women in the security sector; with reference to UN Resolutions 1325 (2000), through UN Women financial support.

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- x. Collected revenue totaling to **KShs. 913,298,453** through fees paid to learning institutions, rent from institutional houses, sales of tender documents and proceeds from auction of obsolete assets and stores among others.
- xi. The Ministry continued to collaborate with Parliament, other Ministries, Departments, and Agencies including stakeholders to achieve its mandate. KDF in collaboration with the National Police Service (NPS) has been deployed in Boni Forest, Kapedo, Marsabit and Garissa.
- xii. To ensure that KDF continues to be relevant and mission capable in an ever changing security environment, a modernization programme was launched, and in this regard therefore the following was achieved in the FY:
 - a. Constructed a number of new structures within various military institutions to accommodate 1919 personnel
 - b. Concluded contracts for the construction of the Ship and Supply of Aircraft through export credit facility arrangements.
- xiii. The Ministry was able to absorb the entire approved Recurrent Budget of **KShs. 106,835,384,820** for the Financial Year under review; However due to exchequer shortfall The Ministry had carry over bills of **Kshs 12,720,569,321**.
- xiv. The Foreign Loan (AIA) component of the development budget was underutilised by **Kshs 1,515,488,173** due to delay in the implementation of the programmes budgeted for.
- xv. The Ministry was able carry out the following Humanitarian Civil Activities/Projects
 - a) Distribution of water to drought affected counties under water mitigation programme
 - b) Excavation of 7Km security perimeter trench JKIA wef 28th April, 3690m completed
 - c) Provision of security for tarmacking of Minjila-Witu-Mokowe road
 - d) Search and rescue at collapsed building in Kapsabet
 - e) Lake Nakuru helicopter crash search and Rescue
 - f) Search and rescue for 350 personnel marooned by floods as a result of Solai Dam tragedy

CHALLENGES

The Ministry's optimum performance was constrained by the following factors:

Inadequate Funding. Inadequate funding is a major constraint in implementing defence programmes and activities. This is further compounded by the escalating costs of modern military hardware. Inadequate funding has in particular delayed acquisition of enhancement of firepower, force mobility, protection and sustainment capabilities under the modernization programme.

Procurement Lead Times. Coupled with the challenges of having to rely heavily on foreign military products, the duration it takes to complete the procurement cycle is inordinately long due to the fact that military hardware are not off the shelf item.

Diminishing Training Areas. Diminishing of training areas is attributed partly to encroachment into military land and a rapidly expanding population. The reduction of training fields has called for adoption of other options and in particular reliance on advanced technology system like simulation. In effect, the adoption of these technologies will continue to call for more budgetary allocations.

Ageing and Inadequate Infrastructure. The deterioration of Defence infrastructure over the years due to inadequate funding continues to demand for more resources for the rehabilitation of most of the physical infrastructure and the rehabilitation of ageing equipment.

Technological Changes. The rapid changes being experienced in technology has continued to impact on the Ministry's ability to retain military systems over extended periods. Consequently, this effect has resulted in frequent changes in communications and information systems.

Currency Fluctuation. Most of our Military hardware is sourced from the international market and the volatility of international currencies adversely affected the Ministry's budgetary allocations.

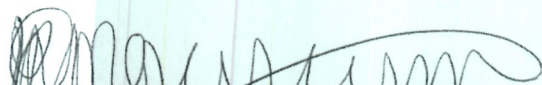
Staff Shortage in Skilled Areas. The Ministry continued experiencing serious shortage of civilian staff in various areas.

Exchequer Shortfalls. The Ministry suffered a huge exchequer shortfall of **Kshs 12,720,569,322** resulting in carryover bills of equivalent amount.

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ACKNOWLEDGEMENT

I wish to acknowledge the support and cooperation accorded to the Ministry during the period under review by: the National Treasury; the Parliament; the Central Bank of Kenya; the Kenya Revenue Authority; other Government Ministries, Departments and Agencies and the staff of the Ministry both uniformed and civilian; suppliers of goods and services and the people of the Republic Kenya.



Amb. Raychelle Awuor Omamo, SC, EGH

Cabinet Secretary

MINISTRY OF DEFENCE

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III. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES

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

The Accounting Officer in charge of the Ministry of Defence is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity 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 entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the entity; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

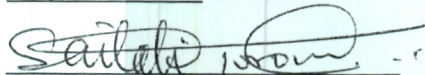
The Accounting Officer in charge of the Ministry accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the Ministry's financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2018, and of the entity's financial position as at that date. The Accounting Officer charge of the Ministry of Defence further confirms the completeness of the accounting records maintained for the Ministry, which have been relied upon in the preparation of the Ministry's financial statements as well as the adequacy of the systems of internal financial control.

The Accounting Officer in charge of the Ministry of Defence confirms that the entity has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the Ministry's financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the financial statements

The Ministry's financial statements were approved and signed by the Accounting Officer on

20.09. 2018.



Principal Secretary

Name: SAITOTI TOROME



Principal Accounts Controller

Name: E.N. MURIMI

REPUBLIC OF KENYA

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E-mail: oag@oagkenya.go.ke
Website: www.kenao.go.ke



P.O. Box 30084-00100
NAIROBI

OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON MINISTRY OF DEFENCE FOR THE YEAR ENDED 30 JUNE 2018

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of Ministry of Defence set out on pages 21 to 44, which comprise the statement of assets and liabilities as at 30 June 2018, and the statement of receipts and payments, statement of cash flows and summary statements of appropriation – recurrent, development and 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 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 Ministry of Defence as at 30 June 2018, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012.

Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of Ministry of Defence in accordance with ISSAI 30 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the 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 matters that, in my professional judgment, are of most significance in the audit of the financial statements. Except for the matter described in the Other Matter section of my report, there were no key audit matters to communicate in my report.

Other Matter

Issues raised in the audit report for the year ended 30 June, 2017 have not yet been discussed in parliament.

Report of the Auditor-General on the Financial Statements of Ministry of Defence for the year ended 30 June 2018

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 manner.

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 processes 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 229(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 the 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.

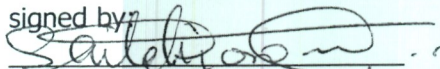
Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the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

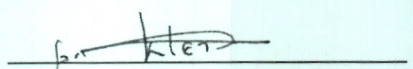
MINISTRY OF DEFENCE
Reports and Financial Statements
For the year ended June 30, 2018

V. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2017-2018	2016-2017
		Kshs	Kshs
RECEIPTS			
Proceeds from Domestic and Foreign Grants	1	45,000,000	25,000,000
Exchequer releases	2	94,114,815,498	101,148,200,000
Transfers from Other Government Entities	3	483,170,314	2,379,132,870
Proceeds from Foreign Borrowings	4	5,914,506,872	0
Reimbursements and Refunds	5	4,695,516,824	7,640,109,471
Other Receipts	6	913,298,453	689,045,077
TOTAL RECEIPTS		106,166,307,961	111,881,487,418
PAYMENTS			
Compensation of Employees	7	872,932,361	774,878,400
Use of goods and services	8	243,504,722	303,566,510
KDF Expenses	8a	92,566,050,401	99,665,596,347
Transfers to Other Government Units	9	5,586,952,527	8,121,486,388
Other grants and transfers	10	465,362,913	396,184,417
Acquisition of Assets	11	9,797,240	29,021,676
Other Payments	12	6,419,539,936	2,586,801,030
TOTAL PAYMENTS		106,164,140,100	111,877,534,768
SURPLUS/DEFICIT		2,167,861	3,952,650

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 20.09.2018 and signed by:


Principal Secretary
Name: SAITOTI TOROME

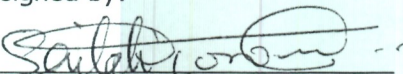

Principal Accounts Controller
Name: E.N. MURIMI

MINISTRY OF DEFENCE
Reports and Financial Statements
For the year ended June 30, 2018

VI. STATEMENT OF ASSETS AND LIABILITIES

	Note	2017-2018	2016 -2017
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	13A	760,951,888	641,673,415
Cash Balances	13B	0	0
Total Cash and cash equivalent		760,951,888	641,673,415
Accounts receivables – Outstanding Imprests	14	42,668,553	20,136,503
TOTAL FINANCIAL ASSETS		803,620,441	661,809,918
FINANCIAL LIABILITIES			
Accounts Payables – Deposits and retentions	15	758,784,058	637,703,162
NET FINANCIAL ASSETS		44,836,383	24,106,756
REPRESENTED BY			
Fund balance b/fwd	16	24,106,756	20,154,106
Prior year adjustment	17	18,561,756	0
Surplus/Deficit for the year		2,167,861	3,952,650
NET FINANCIAL POSITION		44,836,373	24,106,756

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 20.09. 2018 and signed by:


Principal Secretary
Name:SAITOTI TOROME

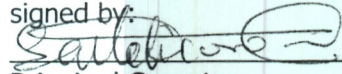

Principal Accounts Controller
Name: E.N. MURIMI

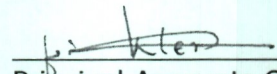
MINISTRY OF DEFENCE
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VII. STATEMENT OF CASH FLOWS

		2017-2018	2016 -2017
		Kshs	Kshs
Receipts for operating income			
Proceeds from Domestic and Foreign Grants	1	45,000,000	25,000,000
Exchequer Releases	2	94,114,815,498	101,148,200,00
Transfers from Other Government Entities	3	483,170,314	2,379,132,870
Reimbursements and Refunds	5	4,695,516,824	7,640,109,471
Other Revenues	6	913,298,453	689,045,077
Payments for operating expenses			
Compensation of Employees	7	872,932,861	774,878,4000
Use of goods and services	8	243,504,722	303,566,510
KDF expenses	8a	92,566,050,401	99,665,596,347
Transfers to Other Government Units	9	5,586,952,527	8,121,486,388
Other grants and transfers	10	465,362,914	396,184,417
Other Expenses	12	6,419,539,936	2,586,801,030
Adjusted for:			
Adjustments during the year		117,110,602	114,060,516
Net cash flow from operating activities		-5,785,431,170	147,034,842
CASHFLOW FROM INVESTING ACTIVITIES			
Acquisition of Assets	11	9,797,240	29,021,676
Net cash flows from Investing Activities		(9,797,240)	(29,021,676)
CASHFLOW FROM BORROWING ACTIVITIES			
Proceeds from Foreign Borrowings	4	5,914,506,872	0
Net cash flow from financing activities		5,914,506,872	0
NET INCREASE IN CASH AND CASH EQUIVALENT			
Cash and cash equivalent at BEGINNING of the year	16	641,673,415	523,660,249
Cash and cash equivalent at END of the year	15	760,951,877	641,673,415

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 20.09.2018 and signed by:


Principal Secretary
Name: SAITOTI TOROME


Principal Accounts Controller
Name: E.N MURIMI

VIII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilization Difference e=c-d	% of Utilization f=d/c %
RECEIPTS						
Proceeds from Domestic and Foreign Grants	45,000,000	0	45,000,000	45,000,000		100%
Exchequer releases	105,261,384,819	1,574,000,000	106,835,384,819	94,114,815,498	12,720,569,321	88%
Transfers from Other Government Entities	0	0	0	483,170,314	-483,170,314	
Proceeds from Foreign Borrowings	0	7,429,995,045	7,429,995,045	5,914,506,872	1,515,488,173	
Reimbursements and Refunds	0	0	0	4,695,516,824	-4,695,516,824	
Other Receipts	0	0	0	913,298,453	-913,298,453	
TOTAL RECEIPTS	105,306,384,819	9,003,995,045	114,310,379,864	106,166,307,961	8,144,071,903	2
PAYMENTS						
Compensation of Employees	815,400,000	56,000,000	871,400,000	872,932,361	1,532,361	98%
Use of goods and services	297,683,269	13,500,000	311,183,269	243,504,722	-67,678,547	76%
Transfers to Other Government Units	0	0	0	5,586,952,527	-5,586,952,527	
Other grants and transfers	45,000,000	0	45,000,000	465,362,913	420,362,913	85%
Acquisition of Assets	7,301,550	4,500,000	11,801,550	9,797,240	2,004,310	83%
Other Payments	0	7,429,995,045	7,429,995,045	6,419,539,936	1,010,455,109	
KDF Expenses	104,141,000,000	1,500,000,000	105,641,000,000	92,566,050,401	13,074,949,599	88%
TOTAL PAYMENTS	105,306,384,819	9,003,995,045	114,310,379,864	106,164,140,100	8,146,239,764	
Surplus/ Deficit	0	-	-	2,167,861	-2,167,861	

(a)

- i. Exchequer releases were below target due to exchequer shortfall
- ii. KDF Expenses were below target due to exchequer issues shortfall
- iii. Acquisition of assets was below target due to delay in implementation of programmes

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- iv. Use of goods and services was below target due to National Space Agency delay in Implementation of budget
- v. Changes budget was due to:
 - a. Reallocation of budget for Personnel Emoluments and Use of goods and services
 - b. Increase of budget for KDF

The entity financial statements were approved on 28.07 **2018** and signed by:


Principal Secretary
Name: SAITOTI TOROME


Principal Accounts Controller
Name: E.N. MURIMI

IX. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT

Receipt/Expense Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilization Difference e=c-d	% of Utilization f=d/c %
RECEIPTS						
Exchequer releases	105,261,384,819	1,574,000,000	106,835,384,819	94,114,815,498	12,720,569,321	88%
Transfers from Other Government Entities	0	0	0	483,170,314	-483,170,314	
Reimbursements and Refunds	0	0	0	4,695,516,824	-4,695,516,824	
Other Receipts	0	0	0	913,298,453	-913,298,453	
TOTAL RECEIPTS	105,261,384,819	1,574,000,000	106,835,384,819	100,206,801,089	6,628,583,730	1
PAYMENTS						
Compensation of Employees	815,400,000	56,000,000	871,400,000	872,932,361	1,532,361	98%
Use of goods and services	297,683,269	13,500,000	311,183,269	243,504,722	-67,678,547	76%
Transfers to Other Government Units	0	0	-	5,586,952,527	-5,586,952,527	
Other grants and transfers	0	0	-	420,362,913	-420,362,913	
Acquisition of Assets	7,301,550	4,500,000	11,801,550	9,797,240	2,004,310	83%
Other Payments	0	0	0	505,033,064	-505,033,064	
Kenya Defence Forces Expenses	104,141,000,000	1,500,000,000	105,641,000,000	92,566,050,401	13,074,949,599	88%
Total Payments	105,261,384,819	1,574,000,000	106,835,384,819	100,204,633,228	6,607,731,205	
Surplus/Deficit	0	-	-	2,167,861	-2,167,8601	

(b) The following reasons contributed to exchequer shortfall and underexpenditure for different programmes

- Exchequer releases were below target due to exchequer shortfall
- KDF Expenses were below target due to exchequer issues shortfall
- Acquisition of assets was below target due to delay in implementation of programmes
- Use of goods and services was below target due to National Space Agency delay in Implementation of budget
- Changes budget was due to:
 - Reallocation of budget for Personnel Emoluments and Use of goods and services

MINISTRY OF DEFENCE
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b. Increase of budget for KDF

a. Changes in budget was occasioned by:

- i. Reallocation during the financial year due to supplementary Estimates
- ii. Addition of budget by 1,574,000,000

The entity financial statements were approved on 20. 09. 2018 and signed by:



Principal Secretary
Name: SAITOTI TOROME



Principal Accounts Controller
Name: E.N. MURIMI

MINISTRY OF DEFENCE
Reports and Financial Statements
For the year ended June 30, 2018

SUMMARY STATEMENT OF APPROPRIATION: DEVELOPMENT

Receipt/Expense Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilization Difference e=c-d	% of Utilization f=d/c %
RECEIPTS						
Proceeds from Domestic and Foreign Grants	45,000,000	0	45,000,000	45,000,000	0	100%
Proceeds from Foreign Borrowings	0	7,429,995,045	7,429,995,045	5,959,506,872	1,515,488,173	80
TOTAL RECEIPTS	45,000,000	7,429,995,045	7,474,995,045	5,959,506,872	1,515,488,173	80%
PAYMENTS						
Other grants and transfers	45,000,000	0	45,000,000	45,000,000	0	100%
Other Payments	0	7,429,995,045	7,429,995,045	5,914,506,872	1,515,488,173	80
TOTAL PAYMENTS	45,000,000	7,429,995,045	7,474,995,045	5,959,506,872	1,515,488,173	80%
Surplus/Deficit						

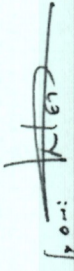
(a) [Provide below a commentary on significant underutilization (below 90% of utilization) and any overutilization (above 100%)]

- i. Underutilization was due to delay in implementation of development budget programme

The entity financial statements were approved on 2009. 2018 and signed by:



Principal Secretary
Name: SAITOTI TOROME



Principal Accounts Controller
Name: E.N. MURIMI

MINISTRY OF DEFENCE
Reports and Financial Statements
For the year ended June 30, 2018

X. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Programme/Sub-programme	Original Budget June-2017	Adjustments	Final Budget 2018	Actual on comparable basis June 30 th 2018	Budget utilization difference
	Kshs	Kshs	Kshs	Kshs	Kshs
Programme 1					
Defence	103,941,000,000	1,500,000,000	105,441,000,000	92,786,413,314	12,654,586,686
Civil Aid	200,000,000		200,000,000	200,000,000	0
General Administration, Planning and Support Services	1,120,384,819	74,000,000	1,194,384,819	1,126,234,323	68,150,496
Programme 2					
IPSTC - Headquarters	45,000,000	0	45,000,000	45,000,000	
Mordenization Programme	0	7,429,995,045	7,429,995,045	5,914,506,872	1,515,488,173
Total	105,306,384,819	9,003,995,045	114,310,381,882	100,072,156,557	14,238,225,355

XI. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of Compliance and Basis of Preparation

The financial statements have been prepared in accordance with Cash-basis International Public Sector Accounting Standards (IPSAS) as prescribed by the Public Sector Accounting Standards Board (PSASB) and set out in the accounting policy note below. This cash basis of accounting has been supplemented with accounting for; a) receivables that include imprests and salary advances and b) payables that include deposits and retentions.

