



REPUBLIC OF KENYA

Paper Lead
By Hon. A. Duake, MP (Ken)
on Thurs. 28.07.2016 (pm)

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SUMMARY

OF THE REPORT

OF THE AUDITOR-GENERAL

ON THE

FINANCIAL STATEMENTS

FOR MINISTRIES, DEPARTMENTS, COMMISSIONS,

FUNDS

AND

OTHER ACCOUNTS

OF THE

NATIONAL GOVERNMENT

FOR THE YEAR 2014/2015

OFFICE OF THE AUDITOR-GENERAL

Vision

Effective accountability in the management of public resources and service delivery

Mission

Audit and report to stakeholders on the fairness, effectiveness and lawfulness in the management of public resources for the benefit of the Kenyan people

Core Values

Independence | Integrity | Professionalism | Innovation | Team Spirit

Motto

Enhancing Accountability

Website: www.kenao.go.ke

Contents

1. General	1
1.1. Legal Mandate of the Office of the Auditor-General	1
1.2. Management's Responsibility for the Financial Statements	1
1.3. Auditor-General's Responsibility	2
2. National Government Budgetary and Expenditure Review	3
2.1. Budget Review	3
2.2. 2014/2015 Actual Expenditure for the National Government	6
2.3. Revenue Analysis	7
2.4. Actual Revenue	10
2.5. The Exchequer Account as at 30 June 2015	11
2.6. Growth in Public Debt	15
3. Summary of the Audit Results	17
3.1. Accounting Framework	17
3.2. Overall Audit Results	17
3.3. Audit of Revenue Statements	18
3.4. Audit of Expenditure Statements	21
4. Additional Audit Findings	23
4.1. Unsupported Expenditure	23
4.2. Value for Money/ Effectiveness Observations	24
4.3. Pending Bills	27
4.4. Management of Imprests	28
4.5. Maintenance of Cashbooks and Bank Accounts	29
4.6. Maintenance of Accounting Records	30
5. Conclusion	31
6. Audit Opinions on the Financial Statements	32
6.1. Unqualified Certificate	32
6.2. Qualified Certificate	34
6.3. Adverse Certificate	36
6.4. Disclaimer Certificate	38
Appendices	40

SUMMARY OF THE REPORT OF THE AUDITOR-GENERAL ON THE FINANCIAL STATEMENTS FOR MINISTRIES, DEPARTMENTS, COMMISSIONS, FUNDS AND OTHER ACCOUNTS OF THE NATIONAL GOVERNMENT FOR THE YEAR 2014/2015

1. General

1.1. Legal Mandate of the Office of the Auditor-General

- The Office of the Auditor-General is established as an Independent Office under Article 248(3) of the Constitution of the Republic of Kenya.
- The Auditor-General is appointed in accordance with Article 229 of the Constitution.
- The statutory duties and responsibilities of the Auditor-General are given in Article 229(4) (5) (6) and (7) of the Constitution and Public Audit Act, 2003.

I have already issued my audit reports to the respective accounting officers for the financial statements for 2014/2015 of their respective Ministries, Departments, Agencies and Funds.

This report provides a Summary of my audit findings of the financial statements of the National Government of the Republic of Kenya for the financial year ended 30 June 2015.

The scope of the audit in National Government includes Ministries, Government Departments, Agencies, Funds and Development Partners' funded Projects.

1.2. Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of financial statements in accordance with the International Public Sector Accounting Standards (IPSAS) - Cash Basis and for such internal control as management determines is necessary to enable the

preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Management is also responsible for the submission of these financial statements to the Auditor-General in accordance with the provisions of Sections 4 and 7 of the Public Audit Act, 2003.

1.3. Auditor-General's Responsibility

I carried out my audit in accordance with International Standards of Supreme Audit Institutions (ISSAIs). Those Standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. It also includes evaluating the accounting policies used and significant estimates made by Management, as well as evaluating the overall presentation of the financial statements. Further, it includes procedures to determine whether public money has been applied lawfully and in an effective way.

I considered the public entities' internal control systems in order to determine my auditing procedures for the purpose of expressing an opinion on their financial statements. To ensure that the execution of the National Budget was in conformity with the provisions of existing laws, regulations and prescribed procedures, the audit essentially covered authorization and approval of expenditure, budget procedures, management of bank accounts and a review of the internal control systems set up by the audited public entities.

The following sections highlight key findings noted during the audit of the financial statements for the year ended 30 June 2015:

