

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 27 MAR 2019	DAY: Wed
TABLED BY: REPORT	Majority Party whip Hon. Benjamin Wachuli
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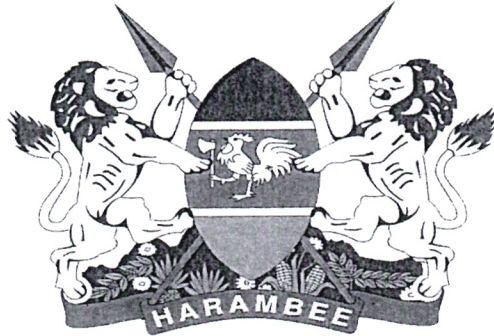
THE AUDITOR-GENERAL

ON

THE FINANCIAL STATEMENTS OF
MINISTRY OF FOREIGN AFFAIRS

FOR THE YEAR ENDED
30 JUNE 2018

Revised Template 30th June 2018



**NATIONAL GOVERNMENT ENTITY
MINISTRY OF FOREIGN AFFAIRS**

REPORTS AND 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)

REVISED

NATIONAL GOVERNMENT ENTITY – MINISTRY OF FOREIGN AFFAIRS
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 of Foreign Affairs was formed in May, 2016 by Executive order No.1/2016. At cabinet level, the Ministry of Foreign Affairs is represented by the Cabinet Secretary for Ministry of Foreign Affairs, who is responsible for the general policy and strategic direction of the Ministry of Foreign Affairs.

The mandate of the Ministry of Foreign Affairs is to pursue Kenya's Foreign policy in accordance with the Constitution of Kenya, with overarching objectives of protecting and promoting the nation's interest abroad.

Vision

A peaceful, prosperous and globally competitive Kenya.

Mission

To project, promote and protect Kenya's interests and image globally through innovative diplomacy, and contribute towards a just, peaceful and equitable world.

Core Values

Customer focus: We shall treat our customers with courtesy, respect and promptness.

Patriotism: Our staff shall exercise loyalty and uphold allegiance to the Republic of Kenya at all times.

Team spirit: We shall promote teamwork to enhance service delivery. The Ministry will further inculcate a sense of shared and collective responsibility for the execution of the Ministry's mandate.

Professionalism: Our members of staff shall exercise high level of professional competence and confidentiality in all their work.

Ethics and Integrity: We will embrace transparency and accountability in all operations of the Ministry.

Equity and fairness: We shall promote justice, impartiality and diversity in all our dealings

(b) Key Management

The Ministry of Foreign Affairs and International Trade day-to-day management is under the following key organs:

- (c) Principal Secretary;
- (d) Political and Diplomatic Secretary;
- (e) Secretary Foreign Service Administration;
- (f) Directors and;
- (g) Heads of Departments

(h) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2017 and who had direct fiduciary responsibility were:

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NO	DESIGNATION	NAME
1	Cabinet Secretary	Amb. Monica K. Juma DPHIL, CBS.
2	Principal Secretary	Amb. Macharia Kamau MBS
3	Political and Diplomatic Secretary	Amb. Tom Amolo. MBS
4	Director Of Administration	Henry Obino
5	Chief Of Protocol	Amb. Tabu Irina
6	Director, Foreign service Academy	Amb. Simon Nabukwesi
7	Director, Africa & Au	Amb. Purity Muhindi
8	Director, Asia & Australia	Amb Christopher Chika
9	Director, TICAD	Amb. Ben Ogutu
10	Director, Europe & Common Wealth	Amb. Beatrice Karago
11	Director, Middle East	Amb. Jackline Yonga
12	Director, Liaison Parliamentary & County	Amb. Elphas Barine
13	Director, Multilateral	Amb. Ali Mohammed
14	Director, Americas	Amb. Lucy Kiruthu
15	Director, Economics & International Trade	Amb. Joshua Mugodo
16	Director, Office Of The Great Lakes Region	Amb. Mohammed Adan Mohat
17	Director, East African Community	Amb. Ruth Solitei
18	Director, Peace And Security	Amb. Mohammed Guyo
19	Director, Diaspora & Consular Affairs	Amb. Washington Oloo
20	Head, Legal Affairs And Host Country	Ms Stella Munyi
21	Head, Finance	Mr James Aloyo
22	Head, Asset Management	Dr. Margaret Gachuru
23	Head Public Affairs & Communication	Ms. Judith Ngunia
24	Head, Human Resource Management	L. M Waweru
25	Head, Accounts	Mr Hillary Limo
26	Head, Central Planning & Project Monitoring	Mr Joseph Masila
27	Head, Foreign Dispatch Unit	Ms Caroline Muruga
28	Head, Welfare	Mrs Josephine Mwangi
29	Head, Telephone Supervisor	Mr Douglas Kiura
30	Head, Supply Chain Management	Mr Charles Nyang'au
31	Head, ICT	Ms Angela Lung'aho
32	Head, Cultural Diplomacy	Ms Hellen Gichuhi

(i) Fiduciary Oversight Arrangements

The key fiduciary oversight arrangements for the Ministry of Foreign Affairs are the following:

- a. Defence and Foreign relations committee
- b. Audit and finance committee activities
- c. Parliamentary committee activities
- d. Development partner oversight activities
- e. Other oversight activities