The financial statements comply with and conform to the form of presentation prescribed by the PSASB. The accounting policies adopted have been consistently applied to all the years presented.

2. Reporting Entity

The financial statements are for the Ministry of Defence. The financial statements encompass the reporting entity as specified under section 81 of the PFM Act 2012 and also comprise of the following development projects implemented by the Ministry:

3. Reporting Currency

The financial statements are presented in Kenya Shillings (KShs), which is the functional and reporting currency of the Government and all values are rounded to the nearest Kenya Shilling.

4. Significant Accounting Policies

The accounting policies set out in this section have been consistently applied by the Entity for all the years presented.

a) Recognition of Receipts

The Entity recognises all receipts from the various sources when the event occurs and the related cash has actually been received by the Ministry.

Tax Receipts

Tax receipts are recognized in the books of accounts when cash is received. Cash is considered as received when notification of tax remittance is received. The Ministry of Defence did not receive any tax receipt.

SIGNIFICANT ACCOUNTING POLICIES

Transfers from the Exchequer

Transfers from the exchequer are recognized in the books of accounts when cash is received. Cash is considered as received when payment instruction is issued to the bank and notified to the receiving entity.

External Assistance

External assistance is received through grants and loans from multilateral and bilateral development partners.

Grants and loans shall be recognized in the books of accounts when cash is received. Cash is considered as received when a payment advice is received by the recipient Ministry or by the beneficiary.

In case of grant/loan in kind, such grants are recorded upon receipt of the grant item and upon determination of the value. The date of the transaction is the value date indicated on the payment advice. A similar recognition criteria is applied for loans received in the form of a direct payment.

During the year ended 30th June 2018, there were no instances of non-compliance with terms and conditions which have resulted in cancellation of external assistance loans.

Other receipts

These include Appropriation-in-Aid and relates to receipts such as proceeds from disposal of assets and sale of tender documents. These are recognized in the financial statements the time associated cash is received.

b) Recognition of payments

The Ministry recognises all payments when the event occurs and the related cash has actually been paid out by the Ministry.

Compensation of Employees

Salaries and wages, allowances, statutory contribution for employees are recognized in the period when the compensation is paid.

Use of Goods and Services

Goods and services are recognized as payments in the period when the goods/services are paid for. Such expenses, if not paid during the period where goods/services are consumed, shall be disclosed as pending bills.

Interest on Borrowing

Borrowing costs that include interest are recognized as payment in the period in which they are paid for.

SIGNIFICANT ACCOUNTING POLICIES

Repayment of Borrowing (Principal Amount)

The repayment of principal amount of borrowing is recognized as payment in the period in which the repayment is made.

Acquisition of Fixed Assets

The payment on acquisition of property plant and equipment items is not capitalized. The cost of acquisition and proceeds from disposal of these items are treated as payments and receipts items respectively. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration and the fair value of the asset can be reliably established, a contra transaction is recorded as receipt and as a payment.

A fixed asset register is maintained by each public entity and a summary provided for purposes of consolidation. This summary is disclosed as an annexure to the financial statements.

5. In-kind contributions

In-kind contributions are donations that are made to the Entity 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 Ministry includes such value in the statement of receipts and payments both as receipts and as payments in equal and opposite amounts; otherwise, the contribution is not recorded.

6. Third Party Payments

Included in the receipts and payments, are payments made on its behalf to third parties in form of loans and grants. These payments do not constitute cash receipts and payments and are disclosed in the payment to third parties in the statement of receipts and payments as proceeds from foreign borrowings.

7. 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.

Restriction on Cash

Restricted cash represents amounts that are limited/restricted from being used to settle a liability for at least twelve months after the reporting period. This cash is limited for direct use as required by stipulation.

Amounts maintained in deposit bank accounts are restricted for use in refunding third party deposits. As at 30th June 2018, this amounted to **Kshs. 758,784,084** compared to **Kshs. 637,703,161** in prior period as indicated on note 24.

MINISTRY OF DEFENCE
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For the year ended June 30, 2018

There were no other restrictions on cash during the year.

SIGNIFICANT ACCOUNTING POLICIES

8. 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 are treated as receivables. This is in recognition of the government practice where the imprest payments are recognized as payments 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.

9. Accounts Payable

For the purposes of these financial statements, deposits and retentions held on behalf of third parties have been recognized on an accrual basis (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.

10. Pending Bills

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

11. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest and deposits, which are accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on June 2017 for the period 1st July 2017 to 30th June 2018 as required by Law and there were two supplementary adjustments to the original budget during the year.

A comparison of the actual performance against the comparable budget for the financial year under review has been included in the financial statements.

Government Development Projects are budgeted for under the MDAs but receive budgeted funds as transfers and account for them separately. These transfers are recognised as inter-entity transfers.

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12. Comparative Figures

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

SIGNIFICANT ACCOUNTING POLICIES

13. Subsequent Events

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

14. Errors

Material prior period errors shall be corrected retrospectively in the first set of financial statements authorized for issue after their discovery by: i. restating the comparative amounts for prior period(s) presented in which the error occurred; or ii. If the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and net assets/equity for the earliest prior period presented.

During the year, errors that have been corrected are disclosed under note 26 explaining the nature and amounts.

15. Related Party Transactions

Related party relationships are a normal feature of commerce. Specific information with regards to related party transactions is included in the disclosure notes.

XII. NOTES TO THE FINANCIAL STATEMENTS

1 PROCEEDS FROM DOMESTIC AND FOREIGN GRANTS

	Name of Donor	Date received	Indicate whether it was a direct payment	Amount in foreign currency	2017-2018 Kshs	2016 -2017 Kshs
	Grants Received from Multilateral Donors (International Organisations)				0	
	(UNDP)		Grants Received		45,000,000	25,000,000
					45,000,000	25,000,000

Grants received at the IPSTC

2 EXCHEQUER RELEASES

Description	2017-2018 Kshs	2016-2017 Kshs
Total Exchequer Releases for quarter 1	24,738,075,287	18,400,900,000
Total Exchequer Releases for quarter 2	21,005,320,366	18,620,000,000
Total Exchequer Releases for quarter 3	21,490,584,700	22,665,000,000
Total Exchequer Releases for quarter 4	26,880,835,145	41,462,300,000
Total	94,114,815,498	101,148,200,000

Exchequer releases budgeted for was **Kshs. 106,835,384,819**. However exchequer received was **Kshs 94,114,815,498**. This was occasioned by Exchequer shortfall.

3 TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description	2017-2018 Kshs	2016-2017 Kshs
Transfers from Central government entities		
Pensions	342,089,607	494,777,354
RCTDC	6,029,307	6,482,788
Ministry of Interior	135,051,400	1,850,000,000
Ushirikiano Imara	0	27,872,728
TOTAL	483,170,314	2,379,132,870

The above transfers were received from the following self-reporting entities in the year

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3a) TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description	Recurrent Kshs	Develo pment Kshs	Total Kshs	2016 -2017 Kshs
Transfers from Central government entities				
Pensions	342,089,607		342,089,607	494,777,354
RCTDC	6,029,307		6,029,307	6,482,788
Ministry of Interior	135,051,400		135,051,400	1,850,000,000
Ushirikiano Imara	0		0	27,872,728
TOTAL			483,170,314	2,379,132,870

We have confirmed the above amounts with the disbursing entities and attached these confirmations as an Appendix to these financial statements.

4 PROCEEDS FROM FOREIGN BORROWINGS

	2017 -2018 Kshs	2016 -2017 Kshs
Foreign Borrowing – Draw-downs Through Exchequer	0	0
Foreign Borrowing - Direct Payments	5,914,506,872	0
Foreign Currency and Foreign Deposits	0	0
	0	0
Total	5,914,506,872	0

5 REIMBURSEMENTS AND REFUNDS

	2017-2018 Kshs	2016-2017 Kshs
Reimbursement UN AND AU	4,673,654,074	7,432,441,311
UN Compensation	21,862,750	207,668,160
Total	4,695,516,824	7,640,109,471

UN Reimbursement to GoK for expenses in Amisom

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

6 OTHER REVENUES

Description	2017 -2018	2016 -2017
	Kshs	Kshs
Rents	393,028,026	425,304,624
Other Property Income e.g leases, rates	6,247,946	6,682,035
Receipts from Administrative Fees and Charges	1,604,000	2,159,300
Receipts from Sale of Incidental Goods	46,456,135	31,770,589
Fines Penalties and Forfeitures	49,560,765	11,329,312
School Fees	105,436,926	94,246,465
National Space Secretariat	46,719,000	0
Other receipts not classified anywhere	264,245,655	117,552,752
Total	913,298,453	689,045,077

7 COMPENSATION OF EMPLOYEES

	2017 -2018	2016 -2017
	Kshs	Kshs
Basic salaries of permanent employees	544,636,779	490,938,316
Personal allowances paid as part of salary	328,295,582	283,940,084
Total	872,932,361	774,878,400

8 USE OF GOODS AND SERVICES

	2017 -2018	2016 -2017
	Kshs	Kshs
Utilities, supplies and services	0	0
Communication, supplies and services	6,848,825	9,414,447
Domestic travel and subsistence	46,029,302	62,187,219
Foreign travel and subsistence	13,807,707	41,470,226
Printing, advertising and information supplies & services	3,477,831	2,486,848
Training expenses	17,375,310	31,306,896
Hospitality supplies and services	21,357,755	13,330,434
Specialized materials and services	9,710,210	22,745,655
Office and general supplies and services	8,086,812	6,809,152
Other operating expenses	103,266,896	98,229,641
Routine maintenance – vehicles and other transport equipment	7,941,759	9,670,422
Routine maintenance – other assets	1,164,273	3,174,650
Fuels Oils, Lubricants	4,438,042	2,740,920
Total	243,504,721	303,566,510

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8a USE OF GOODS AND SERVICES KENYA DEFENCE FORCE

	2017 -2018	2016 -2017
	Kshs	Kshs
Utilities, supplies and services	92,566,050,401	99,665,596,347
Total	92,566,050,401	99,665,596,347

9 GRANTS AND TRANSFERS TO OTHER GOVERNMENT ENTITIES

Description	2017 -2018	2016 -2017
	Kshs	Kshs
Transfers to National Government entities (SCOA Codes 2630100, 2630200, 2640400, 2640500, 2649900, 2820100, 2820200, 2820300)		
See attached list		
National Treasury Ordinary Revenue	913,298,453	689,045,077
UN Reimbursement	4,673,654,074	7,432,441,311
TOTAL	5,586,952,527	8,121,486,388

The above transfers were made to the following self-reporting entities in the year:

Description	Recurrent	Developm ent	Total	2016-2017
	Kshs	Kshs	Kshs	Kshs
Transfers to SAGAs and SCs				
National Treasury Ordinary Revenue	913,298,453		913,298,453	689,045,077
UN Reimbursement	4,673,654,074		4,673,654,074	7,432,441,311
	5,586,952,527		5,586,952,527	8,121,486,388

We have confirmed these amounts with the recipient entities and attached these confirmations as an Appendix to this financial statements

10 OTHER GRANTS AND TRANSFERS

Explanation	2017-2018	2016 -2017
	Kshs	Kshs
Kenya Ordnance Factory Corporation	420,362,914	371,184,417
IPSTC	45,000,000	25,000,000
	0	0
Total	465,362,914	396,184,417

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

11 ACQUISITION OF ASSETS

Non Financial Assets	2017 -2018	2016 -2017
	Kshs	Kshs
Purchase of Vehicles and Other Transport Equipment	0	10,766,350
Purchase of Office Furniture and General Equipment	4,107,840	14,262,677
Purchase of Specialized Plant, Equipment and Machinery	5,689,400	3,992,649
Total	9,797,240	29,021,676

12 OTHER EXPENSES

	2017 -2018	2016 -2017
	Kshs	Kshs
Pensions	342,089,607	494,777,354
RCTDC	6,029,307	6,482,788
Ministry Interior-Border Securitization	135,051,400	1,850,000,000
UN Compensation	21,862,750	207,668,160
Ushirikiano Imara	0	27,872,728
Direct Payments National Treasury - Foreign Borrowing	5,914,506,872	0
Total	6,419,539,936	2,586,801,030

13A: Bank Accounts

Name of Bank, Account No. & currency	Amount in bank account currency	Indicate whether recurrent, Development, deposit e.t.c	Exc rate (if in foreign currency)	2017 -2018	2016-2017
				Kshs	Kshs
Recurrent MoD,1000181435	2,167,830			2,167,830	3,970,254
Deposit MoD,1000182032	758,784,058			758,784,058	637,703,161
CBK 165				0	0
Total	760,951,888			760,951,888	641,673,415

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13B: CASH IN HAND

	2017-2018	2016-2018
	Kshs	Kshs
Cash in Hand – Held in domestic currency	0	0
Cash in Hand – Held in foreign currency	0	0
	0	0
Total	0	0

Cash in hand should also be analysed as follows:

	2017-2018	2016-2017
	Kshs	Kshs
MoD Hq	0	0
Total	0	0

MINISTRY OF DEFENCE
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

14: ACCOUNTS RECEIVABLE - OUTSTANDING IMPRESTS

<i>Description</i>	2017 -2018	2016-2017
	Kshs	Kshs
Government Imprests	4,475,000	5,027,400
Salary advances	38,193,553	15,109,103
Total	42,668,553	20,136,503

<i>Name of Officer or Institution</i>	<i>Date Imprest Taken</i>	<i>Amount Taken</i>	<i>Amount Surrendered</i>	<i>Balance</i>
		Kshs	Kshs	Kshs
Captain B.M Macharia	Jan 2004	4,475,0000	0	4,475,000
Total		4,475,0000		4,475,0000

15. ACCOUNTS PAYABLE

<i>Description</i>	2017 -2018	2016 -2017
	Kshs	Kshs
Deposits	758,784,058	637,703,162
Total	758,784,058	637,703,162

16. FUND BALANCE BROUGHT FORWARD

<i>Description</i>	2017 -2018	2016 -2017
	Kshs	Kshs
Bank accounts	641,673,415	523,660,248
Accounts Receivables	20,136,503	4,512,800
Accounts Payables	-637,703,162	-508,018,942
Total	24,106,756	20,154,106

MINISTRY OF DEFENCE
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

17. PRIOR YEAR ADJUSTMENTS

Description of the error	2017 -2018	2016 -2017
	Kshs	Kshs
Adjustments on bank account balances	18,561,756	0
	18,561,756	0

There adjustments done during the financial years relate to recurrent bank balances for FY 2014-2015 and FY 2015-2016 that were surrendered to the exchequer.

18. RELATED PARTY DISCLOSURES

Related party disclosure is encouraged under non-mandatory section of the Cash Basis IPSAS.

The following comprise of related parties to the Ministry of Defence

- Key management personnel that include the Cabinet Secretaries and Accounting Officers
- Other Ministries Departments and Agencies and Development Projects;
- County Governments; and
- State Corporations and Semi-Autonomous Government Agencies.