2. National Government Budgetary and Expenditure Review

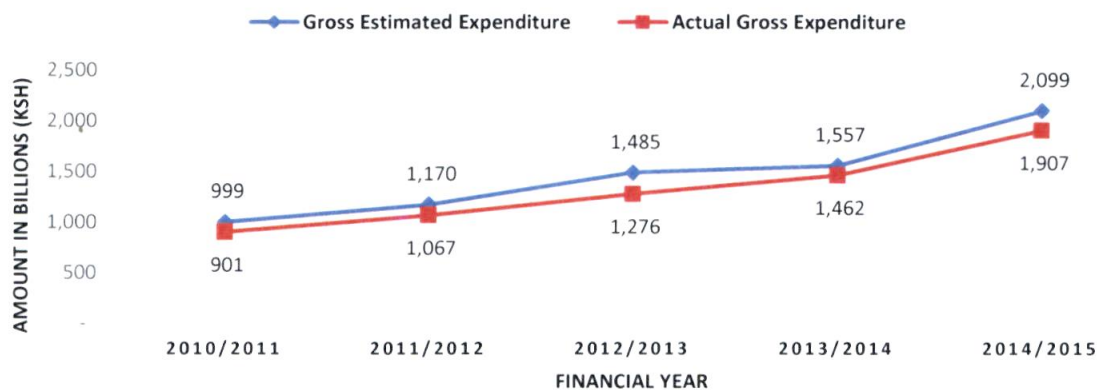
2.1. Budget Review

2.1.1. Budget Trend Analysis

The gross estimated expenditure has increased over the last five years from Kshs.999,277,657,525 in the year 2010/2011 to Kshs.2,099,370,186,391 in the year 2014/2015. This is approximately an increase of 110% over the five year period. Similarly the actual gross expenditure has increased over the years from Kshs.901,295,758,038 in the year 2010/2011 to Kshs.1,906,841,500,924 in the year 2014/2015 representing an increase of approximately 112% over the period. This implies that the scope of my audit has also more than doubled over the last five years. The tabulation below depicts this trend:

Year	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015
	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.
Gross Estimated Expenditure	999,277,657,525	1,170,478,418,074	1,485,438,350,899	1,557,192,721,388	2,099,370,186,391
Actual Gross Expenditure	901,295,758,038	1,066,835,338,744	1,275,862,845,060	1,461,965,849,061	1,906,841,500,924

Budget Trend Analysis



2.1.2. 2014/2015 Budget

In 2014/2015 the Approved Estimated Gross Expenditure was Kshs.2,099,370,186,391 while approved Appropriations-In-Aid (AIA) were Kshs.401,419,514,999 resulting in Net Approved Expenditure of Kshs.1,697,950,671,392 as follows:-

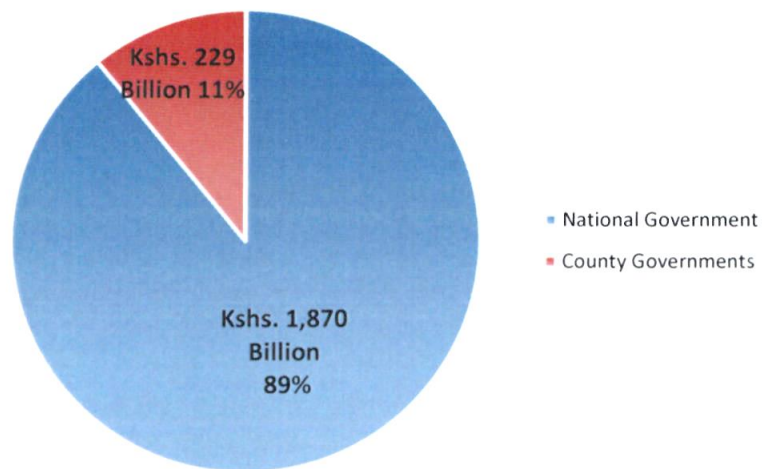
	Gross Estimated Expenditure Kshs.	AIA Kshs.	Approved Net Expenditure Kshs.	Net Expenditure as a % of Approved total Net Expenditure
Recurrent Votes	736,726,691,515	61,593,196,194	675,133,495,321	40%
Development Votes	696,492,214,740	339,826,318,805	356,665,895,935	21%
Consolidated Fund Services	436,887,630,136	00	436,887,630,136	26%
Sub-total for National Government	1,870,106,536,391	401,419,514,999	1,468,687,021,392	87%
County Governments	229,263,650,000	00	229,263,650,000	13%
Grand Total	2,099,370,186,391	401,419,514,999	1,697,950,671,392	100%

As shown above, 40% of the approved net expenditure was budgeted for meeting the National Government recurrent expenditure and 21% for development expenditure. Consolidated Fund Services including repayments of Public Debt accounted for 26%, while County Governments accounted for 13% of the total budgeted net expenditure.

The 2014/2015 gross budget of Kshs.2,099,370,186,391 was shared between the National Government and the County Governments at the ratio of 89% and 11% respectively as follows:-

Level of Government	Gross Estimated Expenditure Kshs	As a % of Gross Estimated Expenditure
National Government	1,870,106,536,391	89%
County Governments	229,263,650,000	11%
Grand Total	2,099,370,186,391	100%

Gross Estimated Expenditure



The County Governments allocation of Kshs. 229,263,650,000 for the year 2014/2015 was based on the audited revenue for the year 2009/2010, since the audited financial statements for 2010/2011, 2011/2012, 2012/2013 and 2013/2014 had not been tabled in the National Assembly. The County Governments expenditure has been accounted for and reported individually by each of the forty seven (47) County Governments and the respective audit reports issued for the County Governments and County Assemblies.

2.2. 2014/2015 Actual Expenditure for the National Government

2.2.1. The financial statements for the year 2014/2015 for the National Government show total Actual Expenditure of Kshs.1,677,505,263,727 representing 90% of the gross estimated expenditure of Kshs.1,870,106,536,391. In addition, the actual expenditure of Kshs. 1,677,505,263,727 represents an increase of Kshs.408,885,553,491 or 32% when compared with actual expenditure of Kshs. 1,268,619,710,236 for 2013/2014, as shown below:

Votes	Gross Estimated Expenditure 2014/2015 Kshs	Actual Expenditure 2014/2015 Kshs	Absorption as a %age of Estimated Expenditure	Proportion as a % of total actual 2014/2015	Actual Expenditure 2013/2014 Kshs	% Increase / (Decrease) From 2013/2014
Recurrent and Development combined	1,433,218,906,255	1,220,644,732,649	85%	73%	1,008,699,240,052	21%
Consolidated Fund Services	436,887,630,136	456,860,531,078	105%	27%	259,920,470,184	76%
Totals	1,870,106,536,391	1,677,505,263,727	90%	100%	1,268,619,710,236	32%

2.2.2. The Actual Expenditure of Kshs.1,677,505,263,727 comprised expenditure amounting to Kshs.1,220,644,732,649 or 73% and Kshs.456,860,531,078 or 27% of the total actual expenditure under combined Recurrent and Development Votes, and Consolidated Fund Services respectively.