(j) Entity Headquarters

P.O. Box 30551 - 00100
Old Treasury Building
Harambee Avenue
Nairobi, KENYA

Entity Contacts

P.O. Box 30551 - 00100
Old Treasury Building
Harambee Avenue
Nairobi, KENYA

(k) Entity Bankers

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

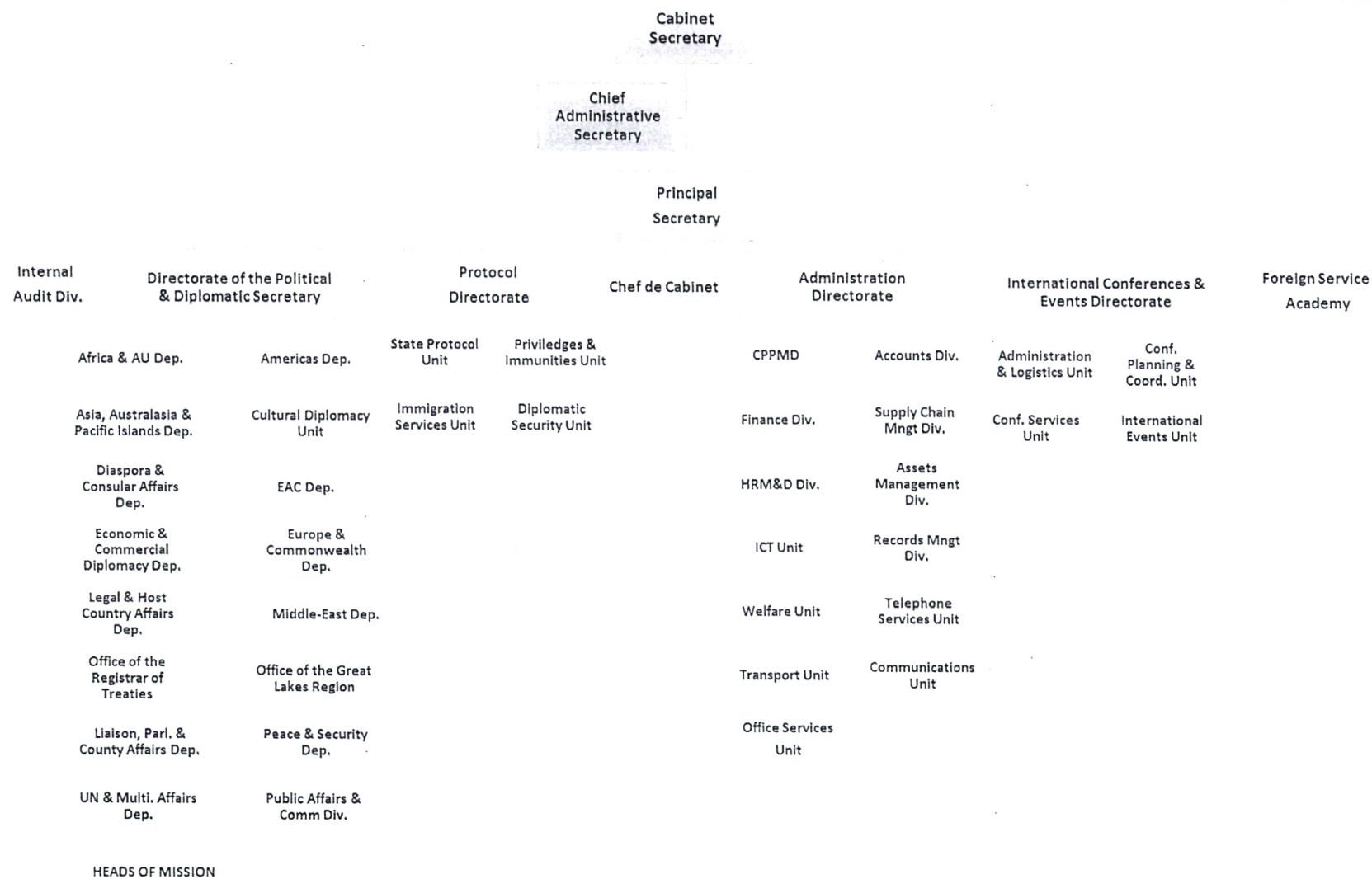
(l) Independent Auditors

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

(m) Principal Legal Adviser

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

MINISTRY OF FOREIGN AFFAIRS ORGANIZATIONAL STRUCTURE



AMB. MONICA JUMA, DPHIL, CBS CABINET SECRETARY, MINISTRY OF FOREIGN AFFAIRS



Amb Monica Juma, Dphil, CBS was appointed Cabinet Secretary, Ministry of Foreign Affairs on 26th January 2018. Prior to this, she served as Principal Secretary, in the same Ministry from January 2016 following a reshuffle of Cabinet Secretaries by H.E. the President. Amb Juma holds a Doctor of Philosophy from the University of Oxford, Master of Arts (MA) and Bachelor of Arts (BA) from the University of Nairobi, and Certificate in Refugees Studies from Oxford. She is also a Senior Research Fellow at the Department of Political Science, University of Pretoria (South Africa); and an Adjunct faculty member at the African Centre for Strategic Studies of the National Defence University, Washington D.C.

She previously served as the Principal Secretary at the Ministry of Interior and Coordination of National Government and as Principal Secretary in the Ministry of Defence. Prior to these, Dr. Juma served as Ambassador to the Federal Democratic Republic of Ethiopia, the Republic of Djibouti and Permanent Representative of Kenya to the African Union, Inter-Governmental Authority on Development (IGAD) and United Nations Economic Commission for Africa (UNECA), based out of Addis Ababa.

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HON. ABABU NAMWAMBA, EGH CHIEF ADMINISTRATIVE SECRETARY, MINISTRY OF FOREIGN AFFAIRS



Hon. Ababu Namwamba, EGH, has served as the Chief Administrative Secretary (CAS), Ministry of Foreign Affairs since January 2018. Hon. Ababu Namwamba holds a Master of Laws (LLM) Degree from American University, Washington College of Law, Washington D.C. He also has a Diploma in Legal Practice, Kenya School of Law, and a Bachelor of Laws (LLB) Degree from the University of Nairobi.

He previously served as a Member of Parliament (MP) for Budalangi Constituency in the 10th and 11th Parliament. During the two terms in Parliament he chaired the Justice and Legal Affairs Committee, the Public Accounts Committee (PAC) and also served as the vice chair of the Parliamentary Select Committee on Constitutional Review. Hon. Namwamba also served as the Minister for Sports and Youth Affairs of the Republic of Kenya.

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**AMB. MACHARIA KAMAU, PRINCIPAL SECRETARY, MINISTRY OF FOREIGN AFFAIRS
OF THE REPUBLIC OF KENYA**



Amb. Macharia Kamau, MBS, was appointed as the Principal Secretary in the Ministry of Foreign Affairs in February 2018. He is a career diplomat with rich experience. Before the appointment, he had served as Kenya's Permanent Representative to the United Nations in New York since 2010.

As Kenya's Permanent Representative to the United Nations, Amb. Kamau was instrumental in developing the Sustainable Development Goals and the 2030 Agenda for Sustainable Development as Co-Chair and Co-Facilitator respectively. He also served as Chair of the Peace Building Commission, President of the UNICEF Board, President of the Conference of State Parties to the Convention on the Rights of Persons with Disabilities and President of the United Nations Forest Forum, among other responsibilities.

Prior to that, he served as Kenya's Permanent Representative to Kenya Mission to the United Nations Office in Nairobi, the United Nations Environment Programme and United Nations HABITAT.

Ambassador Kamau has a cross section of expertise and skills built in excess of 36 Years in areas dealing with Political, Development and Policy Work, Strategic Planning, Negotiation and UN Reform.

He has served at middle and senior levels across a number of the UN agencies including UNDP, UNICEF, GF and UN Transition Assistance Group, all undertaken across several regions in Africa, Europe, Latin America and the Caribbean as well as North America.

He served for 16 Years in Senior Country Leadership and Management at UNDP and UNICEF; 7 Years as the United Nations Resident Coordinator and UNDP Representative (Botswana and Rwanda); 6 Years as the United Nations Children Fund Representative (Eastern Caribbean and South Africa); 3 Years as the Chief, UN and External Relations, Office of Executive Director, UNICEF HQ, New York among others.

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He has also demonstrated exemplary leadership in global negotiations and has been credited with the super consensus building during his co-chairing and co-facilitator of the negotiations that concluded the Sustainable Development Goals as well as co-chairing the Ad Hoc Group on Forest Financing. He also chaired the UN Peacebuilding Commission and served as a member of the Senior Advisory Group to the UN Secretary-General on UN Troop Contributing Countries. Amb. Kamau also served as Special Envoy of the President of the General Assembly on Climate Change and UN Secretary General on El Niño and Climate.

Amb. Macharia Kamau was also an International Consultant to the Bill and Melinda Gates Foundation and the United Nations AIDS. He is the recipient of several awards and medals including the Elizabeth Haub Award, Gold Medal, for Environmental Diplomacy in 2014, and Moran of the Burning Spear by the President of the Republic of Kenya in 2012.

He holds an undergraduate degree in History and Economics from College of Wooster and Masters degree in Social Policy and Planning from Harvard University.

Amb. Macharia Kamau has authored several articles and is the co-author a book titled: *Transforming Multilateral Diplomacy: the inside story of the Sustainable Development Goals*.

FOREWORD BY THE CABINET SECRETARY

I am happy to present the Ministry's report and financial statements for the financial year ending 30th June, 2018, being the first time since I took over as the Cabinet Secretary. In the 2017/2018 financial year, the Ministry was allocated Kshs 17.21bn for recurrent expenditure and Kshs 3.0 bn for development expenditure which were adjusted during the revised budget to Kshs 18.12bn and Ksh 2.75bn for recurrent and development respectively. Subsequently, the Ministry utilized Kshs 16.01bn for recurrent and Kshs 2.51bn for development translating to an absorption rate of 88% and 91% for recurrent and development respectively. The overall absorption rate was 89.5%.