Related party transactions:

	2017- 2018	2016- 2017
	Kshs	Kshs
Key Management Compensation	0	0
	0	0
Transfers to related parties	0	0
Transfers to other MDAs-Ordinary Revenue National Treasury	913,298,453	689,045,077
Transfers to other MDAs-UN/AU Reimbursement GoK	4,673,654,074	7,432,441,311
Transfers to SCs and SAGAs - Kenya Ordnance	420,362,914	371,184,417
Total Transfers to related parties	6,007,315,441	8,492,674,838
Transfers from related parties		
Transfers from the Exchequer	94,114,815,498	101,148,200,000
Transfers from other MDAs - Interior Ministry	135,051,400	1,850,000,000
Total Transfers from related parties	94,249,866,898	102,998,200,000

MINISTRY OF DEFENCE
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19. OTHER IMPORTANT DISCLOSURES

19.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

Description	2017 -2018	2016 -2017
	Kshs	Kshs
Construction of buildings		
Construction of civil works		
Supply of goods	12,602,522,619	
Supply of services		

19.2: PENDING STAFF PAYABLES (See Annex 2)

	2017 -2018	2016 -2017
	Kshs	Kshs
Senior management	0	0
Middle management	0	0
Unionisable employees	0	0
Others (<i>specify</i>)	0	0
	0	0

19.3: OTHER PENDING PAYABLES (See Annex 3)

	2017-2018	2016 -2017
	Kshs	Kshs
Amounts due to National Government entities	0	0
Amounts due to Entity entities	0	0
Amounts due to third parties	0	0
Others (<i>specify</i>)	0	0
	0	0

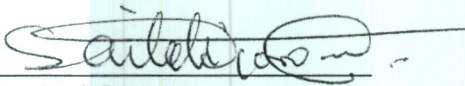
20.PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

Referen ce No. on the external audit Report	Issue / Observa tions from Auditor	Management comments	Focal Point person to resolve the issue (Name and designatio n)	Status: (Resolve d / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)

Guidance Notes:

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


Principal Secretary
NAME:SAITOTI TOROME


Principal Accounts Controller
NAME: E.N. MURIMI

MINISTRY OF DEFENCE
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ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 20XX	Outstanding Balance 20XX	Comments
	A	B	C	d=a-c		
Construction of buildings						
1.						
2.						
3.						
Sub-Total						
Construction of civil works						
4.						
5.						
6.						
Sub-Total						
Supply of goods						
7.						
8.						
9.						
Sub-Total						
Supply of services						
10.						
11.						
12.						
Sub-Total						
Grand Total						

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ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2018	Outstanding Balance 2017	Comments
Senior Management							
1.		a	b	c	d=a-c		
2.							
3.							
Sub-Total							
Middle Management							
4.							
5.							
6.							
Sub-Total							
Unionisable Employees							
7.							
8.							
9.							
Sub-Total							
Others (<i>specify</i>)							
10.							
11.							
12.							
Sub-Total							
Grand Total							

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ANNEX 3 - ANALYSIS OF OTHER PENDING PAYABLES

Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2018	Outstanding Balance 2018	Comments
Amounts due to National Govt Entities							
1.		a	b	c	d=a-c		
2.							
3.							
Sub-Total							
Amounts due to County Govt Entities							
4.							
5.							
6.							
Sub-Total							
Amounts due to Third Parties							
7.							
8.							
9.							
Sub-Total							
Others (specify)							
10.							
11.							
12.							
Sub-Total							
Grand Total							

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ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2017/2018	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 2017/2018
Land				
Buildings and structures				
Transport equipment	88,822,729	0	0	88,822,729
Office equipment, furniture and fittings	38,432,477	5,263,240	0	43,695,717
ICT Equipment, Software and Other ICT Assets	43,240,299	4,534,000	0	47,774,299
Other Machinery and Equipment				
Heritage and cultural assets				
Intangible assets				
Total	170,495,505	9,797,240		180,292,745

NB: The balance as at the end of the year is the cumulative cost of all assets bought and inherited by the Ministry, Department or Agency. Additions during the year should tie to note 18 on acquisition of assets during the year. Ensure this section is complete covering all the entities assets)

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ANNEX 5 – LIST OF PROJECTS IMPLEMENTED BY THE MINISTRY OF DEFENCE

Ref	Project Name	Principal activity of the project	Accounting Officer	Project consolidated in these financial statements(yes/no)
1				

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ANNEX 6 – LIST OF SCS, SAGAS AND PUBLIC FUNDS UNDER THE ENTITY MINISTRY OF DEFENCE

Ref	SC, SAGA or Public Fund's name	Principal activity of entity	Accounting Officer	Amount transferred during the year	Inter- entity reconciliations done?(yes/no)
1	KENYA ORDNANCE FACTORIES CORPORATIO	MANUFACTURE OF AMMUNITION	Maj Gen Michael Munywoki	Kshs. 420,362,912	Yes

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ANNEX 7- REPORTS GENERATED FROM IFMIS

The following financial Reports Generated from IFMIS should be generated and attached as appendices to these financial statements.

- i. GOK IFMIS Comparison Trial Balance
- ii. FO30 (Bank reconciliations) for all bank accounts
- iii. GOK IFMIS Receipts and Payments Statement
- iv. GOK IFMIS Statement of Financial Position
- v. GOK IFMIS Statement of Cash Flows
- vi. GOK IFMIS Notes to the Financial Statements
- vii. GOK IFMIS Statement of Budget Execution
- viii. GOK IFMIS Statement of Deposits
- ix. GOK IFMIS Budget Execution by Programme and Economic Classification
- x. GOK IFMIS Budget Execution by Heads and Programmes
- xi. GOK IFMIS Budget Execution by Programmes and Sub-programmes

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APPENDIX 8 - DEPOSIT PAYABLES

S/NO	BENEFICIARY	AMOUNT
1	ABOVE AND BEYOND EXPECTATIONS COMPANY LIMITED	135,938.50
2	Achunet Investment Co.	388,607.50
3	AGHEN ENTERPRISES LIMITED	176,961.40
4	AIRCON ELECTRA SERVICES (NRB) LIMITED	244,962.70
5	Aje Elevators Engrs Co Ltd	140,833.15
6	Akemb Contractors Ltd	0.90
7	Alliance Control Serv	205,000.00
8	ALLIANCE CONTROLS AGENCIES	188,930.00
9	Alpesh Enterprises	982,500.00
10	ALPESH ENTERPRISES LIMITED	6,642,128.85
11	ALWEX ELECTRICAL SERVICES KENYA LIMITED	1,121,880.00
12	Aqua Plumbing	2,898,000.00
13	ASMALIA INVESTMENT	28,295.00
14	Associated Elecricals Ltd	1,704,679.10
15	Associated Elect	1,185,094.30
16	ASSOCIATED ELECTRICAL AND HARDWARE SUPPLIERS LIMITED	1,575,390.45
17	Associated Electrical Ltd	866,670.00
18	Associated Electricals	3,154,077.65
19	BALLOT JA CONTRACTORS LIMITED	185,483.50
20	BASHKU GENERAL SUPPLIES LIMITED	655,585.00
21	BEACON LOGISTICS AND CONSTRUCTION LTD	174,292.30
22	BEN-ARK COMPANY LIMITED	172,944.50
23	Beneiz General Supplies	273,677.50
24	Benham International	500,093.20
25	Bens Building and	26,633.50
26	BISHIN TRANSPORTERS AND CONSTRUCTION COMPANY LIMITED	355,780.00
27	BIVSTAR GENERAL SUPPLIES LIMITED	980,510.60
28	BOC GASES	1,226,539.60
29	BOC Gases (K) Ltd	210,000.00
30	BOC Kenya Ltd	80,000.00
31	BOLT AND BUILDERS CONTRACTORS 08 LIMITED	1,531,644.50
32	BONISLINE ENTERPRISES	295,917.00
33	Borana Construction	314,050.40
34	Bowl Plumbers	2,600,000.00
35	BOWL PLUMBERS LIMITED	440,040.00
36	Bowl Plumbers Ltd	509,701.70
37	Bridge Master Ltd	1,500,000.00
38	BRIDGE MASTERS LIMITED	260,515.50

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39	Bridge Masters Ltd	1,400,000.00
40	BRIDGITTA ENTERPRISES	3,044,201.20
41	Calton International	401,937.00
42	CASIDS SERVICES LIMITED	5,445,650.00
43	Central Electricals	633,749.15
44	CENTRAL ELECTRICALS INTERNATIONAL LIMITED	983,932.35
45	CHACABRI INVESTMENTS	2,493,080.00
46	CHARMA ENTERPRISES	1,303,472.20
47	CHILSONS ENTERPRISES LIMITED	2,040,195.50
48	CHINA JIANGXI INTERNATIONAL KENYA LIMITED	11,262,493.50
49	Clanita Enterprises	281,347.00
50	CLANITA ENTERPRISES LIMITED	720,377.00
51	CLARKSTONE LIMITED	128,060.00
52	Comacon Ltd	182,992.15
53	Comacon Ltd	545,960.15
54	CONCORDIA BULDING AND CIVIL ENGINEERING COMPANY LIMITED	9,250,648.75
55	CONTEMPORARY ELECTRICALS ENTERPRISES LIMITED	1,710,233.15
56	COUNTY CONSTRUCTION COMPANY LIMITED	10,889,000.00
57	Countylike Ent	81,702.00
58	CROWDPAC VENTURES	299,637.50
59	Crystal Peak Ltd	265,801.00
60	CYBERSPHERE DESIGN BUILD LIMITED	381,188.00
61	DAMALIN ENTERPRISES LIMITED	371,322.00
62	DANMO PRODUCTS LIMITED	397,658.00
63	DANTAX ENTERPRISES LIMITED	301,800.00
64	DAVKENN INVESTMENTS LIMITED	169,512.00
65	DAVOGA BUILDERS LIMITED	502,450.00
66	Digital Com Invest	12,678,750.00
67	Direct Auto Parts	948,245.00
68	DONFAB ENTERPRISE LIMITED	87,850.70
69	Dozan Building Cont	210,786.50
70	DOZAN BUILDING CONTRACTORS LIMITED	299,689.50
71	DYKES GENERAL SUPPLIES	398,916.00
72	DYMAROTE ENTERPRISES	317,999.00
73	Dyntronics Co Ltd	120,822.45
74	Earl and Duke	453,790.00
75	Edward Elect	210,000.00
76	Edward Electrical	245,000.00
77	Edwards Electrical	500,000.00
78	Edwqard Electricals	188,421.05
79	Elsan Mchanical	520,000.00
80	ELSAN MECHANICAL ENGINEERING LIMITED	1,089,932.70

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81	Emac Building	985,453.50
82	Emarc Build & con	1,953,730.00
83	Emarc Building	5,737,340.30
84	Emarc Building & Cons	352,500.00
85	EMARC BUILDING AND CONSTRUCTION COMPANY LIMITED	5,035,881.20
86	Emark Building	1,017,360.00
87	Epitomme Traders	192,149.00
88	Equilog Enerprises	210,540.00
89	Equilog Enterprises	103,392.20
90	ESTMAT HARDWARE AND SUPPLIERS LIMITED	248,882.70
91	FAREEKEN LIMITED	322,049.00
92	FARMGATE ENTERPRISES	393,693.00
93	Fast Jet Enterprises	250,000.00
94	Fastjet Enterprises	762,201.70
95	FASTJET ENTERPRISES COMPANY LIMITED	686,940.00
96	FEVER GROUP LIMITED	272,684.40
97	FOCUTECH INVESTMENTS LIMITED	649,365.80
98	FORTNUM AND MASON ENTERPRISES	203,145.00
99	Gaps Construction	4,050,768.40
100	GAPS CONSTRUCTION AND ENGINEERING COMPANY LIMITED	30,917,812.55
101	GENESIS SOLUTIONS LIMITED	2,080,987.00
102	GIOSHAM LIMITED	382,194.50
103	GLASPER INVESTMENTS LIMITED	393,681.60
104	GLOBAL CONSTRUCTION COMPANY LIMITED	280,042.00
105	Gogan Invest	48,385.00
106	GREENLINE IMAGES	176,920.00
107	GREENTEC GENERAL AGENCIES LIMITED	250,000.00
108	Greyon Holdings	623,725.10
109	GUIL CONTRACTORS AND GENERAL SUPPLIERS LIMITED	288,032.00
110	GULF TECH AND BUILDING SERVICES LIMITED	4,037,624.40
111	Gwarr	399,896.00
112	HABIBANI ENTERPRISES LIMITED	613,095.00
113	Harmony Properties	387,610.00
114	HARMONY PROPERTIES LIMITED	1,522,470.00
115	Harmony Properties Ltd	1,425,030.00
116	Hawan Gen Trader	139,664.00
117	HENJAM BUSINESS SOLUTIONS	167,168.00
118	High Pick	236,210.15
119	Homeland Survey	390,100.00
120	INTAVISUAL (IAV) LIMITED	185,331.10
121	Inter Link Machiner	1,030,460.00
122	INTERGRAL CONSTRUCTION LIMITED	985,540.00

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123	Jaman Engineering	119,300.00
124	JAMNALUTAH CONSTRUCTION COMPANY	287,494.00
125	Jamuki Electrical Serv	258,791.50
126	JAMUKI ELECTRICAL SERVICES LIMITED	1,893,445.00
127	Jamuki electricals	907,397.00
128	JASEL STRATEGIC OPTIONS LIMITED	669,010.35
129	JIAMINI GROUP LIMITED	176,949.00
130	Jodam (EA) Ltd	102,320.00
131	JOHVISHA LIMITED	391,060.00
132	JORO BUILDING AND GENERAL CONTACTORS	81,340.00
133	JOYSKAM ADVANCED CONTRACTORS LIMITED	389,510.00
134	Jumba Engineering	1,235,672.00
135	Jyan Construction	5,308,000.00
136	Kabira Ventures	60,435.00
137	KAGOH CONSTRUCTION COMPANY LIMITED	342,809.00
138	Kaynaz General	96,731.60
139	KENYA AIRPORTS PARKING SERVICES LIMITED (KAPS LIMITED)	2,712,510.20
140	Keymerging tech	1,471,769.20
141	KEYMERGING TECH LTD	219,500.00
142	KEYMERGING TECHNOLOGIES LIMITED	398,195.00
143	Kher Construction	104,153.95
144	KHER CONSTRUCTION AND ENGINEERING COMPANY LIMITED	5,163,505.30
145	Kibinico Enterprises	80,970.00
146	KIMAWIL ELECTRICAL SERVICES LIMITED	3,327,700.00
147	KIRWAN LIMITED	335,109.00
148	KOSHDAK INVESTMENT LIMITED	199,901.00
149	KUPA CONSTRUCTION LIMITED	928,852.95
150	KWANG KENYA LIMITED	751,225.10
151	Lasalle Building	99,093.60
152	LATOBORG ENGINEERS LIMITED	229,425.00
153	Lesicera Investment	389,830.90
154	LESICERA INVESTMENTS AGENCIES LIMITED	399,378.80
155	LIBERTY GROUP (EA) LIMITED	686,921.30
156	Libex Construction	165,633.10
157	lilaaf construction coy	1,510,650.00
158	LINDSAY AGENCIES LIMITED	299,992.90
159	LYNIX ELECTRICAL LIMITED	399,868.00
160	Maaya Construction	157,286.50
161	Mabphen Engr	387,486.00
162	MACBO LOGISTICS	165,475.00
163	MAESA INVESTMENTS	147,202.00
164	Magnate Construction	80,861.20

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165	Maingeni International	1,532,042.00
166	MALTI-TRIO AGENCIES	4,909,857.20
167	MANCHESTER CONTRACTORS LIMITED	2,361,680.00
168	MANTRAC KENYA LIMITED	1,859,901.60
169	MAP SUPPLIES LIMITED	4,536,448.55
170	MARK-WATCH SERVICES	395,650.00
171	Marshall Fowler	2,586,120.60
172	MARSHALL FOWLER (STEAM SERVICES) LIMITED	1,750,000.00
173	MASEKI ENTERPRISES	196,724.00
174	Mash Engineering	1,206,323.00
175	MASH ENGINEERING LIMITED	2,368,591.75
176	Mashal Fowler Ltd	1,381,003.00
177	Measurement systems	372,347.00
178	Medabs Enerprises	10,281,500.00
179	MEDABS ENTERPRISES LIMITED	4,671,499.80
180	Medium Electricals	305,608.00
181	MEGA PIXEL GENERAL CONTRACTORS KENYA LIMITED	399,758.20
182	Metta Electricals	426,185.25
183	Miangeni International	862,524.00
184	MIANGENI INTERNATIONAL LIMITED	4,296,330.00
185	MIC Dan Ent	160,144.60
186	MIMA DESIGNS	1,477,999.10
187	Miranda inter	420,243.00
188	MIRANDA INTERNATIONAL LIMITED	1,097,500.40
189	Mobash Construction	0.60
190	MOBASH CONSTRUCTION COMPANY LIMITED	2,131,359.90
191	MOSSEIMUIR MACHINERY SERVICES LIMITED	278,450.00
192	MUKOVA CIVIL ENGINEERING LIMITED	2,952,884.00
193	MULJI DEVRAJ AND BROTHERS LIMITED	1,398,760.00
194	NAJILE SERVICES LIMITED	389,889.00
195	NAKURU EXPRESS SUPPLIES AND SERVICES	257,813.00
196	Nankesh works	339,081.20
197	NGIKAM GENERAL SUPPLIERS LIMITED	149,850.00
198	Njuca Construction	9,966,400.00
199	Northern Liberty build	16,712,022.00
200	NORTHERN LIBERTY BUILDERS LIMITED	1,825,894.00
201	Oneki Co.	2,825,383.45
202	ORACON CONSTRUCTION AND ENGINEERING CO. LIMITED	258,548.00
203	Original Distributors	88,503.40
204	ORIGINAL DISTRIBUTORS LIMITED	1,150,360.00
205	PALU INVESTMENTS COMPANY LIMITED	399,116.50
206	Paribas International	637,074.30