2.2.3. The actual expenditure of Kshs.1,677,505,263,727 represents an increase of 32% when compared to the actual expenditure of Kshs.1,268,619,710,236 incurred in 2013/2014. This increase is occasioned by a combination of an increase of Kshs.211,945,492,597 or 21% of the combined Recurrent and Development Votes and an increase of Kshs.196,940,060,894 or 76% in Consolidated Fund Services.

2.2.4. There was a gross under-expenditure of Kshs.192,601,272,664 made up of under-expenditure of Kshs.212,574,173,606 for combined Recurrent and Development Votes and over-expenditure of Kshs.19,972,900,942 for Consolidated Fund Services as follows:-

	Gross Estimated Expenditure Kshs	Actual Expenditure Kshs	Under/(Over) Expenditure Kshs	% Under/(Over) expenditure
Recurrent and Development Votes	1,433,218,906,255	1,220,644,732,649	212,574,173,606	15%
Consolidated Fund Services	436,887,630,136	456,860,531,078	(19,972,900,942)	5%
Total	1,870,106,536,391	1,677,505,263,727	192,601,272,664	10%

2.2.5. The under-expenditure of Kshs.212,574,173,606 under combined Recurrent and Development Votes was mainly attributed to inadequate exchequer issues and delayed disbursement of donor funds. The over-expenditure of Kshs.19,972,900,942 under Consolidated Fund Services has not been explained. Detailed reasons for the under-expenditure are provided in the respective financial statements for 2014/2015.

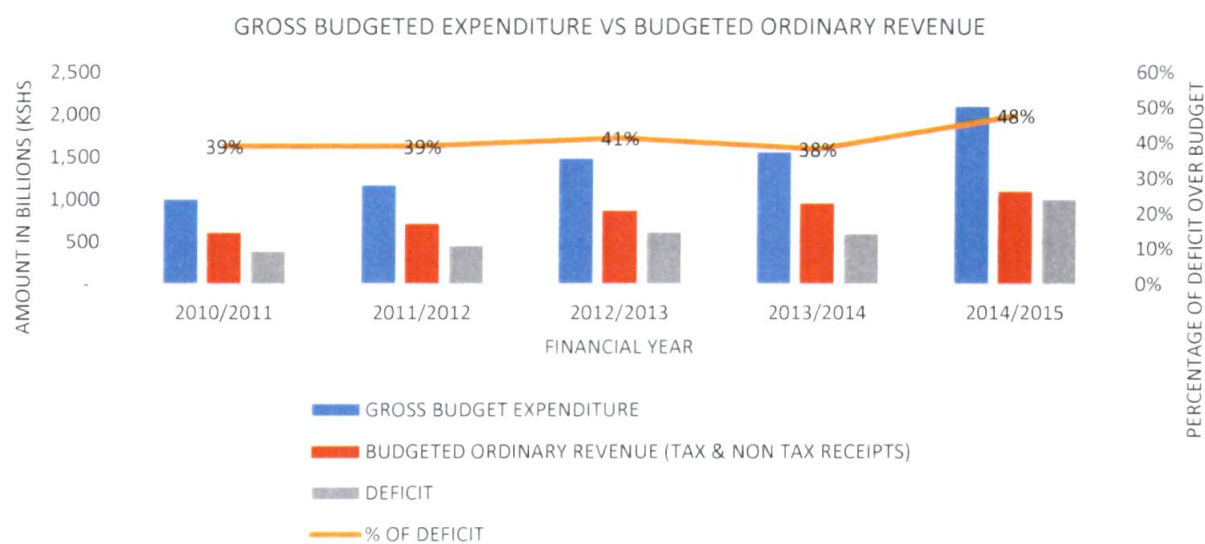
2.3. Revenue Analysis

2.3.1. Ordinary Revenue Budget Trend Analysis

The budgeted revenue from tax and non-tax receipts (ordinary revenue) increased over the last five years from Kshs.609,639,337,937 in the year 2010/2011 to Kshs.1,098,167,501,267 in the year 2014/2015. This is an increase of approximately 80% over the five year period. However, when compared to the gross estimated expenditure, the overall deficit has increased over the years from Kshs.389,638,319,588 in the year 2010/2011 to Kshs.1,001,202,685,124 in the year 2014/2015 representing an increase of approximately 157% over the period as follows:-

Gross Budgeted Expenditure Vs Budgeted Ordinary Revenue

Year	Gross Budget Expenditure	Budgeted Ordinary Revenue (Tax & Non Tax Receipts)	Deficit	Deficit as % of Gross Budget
2010/2011	999,277,657,525	609,639,337,937	389,638,319,588	39%
2011/2012	1,170,478,418,074	713,615,239,430	456,863,178,644	39%
2012/2013	1,485,438,350,899	870,518,584,891	614,919,766,008	41%
2013/2014	1,557,192,721,388	959,854,104,424	597,338,616,964	38%
2014/2015	2,099,370,186,391	1,098,167,501,267	1,001,202,685,124	48%