These financial statements give a detailed analysis on how the funds voted for the Ministry were appropriated to deliver its mandate and objectives as outlined in the Strategic Plan. I note with a lot of satisfaction that the Ministry recorded starling performance during the period under review. The following is a highlight of key achievements recorded in the 2017/2018 financial year:-

In pursuit of the economic diplomacy, the Ministry has been focusing on strategies aimed at promoting rapid economic transformation, trade promotion and increased investments for the benefit of Kenyans. To achieve this, the Ministry identified leading economic partners in terms of trade, investments and development co-operation within the five regions of the world. As a result of the sustained engagement, Kenya exports have been on a gradual increase. In 2017, Kenya exported 5.7 billion U.S dollars' worth of products around the globe, a 3.8% increase from 2013 and an almost 1% increase from 2016 to 2017. From a continental perspective, almost 34% of Kenya's exports by value were to other African countries with about 28% to Europe and over 10% to the Americas. Leading export earners were tea, horticulture, articles of apparel and clothing accessories; and coffee, collectively accounting for 54.6 percent of the total export merchandise.

To further strengthen our economic diplomacy, the Ministry coordinated high level State and official visits by H. E the President and Deputy President, reaching out to Kenya's strategic partners. These engagements provided the requisite thrust of Kenya's leadership in the continent and advancing our strategic interests especially in the promotion of trade and investments as well as mechanisms for cooperation in dealing with global challenges and emerging issues. Kenya's role as a regional and continental leader was re-affirmed by the invitation of President Uhuru Kenyatta to the most prestigious global club, the G7 in a row and hosting the 3 permanent members of the UNSC in a span of 10 days between 27th August and 4th September 2018.

Looking back, I can confidently confirm that the high-level diplomacy paradigm has yielded manifold outcomes in three broad spheres:- a) Kenya has established solid and productive relationships across the world: in Africa, Middle East, Americas, Europe,

Asia and the other parts of the world; b) Nairobi has become one of the most visited capitals for foreign heads of state and heads of government and preferred destination for international meetings and conferences, and c) Most fundamentally, interest and investment in our country has grown a thousand fold – translating into economic growth.

Kenya's Peace Diplomacy recognizes the central place of the United Nations Security Council (UNSC) and the African Union Peace and Security Council (AUPSC) as the guarantors of international and regional peace and security respectively. Kenya has been addressing peace and security challenges in the region within regional frameworks such as IGAD, ICGLR and COMESA which are an integral part of the African Union peace and security architecture. Under the IGAD framework, Kenya has made significant contributions to peace and security in the Horn of Africa and Somalia and South Sudan peace processes.

Kenya's place as an anchor state within the Horn of Africa and Great Lakes region and its proximity to Somalia has exposed the country to attacks and persistent terrorism threats. The Ministry has in liaison with relevant MDAs engaged in preventive diplomacy that essentially seeks to disrupt and prevent the planning and execution of terrorist activities at source.

At the multilateral level, Kenya has and continues to play a critical role in shaping global environmental agenda, particularly on climate change and sustainable development. Kenya is a champion for environmental sustainability, by the fact that it hosts the United Nations Environmental Programme, the only African country to host a full United Nations Office. This is a leadership role that the Ministry has been undertaking proudly and has made notable achievements. Through high-level diplomacy, the Ministry successfully lobbied for the upgrading of the United Nations Office in Nairobi (UNON) through creation of the post of Under Secretary General. Consequently, the inter-sessional body of UNEP has a universal character and its membership increased from the current 54 to the entire membership of the United Nations of 193.

The Ministry further strengthened engagement with the Kenya Diaspora and enhanced the provision of consular services to Kenyans travelling to seek opportunities abroad. These engagements helped to boost the volume of trade, remittances, transfer of skills/technology, flow of investment and increase in the number of the Diaspora and foreigners' participation in doing business with Kenya. As a result of these engagements, Diaspora remittance inflows to Kenya have been on an upward trend, rising from Ksh.165.1 billion in June 2016 to Ksh. 175.9 in June 2017. Currently, the cumulative Diaspora remittance inflows for the first six months up to June, 2018 stand at Ksh 138.8 billion.

In addition, the Ministry established a clear mechanism for protecting Kenyans seeking employment in the Middle East region through negotiation, conclusion and signing of Bilateral Labour Agreements (BLAs) and Memorandum of Understanding (MoUs) with Qatar, Kingdom of Saudi Arabia and United Arabs Emirates.

The Ministry remained focused in the implementation of the cultural diplomacy pillar of the Kenya Foreign Policy through the Kenya Missions abroad and in collaboration with other MDAs. In this regard, the Ministry through the Permanent Delegation of Kenya to UNESCO, facilitated monitoring the implementation of decisions of the World Heritage Committee on protection of cultural sites. In addition, the Ministry promoted protection of Kenyan Cultural heritage through interventions aimed consolidating a common country position at both national and international levels on trans-boundary natural resources such as Lake Turkana World Heritage Site and Mara river water resources.

To facilitate the constitutional mandate on management of international treaties, the Ministry coordinated preparation and publishing of the Annual President's report on the progress Kenya has made in fulfilling the international obligations in accordance with Article 132 (1)(iii) of the Constitution of Kenya. The report was submitted by the H.E the President to the National Assembly for debate. The Ministry also prepared and published the Cabinet Secretary's reports on Treaties ratified for the year 2017 pursuant to Section 15 (1) of the Treaty Making and Ratification Act. The Cabinet Secretary presented the reports to the National Assembly for debate.

In enhancing Kenya's image, prestige and visibility abroad, the Ministry has acquired various properties abroad with the most recent one being the commissioned Chancery and Staff Houses in Pretoria, South Africa including the ongoing construction of chancery and staff house in Mogadishu, Somalia. Additionally, the Ministry continued to undertake comprehensive modernization of various government owned properties which include chanceries, staff houses and Ambassadors' residences to enhance Kenya diplomatic standing and image.

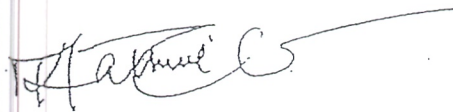
The changing dynamics in global geopolitics demand constant engagement with Kenya Missions abroad in order to develop strategies for effective engagement with countries within the region to secure and safeguard our interests. To this end, the Ministry organized regional Ambassadors' retreats with Kenya's Envoys in each of the five continents to review Kenya's diplomatic posture and to identify unique opportunities to harness and challenges to overcome to realize Kenya Foreign Policy objectives and aspirations. These retreats provided useful input for future programming and budgeting in the Ministry. In addition, the Ministry has institutionalised the quarterly diplomatic/media briefings by the Cabinet Secretary. The briefing are aimed at informing the Kenyan public and members of the Diplomatic Corps on the outcomes H.E the President as well as the Ministry's diplomatic engagement in the realization of the

Kenya Foreign Policy objectives and Kenya's national development aspirations as espoused in the Kenya Vision 2030.

To enhance good governance, transparency and accountability in the management of financial resources, the Ministry strengthened business process by introducing controls and close supervision in alignment to the Public Finance Management Act, 2015. We have also strengthened our internal audit function through establishment of the Ministerial Audit Taskforce. The Taskforce has, since its establishment, facilitated timely preparation and submission of the statutory reports to the Office of the Controller and Auditor General, The National Treasury and the Public Accounts Committee of the National Assembly and timely response to any arising audit issues.

Some of the challenges the Ministry faced in executing its mandate include: poor connectivity between the headquarters and Missions making financial monitoring of transactions a challenge since Missions are not networked with the Ministry Headquarters, inadequate budgetary allocation especially for development projects, exchange rate fluctuations resulting to huge currency losses, inadequate funding of planned activities, and human resource gaps.

The ultimate objectives of our foreign policy, as enunciated through our diplomacy at the highest level; are first, to protect our independence and sovereignty, and second, to expand opportunities for our citizens to overcome our economic limits. To optimize the opportunities and secure the long term interests of Kenya, we will continue leverage our diplomacy at various levels as well as deploying our diplomatic capabilities in the realization of our vision of a prosperous, peaceful and globally competitive Kenya.