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207	Pasacon General	688,200.00
208	PASACON GENERAL CONSTRUCTION AND ELECTRICAL SERVICES LIMITED	946,367.50
209	Peff Agencies	54,480.20
210	P-HILLS INVESTMENTS	388,414.60
211	Phoenix procurement	199,868.00
212	PICKWELL BUILDERS LIMITED	596,999.20
213	PINNIE AGENCY LIMITED	3,723,567.20
214	PLAN AND TREND (EA) LIMITED	32,582.25
215	POLLERAS ENTERPRENUERS LIMITED	3,769,574.15
216	PONDO ENGINEERING LIMITED	392,006.00
217	POWERCAT GENERAL MERCHANDISE LIMITED	394,961.00
218	Prham care Co.	398,400.00
219	Prime hope Agencies	160,007.10
220	PRIME HOPE AGENCIES LIMITED	350,782.00
221	PROPERTY WORLD LIMITED	715,929.00
222	PROTETTA HOLDINGS LIMITED	1,445,050.00
223	PS MINISTRY OF DEFENCE	117,129,600.00
224	QUALITY INVESTMENT LIMITED	1,541,039.00
225	Raken Limited	361,873.20
226	Ranju Ltd	300,000.00
227	Ranju Limited	8,587,896.95
228	Ranju ltd	3,665,665.00
229	REGOLMA LIMITED	198,252.25
230	REJOMAX HOLDINGS LIMITED	378,526.00
231	Relenco ltd	267,613.90
232	RENNIE ENTERPRISES	318,284.00
233	RIBU SERVICES KENYA	893,800.00
234	RING BUILDING AND CONTRACTORS LIMITED	386,140.00
235	RISECROP HOLDINGS LIMITED-CHASE BANK LTD IR	1,704,300.00
236	Riziki Julia ent	119,630.00
237	Rocket international	382,032.00
238	Rocksolid Limited	1,512,496.70
239	ROLIMS INVESTMENT LIMITED	340,360.00
240	RUDRA BUILDERS LIMITED	390,089.50
241	SABBY INVESTMENTS LIMITED	396,000.00
242	SACCRED VENTURES LIMITED	2,009,358.10
243	Safari Essentials	396,400.00
244	SANGOLE CONSTRUCTION COMPANY LIMITED	5,565,370.85
245	SAYARI KENYA COMPANY LIMITED	226,111.50
246	SBH HOLDINGS LIMITED	216,280.00
247	SBP CONTRACTORS LIMITED	1,019,820.00
248	SCAN CONSTRUCTION LIMITED	1,847,445.00

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249	SCARLET SERRET LIMITED	241,375.50
250	Securex agencies	1,455,016.00
251	Shackmac investment	114,807.00
252	Shamay Ltd	107,867.10
253	Shamsalab Construction	3,000,003.75
254	SHAMSALAB CONSTRUTION LIMITED	5,999,494.25
255	Shantek Geneal	119,490.00
256	Shemey Ltd	53,128.00
257	SHEMSTAR LIMITED	388,982.70
258	SHEVIRON SERVICES	697,800.00
259	SIGNAL ENGINEERING	252,491.00
260	SILTEX INVESTMENT	329,490.00
261	SISMOMS COMPANY LIMITED	394,940.70
262	Sky Pack Plumbing	464,474.10
263	SKYPACK PLUMBING LIMITED	425,834.40
264	SKYTECK CONSTRUCTION AND GENERAL SUPPLIES LIMITED	10,595,573.25
265	SLEEK INTERNATIONAL LIMITED	1,914,000.00
266	SMARTCON CONTRACTORS AND SUPPLIERS	76,467.50
267	SMARTCON CONTRACTORS AND SUPPLIERS COMPANY LIMITED	781,291.50
268	SNOWPEAK REFRIGERATION AND GENERAL CONTRATORS LIMITED	149,352.00
269	SOFLEX AGENCIES LIMITED	217,991.00
270	Southern Engineering	1,516,616.00
271	Southern Engineering Co.	4,531,142.70
272	Spion Construction	8,446,066.10
273	Stanfajoy Co. Ltd	0.50
274	STARMOSS MERCHANTS	492,496.30
275	Steel Tech engineering	429,295.10
276	STEEL TECH ENGINEERING LIMITED	2,417,181.35
277	Steeltech	1,638,277.15
278	STRUMECH ENGINEERING AND CONSTRUCTION LIMITED	1,307,714.95
279	SUNSET ELECTRO SERVICES LIMITED	1,371,582.70
280	Synchroconsult	526,281.05
281	Tanar Supplies	53,920.00
282	TESTAI GENERAL CONTRACTORS LIMITED	399,844.60
283	TOP LIFE CONTRACTORS LIMITED	766,382.00
284	TRAX KENYA LIMITED	58,029,511.85
285	TULSI CONSTRUCTION LIMITED	774,686.60
286	Tulsi Construction Ltd	11,768,072.65
287	Tum Trading co	344,946.80
288	Twin Construction	2,672,439.45
289	TWIN CONSTRUCTION COMPANY LIMITED	4,141,252.40
290	Twin Contractors	1,394,515.00

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291	Twin trading	389,753.00
292	UNICOOL INTERNATIONAL LIMITED	1,144,135.80
293	UNICOOL INTERNATIONAL LTD	1,024,300.00
294	Valley Brook capital	189,499.80
295	VALLEY BROOK CAPITAL LIMITED	126,770.00
296	VANGUARD ENGINEERING LIMITED	2,329,831.45
297	Vansley holding Ltd	199,989.00
298	Vickers Construction	4,678,964.90
299	VICTORLINE ENTERPRISES LIMITED	179,639.00
300	Visage Construction Coy	98,721.60
301	Volcanic Plumbing	1,887,698.30
302	Vuma Investments	371,547.75
303	VUMA INVESTMENTS LIMITED	366,372.60
304	Wachema Investment	364,688.60
305	WAGRA INTERNATIONAL COMPANY	200,000.00
306	WALYN SERVICES LIMITED	311,173.40
307	WANDAL TRADING LIMITED	259,066.00
308	WARRIOR CONSTRUCTION LIMITED	398,277.00
309	Waruhiu Construction	12,280,467.90
310	WARUHIU CONSTRUCTION LIMITED	5,277,889.00
311	Wellmark	144,795.00
312	WELLMARK LIMITED	396,809.85
313	WILNA ROADS AND CIVIL ENGINEERING LIMITED	399,997.50
314	WONDER PROJECTS ENGINEERING AND CONSTRUCTION LIMITED	2,314,146.55
315	YELLOW HOUSE LIMITED	5,487,744.75
316	Yellow house Ltd	7,528,878.60
317	ZENITH OFFICE EXPEDITION SOLUTIONS (K) LIMITED	5,344,602.25
318	Pensions Unpaid FY 1617	15,619,583.00
319	Government Liabilities - Pensions FY 1718	80,894,584.7
320	Returned Salaries	593,472.30
321	Returned Payments	9,934,844.80
	TOTAL	758,784,057.8

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APPENDIX 9 - ADVANCE SALARIES

S/No.	SVC/No.	NAMES	Amount
1	12619	Kanyago Edward Mwangi	120,000.00
2	15583	Ojweke Jared Ochieng	200,000.00
3	16333	Cheptumo Reuben Chebon	120,000.00
4	19037	Omwega Richard Nyabuti	240,000.00
5	19128	Mayenga Samwel Mangera	200,000.00
6	19179	Cheret Francis Sichei	200,000.00
7	19362	Kirimi Joel Mugambi	200,000.00
8	19674	Chelogam Fredrick Kipkirui	200,000.00
9	19707	Nzuve David Muasya	200,000.00
10	19730	Ochola Christopher Onyango	200,000.00
11	19862	Onyamo Andrew Kagwa	105,553.00
12	19908	Kwach David Ochieng	200,000.00
13	19944	Mudhune Oscar David Odhiambo	200,000.00
14	21296	Wafula Mohammed Chemuche	160,000.00
15	21318	Bett Franklin Kipsang	200,000.00
16	21428	Onditi Vincent Ochieng	200,000.00
17	21466	Gichara Zablon Macharia	200,000.00
18	21559	Kinyua Agnes Wanjiru	200,000.00
19	33698	Gitau Joseph Macharia	140,000.00
20	34656	Mwita Judith Maswi	140,000.00
21	34935	Kimani Jackson Kiruku	140,000.00
22	35305	Thomas Kirui	140,000.00
23	35335	Kipkirui Martin	140,000.00
24	35460	Chege Paul Mugo	140,000.00
25	35470	Kazungu Winston Kaingu	140,000.00
26	35696	Yarow Muhumed Ahmed	140,000.00
27	35766	Mugadi Pravin Kihima	140,000.00
28	35860	Alphic Kipkirui	140,000.00
29	36114	Chebet Bivaline	140,000.00
30	37405	Mugoyani Nelson Senelwa	200,000.00
31	37453	Nyagah James Murogo	158,000.00
32	51221	Mutua Elizabeth Syombua	140,000.00
33	53663	Thananga Charles John	140,000.00
34	56482	Koskey Dancan Kiplagat	140,000.00
35	59392	Musuvali Anthony Mwendwa	140,000.00
36	59647	Opuru Keneth	140,000.00
37	60911	Kiplangat Stephen Bara Bara	140,000.00
38	61110	Rambo Said Ali	140,000.00

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39	61254	Peter Charles Kithinji	140,000.00
40	61892	Koech Julius Kipchirchir	140,000.00
41	62910	Nyonda Amos Ouma	140,000.00
42	64039	Bulbule Dulacha Mamo	140,000.00
43	64447	Mwenda Justice Amiru	140,000.00
44	64706	Butalia Alfred Agonya	140,000.00
45	65554	Mwawana Charles Mwabili	140,000.00
46	65901	Chepkonga Mark Barmao	140,000.00
47	66025	Orwochi Edward Kimbo	140,000.00
48	66293	Serete Kizito Lukulu	140,000.00
49	66539	Koyo Jeremiah Onyango	140,000.00
50	66549	Wangati Gerald Kingori	140,000.00
51	67394	Ndonga Alex Maina	140,000.00
52	68446	Maalim Mohamed Adan	140,000.00
53	69477	Mutuku Theophilus Mutiso	140,000.00
54	69552	Ngotho Daniel Njenga	140,000.00
55	69566	Ngugi Daniel Ngamau	140,000.00
56	69822	Bushendich Silas	140,000.00
57	70020	Kangogo Silas Too	140,000.00
58	70207	Mbeche Charles Ombach	140,000.00
59	70298	Malakwen Billy Kipkoech	140,000.00
60	70599	Muriuki Solomon Kimathi	140,000.00
61	70810	Kemboi Daniel Korir	140,000.00
62	70863	Soita Peter Wangila	140,000.00
63	71158	Ondiba Damaris Nyanchoka	140,000.00
64	71380	Wangui Lawrence Kimani	140,000.00
65	71490	Guandarau Robert Njoroge	140,000.00
66	71967	Singoey John Kipchirchir	140,000.00
67	71988	Orucho Maurice Odhiambo	140,000.00
68	72431	Obwange Thomas Oyunge	140,000.00
69	72488	Nyamwaro Evans Tito	140,000.00
70	73037	Mbugua John Kabeu	140,000.00
71	73190	Kikech Fedinard Wafula	140,000.00
72	73217	Nguso Adam Abdallah	140,000.00
73	73307	Cherukut Isaac Kibet	140,000.00
74	73485	Wambui Paul Mwai	140,000.00
75	73500	Weru John Kiago	140,000.00
76	73585	Muchiri Kelvin Muchangi	140,000.00
77	73787	Magwi Charles Magwi	140,000.00
78	73807	Owinyo Kennedy Ouma	140,000.00
79	73832	Airo Kennedy Onyango	140,000.00
80	73878	Okoth Philip Okinyi	140,000.00

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81	74098	Kisiang'ani George Muyaka	140,000.00
82	74684	Bilal Shemote Mohammed	140,000.00
83	74728	Kimani Mary Wachera	140,000.00
84	74946	Molo Philemon Lemayian	140,000.00
85	75245	Eliud Imbiakha Aswaka	140,000.00
86	75424	Mandago Nelly Jepkoech	140,000.00
87	75634	Kimeu Alois Sila	140,000.00
88	75779	Bendera Seif Ali	140,000.00
89	75798	Kiti Eric Nyale	140,000.00
90	75811	Shakombo Suleiman Athuman	140,000.00
91	75857	Mwagonah Franklin Kailo	140,000.00
92	75859	Nzaka Michael	140,000.00
93	75980	Orinda Antone Wachiaji	140,000.00
94	76138	Kelly Alfred Nixon	140,000.00
95	77081	Koech Daniel	140,000.00
96	77257	Otwane Wycliffe Ndailah	140,000.00
97	77380	Borusei Alex Kiplangat	140,000.00
98	77389	Isack Kipkirui Rotich	70,000.00
99	77389	Isack Kipkirui Rotich	60,000.00
100	77399	Shirim Edwin Kipasi	60,000.00
101	77534	Abdullahi Mohamed Amin Ali	60,000.00
102	77965	Maingi Anthony Gaiti	60,000.00
103	78167	Njue Abraham Murithi	60,000.00
104	78316	Geoffrey Ronoh Kipnetich	60,000.00
105	78774	Longor Anthony Losekon	60,000.00
106	78953	Idow Anwar Mohamed	60,000.00
107	78970	Kisavi Nicholas Maswili	60,000.00
108	79144	Kimere John Wakibi	60,000.00
109	79222	Tanui Betty Jeruto	60,000.00
110	79653	Toriki Parsanka	60,000.00
111	79687	Kilonzi Briton Kyeve	60,000.00
112	79750	Kipraste George Kiptoo	60,000.00
113	80520	Kudunda Lemmy Mwanje	60,000.00
114	81013	Waweru George Njenga	60,000.00
115	81051	Mwakamu John Bosco	60,000.00
116	81074	Wachira Lydiah Muthoni	60,000.00
117	81125	Kenga Sebastian Vidzo	60,000.00
118	81249	Kianga Victor Muendo	60,000.00
119	81298	Sune Nicholas Mwendwa	60,000.00
120	81558	Kimani Benson Thuo	60,000.00
121	81590	Mwangi Reuben Gikiri	60,000.00
122	81765	Njoroge Zainabu Wangari	60,000.00

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123	81817	Peter Kelvin Muema	60,000.00
124	82153	Obwanga Wilberforce Omondi	60,000.00
125	82171	Okeyo Aggrey Otieno	60,000.00
126	82239	Ikoo Philip Ochieng	60,000.00
127	82284	Andika Jason Obanda	60,000.00
128	82435	Mackutwa Moses	60,000.00
129	82456	Enee Emmanuel Omanyala	60,000.00
130	83095	Sheikh Abdiladif Ibrahim	60,000.00
131	83115	Makutho Andrew Kiriinya	60,000.00
132	83201	Ounah Eliud Kafwa	60,000.00
133	83366	Mwongo Martin Kaimenyi	60,000.00
134	83507	Angaluki Syphrose Vugutsa	60,000.00
135	83565	Akoth Evance Odooyo	60,000.00
136	83667	Kahuthia Ephraim Maina	60,000.00
137	83796	Muchiri Joseph Mwangi	60,000.00
138	83975	Mukhwana Eunice	60,000.00
139	84007	Waithanji Cyrus Njagi	60,000.00
140	84141	Kati James Mukhwana	60,000.00
141	84147	Odeyo Joej Nyota	60,000.00
142	84305	Lioshi Calistus Luhombo	60,000.00
143	84307	Akwabi Nelson Angachi	60,000.00
144	84328	Makotsi Robert Ingonga	60,000.00
145	84620	Mwangi Zachariah Wakaba	60,000.00
146	84623	Kamau Samuel Ngure	60,000.00
147	84708	Polycap Dick Otieno	60,000.00
148	84917	Ngove Boniface Musembi	60,000.00
149	84924	Nyawade Jacton Mangwana	60,000.00
150	84986	Kusimba Victor	60,000.00
151	85073	Abayo James Okiri	60,000.00
152	85141	Omil Elvis Bob	60,000.00
153	85378	Muchuma James Wangila	60,000.00
154	85395	Aijah Wycliffe Khayo	60,000.00
155	85415	Gitonga Moses Kirema	60,000.00
156	85463	Lukhanda Zacharia Sachita	60,000.00
157	85474	Nyaga Anthony Mbogo	60,000.00
158	85617	Mary Becky Kavinya	60,000.00
159	85647	Ombango David Eshitemi	60,000.00
160	85678	Bello Erastus Kipkoech	60,000.00
161	85737	Yego Jairus Allan	60,000.00
162	86350	Mwangi Jackson Irungu	60,000.00
163	86412	Nyaga John Njeru	60,000.00
164	86490	Peresian Idi Tajiri	60,000.00