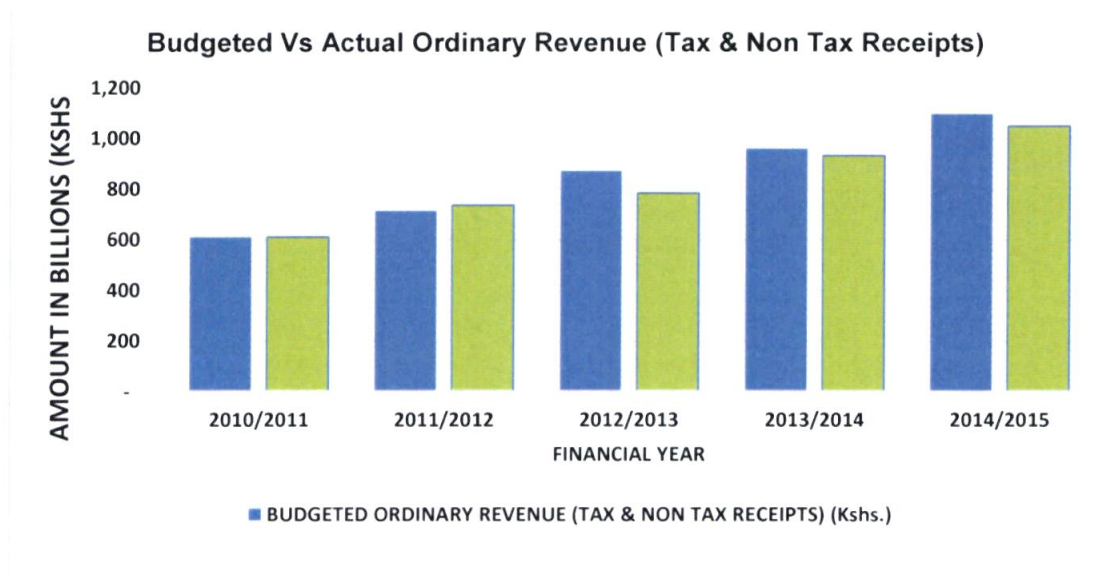


The deficit between the gross budgeted expenditure and the budgeted ordinary revenue is funded through borrowings either from domestic markets (Treasury Bills and Treasury Bonds) or borrowings from external development partners.

2.3 2. Budget versus Actual Ordinary Revenue

The estimated receipts from tax and non-tax receipts (ordinary revenue) increased over the last five years from Kshs.609,639,337,937 in the year 2010/2011 to Kshs.1,098,167,501,267 in the year 2014/2015 representing an increase of approximately 80% over the five years period. Similarly, the actual receipts from tax and non-tax receipts have increased over the years from Kshs.608,758,624,492 in the year 2010/2011 to Kshs.1,047,908,306,414 in the year 2014/2015 representing an increase of approximately 72% over the period as follows:-

Year	Budgeted Ordinary Revenue (Tax & Non Tax Receipts) (Kshs.)	Actual Ordinary Revenue (Tax & Non Tax Receipts) (Kshs.)	Revenue Shortage	% Shortage
2010/2011	609,639,337,937	608,758,624,492	880,713,445	0.1%
2011/2012	713,615,239,430	735,052,725,367	-21,437,485,937	-3.0%
2012/2013	870,518,584,891	784,497,879,683	86,020,705,208	9.9%
2013/2014	959,854,104,424	932,034,925,773	27,819,178,651	2.9%
2014/2015	1,098,167,501,267	1,047,908,306,414	50,259,194,853	4.6%



2.4. Actual Revenue

2.4.1. During 2014/2015 financial year, total revenue recorded under various revenue statements as received by the National Government amounted to Kshs.1,084,849,042,367 representing an increase of Kshs.117,950,349,326 or about 12% when compared to actual collections of Kshs.966,898,693,041 realized in 2013/2014. The total revenue of Kshs.1,084,849,042,367 comprised of Kshs.1,047,908,306,414 and Kshs.36,940,735,953 relating to Recurrent (Ordinary Revenue) and Development (Loans and Grants) revenues respectively.

2.4.2. Total revenue of Kshs. 1,084,849,042,367 when compared to total budgeted receipts of Kshs.1,161,439,163,509 resulted in an under-collection of revenue of Kshs.76,590,121,142 or 6.6%. However, actual Recurrent Revenue collected during the year reflected a shortfall of Kshs. 41,259,194,853 or 3.75% while there was a shortfall of Development Revenue collected of Kshs. 26,330,926,289 or 42% as follows:-

Details	Estimated Receipts Kshs	Actual Receipts Kshs	Excess/ (Shortfall) Kshs	Shortfall Percentage %	Actual Receipts 2013/14 Kshs
Recurrent Revenue (Ordinary Revenue)	1,098,167,501,267	1,047,908,306,414	(41,259,194,853)	3.75%	932,034,925,773
Development Revenue (Loans and Grants)	63,271,662,242	36,940,735,953	(26,330,926,289)	42%	34,863,767,268
Total	1,161,439,163,509	1,084,849,042,367	(76,590,121,142)	6.6%	966,898,693,041

2.4.3. The reason provided for the 42% under-collection of Development Revenue is non-release of funds by development partners.