AMB. MONICA JUMA, DPHIL, CBS
CABINET SECRETARY

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IV. 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.

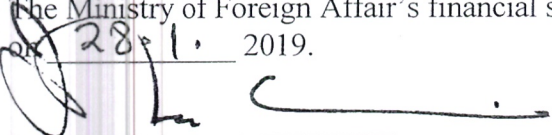
The Accounting Officer in charge of the Ministry of Foreign Affairs is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2018. 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 of Foreign Affairs 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 of Foreign Affairs'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 in charge of the Ministry of Foreign Affairs further confirms the completeness of the accounting records maintained for the Ministry of Foreign Affairs, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

The Accounting Officer in charge of the Ministry of Foreign Affairs 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 entity'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 of Foreign Affairs's financial statements were approved and signed by the Accounting Officer on 28.1.2019.


Principal Secretary
Amb. Macharia Kamau, MBS


Assistant Accountant General
Mr. Tom O. Ndhine
ICPAK Member Number: 6801

REPUBLIC OF KENYA

Telephone: +254-20-342330
Fax: +254-20-311482
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 FOREIGN AFFAIRS FOR THE YEAR ENDED 30 JUNE 2018

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Ministry of Foreign Affairs set out on pages 16 to 36, 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, except for the effects of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Ministry of Foreign Affairs 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 Qualified Opinion

1. Unapproved Expenditure and Irregular Prior Year Adjustment

The Ministry of Foreign Affairs expenditure estimates (Supplementary II) for 2017/2018 reflects a development budget of Kshs.207,786,113 for the Kenya High Commission in Pretoria in respect of construction of the ambassador's residence and staff houses. A review of expenditure records revealed that payments amounting to Kshs.439,635,853.55 were made to the contractor for the construction works in 2017/2018 financial year, leading to unapproved expenditure of Kshs.231,849,740.55 over and above the approved budgeted limit of Kshs.207,786,113.

To accommodate part of the expenditure that was not budgeted for in 2017/2018 financial year, the management irregularly made a prior year adjustment of Kshs.221,020,794 as disclosed in Note 15 to the financial statements. According to the International Public Sector Accounting Standard: Financial Reporting under the Cash Basis of Accounting, Paragraph 1.5.3. only errors in the preparation of the financial statements of one or more prior periods discovered in the current period are required to be corrected by a prior year adjustment. The errors according to the Standard may occur as a result of mathematical mistakes, misinterpretation of facts, mistakes in applying accounting policies or oversights. However,

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

in the foregoing case, no error had occurred in the previous financial year to warrant a prior year adjustment in the financial statements for the year ended 30 June 2018.

2. Pending Accounts' Payables / Bills

As disclosed under Note 16 to the financial statements, the Ministry of Foreign Affairs had pending accounts' payables / bills totalling Kshs.2,036,219,937.80 as at 30 June 2018 that were not settled in 2017/2018 financial year but were instead carried forward to 2018/2019 as summarized below:

Description	Amount Kshs.
Supply of Goods	254,328,520.65
Supply of Services	327,516,095.30
Staff Payables – Middle Management	64,500,433.40
Subscriptions to International Organizations	1,389,874,888.45
Total	2,036,219,937.80

Had the bills been paid and expenditure charged to the accounts for 2017/2018, the statement of receipts and payments for the year ended 30 June 2018 would have reflected a deficit of Kshs.1,652,730,790.80 instead of the surplus of Kshs.383,489,147 now shown. Failure to settle bills during the year in which they relate to distorts the financial statements for that year and adversely affects the provisions of the subsequent year to which they have to be charged.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Ministry of Foreign Affairs 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 qualified 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 matters described in the Basis for Qualified Opinion section, I have determined that there are no key audit matters to communicate in my report.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matters described in the Basis for Qualified Opinion section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about

whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7 (1) (a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matters described in the Qualified Opinion section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

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

Responsibilities of Management and Those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, risk management and governance.

In preparing the financial statements, management is responsible for assessing the ability of Ministry of Foreign Affairs to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless the management either intends to cease operations, or have no realistic alternative but to do so.

Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015. In addition to the responsibility for the preparation and presentation of the financial statements described above, management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

Those charged with governance are responsible for overseeing the financial reporting process, reviewing the effectiveness of how the entity monitors compliance with relevant legislative and regulatory requirements, ensuring that effective 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.

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

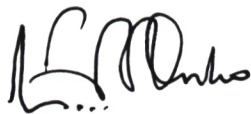
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is

higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of Ministry of Foreign Affairs to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Ministry to cease sustaining its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Ministry to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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



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

Nairobi

04 March 2019

NATIONAL GOVERNMENT ENTITY – MINISTRY OF FOREIGN AFFAIRS
Reports and Financial Statements
For the year ended June 30, 2018

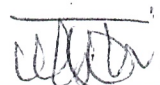
V. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2017-2018	2016-2017
		Kshs	Kshs
RECEIPTS			
Tax Receipts	1	30,859,548	35,043,699
Exchequer releases	2	12,817,556,146	19,231,100,000
Proceeds from Sale of Assets	3	-	1,244,200
Other Receipts	4	528,961,336	1,298,832,944
TOTAL RECEIPTS		13,377,377,030	20,566,220,843
PAYMENTS			
Compensation of Employees	5	6,183,389,872	6,367,410,324
Use of goods and services	6	5,182,308,563	6,862,713,237
Transfers to Other Government Units	7	122,503,137	69,294,952
Other grants and transfers	8	1,004,819,392	2,510,514,339
Social Security Benefits	9	16,001,348	37,193,114
Acquisition of Assets	10	484,865,571	2,665,385,565
TOTAL PAYMENTS		12,993,887,882	18,512,511,531
SURPLUS/DEFICIT		383,489,147	2,053,709,312

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 25.6.2019 2019 and signed by:



Principal Secretary
 Amb. Macharia Kamau, MBS



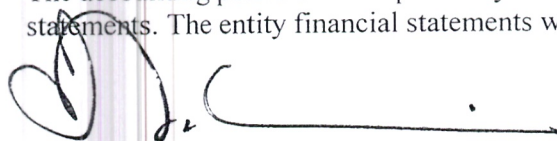
Assistant Accountant General
 Mr. Tom O. Ndhine
 ICPAK Member Number: 6801

NATIONAL GOVERNMENT ENTITY – MINISTRY OF FOREIGN AFFAIRS
 Reports and Financial Statements
 For the year ended June 30, 2018

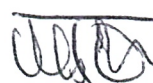
VI. STATEMENT OF ASSETS AND LIABILITIES

	Note	2017-2018 Kshs	2017-2018 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	11A	2,351,302,406	2,116,103,504
Cash Balances	11B	5,097,050	4,627,917
Total Cash and cash equivalent		2,356,399,456	2,120,731,421
Accounts receivables – Outstanding Imprests	12	322,544	183,442
TOTAL FINANCIAL ASSETS		2,356,722,000	2,120,914,863
FINANCIAL LIABILITIES			
Accounts Payables – Deposits and retentions	13	140,544,333	67,205,551
NET FINANCIAL ASSETS		2,216,177,667	2,053,709,312
REPRESENTED BY			
Fund balance b/fwd	14	2,053,709,313	720,584,023
Prior year adjustment	15	(221,020,794)	(720,584,023)
Surplus/Deficit for the year		383,489,147	2,053,709,312
NET FINANCIAL POSSITION		2,216,177,667	2,053,709,312

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 25.1.2019 and signed by:



Principal Secretary
 Amb. Macharia Kamau, MBS



Assistant Accountant General
 Mr. Tom O. Ndhine
 ICPAK Member Number: 6801

NATIONAL GOVERNMENT ENTITY – MINISTRY OF FOREIGN AFFAIRS

Reports and Financial Statements

For the year ended June 30, 2018

STATEMENT OF CASH FLOWS

		2017-2018	20 16 -20 17
		Kshs	Kshs
Receipts for operating income			
Tax Revenues	1	30,859,548	35,043,699
Exchequer Releases	2	12,817,556,146	19,231,100,000
Other Revenues	4	528,961,336	1,298,832,944
Payments for operating expenses		13,377,377,030	20,564,976,643
Compensation of Employees	5	6,183,389,872	6,367,410,324
Use of goods and services	6	5,182,308,563	6,862,713,237
Transfers to Other Government Units	7	122,503,137	69,294,952
Other grants and transfers	8	1,004,819,392	2,510,514,339
Social Security Benefits	9	16,001,348	37,193,114
Adjusted for:			
Changes in Receivables		(139,102)	8,442,434
Changes in Payables		73,338,782	(561,501,820)
Adjustments during the year	15	(221,020,794)	(720,584,023)
Net cash flow from operating activities		720,533,604	3,444,207,268
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	3	-	1,244,200
Acquisition of Assets	10	(484,865,571)	(2,665,385,565)
Net cash flows from Investing Activities		(484,865,571)	(2,664,141,365)
CASHFLOW FROM BORROWING ACTIVITIES			
Net cash flow from financing activities		-	-
NET INCREASE IN CASH AND CASH EQUIVALENT		235,668,033	780,065,903
Cash and cash equivalent at BEGINNING of the year	16	2,120,731,422	1,340,665,518
Cash and cash equivalent at END of the year	17	2,356,399,456	2,120,731,421

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 25.6 2019 and signed by:



Principal Secretary
Amb. Macharia Kamau, MBS



Assistant Accountant General
Mr. Tom O. Ndhine
ICPAK Member Number: 6801

I. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Tax Receipts (AIA)	18,895,000	24,159,000	43,054,000	30,859,548	12,194,452	72
Exchequer releases	9,669,894,550	6,653,389,786	16,323,284,336	12,817,556,146	3,505,728,190	79
Proceeds from Sale of Assets (AIA)		1,100,000	1,100,000	-	1,100,000	0
Other Receipts (AIA)	184,210,450	338,610,451	522,820,901	528,961,336	(6,140,435)	101
TOTAL RECEIPTS	9,873,000,000	7,017,259,237	16,890,259,237	13,377,377,030	3,512,882,207	79
PAYMENTS						
Compensation of Employees	3,524,500,000	3,794,300,000	7,318,800,000	6,183,389,872	1,135,410,128	85
Use of goods and services	3,897,953,312	2,697,236,172	6,595,189,483	5,182,308,563	1,412,880,920	79
Transfers to Other Government Units	182,679,414	(13,620,587)	169,058,827	122,503,137	46,555,690	72
Other grants and transfers	1,267,737,206	874,937,206	2,142,674,411	1,004,819,392	1,137,855,019	47
Social Security Benefits	8,605,000	8,605,000	17,210,000	16,001,348	1,208,652	93
Acquisition of Assets	991,525,070	(344,198,554)	647,326,516	484,865,571	162,460,945	75
TOTAL PAYMENTS	9,873,000,000	7,017,259,237	16,890,259,237	12,993,887,882	3,894,590,146	77
Surplus/ Deficit				383,489,147	(383,489,147)	

The entity financial statements were approved on 25th 2019 and signed by:



Principal Secretary
Amb. Macharia Kamau, MBS




Assistant Accountant General
Mr. Tom O. Ndhine
ICPAK Member Number: 6801


II. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Tax Receipts	18,895,000	24,159,000	43,054,000	30,859,548	12,194,452	72
Exchequer releases	8,669,894,550	7,197,692,048	15,867,586,598	12,445,156,146	3,422,430,452	78
Proceeds from Sale of Assets		1,100,000	1,100,000	-	1,100,000	0
Other Receipts	184,210,450	338,610,451	522,820,901	528,961,336	(6,140,435)	101
TOTAL RECEIPTS	8,873,000,000	7,561,561,499	16,434,561,499	13,004,977,030	3,429,584,469	79
PAYMENTS						
Compensation of Employees	3,524,500,000	3,794,300,000	7,318,800,000	6,183,389,872	1,135,410,128	85
Use of goods and services	3,897,953,312	2,697,236,172	6,595,189,483	5,182,308,563	1,412,880,920	79
Transfers to Other Government Units	57,679,414	69,179,414	126,858,827	122,503,137	46,555,690	81
Other grants and transfers	1,267,737,206	874,937,206	2,142,674,411	1,004,819,392	1,137,855,019	47
Social Security Benefits	8,605,000	8,605,000	17,210,000	16,001,348	1,208,652	93
Acquisition of Assets	116,525,070	117,303,709	233,828,778	484,865,571	162,460,945	51
TOTAL PAYMENTS	8,873,000,000	7,561,561,499	16,434,561,499	12,993,887,882	3,896,371,355	77
Surplus/Deficit				383,489,147	(383,489,147)	

The entity financial statements were approved on 25th 2019 and signed by:



Principal Secretary
Amb. Macharia Kamau, MBS



Assistant Accountant General
Mr. Tom O. Ndhine
ICPAK Member Number: 6801

Reports and Financial Statements

For the year ended June 30, 2018

SUMMARY STATEMENT OF APPROPRIATION: DEVELOPMENT

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Exchequer releases	1,000,000,000	(544,302,262)	455,697,738	372,400,000	83,297,738	82
TOTAL RECEIPTS	1,000,000,000	(544,302,262)	455,697,738	372,400,000	83,297,738	82
PAYMENTS						
Transfers to Other Government Units	125,000,000	(82,800,000)	42,200,000	19,667,471	22,532,529	47
Acquisition of Assets	875,000,000	(461,502,262)	413,497,738	365,374,876	48,122,862	88
TOTAL PAYMENTS	1,000,000,000	(544,302,262)	455,697,738	365,374,876	70,655,391	84
Surplus/Deficit				(12,642,347)	12,642,347	

The entity financial statements were approved on 25th 2019 and signed by:



Principal Secretary
Amb. Macharia Kamau, MBS



Assistant Accountant General
Mr. Tom O. Ndhine
ICPAK Member Number: 6801

III. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	2018		2018	Date, 2018	
	Kshs	Kshs	Kshs	Kshs	Kshs
0714000000	3,137,205,547.00	-	3,137,205,547.00	1,863,479,301.60	1,273,726,245.40
0714010000	3,137,205,547.00	-	3,137,205,547.00	1,863,479,301.60	1,273,726,245.40
0715000000	13,507,734,524.00	-	13,507,734,524.00	10,806,996,630.95	2,700,737,893.05
0715010000	12,058,556,696.00	-	12,058,556,696.00	9,799,578,945.75	2,258,977,750.25
0715020000	363,145,238.00	-	363,145,238.00	111,049,026.85	252,096,211.15
0715030000	34,262,500.00	-	34,262,500.00	22,821,623.80	11,440,876.20
0715040000	968,390,090.00	-	968,390,090.05	830,412,196.05	137,977,893.95
0715050000	83,380,000,000	-	43,134,838.50	43,134,838.50	40,245,161.50
0742000000	146,796,427.00	-	146,796,427.00	102,685,811.80	44,110,615.20
0742010000	146,796,427.00	-	146,796,427.00	102,685,811.80	44,110,615.20

(NB: This statement is a disclosure statement indicating the utilisation in the same format at the Entity's budgets which are programme based. Ensure that this document is completed to enable consolidation by the National Treasury)

IV. 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 Foreign Affairs. 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 entity:

- a. Construction of Chancery and Ambassador's residence in Somali
- b. Construction of Staff residences and renovation of the Chancery
- c. Consultancy fee towards refurbishment of the Chancery in Washington DC
- d. Renovation of Ambassador's residence in Rome Italy
- e. Construction of Ambassador's residence in Islamabad, Pakistan
- f. Renovation of Chancery and High Commissioner's residence in Dar es Salaam, Tanzania

Of the Development funds disbursed to the Missions abroad, the Missions listed below did not manage to complete the procurement process for the construction works and hence transferred the funds to the deposit accounts to facilitate completion of the processes. The transfers were as below:

MISSION	AMOUNT IN KSHS
Rome	5,740,319.52
Islamabad	6,618,807.15
Somalia	6,665,653.55
Pretoria	71,867,796.30
Washington	9,350,410.35
Total	100,242,986.87

NATIONAL GOVERNMENT ENTITY – MINISTRY OF FOREIGN AFFAIRS

Reports and Financial Statements

For the year ended June 30, 2018

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. Contingent Liability

Kenya High Commission in London has accumulated unpaid penalties being London Congestion Charges amounting to GBP 2,569,330 as at 10th May 2018, equivalent to Kshs. 344,290,220.00. This penalty has accumulated since February 2003 since the introduction of London Congestion charge. This issue may be pursued diplomatically.

5. Prior year adjustment:

In the financial year 2016/2017, development expenditure amounting to Ksh. 221,020,793.60 was omitted as a result of time difference in remitting of funds. This has been corrected as per note 15.

6. East Africa Tourist Visa:

The Ministry collected USD 585,553.05 equivalent to Kshs.59,140,858.00 as at 30th June 2018 which has already been remitted. The Ministry is in the process of reconciling and submitting the 4th quarter collections.

7. Explanation for under absorption in budget execution

(a) Summary Statement of Appropriation – Recurrent

- i. Tax receipts:- This is obtained from VAT refunds by the host government in the Kenya Missions Abroad. However, due to reduced activities in high value purchases due to the change of policy in accommodating officers in furnished apartments instead of buying furniture and other household items. The Ministry realized 73% absorption rate.
- ii. Exchequer Release – The Ministry realized 79% absorption on exchequer releases. This is due to a surplus of Kshs. 2,053,709,313 in 2016/2017 financial year coupled with the Treasury communication towards the end of the year of non-release of further exchequers.
- iii. Payments:- The total payments for the year realized an absorption of 77 %. A deployment done by the Ministry during the year did not materialize in time to utilize the funds set aside for the expenditure.

(b) Summary Statement of Appropriation – Development

- i Exchequer release – Timing difference and procurement processes are major hindrances in exchequer requisition under development vote. Once completion certificate are issued they are processed by the Ministry of public works then the funds are wired to the respective Missions abroad. This affects expenditure absorption too.

8. 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 Entity.

- **Tax Receipts**

Tax receipts are recognized in the books of accounts when cash is received. Cash is considered as received when funds are received in the bank accounts.

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 entity 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.

NATIONAL GOVERNMENT ENTITY – MINISTRY OF FOREIGN AFFAIRS
Reports and Financial Statements
For the year ended June 30, 2018

b) Recognition of payments

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

- **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.

9. 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 Entity 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.

10. Third Party Payments

NATIONAL GOVERNMENT ENTITY – MINISTRY OF FOREIGN AFFAIRS

Reports and Financial Statements

For the year ended June 30, 2018

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.

11. 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 138,224,333 compared to Kshs 58,630,912.45 in prior period as indicated on note 13.

There were no other restrictions on cash during the year.

SIGNIFICANT ACCOUNTING POLICIES

12. 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.

13. 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.

14. 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

NATIONAL GOVERNMENT ENTITY – MINISTRY OF FOREIGN AFFAIRS

Reports and Financial Statements

For the year ended June 30, 2018

the overall net cash position of the Entity 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.

15. 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.

16. 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

17. 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.

18. 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.

19. Related Party Transactions

Related party relationships are a normal feature of commerce. Specific information with regards to related party transactions for the top management of the ministry is as follows:

1. Amb. Mocica Juma	Cabinet Secretary	Kshs. 7,696,428
2. Amb. Macharia Kamau	Principal Secretary	Kshs. 3,631,229
3. Hon. Ababau Namwamba	Chief Administrative Secretary	Kshs. 3,198,476

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V. NOTES TO THE FINANCIAL STATEMENTS

1 TAX REVENUES

	2017 - 2018	2016 - 2017
	Kshs	Kshs
Taxes on Goods and Services	30,859,548	35,043,699
Total	30,859,548	35,043,699

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2 EXCHEQUER RELEASES

Description	2017 - 2018	2016 - 2017
	Kshs	Kshs
Total Exchequer Releases for quarter 1	3,369,322,688	7,611,000,000
Total Exchequer Releases for quarter 2	1,695,601,558	2,609,000,000
Total Exchequer Releases for quarter 3	3,412,231,300	3,834,500,000
Total Exchequer Releases for quarter 4	4,340,400,600	5,176,600,000
Total	12,817,556,146	19,231,100,000

3 PROCEEDS FROM SALE OF ASSETS

	2017 - 2018	2016 - 2017
	Kshs	Kshs
Receipts from the Sale of Buildings		
Receipts from the Sale of Vehicles and Transport Equipment	-	1,234,200
Receipts from the Sale Plant Machinery and Equipment	-	10,000
Total	-	1,244,200

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 OTHER REVENUES

Description	2017 -2018	2016 -2017
	Kshs	Kshs
Interest Received		1,607,563
Rents on land, houses and buildings	103,312,111	109,068,544
Other Property Income e.g leases, rates	4,521,820	24,777,516
Sales of market establishment	16,898,409	
Receipts from Administrative Fees and Charges - Collected as AIA	404,228,996	1,162,072,747
Receipts not classified elsewhere	-	1,306,574
Total	528,961,336	1,298,832,944

5 COMPENSATION OF EMPLOYEES

	2017 -2018	2016 -2017
	Kshs	Kshs
Basic salaries of permanent employees	770,543,326	665,390,565
Basic wages of temporary employees	1,457,890,840	1,476,848,991
Personal allowances paid as part of salary	3,546,981,390	3,721,467,402
Personal allowances provided in kind	180,733,393	209,720,575
Pension and other social security contributions	6,010,128	11,999,901
Employer Contributions Compulsory national social security schemes	42,835,741	41,967,294
Employer Contributions Compulsory national health insurance schemes	171,017,411	185,209,476
Use of Goods	7,377,642	54,806,119
Total	6,183,389,872	6,367,410,324

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

6 USE OF GOODS AND SERVICES

	2017-2018	2016 -2017
	Kshs	Kshs
Utilities, supplies and services	337,833,201	343,938,483
Communication, supplies and services	153,137,040	263,326,141
Domestic travel and subsistence	177,004,676	209,696,673
Foreign travel and subsistence	1,151,161,260	1,859,029,099
Printing, advertising and information supplies & services	13,387,293	28,964,773
Rentals of produced assets	2,316,890,657	2,375,072,829
Training expenses	41,936,668	39,078,539
Hospitality supplies and services	379,553,590	625,015,211
Insurance costs	46,990,752	57,003,455
Specialized materials and services	18,148,008	24,271,725
Office and general supplies and services	44,096,378	107,874,946
Fuel Oil and Lubricants	73,375,429	76,549,984
Other operating expenses	260,971,695	617,665,095
Routine maintenance – vehicles and other transport equipment	92,067,586	86,343,169
Routine maintenance – other assets	75,754,332	148,883,115
Exchange Rate Losses	-	-
Total	5,182,308,563	6,862,713,237