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165	86594	Machoka Francis Ochogo	60,000.00
166	86596	Ombui Franco Nyamwaka	60,000.00
167	86789	Mutinda Lucas Nzioki	60,000.00
168	86865	Ombok Evance Ouma	60,000.00
169	86909	Magabe Maroa Stephen	60,000.00
170	86926	Mosoba Nkori John	60,000.00
171	87045	Kimani Stephen Wakaba	60,000.00
172	87076	Machisu Chrisantus Arema	60,000.00
173	87289	Taabu James John	60,000.00
174	87390	Chemlanyi Godwin Kwemoi	60,000.00
175	87511	Leyamyam Samson	60,000.00
176	87603	Muinamia James Mukuria	60,000.00
177	87828	Tinga Khamisi Lewa	60,000.00
178	88034	Fuja Antony Kizito	60,000.00
179	88201	Marete John Mwenda	60,000.00
180	88348	Simon Roy Mwinzi	60,000.00
181	88351	Duke Sammy	60,000.00
182	89266	Kisali Wilberforce Erego	60,000.00
183	89467	Barasa Samson	60,000.00
184	89509	Mwadudu Hamisi Omar	60,000.00
185	89516	Karisa Jackson Kazungu	60,000.00
186	90619	Luka Meshack	60,000.00
187	90657	Muthinga James Njenga	60,000.00
188	90675	Ngovi Nicholas Mue	60,000.00
189	90704	Yegon Daniel Kigen	60,000.00
190	90748	Gatuma Charles Mungai	60,000.00
191	90810	Roggers Kibet Kirui	60,000.00
192	90842	Nyarondia Daglas Kaburu	60,000.00
193	90956	Kijedi Dominic	60,000.00
194	90968	Kinda Erick Rocho	60,000.00
195	90972	Onono Evans Odhiambo	60,000.00
196	91098	Nyangi Derrick Otieno	60,000.00
197	91128	Omondi Kalyan Allan	60,000.00
198	91159	Oyundi Odhiambo Dedan	60,000.00
199	91168	Ochieng Otieno Amos	60,000.00
200	91235	Khaemba Edwin Mureithi	60,000.00
201	92117	Wachira David Mathenge	60,000.00
202	92305	Kimani John Mbugua	60,000.00
203	92325	Mathenge Joseph Mwangi	60,000.00
204	92383	Maika Leshan Peter	60,000.00
205	92505	Kariuki Patrick Kingori	60,000.00
206	92512	Kibiwott Paul	60,000.00

MINISTRY OF DEFENCE
Reports and Financial Statements
For the period ended Jun 30,2018 (Kshs)

207	92552	Bundotich Rodney Kibichi	60,000.00
208	92742	Mambo Patrick Mwangi	60,000.00
209	92913	Lempatu John Ntien	60,000.00
210	92940	Kinyua Bonface Mutembei	60,000.00
211	92961	Mithika Zakayo Baariu	60,000.00
212	92977	Thiaine Alex Mutabari	60,000.00
213	92981	Munene Denis	60,000.00
214	93027	Munuve Victor Mwendwa	60,000.00
215	93198	Tanui David Kipchumba	60,000.00
216	93331	Lelgo Cheruiyot Benard	60,000.00
217	93347	Cheruiyot Vincent	60,000.00
218	93356	Langat Festus	60,000.00
219	93396	Onyiego Fredrick Machoka	60,000.00
220	93422	Lesimo Ngiroin Benson	60,000.00
221	93447	Odipo Austine Odiwuor	60,000.00
222	93468	Lennox Stephen Jowi	60,000.00
223	93569	Alex Kitum Apusie	60,000.00
224	93621	Mwamloga Hamisi Ali	60,000.00
225	93652	Tsofa Willington Nyale	60,000.00
226	93667	Mazera Anderson Fwedehe	60,000.00
227	93713	Abdi Osman Daud	60,000.00
228	93748	Galgalo Isacko	60,000.00
229	93782	Wako Abdi Hassan	60,000.00
230	93783	Huka AbdiJabar Halkano	60,000.00
231	93830	Mutahi Billy Muchai	60,000.00
232	93875	Nyambura Julius Macharia	60,000.00
233	93891	Gitau Peter Irungu	60,000.00
234	93972	Nzusyo Peter Muema	60,000.00
235	93985	Kyalo Benson Mutisya	60,000.00
236	94623	Kenya Michael Mulinge	60,000.00
237	94744	Kariuki Zakayo Thuku	60,000.00
238	94927	Mboche Amos Wainaina	60,000.00
239	95015	Miriti Joseph Mbae	60,000.00
240	95096	Kiilu Stephen Munyoki	60,000.00
241	95205	Mwania Philip Kimenye	60,000.00
242	95327	Odundo Bob Otieno	60,000.00
243	95547	Alfred Joseph Galana	60,000.00
244	95605	Diba Ibrahim	60,000.00
245	95704	Katete Lesley Baha	60,000.00
246	95762	Michira Oigo Henry	60,000.00
247	95935	Merinyang Joseph Lomau	60,000.00
248	96022	Ibrahim Abdikani Adow	60,000.00

MINISTRY OF DEFENCE
Reports and Financial Statements
For the period ended Jun 30,2018 (Kshs)

249	96157	Jomo Sailas Kilonzo	60,000.00
250	96583	Kiplimo Amos	60,000.00
251	96916	Wangari Samson Kanyanjua	60,000.00
252	108052	Makori Fredrick Mosoti	60,000.00
253	108702	Mageto Francis	60,000.00
254	109182	Muthui Mwinzi Titus	60,000.00
255	109303	Ragbwando Pryce Chisagah	60,000.00
256	109305	Mwinzi Bernard Kibaki	60,000.00
257	109563	Obotah Charles Odhiambo	60,000.00
258	130021	Kirimi Kevin Kiambi	240,000.00
259	130207	Nyondo Mrisa Kengo	240,000.00
260	130379	Nyakundi Amon Nyansera	240,000.00
261	130398	Njoroge Antony Irungu	240,000.00
262	130402	Khisa Wafula Harry	240,000.00
263	130601	Korir Daniel Kiprono	240,000.00
264	130650	Kivulu Martin Kasinga	240,000.00
265	130703	Obuong Charles Odhone	240,000.00
266	130955	Mbuva Fidelis Munywoki	240,000.00
267	131054	Kuria Rose Waruiru	240,000.00
268	131094	Mjomba Olivia Msafiri	240,000.00
269	131368	Onyuro Victor Odhiambo	240,000.00
270	21369	Waititu Fares Kande	60,000.00
271		Okumu Philip Odhiambo	60,000.00
272	8374	Ali Mohammed Abdi Amin	60,000.00
273	8644	Opondo Joab Onyango	60,000.00
274	9695	Ondwasi Abraham Munyobi	60,000.00
275	9967	Wanjohi Fredrick Gachau	60,000.00
276	10120	Ing'athi Charles Ngui	60,000.00
277	10170	Omariba Samson Ongere	60,000.00
278	10801	Makori Geoffrey Omakori	60,000.00
279	10853	Leso Joseph Opiyo	60,000.00
280	10864	Omoro Peter Ouma	60,000.00
281	10883	Aduo Jecton Okombo	60,000.00
282	10943	Marenge Saphan Chole	60,000.00
283	10944	Mudaki Keneth Ajegah	60,000.00
284		Kipketer Jeremiah Kimutai	60,000.00
285	16317	Cheserem John Kipchirchir	60,000.00
286	16327	Chebii Joseph Kipkorir	60,000.00
287	16333	Cheptumo Reuben Chebon	60,000.00
288	16377	Matolo John Kimongo	60,000.00
289	16381	Ngomo Jackson Mutunga	60,000.00

MINISTRY OF DEFENCE
Reports and Financial Statements
For the period ended Jun 30,2018 (Kshs)

290	16425	Kavyuki Alexander Ngungi	60,000.00
291	16605	Rono John Kipserem	60,000.00
292	16674	Obonyo Samwel Nyakundi	60,000.00
293	16729	Muli Benjamin Katembu	60,000.00
294	16747	Limo Kiplangat Peter	60,000.00
295	16760	Khehato Morris Ashema	60,000.00
296	16762	Kivindyo Amos Mutwiwa	60,000.00
297	16846	Ndung'u Ibrahim Muhoya	60,000.00
298	16885	Matata Cellestine Robert	60,000.00
299	16945	Chepkwony Samwel Kiprono	60,000.00
300	16974	Terer Solomon Kiprotich	60,000.00
301		Tuisang Gideon Chelal	240,000.00
302	19413	Teka Edwin Maganga	240,000.00
303	19461	Ngondi William Magondu	240,000.00
304	19639	Machangoh Irene Auma	240,000.00
305		Kirtela John Kionki Metian	240,000.00
306	19712	Wafula Hesbon Juma	240,000.00
307	19741	Mulindo Daniel Baraza	240,000.00
308	19743	Orina Wilfred Nyakundi	240,000.00
309	19744	Kandagor Moses Kipkorir	240,000.00
310	19778	Mwilaria Julius Karithi	240,000.00
311	19782	Kemkem Kenneth Kimutai	240,000.00
312	19783	Parngetuny Charles Ledama	240,000.00
313	19789	Mungai Racheal Wanjiru	240,000.00
314	19801	Mutugi Fredrick Kimathi	240,000.00
315	19813	Kipyego Wesley Kipruto	240,000.00
316	19817	Omari Binti Mqua	240,000.00
317	19825	Okwoyo Clifford Gichaba	240,000.00
318	19829	Njihia Jackson Njoroge	240,000.00
319	19831	Rubithia Kennedy Kibui	240,000.00
320		Ole Katumpe George Sananka	240,000.00
321	19868	Muthoka Raphael Kinyumu	240,000.00
322	19870	Mwakio Jethro Mwashighadi	240,000.00
323	19878	Ogotu Vincent Nyakundi	240,000.00
324		Wechabi Paul Chepkenen	240,000.00
325	19889	Mwangi David Mbote	240,000.00
326	19891	Mutuku Patrick Mutiso	240,000.00
327	19901	Lovega Eric Libese	240,000.00
328	19904	Githaka James Kanyi	240,000.00

MINISTRY OF DEFENCE
Reports and Financial Statements
For the period ended Jun 30,2018 (Kshs)

329	19909	Nyaenya Dennis Araka	240,000.00
330	19910	Ogire Joseph Osuo	240,000.00
331	19914	Kurui Sheila Chepkorir	240,000.00
332	19929	Situma David Tielen	240,000.00
333	19930	Simatwa Samuel Kiboi	240,000.00
334	19931	Kuyo Abraham Kiptum	240,000.00
335		Agufa Samwel Njirimani	240,000.00
336	21417	Sulubu Kenneth Mwarandu	240,000.00
337		Mukhwana Cyprian	240,000.00
338	21440	Odhiambo Peter Obare	240,000.00
339	21444	Njagi Timothy Murage	240,000.00
		Total	38,193,553

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VOTE 104

Sub	Sub	Vote	EstimatedExpenditure	RealisedExpenditu	Balance
101					
00	0101	2110100	(531,855,915.00)	544,636,778.65	12,780,863.65
00	0101	2110300	(339,544,085.00)	328,295,581.60	(11,248,503.40)
00	0101	2110400	0.00	0.00	0.00
00	0101	2210200	(5,709,880.00)	6,819,425.15	1,109,545.15
00	0101	2210300	(24,695,066.00)	36,118,510.85	11,423,444.85
00	0101	2210400	(13,136,874.00)	13,552,615.70	415,741.70
00	0101	2210500	(2,209,964.00)	3,477,831.20	1,267,867.20
00	0101	2210600	0.00	0.00	0.00
00	0101	2210700	(12,013,338.00)	14,348,810.00	2,335,472.00
00	0101	2210800	(13,766,805.00)	20,633,164.50	6,866,359.50
00	0101	2211000	(14,382,210.00)	4,978,809.85	(9,403,400.15)
00	0101	2211100	(3,800,037.00)	8,086,811.65	4,286,774.65
00	0101	2211200	(4,814,585.00)	4,333,698.70	(480,886.30)
00	0101	2211300	(5,386,727.00)	6,357,900.00	971,173.00
00	0101	2220100	(10,924,090.00)	7,912,358.85	(3,011,731.15)
00	0101	2220200	(1,138,435.00)	1,164,273.00	25,838.00
00	0101	2710100	(18,000,000.00)	0.00	(18,000,000.00)
00	0101	3110400	0.00	0.00	0.00
00	0101	3110700	0.00	0.00	0.00
00	0101	3111000	(1,260,000.00)	2,165,340.00	905,340.00
00	0101	3111100	(9,510,300.00)	5,689,400.00	(3,820,900.00)
102		Sub-head Total	(1,012,148,311.00)	1,008,571,309.70	-3,577,001.30
00	0102	2210200	(37,542.00)	29,400.00	(8,142.00)
00	0102	2210300	(655,200.00)	29,400.00	(625,800.00)
00	0102	2210500	0.00	0.00	0.00
00	0102	2210700	(302,310.00)	0.00	(302,310.00)
00	0102	2210800	(45,336.00)	0.00	(45,336.00)
00	0102	2211100	(104,700.00)	0.00	(104,700.00)
00	0102	2211200	(180,120.00)	0.00	(180,120.00)
00	0102	2220100	(368,970.00)	29,400.00	(339,570.00)
103		Sub-head Total	(1,694,178.00)	88,200.00	-1,605,978.00
00	0103	2210200	(33,400.00)	0.00	(33,400.00)
00	0103	2210300	(1,812,484.00)	724,210.00	(1,088,274.00)
00	0103	2210500	0.00	0.00	0.00
00	0103	2210800	(23,845.00)	0.00	(23,845.00)
00	0103	2211100	(52,575.00)	0.00	(52,575.00)

Sub	Sub	Vote	EstimatedExpenditure	RealisedExpenditu	Balance
10	0103	2211200			
		Sub-head Total			
104					
10	0104	2210300			
10	0104	2210700			
10	0104	2210800			
10	0104	2211000			
10	0104	3111000			
10	0104	3111100			
		Sub-head Total			
105					
10	0105	2210300			
10	0105	2210700			
10	0105	2210800			
10	0105	2211000			
10	0105	3111000			
		Sub-head Total			
106					
10	0106	2210300			
10	0106	2210700			
10	0106	2210800			
10	0106	2211000			
10	0106	3111000			
		Sub-head Total			
107					
10	0107	2630100			
		Sub-head Total			
108					
10	0108	2210200			
10	0108	2210300			
10	0108	2210700			
10	0108	2210800			
		Sub-head Total			
109					
10	0109	2210200			
10	0109	2210300			
10	0109	2210400			
10	0109	2210800			
10	0109	2211300			

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ACCOUNT UNIT - 104
CLASS OF ACCOUNT

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VOTE 104

Sub	Sub	Vote	EstimatedExpenditure	RealisedExpenditu	Balance
391					
34	0391	6760101	0.00	0.00	0.00
		Sub-head Total	0.00	0.00	0.00
392					
34	0392	6760101	0.00	0.00	0.00
		Sub-head Total	0.00	0.00	0.00
394					
34	0394	6760101	0.00	0.00	0.00
		Sub-head Total	0.00	0.00	0.00
395					
34	0395	6710101	0.00	0.00	0.00
34	0395	6710103	0.00	38,193,553.00	38,193,553.00
34	0395	6760103	0.00	0.00	0.00
34	0395	6780103	0.00	0.00	0.00
34	0395	7320101	0.00	0.00	0.00
34	0395	7320103	0.00	0.00	0.00
34	0395	7320104	0.00	0.00	0.00
34	0395	7320107	0.00	0.00	0.00
34	0395	7320108	0.00	0.00	0.00
34	0395	7320109	0.00	0.00	0.00
34	0395	7320110	0.00	0.00	0.00
34	0395	7320112	0.00	0.00	0.00
34	0395	7320113	0.00	0.00	0.00
34	0395	7320115	0.00	0.00	0.00
34	0395	7320116	0.00	0.00	0.00
34	0395	7320117	0.00	0.00	0.00
34	0395	7320118	0.00	0.00	0.00
34	0395	7320119	0.00	0.00	0.00
34	0395	7320199	0.00	0.00	0.00
34	0395	7330101	0.00	0.00	0.00
		Sub-head Total	0.00	38,193,553.00	38,193,553.00
130					
34	1130	6760101	0.00	0.00	0.00
		Sub-head Total	0.00	0.00	0.00
190					
34	2190	6760101	0.00	0.00	0.00
		Sub-head Total	0.00	0.00	0.00
210					
34	2210	6760101	0.00	0.00	0.00

ACCOUNT UNIT - 104
CLASS OF ACCOUNT

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VOTE 104

Sub	Sub	Vote	EstimatedExpenditure	RealisedExpenditu	Balance
090		Sub-head Total	0.00	0.00	0.00
34	3090	6760101			
		Sub-head Total	0.00	0.00	0.00
130					
34	3130	6760101	0.00	0.00	0.00
		Sub-head Total	0.00	0.00	0.00
190					
34	3190	6760101	0.00	0.00	0.00
		Sub-head Total	0.00	0.00	0.00
390					
34	4390	6760101	0.00	0.00	0.00
		Sub-head Total	0.00	0.00	0.00
010					
34	5010	6760101	0.00	0.00	0.00
		Sub-head Total	0.00	0.00	0.00
090					
34	7090	6760101	0.00	0.00	0.00
		Sub-head Total	0.00	0.00	0.00
110					
34	7110	6760101	0.00	0.00	0.00
		Sub-head Total	0.00	0.00	0.00
310					
34	7310	6760101	0.00	0.00	0.00
		Sub-head Total	0.00	0.00	0.00
320					
34	7320	6760101	0.00	0.00	0.00
		Sub-head Total	0.00	0.00	0.00
350					
34	7350	6760101	0.00	0.00	0.00
34	7350	6760102	0.00	0.00	0.00
		Sub-head Total	0.00	0.00	0.00
410					
34	7410	6760101	0.00	0.00	0.00
		Sub-head Total	0.00	0.00	0.00
010					
34	8010	6770101	0.00	0.00	0.00
		Sub-head Total	0.00	0.00	0.00
030					