2.5. The Exchequer Account as at 30 June 2015

2.5.1. The Statement of Receipts into and Issues from the Exchequer Account for 2014/2015 reflects an overall net surplus of Kshs.203,491,419 as at 30 June 2015 compared to a net surplus of Kshs.162,086,139 as at 30 June 2014. The total issues from the Consolidated Fund for both Recurrent and Development Services during the year 2014/2015 amounted to Kshs.1,594,395,695,482 against total receipts of Kshs.1,594,437,100,762 resulting in a surplus of Kshs.41,405,280 as at 30 June 2015. When added to the Exchequer balance of Kshs.162,086,139 brought forward from 2013/2014, the result is an overall net surplus of Kshs.203,491,419 as at 30 June 2015 as follows:

	2014/2015	2013/2014
	<u>Kshs.</u>	<u>Kshs.</u>
Total Receipts	1,594,437,100,762	1,277,905,322,999
Total Issues	<u>1,594,395,695,482</u>	<u>1,278,239,603,677</u>
Surplus/ (Deficit) for the year	41,405,280	(334,280,678)
Exchequer balance brought forward	<u>162,086,139</u>	<u>496,366,817</u>
Account Balance as 30 June 2015	<u>203,491,419</u>	<u>162,086,139</u>

2.5.2. Receipts into the Exchequer Account during the year of Kshs.1,594,437,100,762 comprised of Ordinary Revenue and Other receipts in form of proceeds from Treasury Bills and Bonds and a Commercial Loan (Euro Bond) as follows:-

Sources of Revenue

(a) Ordinary Revenue

	Amount in Kshs.	Total in Kshs.
• Tax Receipts	1,001,245,431,206	
• Non-Tax Receipts (Profits and Dividends, Immigration Visas, Fines, Penalties & Forfeitures, Miscellaneous Revenue, etc.)	<u>40,804,376,558</u>	<u>1,042,049,807,764</u>
Total Ordinary Revenue		1,042,049,807,764

(b)

(i) Loans and Grants

• External Grants	10,473,510,502	
• External Loans	<u>33,764,156,460</u>	44,237,666,962

(ii) Commercial Loan (Euro Bond)

215,469,626,036

(iii) Domestic Borrowings

• Treasury Bills	37,000,000,000	
• Treasury Bonds	<u>255,680,000,000</u>	<u>292,680,000,000</u>

Total Receipts

1,594,437,100,762

2.5.3. Issues from the Exchequer Account during the year of Kshs.1,594,395,695,482 comprised of Recurrent, Development, Consolidated Fund Services and County Governments' issues as follows:-

	Approved Net Expenditure Kshs	Actual Issues Kshs	Under/(Over) Expenditure Kshs	% Variance
Recurrent Votes	675,133,495,321	640,352,208,883	34,781,286,438	5%
Development Votes	356,665,895,935	270,240,838,230	86,425,057,705	24%
Consolidated Fund Services	436,887,630,136	454,466,411,172	(17,578,781,036)	4%
Sub-total for National Government	1,468,687,021,392	1,365,059,458,285	103,627,563,107	7%
County Governments	229,263,650,000	229,336,237,197	(72,587,197)	3%
Grand Total	1,697,950,671,392	1,594,395,695,482	103,700,150,304	6%

The underfunding of development budget by 24% was attributed to constraints in revenue collection and delayed disbursement of donor funds.

2.5.4. Transfer of proceeds from the Sovereign Bond to the National Exchequer Account

In the Report for 2013/2014, it was indicated that proceeds from the Sovereign Bond of USD 1,999,052,872.97 out of the total amount of USD 2,000,000,000.00 were received on 24 June 2014 and deposited into an offshore account, contrary to Article 206 of the Constitution of Kenya and Section 17(2) of Public Finance and Management Act, 2012 which require that all money raised or received by or on behalf of the National Government be paid into the Consolidated Fund.

It was further reported that, out of the balance in the offshore account of USD 1,999,052,872.97 as at 2 July 2014, an amount of USD 395,439,262.50 (Kshs.34,648,388,180.25) was on 3 July 2014 transferred to the Exchequer Account to fund infrastructure projects but accounted for in 2013/2014 financial year. On the same date of 3 July 2014, another amount of USD 604,560,737.50 (Kshs.53,201,344,900.00) was withdrawn from the offshore account to fund the repayment of the syndicate loan.

The annex to the National Exchequer Account statement of receipts and issues for the financial year ended 30 June 2015 shows that the remaining balance in the offshore account of USD 999,018,457.60 (Kshs.88,463,084,420.45) was on 8 September 2014 transferred to a Sovereign Bond Deposits Account at the Central Bank of Kenya. The annex further indicates that an additional amount from external borrowing of USD 815,436,932.00 (Kshs.73,805,196,715.30), being net proceeds from the tap sale, was also transferred on 17 December 2014 to the Sovereign Bond Deposits Account at the Central Bank of Kenya.

Further the financial statements reflect under Note 5.5 net proceeds from commercial financing (Sovereign/Euro Bond) totalling Kshs.215,469,626,035.75 in the year 2014/2015. However, investigations into the receipts, accounting and use of funds related to the Sovereign/EuroBond are still on-going and the accuracy of the net proceeds of Kshs.215,469,626,035.75 is yet to be ascertained.