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

7 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)		
Current Grants to Government Agencies and other Levels of Government	102,835,666	
Capital Grants to Government Agencies and other Levels of Government	19,667,471	69,294,952
TOTAL	122,503,137	69,294,952

8 OTHER GRANTS AND TRANSFERS

Explanation	2017 -2018	2016 -2017
	Kshs	Kshs
Membership dues and subscriptions to international organizations	541,185,861	1,779,339,325
Membership dues and subscriptions to international organizations	10,649,766	190,830,157
Scholarships and other educational benefits	452,983,764	540,344,857
Total	1,004,819,392	2,510,514,339

9 SOCIAL SECURITY BENEFITS

Explanation	2017 -2018	2016 -2017
	Kshs	Kshs
Government pension and retirement benefits	16,001,348	37,193,114
Total	16,001,348	37,193,114

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

10 ACQUISITION OF ASSETS

Non Financial Assets	2017 -2018	2016 -2017
	Kshs	Kshs
Purchase of Buildings	-	1,846,445,654
Refurbishment of Buildings	366,706,154	596,634,519
Purchase of Vehicles and Other Transport Equipment	88,445,884	133,832,028
Overhaul of Vehicles and Other Transport Equipment	480,251	1,751,648
Purchase of Furniture and Institutional Equipment	13,850,514	39,639,435
Purchase of Office Furniture and General Equipment	9,890,298	34,715,348
Purchase of ICT Equipment, software and other ICT Assets	5,492,470	12,366,932
Total	484,865,571	2,665,385,565

11A: 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
Central Bank of Kenya, 1000302337, Recurrent KShs		Recurrent		2,301,308	3,934,836
Kenya Missions Abroad, 6530103, Recurrent A/c		Recurrent		1,971,087,917	1,772,573,288
Central Bank of Kenya, 1000302356, Development KShs		Development		6,929,240	3,668,212
Kenya Missions Abroad, 6540102, Development Kshs		Development		232,759,808	277,296,256
Central Bank of Kenya, 1000302372, Deposit KShs		Deposit		138,224,333	58,630,912
Total				2,351,302,406	2,116,103,504

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B: CASH IN HAND

	2017 -2018	2016 -2017
	Kshs	Kshs
Cash in Hand – Held in domestic currency	5,097,050	4,627,917
Total	5,097,050	4,627,917

12: ACCOUNTS RECEIVABLE - OUTSTANDING IMPRESTS

Description	2017 -2018	2016 -2017
	Kshs	Kshs
Government Imprests	322,544	130,290
Total	322,544	183,442

13. ACCOUNTS PAYABLE

Description	2017 -2018	2016 -2017
	Kshs	Kshs
Deposits	138,224,333	58,630,912
R/D CHEQUES	2,320,000	8,574,639
Total	140,544,333	67,205,551

14. FUND BALANCE BROUGHT FORWARD

Description	2017 -2018	2016 -2017
	Kshs	Kshs
Bank accounts	2,116,103,504	198,124,703
Cash in hand	4,627,917	1,142,540,815
Accounts Receivables	183,442	8,625,876
Accounts Payables	(67,205,551)	(628,707,371)
Total	2,053,709,312	720,584,023

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

15. PRIOR YEAR ADJUSTMENTS

Description of the error	2017 - 2018	2016 -2017
	Kshs	Kshs
Adjustments on bank account balances		(198,124,703)
Adjustments on cash in hand		(597,785,109)
Adjustments on payables	(221,020,794)	83,951,665
Adjustments on receivables		(8,625,876)
TOTAL	(221,020,794)	(720,584,023)

16. OTHER IMPORTANT DISCLOSURES

16.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

Description	2017-2018	2016 -2017
	Kshs	Kshs
Supply of goods	254,328,520.65	
Supply of services	327,516,095.30	174,142,831.30
TOTAL	581,844,615.95	174,142,831.30

16.2: PENDING STAFF PAYABLES (See Annex 2)

	2017 -2018	2016 -2017
	Kshs	Kshs
Middle management	64,500,433.40	69,294,901.60
TOTAL	64,500,433.40	69,294,901.60

16.3: OTHER PENDING PAYABLES (See Annex 3)

	2017 -2018	2016 -2017
	Kshs	Kshs
Subscriptions to International Organization	1,389,874,888.45	0
TOTAL	1,389,874,888.45	0

17.0 OTHER DOCUMENTATION AND DISCLOSURES

17.1-PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

17.2- ANALYSIS OF PENDING ACCOUNTS PAYABLE

17.3- ANALYSIS OF PENDING STAFF PAYABLES

17.4-- REPORTS GENERATED FROM IFMIS

- 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

II. OTHER ATTACHMENTS

- i. Exchequer issues – Recurrent
- ii. Exchequer issues – Development
- iii. Mission’s Cashbook Balances – Recurrent
- iv. Mission’s Cashbook Balances – Development
- v. Mission’s Cashbook Balances – Agency
- vi. Board of Survey HQS
- vii. Deposit analysis
- viii. East Africa Tourist support documents
- ix. Confirmation of London Congestion charges
- x. Pretoria – Prior year adjustmet



Trial Balance

Entity: 1052-Ministry of Foreign Affairs

Current Period: JUL-17 To JUN-18

Compare With: JUL-16 To ADJ2-17

Account No and Description	Current Period		Previous period	
	Debit Kshs	Credit Kshs	Debit Kshs	Credit Kshs
1110100 Receipt of Income Tax from Individuals	0.00	0.00	0.00	0.00
1110000 Taxes on Income, Profits and Capital Gains	0.00	0.00	0.00	0.00
1140100 VAT on Domestic Goods and Services	0.00	28,064,786.10	0.00	35,043,698.70
1140200 VAT on Imported Goods and Services	0.00	2,794,761.50	0.00	0.00
1140000 Taxes on Goods and Services	0.00	30,859,547.60	0.00	35,043,698.70
1410100 Interest Received	0.00	0.00	0.00	1,607,562.90
1410400 Rents on land, houses and buildings	0.00	103,312,111.25	0.00	109,068,543.95
1410500 Other Property Income collected as AIA	0.00	4,521,820.00	0.00	24,777,516.10
1410000 Property Income	0.00	107,833,931.25	0.00	135,453,622.95
1420100 Sales of Market Establishment	0.00	16,898,408.50	0.00	0.00
1420300 Administrative Fees and Charges collected as AIA	0.00	404,228,996.30	0.00	1,162,072,747.30
1420000 Sales of Goods and Services	0.00	421,127,404.80	0.00	1,162,072,747.30
1450100 Paid to Exchequer	0.00	0.00	0.00	0.00
1450200 Receipts Not Classified Elsewhere	0.00	0.00	0.00	1,306,573.65
1450000 Other Receipts Not Elsewhere Classified	0.00	0.00	0.00	1,306,573.65
2110100 Basic Salaries - Permanent Employees	770,543,326.40	0.00	665,390,564.60	0.00
2110200 Basic Wages - Temporary Employees	1,457,890,840.45	0.00	1,476,820,291.20	0.00
2110300 Personal Allowances paid as part of Salary	3,548,762,599.00	0.00	3,721,471,902.20	0.00
2110400 Personal Allowances paid as Reimbursements	180,733,392.95	0.00	209,720,575.25	0.00
2110500 Personal Allowances provided in Kind	6,010,128.05	0.00	11,999,900.90	0.00
2110000 Wages and Salary Contributions	5,963,940,286.85	0.00	6,085,403,234.15	0.00
2120100 Employer Contributions to Compulsory National Social Security Schemes	42,835,741.30	0.00	41,967,294.20	0.00
2120200 Employer Contributions to Compulsory Health Insurance Schemes	171,017,411.20	0.00	185,209,476.30	0.00
2120300 USE OF GOODS AND SERVICES	7,377,641.50	0.00	54,806,119.30	0.00
2120000 Social Contributions	221,230,794.00	0.00	281,982,889.80	0.00
2210100 Utilities, Supplies and Services	337,833,200.50	0.00	343,938,482.80	0.00
2210200 Communication, Supplies and Services	153,137,040.40	0.00	263,326,141.40	0.00
2210300 Domestic Travel and Subsistence, and Other Transportation Costs	177,004,675.95	0.00	209,437,729.05	0.00
2210400 Foreign Travel and Subsistence, and other transportation costs	1,151,161,260.40	0.00	1,858,621,495.15	0.00
2210500 Printing, Advertising and Information Supplies and Services	13,387,292.75	0.00	28,964,773.25	0.00
2210600 Rentals of Produced Assets	2,316,890,657.30	0.00	2,375,055,728.55	0.00
2210700 Training Expenses	41,936,667.65	0.00	38,119,577.20	0.00
2210800 Hospitality Supplies and Services	379,553,589.55	0.00	625,007,211.30	0.00
2210900 Insurance Costs	46,990,752.15	0.00	56,993,454.70	0.00
2211000 Specialised Materials and Supplies	18,148,008.15	0.00	24,271,724.65	0.00
2211100 Office and General Supplies and Services	44,096,377.50	0.00	107,874,945.90	0.00
2211200 Fuel Oil and Lubricants	73,375,428.60	0.00	76,535,284.25	0.00
2211300 Other Operating Expenses	260,971,694.50	0.00	617,614,695.30	0.00
2210000 Goods and Services	5,014,486,645.40	0.00	6,625,761,243.50	0.00
2220100 Routine Maintenance - Vehicles	92,067,586.25	0.00	86,343,169.00	0.00
2220200 Routine Maintenance - Other	75,754,331.70	0.00	148,883,114.70	0.00