Sub	Sub	Vote	EstimatedExpenditure	RealisedExpenditu	Balance
34	8030	6760101	0.00	0.00	0.00
		Sub-head Total	0.00	0.00	0.00
040					
34	8040	6760101	0.00	0.00	0.00
		Sub-head Total	0.00	0.00	0.00
050					
34	8050	6770101	0.00	0.00	0.00
		Sub-head Total	0.00	0.00	0.00
070					
34	8070	6770101	0.00	0.00	0.00
		Sub-head Total	0.00	0.00	0.00
090					
34	8090	6760101	0.00	0.00	0.00
		Sub-head Total	0.00	0.00	0.00
130					
34	8130	6760101	0.00	0.00	0.00
		Sub-head Total	0.00	0.00	0.00
350					
34	8350	6770101	0.00	0.00	0.00
		Sub-head Total	0.00	0.00	0.00
400					
34	8400	6770101	0.00	0.00	0.00
		Sub-head Total	0.00	0.00	0.00
410					
34	8410	6770701	0.00	0.00	0.00
		Sub-head Total	0.00	0.00	0.00
620					
34	8620	6710103	0.00	0.00	0.00
		Sub-head Total	0.00	0.00	0.00
700					
34	8700	6760101	0.00	0.00	0.00
		Sub-head Total	0.00	0.00	0.00
720					
34	8720	6760103	0.00	0.00	0.00
		Sub-head Total	0.00	0.00	0.00
800					
* 34	8800	6770101	0.00	0.00	0.00
		Sub-head Total	0.00	0.00	0.00
820					

ACCOUNT UNIT - 104
CLASS OF ACCOUNT

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VOTE 104

Sub	Sub	Vote	EstimatedExpenditure	RealisedExpenditu	Balance
34	8820	6740102	0.00	0.00	0.00
34	8820	6770102	0.00	0.25	0.25
		Sub-head Total	0.00	0.25	0.25
920					
34	8920	6780102	0.00	0.00	0.00
34	8920	7310101	0.00	0.00	0.00
34	8920	7320101	0.00	0.00	0.00
34	8920	7320102	0.00	0.00	0.00
34	8920	7320103	0.00	0.00	0.00
34	8920	7320104	0.00	0.00	0.00
34	8920	7320106	0.00	0.00	0.00
34	8920	7320107	0.00	0.00	0.00
34	8920	7320108	0.00	0.00	0.00
34	8920	7320109	0.00	0.00	0.00
34	8920	7320110	0.00	0.00	0.00
34	8920	7320111	0.00	0.00	0.00
34	8920	7320112	0.00	0.00	0.00
34	8920	7320113	0.00	0.00	0.00
34	8920	7320114	0.00	0.00	0.00
34	8920	7320115	0.00	0.00	0.00
34	8920	7320116	0.00	0.00	0.00
34	8920	7320117	0.00	0.00	0.00
34	8920	7320119	0.00	0.00	0.00
34	8920	7320120	0.00	0.00	0.00
34	8920	7320199	0.00	0.00	0.00
34	8920	7330101	0.00	0.00	0.00
		Sub-head Total	0.00	0.00	0.00
		Head Total	0.00	38,193,553.25	38,193,553.25
		Sub-Vote Total	0.00	38,193,553.25	38,193,553.25

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TRIAL BALANCE AS AT THE END OF

ACCOUNT UNIT - 104
CLASS OF ACCOUNT

0
VOTE 104

Sub	Sub	Vote	EstimatedExpenditure	RealisedExpenditu	Balance
395					
00	0395	2630101	(105,641,000,000.00)	92,986,413,315.49	(12,654,586,684.51)
		Sub-head Total	(105,641,000,000.00)	92,986,413,315.49	-12,654,586,684.51
		Head Total	(105,641,000,000.00)	92,986,413,315.49	(12,654,586,684.51)
		Sub-Vote Total	(105,641,000,000.00)	92,986,413,315.49	(12,654,586,684.51)

Sub	Sub	Vote	EstimatedExpenditure	RealisedExpenditu	Balance
000					
48	0000	1140509			
48	0000	2640102			
48	0000	3110502	0.00	0.00	0.00
48	0000	5110602	0.00	0.00	0.00
48	0000	5120302	0.00	0.00	0.00
48	0000	6770101	0.00	0.00	0.00
48	0000	6780105	0.00	0.00	0.00
48	0000	7310101	0.00	0.00	0.00
48	0000	7320201	0.00	0.00	0.00
		Sub-head Total	(637,703,162.00)	(102,209,233.85)	(102,209,233.85)
		Head Total	(637,703,162.00)	(21,309,689.20)	(659,012,851.20)
		Sub-Vote Total	(637,703,162.00)	(123,518,923.05)	-761,222,085.05
			(637,703,162.00)	(123,518,923.05)	(761,222,085.05)
			(637,703,162.00)	(123,518,923.05)	(761,222,085.05)

ACCOUNT UNIT - 104
CLASS OF ACCOUNT

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VOTE 104

Sub	Sub	Vote	EstimatedExpenditure	RealisedExpenditu	Balance
000					
41	0000	6520101	0.00	(94,110,862,848.00)	(94,110,862,848.00)
41	0000	9910301	0.00	0.00	0.00
		Sub-head Total	0.00	(94,110,862,848.00)	-94,110,862,848.00
001					
41	0001	6520101	0.00	0.00	0.00
		Sub-head Total	0.00	0.00	0.00
002					
41	0002	6520101	0.00	0.00	0.00
		Sub-head Total	0.00	0.00	0.00
003					
41	0003	6520101	0.00	0.00	0.00
		Sub-head Total	0.00	0.00	0.00
		Head Total	0.00	(94,110,862,848.00)	(94,110,862,848.00)
		Sub-Vote Total	0.00	94,110,862,848.00	(94,110,862,848.00)

ACCOUNT UNIT - 104
CLASS OF ACCOUNT

2
VOTE 104

Sub	Sub	Vote	EstimatedExpenditure	RealisedExpenditu	Balance
01	0395	1420212	0.00	33,844,458.55	33,844,458.55
		Sub-head Total	0.00	33,844,458.55	33,844,458.55
		Head Total	0.00	33,844,458.55	33,844,458.55
		Sub-Vote Total	0.00	33,844,458.55	33,844,458.55

Sub	Sub	Vote	EstimatedExpenditure	RealisedExpenditu	Balance
ote					
395					
00	0395	2630203 Sub-head Total Head Total Sub-Vote Total	(7,429,995,045.00) (7,429,995,045.00) (7,429,995,045.00) (7,429,995,045.00)	5,914,806,872.40 5,914,806,872.40 5,914,806,872.40 5,914,806,872.40	(1,515,188,172.60) -1,515,188,172.60 (1,515,188,172.60) (1,515,188,172.60)

as at 30TH JUNE 2018, 19 Station ULINZI

Bank Balance as per Cash Book


Signature

CHIEF ACCOUNTANT
MINISTRY OF DEFENCE

19.07.18

1. PAYMENTS IN CASH BOOK NOT YET RECORDED IN BANK STATEMENT (UNPRESENTED CHEQUES)

Cheque		PAYEE	AMOUNT		Cheque		PAYEE	AMOUNT	
No.	Date		Sh.	cts.	No.	Date		Sh.	cts.
AS PER THE LIST			4,349,365,818.75						
			4,349,365,818.75						

PREPARED BY: A.C. MBRU *Ambrose* I/C BTL
BY: A. Wanele *[Signature]* SNR ACCT

APPENDIX 4

RECEIPTS IN CASHBOOK NOT YET RECORDED IN BANK STATEMENT		
AS AT 30TH JUNE 2018		
DATE	RECEIPT PARTICULARS	AMOUNT
29-06-2018	EXCHEQUER	3,000,000,000.00
29-06-2018	PENSIONS	811,610,790.75
29-06-2018	GAIN IN FLUCTUATION	4,557,420.40
	TOTAL	3,816,168,211.15

PREPARED BY... A. N. MBURU ~~[Signature]~~ /IC BTL
CHECKED BY... A. N. Waweru ~~[Signature]~~ SNR ACCT

2095	29-Jun-18	29-Jun-18	FT18180V2W5S	Returned RTGS Payment EQUITY BANK LIMITED /ROC/REASON BNF DETAILS DIFFERS BNF JENNIFER CHEPKOSKEI YOUR MT 102 DATED 180627 OF KES 6500.00 REF RT18178MX8T0 Local Cash Deposit Bulk	0	6,500.00	535,004,748.25
2096	29-Jun-18	29-Jun-18	FT18180QMQD3	Returned RTGS Payment 2.37E+23	0	12,689.70	535,017,437.95
2097	29-Jun-18	29-Jun-18	FT18180QRR7R	Returned RTGS Payment COOPERATIVE BANK OF KENYA LTD., THE /REC/UTA: A/C TITLE DIFFERS IFO GIBRI ENTERPRISES YOUR MT 102 D.D 29.06.18 KES.3193819.10 RT18180BP9FX	0	348,000.00	535,365,437.95
Totals					6,267,314,903.30	6,214,792,098.70	535,365,437.95
				Closing Balance :			

REPUBLIC OF KENYA

82032
F.O 30

as at 30TH JUNE 2018, 19 Station ULINZI

Balance as per Bank Certificate	..
<i>Less—</i>	
1. Payments in Cash Book not yet recorded in Bank Statement (Unpresented Cheques)	..
2. Receipts in Bank Statement not yet recorded in Cash Book	..
<i>Add—</i>	
3. Payments in Bank Statement not yet recorded in Cash Book	..
4. Receipts in Cash Book not yet Recorded in Bank Statement	..

Bank Balance as per Cash Book . . .


Signature

CHIEF ACCOUNTANT
MINISTRY OF DEFENCE

19.07.18
Date

1. PAYMENTS IN CASH BOOK NOT YET RECORDED IN BANK STATEMENT (UNPRESENTED CHEQUES)

CHSQUE		PAYEE	AMOUNT		CHSQUE		PAYEE	AMOUNT	
No.	Date		Sh.	cts.	No.	Date		Sh.	cts.
AS PER THE LIST			87,869,221.80						
			<u>87,869,221.80</u>						
			=====						

PAYMENTS IN CASH BOOK NOT YET RECORDED IN BANK STATEMENT			
AS AT 30TH JUNE 2018			
DATE	DETAILS	AMOUNT	ADJUSTED ON:
29-06-2018	REVENUE BEING SURRENDERED TO THE EXCHEQUER	77,890,557.80	
29-06-2018	GENESIS SOLUTION	2,116,500.00	
29-06-2018	MASLIN LTD	4,222,850.00	
29-06-2018	GULF TECH AND BUILDING SERVICES	2,846,918.00	
29-06-2018	KEPSS	5,040.00	
29-06-2018	HERMANOS SYSTEMS	393,356.00	
29-06-2018	MONGIFARM ELECTRICAL	394,000.00	
	TOTAL	87,869,221.80	

PREPARED BY.....A. N. MBIRU...../C BTLCHECKED BY.....A. N. MBIRU.....SNR ACCT

APPENDIX 4

RECEIPTS IN CASHBOOK NOT YET RECORDED IN BANK STATEMENT		
AS AT 30TH JUNE 2018		
DATE	RECEIPT PARTICULARS	AMOUNT
29-06-2018	RETENTION MONEY	123,905,878.40
29-06-2018	PENSION	72,574,675.40
	TOTAL	196,480,553.80

PREPARED BY A. N. MBORI [Signature] I/C BTL

CHECKED BY A. W. Waweru [Signature] SNR ACCT

114	29-Jun-18	29-Jun-18 FT18180M2G7F	TRFS Payments	0	393,693.00	511,640,728.85
			36488			
115	29-Jun-18	29-Jun-18 FT1818066VBF	TRFS Payments	0	499,500.00	512,140,228.85
			37702			
116	29-Jun-18	29-Jun-18 FT18180RYFMJ	TRFS Payments	0	772,800.00	512,913,028.85
			37660			
117	29-Jun-18	29-Jun-18 FT18180YCXXX	TRFS Payments	0	793,561.40	513,706,590.25
			FIN/3832			
118	29-Jun-18	29-Jun-18 FT181801L48L	TRFS Payments	0	136,466,134.45	650,172,724.70
			36373			
			Totals	433,036,816.30	438,499,885.20	650,172,724.70
				Closing Balance :		

REPUBLIC OF KENYA

Date 02-07-2018

Report of the Board of Survey on the Cash and Bank Balances of Ministry of Defence
as at the close of
business on 29-06-2018, ~~19~~

The Board, consisting of—(Names and official titles)

COL. SAMMY KIPNG'ETICH — CHAIRMAN

MS. JULIA W. NGANGA — MEMBER

MR. CHARLES O. KUNYORIA — MEMBER

assembled at the office of ARMED FORCES CASHIER

at 9.00 A.M (time) on the 02-07-2018, ~~x19~~

and the following cash was produced:—

Notes		Sh. NIL
Silver		Sh. NIL
Copper		Sh. NIL
Cheques (as per details on reverse)		Sh. NIL
		NIL

It was observed that cheques amounting to Sh. NIL cts. NIL had been on hand for more than 14 days prior to the date of the survey.

The cash consists of East African currency and does not contain any demonetized coin or notes.

The Cash Book reflected the following balances as at the close of business on the 29-06-2018, ~~19x~~ :—

Cash on hand		Sh. NIL
Bank Balance		Sh. 2,167,830.35
		2,167,830.35

The Bank Certificate of Balance showed a sum of Sh. Five Hundred and Thirty Five Million Three Hundred and Sixty five Thousand, Four Hundred and Thirty Seven and Ninety Five Cents Only (Sh. 535,365,437=95=) standing to the credit of the account on 29-06-2018, ~~x19~~

The difference between this figure and the Bank Balance as shown by the Cash Book is accounted for in the Bank Reconciliation Statement (F.O. 30) attached.

Col S Kipng'etich 2/7/18

Julia W. Nganga

Charles O. Kunyoria

Chairman.

2/7/18

2/7/2018

Date

REPUBLIC OF KENYA

Date 02-07-2018

Report of the Board of Survey on the Cash and Bank Balances of Ministry of Defence

as at the close of
business on 29-06-2018

The Board, consisting of—(Names and official titles)

COL. SAMMY KIPNG'ETICH	—	CHAIRMAN
MS. JULIA W. NGANGA	—	MEMBER
MR. CHARLES O. KUNYORIA	—	MEMBER

assembled at the office of ARMED FORCES CASHIER

at 9.00 A.M. (time) on the 02-07-2018

and the following cash was produced:—

Notes		Sh.	NIL
Silver		Sh.	NIL
Copper		Sh.	NIL
Cheques (as per details on reverse)		Sh.	NIL
			NIL

It was observed that cheques amounting to Sh. NIL cts. NIL
had been on hand for more than 14 days prior to the date of the survey.

The cash consists of East African currency and does not contain any demonetized coin
or notes.

The Cash Book reflected the following balances as at the close of business on the

29-06-2018

Cash on hand		Sh.	NIL
Bank Balance		Sh.	758,784,056.70
			758,784,056.70

The Bank Certificate of Balance showed a sum of Sh. Six Hundred and Fifty Million
One Hundred and Seventy two Thousand, Seven Hundred and Twenty Four
and Seventy Cents Only. (Sh. 650,172,724=70=)

standing to the credit of the account on 29-06-2018

The difference between this figure and the Bank Balance as shown by the Cash Book
is accounted for in the Bank Reconciliation Statement (F.O. 30) attached.

Col S Kipng'etich 2/7/18
Julia W. Nganga 2/7/18
Charles O. Kunyoria 2/7/18
Chairman.