2.5.5. Revenue not remitted to the Exchequer

The Revenue Statements reflect an amount of Kshs.1,084,849,042,367 as having been collected during the financial year 2014/2015. The brought forward balance from 2013/2014 amounted to Kshs.3,390,811,143 bringing the total revenue available in 2014/2015 to Kshs.1,088,239,853,510. The Revenue statements, however, reflect an amount of Kshs.1,085,086,342,222 as having been paid to the Exchequer during the year leaving a substantial balance of Kshs.3,153,511,288 not remitted to the Exchequer as at 30 June 2015 as follows:-

Vote	Revenue Balance B/fwd	Revenue Collection 2014/2015	Total Revenue Available	Amount Paid to Exchequer	Balance C/fwd
	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.
Recurrent	3,390,717,039	1,047,908,306,414	1,051,299,023,453	1,048,145,606,269	3,153,417,184
Development	94,104	36,940,735,953	36,940,830,057	36,940,735,953	94,104
Total	<u>3,390,811,143</u>	<u>1,084,849,042,367</u>	<u>1,088,239,853,510</u>	<u>1,085,086,342,222</u>	<u>3,153,511,288</u>

2.5.6. Unexplained Variation between Revenue Statements and Exchequer Account Balances

The total actual revenue reflected in the individual revenue statements as having

been paid to the Exchequer Account of Kshs.1,085,086,342,222 during the year, differs with the combined recurrent and development revenue reflected as received in the Exchequer Account of Kshs.1,086,287,474,726 by Kshs.1,201,132,504. As reported under the respective revenue statements, the discrepancies are mainly due to unexplained and un-reconciled differences between revenue statements' balances and the exchequer records maintained at the National Treasury.

Year	Revenue Statements Kshs	Exchequer Account Kshs	Difference Kshs	Difference as a %
2010/2011	632,541,666,015.15	636,381,380,164.00	(3,839,714,148.85)	-0.60%
2011/2012	761,252,293,067.00	762,163,158,239.00	(910,865,172.00)	-0.12%
2012/2013	812,736,680,820.00	812,383,138,124.00	353,542,696.00	0.04%
2013/2014	972,246,261,096.00	975,813,539,047.00	(3,567,277,951.00)	-0.37%
2014/2015	1,085,086,342,222.00	1,086,287,474,726.00	(1,201,132,504.00)	-0.11%

From the above differences it is apparent that there are still persistent and disturbing problems in collection and accounting for revenue which have therefore, resulted in most of the statements of revenue for 2014/2015 having qualified audit opinions.

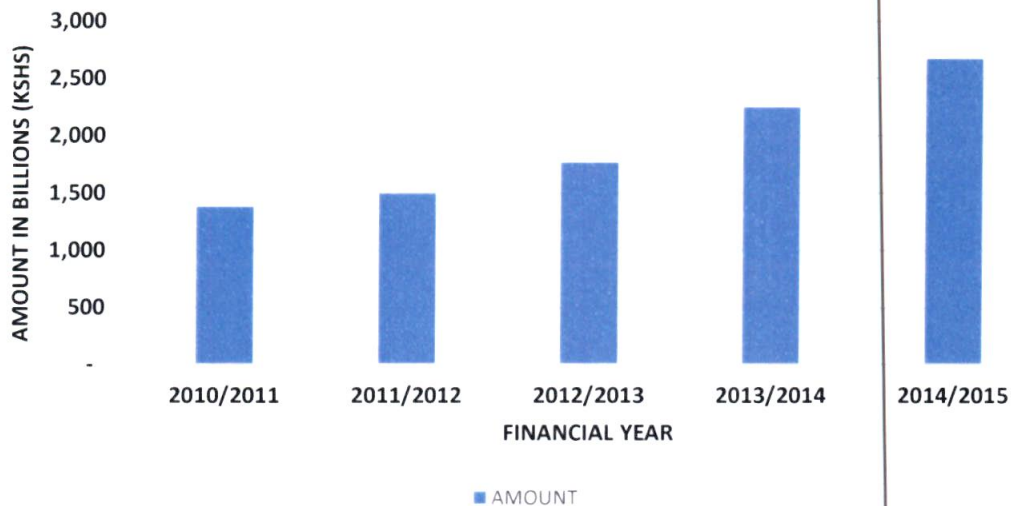
2.6. Growth in Public Debt

2.6.1. The outstanding amount of public debt has increased over the years from Kshs.1,382,382,194,875 reported in the year 2010/2011 to Kshs.2,674,806,364,195 in the year 2014/2015 representing an increase of Kshs.1,292,424,169,320 or approximately 93% over the five year period as follows:-

Growth in National Debt Tabulation

Financial Year	Debt Amount (Kshs.)	% Debt Increase	Total Budget (Kshs.)	Debt as a % of Total Budget
2010/2011	1,382,382,194,875		999,277,657,525	138%
2011/2012	1,495,956,531,695	8%	1,170,478,418,074	128%
2012/2013	1,767,017,069,021	18%	1,485,438,350,899	119%
2013/2014	2,250,845,910,286	27%	1,557,192,721,388	145%
2014/2015	2,674,806,364,195	19%	2,099,370,186,391	127%

Growth in Public Debt



The growth in public debt is attributed to disbursements of new loans to the Government by various development partners and additional borrowings from the domestic market through Treasury Bonds and Treasury Bills.

3. Summary of the Audit Results

3.1. Accounting Framework

3.1.1 The Financial Statements for the National Government were prepared using the International Public Sector Accounting Standards (IPSAS) framework as prescribed by the Public Sector Accounting Standards Board of Kenya in compliance with Section 194 of the Public Finance Management Act, 2012.