Account No and Description	Current Period		Previous period	
	Debit	Credit	Debit	Credit
Assets				
2220000 Routine Maintenance	167,821,917.95	0.00	235,226,283.70	0.00
2620100 Membership Fees and Dues and Subscriptions to International Organizations	541,185,861.40	0.00	1,779,339,325.10	0.00
2620200 Membership Fees and Dues and Subscriptions to International Organizations (Continued)	10,649,766.00	0.00	190,830,156.85	0.00
2620000 Grants and Other Transfers to International Organizations	551,835,627.40	0.00	1,970,169,481.95	0.00
2630100 Current Grants to Government Agencies and other Levels of Government	102,835,665.80	0.00	0.00	0.00
2630200 Capital Grants to Government Agencies and other Levels of Government	19,667,470.90	0.00	94,060,958.25	0.00
2630000 Grants & Transfer To Other Govt. Units	122,503,136.70	0.00	94,060,958.25	0.00
2640100 Scholarships and other Educational Benefits	452,983,764.45	0.00	540,344,857.00	0.00
2640000 Other Transfers and Emergency Relief	452,983,764.45	0.00	540,344,857.00	0.00
2710100 Government Pension and Retirement Benefits	16,001,347.95	0.00	37,193,114.45	0.00
2710000 Social Security Benefits	16,001,347.95	0.00	37,193,114.45	0.00
3110100 Purchase of Buildings	0.00	0.00	2,000,000,000.00	0.00
3110300 Refurbishment of Buildings	366,706,154.15	0.00	639,303,460.45	0.00
3110700 Purchase of Vehicles and Other Transport Equipment	88,445,884.10	0.00	133,832,027.85	0.00
3110800 Overhaul of Vehicles and Other Transport Equipment	480,250.50	0.00	1,751,648.10	0.00
3110900 Purchase of Household Furniture and Institutional Equipment	13,850,514.15	0.00	39,639,435.25	0.00
3111000 Purchase of Office Furniture and General Equipment	9,890,297.75	0.00	34,715,347.90	0.00
3111100 Purchase of Specialised Plant, Equipment and Machinery	5,492,469.90	0.00	12,366,931.10	0.00
3110000 Acquisition of Fixed Capital Assets	484,865,570.55	0.00	2,861,608,850.65	0.00
3510600 Receipts from the Sale of Vehicles and Transport Equipment	0.00	0.00	0.00	1,234,200.00
3510800 Receipts from the Sale Plant Machinery and Equipment	0.00	0.00	0.00	10,000.00
3510000 Receipts from the Sale of Fixed Assets	0.00	0.00	0.00	1,244,200.00
6530100 Recurrent Bank Accounts	1,973,389,225.00	0.00	1,776,508,124.00	0.00
6530000 Recurrent Bank Accounts	1,973,389,225.00	0.00	1,776,508,124.00	0.00
6540100 Development Bank Accounts	239,689,048.35	0.00	59,943,674.80	0.00
6540000 Development Bank Accounts	239,689,048.35	0.00	59,943,674.80	0.00
6550100 Deposit Bank Accounts	138,224,333.00	0.00	58,630,912.00	0.00
6550000 Deposit Bank Account	138,224,333.00	0.00	58,630,912.00	0.00
6580100 Cash in Hand	5,097,050.00	0.00	0.00	1,955,339.60
6580000 Cash in Hand	5,097,050.00	0.00	0.00	1,955,339.60
6710100 Debtors & Advances - Employees	0.00	0.00	53,151.70	0.00
6710000 Domestic Debtors & Advances	0.00	0.00	53,151.70	0.00
6740100 Other Debtors & Pre-payments	0.00	2,320,000.00	0.00	8,574,639.05
6740000 Other Debtors & Pre-payments	0.00	2,320,000.00	0.00	8,574,639.05
6760100 Imprests	322,544.20	0.00	637,878.80	0.00
6760000 Government Imprests	322,544.20	0.00	637,878.80	0.00
6770100 Ministerial Agency Accounts	0.00	0.00	0.00	0.00
6770000 Agency Accounts	0.00	0.00	0.00	0.00
6780100 Suspense & Clearance Account	0.00	0.00	0.00	0.00
6780000 Suspense & Clearance Account	0.00	0.00	0.00	0.00
6790100 Other Current System A/cs	0.00	0.00	0.00	0.00
6790000 Other Current Assets (System r	0.00	0.00	0.00	0.00
7310100 General Deposits Items	0.00	138,224,333.00	0.00	58,660,161.50
7310000 Deposits	0.00	138,224,333.00	0.00	58,660,161.50
7320000 Other Liabilities	0.00	0.00	0.00	0.00
7320100 Salary Deductions	0.00	0.00	0.00	0.00
7320200 Other General Liabilities	0.00	0.00	0.00	0.00
7320000 Other Liabilities	0.00	0.00	0.00	0.00
7380100	0.00	0.00	0.00	0.00

Account No and Description	Current Period		Previous period	
	Debit	Credit	Debit	Credit
7380000 Withholding Taxes	0.00	0.00	0.00	0.00
7390100 System Required Liabilities	0.00	0.00	7,886,328.00	0.00
7399900	0.00	0.00	0.00	0.00
7390000 System Required Liabilities A/cs	0.00	0.00	7,886,328.00	0.00
9910100 General Provisions	0.00	0.00	0.00	0.00
9910200 Exchequer Provisions	0.00	32,048,656,146.00	0.00	19,231,100,000.00
9910000 Provisions	0.00	32,048,656,146.00	0.00	19,231,100,000.00
9999900	17,396,630,070.85	0.00	0.00	0.00
9990000 Opening Balance Reserves	17,396,630,070.85	0.00	0.00	0.00
Total	13,465,196,015.45	13,465,196,015.45	34,084,142,205.25	34,084,142,205.25

The Statement has been prepared, reviewed and approved by the following:

Prepared By: _____

Date: _____

Reviewed By: _____

Date: _____

Approved By: _____

Date: _____