Date

BANKI
KUU YA
KENYA

CENTRAL
BANK OF
KENYA

Haile Selassie Avenue
P.O. Box 60000-00200 Nairobi, Kenya
Telephone: 2860000, Fax: 340192

July 12, 2018

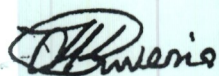
CERTIFICATE OF BALANCES

Customer: 120366

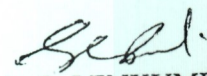
MINISTRY OF DEFENCE

Balance Date: June 30, 2018

Account No	Account Name	Currency	Balance
1000181435	REC-MINISTRY OF DEFENCE	KES	535,365,437.95
1000182032	DEP-MINISTRY OF DEFENCE	KES	650,172,724.70
1000182466	CBK165-MINISTRY OF DEFENCE	KES	0.00



L. K. RWERIA
AUTHORISED SIGNATORY
BANKING SERVICES



P. S. LENKUME
AUTHORISED SIGNATORY
BANKING SERVICES

RECORDINGS OF TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Confirmation of amounts received by Kenya Ordnance Factories Corporation as at 30th June 2018

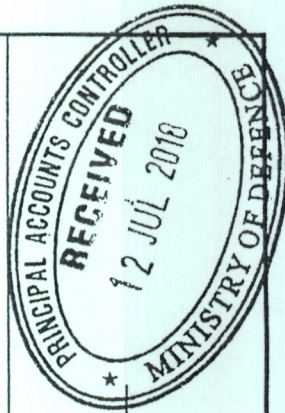
Reference Number	Date Disbursed	Recurrent (Kshs) (A)	Development (Kshs) (B)	Inter Ministerial (Kshs) (C)	Total (D) = (A+B+C)	Amount Received by KOFCA as at 30th June 2018 (E)	Difference (Kshs) (F) = (D-E)
KCB RV 105	28/8/2017	135,000,000.00	-	-	135,000,000.00	135,000,000.00	-
RVCOOP 71	5/1/2017	77,300,000.00	-	-	77,300,000.00	77,300,000.00	-
Payroll	Jul-17	15,791,197.00	-	-	15,791,197.00	15,791,197.00	-
Payroll	Aug-17	16,340,163.10	-	-	16,340,163.10	16,340,163.10	-
Payroll	Sep-17	18,458,513.90	-	-	18,458,513.90	18,458,513.90	-
Payroll	Oct-17	17,409,309.90	-	-	17,409,309.90	17,409,309.90	-
Payroll	Nov-17	17,361,866.90	-	-	17,361,866.90	17,361,866.90	-
Payroll	Dec-17	17,691,618.65	-	-	17,691,618.65	17,691,618.65	-
Payroll	Jan-18	18,000,238.00	-	-	18,000,238.00	18,000,238.00	-
Payroll	Feb-18	18,066,809.60	-	-	18,066,809.60	18,066,809.60	-
Payroll	Mar-18	17,190,516.90	-	-	17,190,516.90	17,190,516.90	-
Payroll	Apr-18	17,270,664.50	-	-	17,270,664.50	17,270,664.50	-
Payroll	May-18	17,321,900.65	-	-	17,321,900.65	17,321,900.65	-
Payroll	Jun-18	17,160,113.20	-	-	17,160,113.20	17,160,113.20	-
Total		420,362,912.30	-	-	420,362,912.30	420,362,912.30	-

I confirm that the amount shown above are correct as of the date indicated.

Head of Accounts Department:

Name Michael Rotich

Signature



Date

11/7/18

REIMBURSEMENT TO GOVERNMENT OF KENYA

F/Y 2017/2018

DATE	AMOUNT RECEIVED			SOURCE	MR NO.	TREASURY MR NO./GPAY REF	REMARKS
	AMT. FOREX	ROE	KSHS.				
24.07.2017	N/A	N/A	7,060,766.00	Standard Chartered Bank	B2813541	B2805358	UN (KESC4)
24.07.2017	102,255.00	103.78	10,612,023.90	UN NEW YORK	B2813546	B2805359	UN Peace Keeping Troops
19.12.2017	14,931,954.00	121.64	1,816,384,105.55	AU	B3731173	B2827081	Troop Allowance
16.10.2017			794,640,000.00		B3743574	B2805222	
27.10.2017	N/A	N/A	7,283,083.20		B3743702	B2827057	
25.01.2018	86,000.00	102.66	8,828,760.00	AU	B3731359	B2827099	AMISON
25.01.2018	445,000.00	102.66	45,683,700.00	AU	B3731360	B2827100	AMISON
25.01.2018	450,000.00	102.66	46,197,000.00	AU	B3731361	B2827251	AMISON
25.01.2018	3,654,078.01	102.66	374,360,292.10	UN NEW YORK	B3731362	B2827252	UN
14.02.2018	11,932,722.00	123.57	1,474,569,415.30	AU	B3731385	B2827277	AMISON
09.03.2018	N/A	N/A	20,748,834.00	Standard Chartered Bank	B4166203	B2830585	UN (KESC4)
16.03.2018	N/A	N/A	322,600.00	Standard Chartered Bank	B4166214	B2830584	UN (KESC4)
10.04.2018	N/A	N/A	26,399,538.00	Citibank N.A.	B3731419	B2830737	AMISON
06.06.2018	N/A	N/A	10,198,422.20	Standard Chartered Bank	B3841325	B2830864	UN (KESC4)
26.06.2018	N/A	N/A	15,129,000.00	Standard Chartered Bank	B3841348	B2830883	UN (KESC4)
26.06.2018	N/A	N/A	2,420,640.00	Standard Chartered Bank	B3841349	B2830882	UN (KESC4)
28.06.2018	N/A	N/A	12,815,894.05	Standard Chartered Bank	B3857241	B2830897	UN (KESC4)
TOTAL			4,673,654,074.30				

			1-Jul-16	Original Provision	103,574,400,000.00
			01-Mar-17	Supp I	1,686,984,819.00
			04-May-18	Supp II	1,574,000,000.00
27-Jul-17	8	2,773,200,000.00			
01-Aug-17	27	3,973,100,000.00			
02-Aug-17	53	4,646,800,000.00			
25-Aug-17	182	4,617,386,074.00			
12-Sep-17	301	691,481,613.00			
25-Sep-17	370	3,415,659,100.00			
26-Sep-17	382	4,620,448,500.00			
04-Oct-17	461	1,440,000,000.00			
18-Oct-17	536	1,045,300,000.00			
01-Nov-17	611	4,330,502,000.00			
15-Nov-17	692	1,270,000,000.00			
29-Nov-17	804	5,147,423,566.00			
07-Dec-17	853	1,160,400,000.00			
22-Dec-17	922	3,244,687,600.00			
22-Dec-17	933	3,367,007,200.00			
11-Jan-18	1001	500,000,000.00			
11-Jan-18	1001	500,000,000.00			
19-Jan-18	1054	500,000,000.00			
26-Jan-18	1082	4,949,725,700.00			
02-Feb-18	1138	1,000,000,000.00			
09-Feb-18	1181	500,000,000.00			
16-Feb-18	1214	1,200,000,000.00			
23-Feb-18	1237	800,000,000.00			
26-Feb-18	1249	4,540,000,000.00			
15-Mar-18	1353	800,000,000.00			
20-Mar-18	1382	700,000,000.00			
26-Mar-18	1406	4,508,598,200.00			
28-Mar-18	1433	992,260,800.00			
06-Apr-18	1491	500,000,000.00			
11-Apr-18	1508	1,000,000,000.00			
16-Apr-18	1527	1,000,000,000.00			
19-Apr-18	1539	600,000,000.00			
24-Apr-18	1562	5,015,840,245.00			
08-May-18	1639	900,000,000.00			
14-May-18	1668	900,000,000.00			
15-May-18	1680	319,700,000.00			
17-May-18	1693	1,500,000,000.00			
25-May-18	1737	6,029,516,300.00			
19-Jun-18	1829	1,000,000,000.00			
25-Jun-18	1865	5,115,778,600.00			
29-Jun-18	1943	1,000,000,000.00			
29-Jun-18	1949	2,000,000,000.00			
Total Issues		94,114,815,498.00			
Balance		12,720,569,321.00			
		106,835,384,819.00			
					106,835,384,819.00

Statement of Cash Position

As at 31 December 2017

Implementing Partner:
Project Name:

Project Number:
Output Number:

International Peace Support Training Centre
Enhancing Security in Response to the Rise of Violent Extremism
within Kenya
81560
104758

Description	Amount KShs	Amount USD
Funds received from UNDP		
1 st Tranche	6,118,290	59,171
2 nd Tranche	12,673,100	122,434
3 rd Tranche	24,992,459	242,175
Total funds received in 2017	43,783,849	423,780
Expenses	43,783,849	423,780
Less: Expenses incurred in 2017	(5,365,849)	(51,839)
Total expenses	38,418,000	371,240
Closing fund balance	5,365,849	51,839
Represented by:		
Funds due to UNDP	5,365,849	51,839

The above statement of cash position was approved by the Management on _____ 2018
and signed on its behalf by:

Name: Kevin Maina
Position: Project Manager
International Peace Support Training Centre
04 APR 2018
IPSTC

Name: KEVIN MAINA
Position: HEAD OF FINANCE
International Peace Support Training Centre

3. Statement of management responsibilities

UNDP Kenya and International Peace Support Training Centre are responsible for ensuring that the organisation keeps proper accounting records that are sufficient to show and explain the transactions of the organisation; disclose with reasonable accuracy at any time the financial position of the organisation; and that enables them to prepare financial statements of the project that comply with prescribed accounting policies.

They are also responsible for safeguarding the assets of the organisation and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The project management accept responsibility for the preparation and presentation of these financial statements in accordance with the accounting policies as presented in section 4.3 of this report and in accordance with UNDP's and International Peace Support Training Centre' guidelines and regulations. They also accept responsibility for:

- i. Designing, implementing and maintaining internal control as they determine necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error;
- ii. Selecting suitable accounting policies and then apply them consistently; and
- iii. Making judgements and accounting estimates that are reasonable in the circumstances.

In preparing the financial statements, UNDP Kenya and International Peace Support Training Centre have assessed organisation's ability to continue as a going concern and disclosed, as applicable, matters relating to the use of going concern basis of preparation of the financial statements. Nothing has come to the attention of the management to indicate that the organisation will not remain a going concern for at least the next twelve months from the date of this statement.

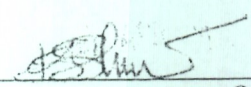
UNDP Kenya and International Peace Support Training Centre acknowledge that the independent audit of the financial statements does not relieve them of their responsibility.

Approved by UNDP Kenya and International Peace Support Training Centre on ____ March 2018 and signed on its behalf by:

Name:

Position:

UNDP Kenya

HEAD OF FINANCE

Name: KENNEDY
Position: HEAD OF FINANCE
International Peace Support Training Centre

MINISTRY OF DEFENCE
REVENUE F/Y 2017/18

S/NO	MONTH	DATE	FIN. NO.	AMOUNT	TREASURY MR.NO
	JULY		0	-	N/A
1					
2	AUGUST	21/08/2017	0435	101,164,488.05	2844612
3		28/08/2017	C/N. 01902	1,000.00	2844612
4		30/08/2017	C/N. 02184	922,797.50	2844612
5		30/08/2017	C/N. 02185	21,390.90	2844612
6	SEPTEMBER	09/06/2017	0653	104,299,542.35	2844612
7		20/09/2017	0841	53,203,107.15	2844651
8	OCTOBER	17/10/2017	1194	14,609,106.00	2844612
9		17/10/2017	1195	110,954,341.55	2844612
10		17/10/2017	1193	3,952,650.00	2844651
11		17/10/2017	1200	44,181.05	2844612
12		17/10/2017	1199	6,887.95	2844612
13		17/10/2017	1198	6,637.95	2844612
14		17/10/2017	1197	55,000.00	2844612
16	NOVEMBER	14/11/2017	1556	43,461,742.65	2844688
18	JANUARY	01/08/2018	2014	46,340,735.65	3403584
19		29/01/2018	2214	44,250,698.60	3403637
20	FEBRUARY	02/05/2018	2325	477,037.40	3403637
21		13/02/2018	2403	88,933,100.65	3403584
22	MARCH	03/01/2018	2682	59,036.30	3403637
23		13/03/2018	2800	40,868,682.45	3403584
24		13/03/2018	2802	2,010.00	3403637
25	APRIL	04/12/2018	3042	44,107,850.40	3403637
26		16/04/2018	3081	1,163,634.45	3403670
28	JUNE	18/06/2018	3785	340,030.55	4118559
29		19/06/2018	3782	136,466,134.45	3403691
30		22/06/2018	3897	5,040.00	4118559
31		22/06/2018	3896	5,962.00	3403691
32		22/06/2018	3908	40,218.00	4118559
33		22/06/2018	3910	9,000.00	3403691
34		22/06/2018	3907	816.55	4118559
35		22/06/2018	3909	5,666.00	4118559
36		22/06/2018	3911	25,000.00	3403691
37		29/06/2018	4018	35,305,343.10	4118559
38		29/06/2018	4025	41,558,983.60	4118559
39		28/06/2018	4105	630,500.00	4118559
			TOTAL	913,298,353.25	

un.20172018

REIMBURSEMENT TO GOVERNMENT OF KENYA

F/Y 2017/2018

DATE	AMOUNT RECEIVED			SOURCE	MR NO.	TREASURY MR NO./GPAY REF	REMARKS
	AMT. FOREX	ROE	KSHS.				
24.07.2017	N/A	N/A	7,060,766.00	Standard Chartered Bank	B2813541	B2805358	UN (KESC4)
24.07.2017	102,255.00	103.78	10,612,023.90	UN NEW YORK	B2813546	B2805359	UN Peace Keeping Troops
19.12.2017	14,931,954.00	121.64	1,816,384,105.55	AU	B3731173	B2827081	Troop Allowance
16.10.2017			794,640,000.00		B3743574	B2805222	
27.10.2017	N/A	N/A	7,283,083.20		B3743702	B2827057	
25.01.2018	86,000.00	102.66	8,828,760.00	AU	B3731359	B2827099	AMISON
25.01.2018	445,000.00	102.66	45,683,700.00	AU	B3731360	B2827100	AMISON
25.01.2018	450,000.00	102.66	46,197,000.00	AU	B3731361	B2827251	AMISON
25.01.2018	3,654,078.01	102.66	374,360,292.10	UN NEW YORK	B3731362	B2827252	UN
14.02.2018	11,932,722.00	123.57	1,474,569,415.30	AU	B3731385	B2827277	AMISON
09.03.2018	N/A	N/A	20,748,834.00	Standard Chartered Bank	B4166203	B2830585	UN (KESC4)
16.03.2018	N/A	N/A	322,600.00	Standard Chartered Bank	B4166214	B2830584	UN (KESC4)
10.04.2018	N/A	N/A	26,399,538.00	Citibank N.A.	B3731419	B2830737	AMISON
06.06.2018	N/A	N/A	10,198,422.20	Standard Chartered Bank	B3841325	B2830864	UN (KESC4)
26.06.2018	N/A	N/A	15,129,000.00	Standard Chartered Bank	B3841348	B2830883	UN (KESC4)
26.06.2018	N/A	N/A	2,420,640.00	Standard Chartered Bank	B3841349	B2830882	UN (KESC4)
28.06.2018	N/A	N/A	12,815,894.05	Standard Chartered Bank	B3857241	B2830897	UN (KESC4)
TOTAL			4,673,654,074.30				

MINISTRY OF DEFENCE
STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2017-2018 Kshs	2016-2017 Kshs
RECEIPTS			
Proceeds from Domestic and Foreign Grants	1	45,000,000	25,000,000
Exchequer releases	2	94,114,815,498	101,148,200,000
Transfers from Other Government Entities	3	483,170,314	2,379,132,870
Proceeds from Foreign Borrowings	4	5,914,506,872	0
Reimbursements and Refunds	5	4,695,516,824	7,640,109,471
Other Receipts	6	913,298,453	689,045,077
TOTAL REVENUES		106,166,307,961	111,881,487,418
PAYMENTS			
Compensation of Employees	7	872,932,361	774,878,400
Use of goods and services	8	243,504,722	303,566,510
Use of goods and services-Military	8a	92,566,050,401	99,665,596,347
Transfers to Other Government Units	9	5,586,952,527	8,121,486,388
Other grants and transfers	10	465,362,913	396,184,417
Acquisition of Assets	11	9,797,240	29,021,676
Other Expenses	12	6,419,539,936	2,586,801,030
TOTAL PAYMENTS		106,164,140,100	111,877,534,768
SURPLUS/DEFICIT		2,167,861	3,952,650

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.
The entity financial statements were approved on _____ 2018 and signed by:

PRINCIPAL SECRETARY

PRINCIPAL ACCOUNTS CONTROLLER

MINISTRY OF DEFENCE
STATEMENT OF FINANCIAL POSITION

	Note	2017-2018 Kshs	2016-2017 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	13a	760,951,888	641,673,415
Cash Balances	13b	0	0
Total Cash And Cash Equivalents		760,951,888	641,673,415
Accounts Receivables - Outstanding Imprest and Clearance Accounts	14	42,668,553	20,136,503
TOTAL FINANCIAL ASSETS		803,620,441	661,809,918
LESS: FINANCIAL LIABILITIES			
Accounts Payables - Deposits	15	758,784,058	637,703,162
NET FINANCIAL ASSETS		44,836,383	24,106,756
REPRESENTED BY			
Fund balance b/ fwd	16	24,106,756	20,154,106
Surplus/Deficit for the year		2,167,861	3,952,650
Prior year adjustments	17	18,561,756	
NET FINANCIAL POSITION		44,836,373	24,106,756

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on _____ 2018 and signed by:

 PRINCIPAL SECRETARY

 PRINCIPAL ACCOUNTS CONTROLLER

MINISTRY OF DEFENCE
STATEMENT OF CASH FLOW

	Note	2017-2018 Kshs	2016-2017 Kshs
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts for operating income			
Proceeds from Domestic and Foreign Grants	1	45,000,000	25,000,000
Exchequer releases	2	94,114,815,498	101,148,200,000
Transfers from Other Government Entities	3	483,170,314	2,379,132,870
Reimbursements and Refunds	4	4,695,516,824	7,640,109,471
Other Receipts	5	913,298,453	689,045,077
		100,251,801,089	111,881,487,418
Payments for operating expenses			
Compensation of Employees	7	872,932,361	774,878,400
Use of goods and services	8	243,504,722	303,566,510
Use of goods and services-Military Expenditure	8a	92,566,050,401	99,665,596,347
Transfers to Other Government Units	9	5,586,952,527	8,121,486,388
Other grants and transfers	10	465,362,913	396,184,417
Other Expenses	12	6,419,539,936	2,586,801,030
		106,154,342,860	111,848,513,092
Adjusted for:			
Changes in receivables		-22,532,050	-15,623,703
Changes in payables		121,080,896	129,684,219
Adjustments during the year		18,561,756	0
Net cashflow from operating activities		-5,785,431,169	147,034,842
CASHFLOW FROM INVESTING ACTIVITIES			
Acquisition of Assets	11	-9,797,240	-29,021,676
Net cash flows from Investing Activities		-9,797,240	-29,021,676
CASHFLOW FROM BORROWING ACTIVITIES			
Proceeds from Foreign Borrowings	6	5,914,506,872	0
Net cash flow from financing activities		5,914,506,872	0
NET INCREASE IN CASH AND CASH EQUIVALENT		119,278,463	118,013,166
Cash and cash equivalent at BEGINNING of the year		641,673,415	523,660,248
Cash and cash equivalent at END of the year	25	760,951,888	641,673,415

MINISTRY OF DEFENCE

SUMMARY STATEMENT OF APPROPRIATION: RECURRENT FOR THE PERIOD ENDED JUN 30, 2018

Receipt/Expense Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Budget d	Budget Utilization Difference e=c-d	% of Utilization f=d/c %
RECEIPTS						
Exchequer releases	105,261,384,819	1,574,000,000	106,835,384,819	94,114,815,498	12,720,569,321	88%
Transfers from Other Government Entities	0	0	0	483,170,314	-483,170,314	
Reimbursements and Refunds	0	0	0	4,695,516,824	-4,695,516,824	
Other Receipts	0	0	0	913,298,453	-913,298,453	
TOTAL RECEIPTS	105,261,384,819	1,574,000,000	106,835,384,819	100,206,801,089	6,628,583,730	2
PAYMENTS						
Compensation of Employees	815,400,000	56,000,000	871,400,000	872,932,361	-1,532,361	98%
Use of goods and services	297,683,269	13,500,000	311,183,269	243,504,722	67,678,547	76%
Transfers to Other Government Units	0	0	0	5,586,952,527	-5,586,952,527	
Other grants and transfers	0	0	0	420,362,913	-420,362,913	85%
Acquisition of Assets	7,301,550	4,500,000	11,801,550	9,797,240	2,004,310	83%
Other Payments	0	0	0	505,033,064	-505,033,064	
KDF Expenses	104,141,000,000	1,500,000,000	105,641,000,000	92,566,050,401	13,074,949,599	88%
TOTAL PAYMENTS	105,261,384,819	1,574,000,000	106,835,384,819	100,204,633,228	6,630,751,591	
Surplus/ Deficit	0	-	-	2,167,861	-2,167,861	

MINISTRY OF DEFENCE

NOTES TO THE FINANCIAL STATEMENTS

1 PROCEEDS FROM DOMESTIC AND FOREIGN GRANTS

Description	Date Receive Payment	Indicate whether Direct	2017-2018	2016-2017
			Kshs	Kshs
Grants Received from Bilateral Donors (Foreign Governments)				
Grants Received from Multilateral Donors (International Organisations)				
UNDP - IPSTC			45,000,000	25,000,000
TOTAL			45,000,000	25,000,000

2 EXCHEQUER RELEASES

Description and reference of the transfer	Date of transfer	2017-2018	2016-2017
		Kshs	Kshs
1st quarter transfer		24,738,075,287	18,400,900,000
2nd quarter transfer		21,005,320,366	18,620,000,000
3rd quarter transfer		21,490,584,700	22,665,000,000
4th quarter transfer		26,880,835,145	41,462,300,000
Total		94,114,815,498	101,148,200,000

3 TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description	2017-2018	2016-2017
	Kshs	Kshs
Transfers from Central government entities		
National Treasury		
Ministry of Interior and National Coordination	135,051,400	1,850,000,000
Pensions Department	342,089,607	494,777,354
RTDC(Uganda)	6,029,307	6,482,788
Ushirikiano Imara		27,872,728
TOTAL	483,170,314	2,379,132,870

4 PROCEEDS FROM FOREIGN BORROWINGS

Description	2017-2018	2016-2017
	Kshs	Kshs
Foreign Borrowing - Draw-downs Through Exchequer		
Foreign Borrowing - Direct Payments	5,914,506,872	
Foreign Currency and Foreign Deposits		
TOTAL	5,914,506,872	0.00

5 REIMBURSEMENT AND REFUNDS

Description	2017-2018	2016-2017
	Kshs	Kshs
Reimbursement UN AND AU	4,673,654,074	7,432,441,311
UN Compensation	21,862,750	207,668,160
TOTAL	4,695,516,824	7,640,109,471

6 OTHER REVENUES

	2017-2018	2016-2017
	Kshs	Kshs
Rents	393,028,026	425,304,624
Other Property Income e.g leases, rates	6,247,946	6,682,035
Sales by Market Establishments	0	0
Receipts from Administrative Fees and Charges	1,604,000	2,159,300
Receipts from Administrative Fees and Charges - Collected as AIA	0	0
Receipts from Incidental Sales by Non-Market Establishments	0	0
Receipts from Sales by Non-Market Establishments	0	0
Receipts from Sale of Incidental Goods	46,456,135	31,770,589
Fines Penalties and Forfeitures	49,560,765	11,329,312
Receipts from Voluntary transfers other than grants	0	0
School Fees	105,436,926	94,246,465
National Space Secretariat	46,719,000	0
Other receipts not classified anywhere	264,245,655	117,552,752
Total	913,298,453	689,045,077

7 COMPENSATION OF EMPLOYEES

	2017-2018	2016-2017
	Kshs	Kshs
Basic salaries of permanent employees	544,636,779	490,938,316
Personal allowances paid as part of salary	328,295,582	283,940,084.00
Total	872,932,361	774,878,400

8 USE OF GOODS AND SERVICES

	2017-2018	2016-2017
	Kshs	Kshs
Communication, supplies and services	6,848,825	9,414,447
Domestic travel and subsistence	46,029,302	62,187,219
Foreign travel and subsistence	13,807,707	41,470,226
Printing, advertising and information supplies & services	3,477,831	2,486,848
Training expenses	17,375,310	31,306,896
Hospitality supplies and services	21,357,755	13,330,434
Specialised materials and services	9,710,210	22,745,655
Office and general supplies and services	8,086,812	6,809,152
Other operating expenses(National Space + Other Operating Exp)	103,266,896	98,229,641
Routine maintenance – vehicles and other transport equipment	7,941,759	9,670,422
Routine maintenance – other assets	1,164,273	3,174,650
Fuel Oil and Lubricants	4,438,042	2,740,920
Exchange Rate Losses		
Total	243,504,722	303,566,510

National Space

Other Operating Expenses-Confidential Expenditure

8a USE OF GOODS AND SERVICES

	2017-2018	2016-2017
	Kshs	Kshs
Military Payments	92,566,050,401	99,665,596,347.00
Total	92,566,050,401	99,665,596,347

9 TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2017-2018	2016-2017
	Kshs	Kshs
Transfers to Central government entities		
National Treasury- Ordinary Revenue	913,298,453	689,045,077
National Treasury-UN Reimbursement	4,673,654,074	7,432,441,311
TOTAL	5,586,952,527	8,121,486,388

10 OTHER GRANTS AND OTHER PAYMENTS

	2017-2018	2016-2017
	Kshs	Kshs
IPSTC	45,000,000.00	25,000,000
Kenya Ordnance Factories Corporation(KOFC)	420,362,913.00	371,184,417.00
Total	465,362,913	396,184,417

11 ACQUISITION OF ASSETS

	2017-2018	2016-2017
	Kshs	Kshs
Non Financial Assets		
Overhaul and Refurbishment of Construction and Civil Works	0	10,766,350
Purchase of Vehicles and Other Transport Equipment	0	0
Overhaul of Vehicles and Other Transport Equipment	0	0
Purchase of Furniture and Institutional Equipment	4,107,840	14,262,677
Purchase of Office Furniture and General Equipment	0	0
Purchase of ICT Equipment, Software and Other ICT Assets	5,689,400	3,992,649
Sub-total		
Total	9,797,240	29,021,676

12 OTHER EXPENSES

	2017-2018	2016-2017
	Kshs	Kshs
Budget Reserves		
Civil Contingency Reserves		
Pensions	342,089,607	494,777,354
RCTDC	6,029,307	6,482,788
AIE From Interior	135,051,400	1,850,000,000
Compensation	21,862,750	207,668,160
Ushirikiano Imara	0	27,872,728
Direct Payments National Treasury - Foreign Borrowing	5,914,506,872	
	6,419,539,936	2,586,801,030

13a Bank Accounts

Name of Bank, Account No. & currency		Indicate whether recurrent, Development, deposit, revenue, CRF e.t.c	2017-2018	2016-2017
			Kshs	Kshs
Name of Bank, Account No. & currency				
CBK,1000181435,Kshs		Recurrent	2,167,830	3,970,254
CBK,1000182032,Kshs		Deposit	758,784,058	637,703,161
Total			760,951,888	641,673,415

13b Cash in hand

			2017-2018	2016-2017
			Kshs	Kshs
Cash in Hand – Held in domestic currency				
Cash in Hand – Held in foreign currency			0.00	0.00
Total			0.00	0.00

Cash in hand should also be analysed as follows:

			2017-2018	2016-2017
			Kshs	Kshs
Defence Headquarters				
Total			0.00	0.00

[Provide cash count certificates for each]

14 Accounts Receivables

Description			2017-2018	2016-2017
			Kshs	Kshs
Government Imprests			4,475,000	5,027,400
Salary Advances			38,193,553	15,109,103
Total			42,668,553	20,136,503

Name of Officer or Institution	Date Imprest Taken	Amount Taken	Amount Surrendered	Balance
		Kshs	Kshs	Kshs
Capt B.M Macharia	01-Jan-04	4,475,000	0.00	4,475,000
Total				4,475,000

15 Accounts Payables

			2017-2018	2016-2017
			Kshs	Kshs
Deposits			758,784,058	637,703,162
Clearance Accounts				
TOTAL			758,784,058	637,703,162

16 BALANCES BROUGHT FORWARD

			2017-2018	2016-2017
			Kshs	Kshs
Bank accounts			641,673,415	523,660,248
Cash in hand			0	0
Receivables - Outstanding Imprests			20,136,503	4,512,800
Payables - Deposits			-637,703,162	-508,018,942
Total			24,106,756	20,154,106

DEPOSIT ANALYSIS

MINISTRY OF DEFENCE
STATEMENT OF RECEIPTS AND PAYMENTS – DEPOSIT ACCOUNT

	Note	2017-2018	2016-2017
		Kshs	Kshs
RECEIPTS			
Deposit Receipts	26	1,707,318,555	341,089,146
TOTAL REVENUES		1,707,318,555	341,089,146
PAYMENTS			
Other Expenses- Deposit Payments	27	1,586,237,659	211,404,927
TOTAL PAYMENTS		1,586,237,659	211,404,927
SURPLUS/DEFICIT		121,080,896	129,684,219
FUND BALANCE B/F		637,703,162	508,018,943
FUND BALANCE C/F		758,784,058	637,703,162

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on _____ 2018 and signed by:

PRINCIPAL SECRETARY

PRINCIPAL ACCOUNTS CONTROLLER

Grant Confirmation KOFC

Confirmation of amounts received by (Kenya Ordnance Factories Corporation) as at 30 June 2018						
Amounts Disbursed by (Ministry of Defence) as at 30 June 2018						
Reference Number	Date Disbursed	Recurrent (KShs) (A)	Development (KShs) (B)	Total (KShs) (D)=(A+B+C)	Amount Received by (Kenya Ordnance Factories Corporation) as at 30 June 2018 (KShs) (E)	Differences (KShs) (D)-(E)
KCB RV 105	5-Jul-17	135,000,000.00		135,000,000.00	135,000,000.00	0.00
COOP RV 71	5-Jan-18	77,300,000.00		77,300,000.00	77,300,000.00	0.00
Payroll July		15,791,197.00		15,791,197.00	15,791,197.00	0.00
Payroll Aug		16,340,163.10		16,340,163.10	16,340,163.10	0.00
Payroll Sep		18,458,513.90		18,458,513.90	18,458,513.90	0.00
Payroll Oct		17,409,309.90		17,409,309.90	17,409,309.90	0.00
Payroll Nov		17,361,866.90		17,361,866.90	17,361,866.90	0.00
Payroll Dec		17,691,618.65		17,691,618.65	17,691,618.65	0.00
Payroll Jan		18,000,238.00		18,000,238.00	18,000,238.00	0.00
Payroll Feb		18,066,809.60		18,066,809.60	18,066,809.60	0.00
Payroll Mar		17,190,516.90		17,190,516.90	17,190,516.90	0.00
Payroll Apr		17,270,664.50		17,270,664.50	17,270,664.50	0.00
Payroll May		17,321,900.65		17,321,900.65	17,321,900.65	0.00
Payroll Jun		17,160,113.20		17,160,113.20	17,160,113.20	0.00
Total		420,362,912.30	0.00	420,362,912.30	420,362,912.30	0.00

Programme/Sub-programme	Budget	Actual	Budget utilization difference
	Kshs	Kshs	Kshs
1041-100 Headquarter Administrative Services	1,194,384,819.00	1,126,234,323.00	68,150,496
1041-201 Headquarter Administrative Services	105,441,000,000.00	92,986,413,314.00	12,454,586,686
1041-202 Civil Aid	200,000,000.00	0	200,000,000
Recurrent Expenditure	106,835,384,819.00	94,112,647,637.00	12,722,737,182.00
Development 1041-Grants IPSTC	45,000,000.00	45,000,000.00	0.00
Development 1041-Foreign Borrowing	7,429,995,045.00	5,914,506,872.00	1,515,488,173.00
Development Budget	7,474,995,045.00	5,959,506,872.00	1,515,488,173.00
Total Budget	114,310,379,864.00	100,072,154,509.00	14,238,225,355.00
			88%

MINISTRY OF DEFENCE

SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT FOR THE PERIOD ENDED JUN 30, 2018

Receipt/Expense Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Budget d	Budget Utilization Difference e=c-d	% of Utilization f=d/c %
RECEIPTS						
Proceeds from Domestic and Foreign	45,000,000	0	45,000,000	45,000,000	0	100%
Exchequer releases	105,261,384,819	1,574,000,000	106,835,384,819	94,114,815,498	12,720,569,321	88%
Transfers from Other Government Entities	0	0	0	483,170,314	-483,170,314	
Proceeds from Foreign Borrowings	0	7,429,995,045	7,429,995,045	5,914,506,872	1,515,488,173	
Reimbursements and Refunds	0	0	0	4,695,516,824	-4,695,516,824	
Other Receipts	0	0	0	913,298,453	-913,298,453	
TOTAL RECEIPTS	105,306,384,819	9,003,995,045	114,310,379,864	106,166,307,961	8,144,071,903	2
PAYMENTS						
Compensation of Employees	815,400,000	56,000,000	871,400,000	872,932,361	-1,532,361	98%
Use of goods and services	297,683,269	13,500,000	311,183,269	243,504,722	67,678,547	76%
Transfers to Other Government Units	0	0	0	5,586,952,527	-5,586,952,527	
Other grants and transfers	45,000,000	0	45,000,000	465,362,913	-420,362,913	85%
Acquisition of Assets	7,301,550	4,500,000	11,801,550	9,797,240	2,004,310	83%
Other Payments		7,429,995,045	7,429,995,045	6,419,539,936	1,010,455,109	
KDF Expenses	104,141,000,000	1,500,000,000	105,641,000,000	92,566,050,401	13,074,949,599	88%
TOTAL PAYMENTS	105,306,384,819	9,003,995,045	114,310,379,864	106,164,140,100	8,146,239,764	
Surplus/ Deficit	0	-	-	2,167,861	-2,167,861	

MINISTRY OF DEFENCE

SUMMARY STATEMENT OF APPROPRIATION: DEVELOPMENT FOR THE PERIOD ENDED JUN 30, 2018

Receipt/Expense Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Budget d	Budget Utilization Difference e=c-d	% of Utilization f=d/c %
RECEIPTS						
Proceeds from Domestic and Foreign	45,000,000	0	45,000,000	45,000,000	0	100%
Proceeds from Foreign Borrowings	0	7,429,995,045	7,429,995,045	5,914,506,872	1,515,488,173	88%
TOTAL RECEIPTS	45,000,000	7,429,995,045	7,474,995,045	5,959,506,872	1,515,488,173	2
PAYMENTS						
Other grants and transfers	45,000,000	0	45,000,000	45,000,000	0	100%
Other Payments	0	7,429,995,045	7,429,995,045	5,914,506,872	1,515,488,173	80
TOTAL PAYMENTS	45,000,000	7,429,995,045	7,474,995,045	5,959,506,872	1,515,488,173	
Surplus/ Deficit	0	-	-	0	0	