3.2. Overall Audit Results

3.2.1. The audit of the financial statements for the year ended 30 June 2015, indicates that out of the audited one hundred and eight (108) financial statements, only twenty seven (27) financial statements or 25% had a clean (unqualified) audit opinion, fifty one (51) or 47% had qualified audit opinion, nineteen (19) or 18% had an adverse opinion while eleven (11) or 10% had a disclaimer of opinion as detailed below:

Audit Opinions	Financial Year			
	2014/2015		2013/2014	
	No. of Statements	%	No. of Statements	%
Unqualified	27	25%	26	26%
Qualified	51	47%	50	50%
Adverse	19	18%	16	16%
Disclaimer	11	10%	9	9%
Total	108	100%	101	100%

The above audit opinions exclude opinions expressed on financial statements of Development Partners' funded projects.

3.2.2. I have expressed the above opinions based on the following circumstances:-

a) Unqualified Opinion

An unqualified opinion is expressed when I have concluded that the financial statements give a true and fair view or are presented fairly, in all material respects, in accordance with

the Government Financial Regulations and Procedures and Public Finance Management Act, 2012 and public funds have been applied lawfully and in an effective manner. The financial statements with unqualified opinion are listed in Appendix A.

b) Qualified Opinion

I have given qualified opinion when the misstatement or limitation on my audit is not as material and pervasive as to require an adverse opinion or a disclaimer of opinion. I have thus expressed an 'except for' opinion based on the effects of the matter(s) to which the qualification relates. The financial statements with qualified opinion are listed in Appendix B.

c) Adverse Opinion

I have expressed adverse opinion when audit matters on the financial statements are so material and pervasive that I have concluded the financial statements are misleading or incomplete. The financial statements with adverse opinion are listed in Appendix C.

d) Disclaimer of Opinion

I was not able to express an opinion where the possible effects of limitations on my audit were so material and pervasive that I was unable to obtain sufficient appropriate audit evidence and accordingly unable to express any meaningful audit opinion on the financial statements. I was not able to establish whether expenditure reflected in the eleven (11) financial statements with disclaimer of opinions were incurred lawfully and in an effective way as required by Article 229(6) of the Constitution as detailed in Appendix D.

3.3. Audit of Revenue Statements

3.3.1. The revenue statements for 2014/2015 indicate total revenue collection of Kshs.1,084,849,042,367 against estimated total receipts of Kshs.1,161,439,163,509 resulting in an under-collection of revenue of Kshs. 76,590,121,142 or 6.6%. I have

expressed qualified opinion on six (6) revenue statements, adverse opinion on two (2) revenue statements, and a disclaimer of opinion on one (1) revenue statement as follows:-

Audit Opinions on Revenue Statements				
Audit Opinion	No of Revenue Statements	2014/2015 Amount Kshs.	2014/2015 %age	2013/2014 %age
Unqualified	2	36,991,910,560	3.41%	3.8%
Qualified	6	1,045,031,012,385	96.32%	96.1%
Adverse	2	841,297,743	0.08%	0.1%
Disclaimer	1	1,984,821,679	0.19%	-
Total	11	1,084,849,042,367	100%	100%

3.3.2. The above statistics show that out of total revenue recorded during the 2014/2015 financial year of Kshs.1,084,849,042,367, only revenue amounting to Kshs.36,991,910,560 or 3.41% was collected and fairly recorded and therefore had an unqualified opinion. Revenue amounting to Kshs. 1,045,031,012,385 or 96.32% though also fairly recorded had issues resulting in a qualified opinion while revenue amounting to Kshs.2,826,119,422 or 0.27% had no proper records and could not therefore be confirmed as accurately reported.

3.3.3. Summary of Audit Opinions on Revenue Statements

(i) Unqualified opinion	
Collecting Ministry	Amount (Kshs)
National Treasury –Development Revenue	36,940,735,953
State Department of Commerce and Tourism	<u>51,174,607</u>
Total	<u>36,991,910,560</u>

(ii) Qualified Opinion	
National Treasury – Recurrent Revenue	1,033,672,132,906
Agriculture, Livestock & Fisheries	367,385,631
State Department of Interior	8,447,855,313
State Law Office	430,482,650
Registrar of High Court (Judiciary)	2,109,482,519
Information, Communication & Technology	<u>3,673,366</u>
Total	<u>1,045,031,012,385</u>
(iii) Adverse Opinion	
Pensions Department	649,237,825
State Department for National Coordination	<u>192,059,918</u>
Total	<u>841,297,743</u>
(iv) Disclaimer of Opinion	
Lands, Housing & Urban Development	<u>1,984,821,679</u>
Total	<u>1,984,821,679</u>

3.3.4. The main reasons for qualified and adverse opinions on the revenue statements include the following:-

- Balances reflected as remitted to the Exchequer in the revenue statements differed with balances recorded at the Exchequer Section of the National Treasury.
- Failure to collect arrears of revenue due and uncollected as at 30 June 2015.
- Differences between revenue statement amounts and records reported at the collection points.
- Failure to surrender revenue balances as at 30 June 2015 to the Exchequer.

3.4. Audit of Expenditure Statements

3.4.1. The Actual Expenditure for the financial statements for the National Government voted provisions (excluding the Consolidated Fund Services) for the year 2014/2015 was Kshs.1,220,644,732,649 compared to Kshs. 1,008,699,240,052 reported in 2013/2014. The expenditure of Kshs. 1,220,644,732,649 was recorded in the combined Recurrent and Development Financial Statements for which I expressed unqualified, qualified, adverse and disclaimer of opinions as follows:-

Summary of Audit Opinions on Combined Recurrent and Development Expenditure

Opinion	No. of Financial Statements	Combined Recurrent and Development Expenditure 2014/2014 (Kshs.)	Percentage
Unqualified	11	12,798,940,280	1.05%
Qualified	30	754,391,459,499	61.80%
Adverse	6	372,619,272,561	30.53%
Disclaimer	2	80,835,060,309	6.62%
Total	50	1,220,644,732,649	100%

3.4.2. The table shows that out of the total expenditure of Kshs. 1,220,644,732,649, expenditure totalling Kshs.12,798,940,280 or 1.05% was incurred lawfully and in an effective way. Expenditure amounting to Kshs.754,391,459,499 or 61.80% had issues hence qualified opinion. Financial statements for expenditure amounting to Kshs.372,619,272,561 or 30.5% were misleading or incomplete hence an adverse opinion. I was unable to confirm whether expenditure totalling Kshs.80,835,060,309 was incurred effectively and lawfully as required by Article 229(6) of the Constitution of Kenya. Included under unqualified opinions is Kshs.2,842,734,000 relating to expenditure incurred by my office. The Office of the Auditor-General is audited separately and reported to Parliament by an Independent Auditor who is also appointed by Parliament.

3.4.3. Main Reasons for Audit Qualifications

The main issues forming the bases for qualifications of the audit opinion on the financial statements are listed under each type of qualification:-

(i) Qualified Audit Opinion (Material but not Pervasive)

- Incomplete records
- Wrong classification
- Differences between financial statements' figures and supporting records
- Pending bills
- Uncleared balances
- Overstated/understated balances
- Unreconciled balances

(ii) Adverse (Material and Pervasive)

- Failure to comply with requirements of IPSAS in preparation of the financial statements
- Failure to keep proper books of account
- Inclusion of wrong opening balances
- Inaccurate balances

(iii) Disclaimer of Opinion (Material and Pervasive)

- Unsupported/unanalysed balances
- Figures that could not be traced to primary records

Further, I also raised compliance issues based on:

Compliance Issues (Qualitative Issues)

- Failure to comply with laws and regulations
- Unauthorized expenditure

- Wasteful expenditure
- Unsurrendered Imprests

4. Additional Audit Findings

The Constitution requires the Auditor-General under Article 229(6) to confirm whether or not public resources have been applied lawfully and in an effective way. The following findings are therefore in compliance with Article 229(6) of the Constitution of Kenya.

4.1. Unsupported Expenditure

During 2014/2015, a number of Ministries, Departments, Commissions and Funds failed to avail documents in support of various expenditure totaling 7,321,277,260 which was a significant improvement compared to the previous year where Kshs.66,782,697,987 was unsupported.

In absence of the records and documentation, the propriety of the expenditure of Kshs. 7,321,277,260 could not be ascertained and therefore these public funds may not have been utilized lawfully and in an effective manner. The affected Ministries, Departments, Commissions and Funds are as tabulated below (see appendix I for details).

	Ministry/Department/Commission/Funds	Amount (Kshs)
1	State Department of East African Affairs	57,678,730
2	State Department of Water and Regional Authority	37,603,113
3	Judiciary	47,007,198
4	Ministry of Devolution & Planning - State Department for Planning	2,151,010,210
5	Ministry of Education, Science and Technology-Dept. of Education	38,342,978
6	Ministry of Education, Science and Technology-Dept. of Science and Technology	3,886,029
7	Ministry of Health	402,025,962
8	Ministry of Information, Communication and Technology	28,218,313
9	Ministry of Labour, Social Security and Services	40,780,033
10	Ministry of Lands, Housing & Urban Development	7,327,743
11	Ministry of Sports, Culture and the Arts	234,894,935
12	Ministry of Transport and Infrastructure-State Department of Transport	4,284,400
13	National Gender and Equality Commission	9,750,626
14	National Police Service Commission	54,370,615

15	Office of the Attorney General and Department of Justice	300,000,000
16	Parliamentary Service Commission	79,501,127
17	State Department of Agriculture	2,489,807,582
18	Stores and Service Fund	1,326,987,666
19	Petroleum Training Fund	7,800,000
	Total	7,321,277,260

4.2. Value for Money/ Effectiveness Observations

During the year 2014/2015, a number of Ministries, Departments, Commissions and Funds also incurred expenditure totaling Kshs. 14,449,695,088 which value for money could not be established. With no value in return the funds spent on the expenditure of Kshs. 14,449,695,088 is deemed to have been wasted. Much of wastage occurred in the course of procurement as tabulated below (see appendix II for details).

Table: Value for Money Audit Observations/Effectiveness

Vote	Ministry/Department	Amount (Kshs.)
101	The Presidency	88,826,396
104	Defence	145,323,994
104	Defence	957,354,060
105	Foreign Affairs	650,000,000.0
107	The National Treasury	349,869,076
107	The National Treasury	50,000,000
114	Ministry of Labour, Social Security and Services	480,000,000
117	Ministry of Industrialization	220,691,487
117	Ministry of Industrialization and Enterprise Development	214,899,000

Vote	Ministry/Department	Amount (Kshs.)
119	Ministry of Mining	102,848,436
121	The Judiciary	20,583,210
121	The Judiciary	69,810,181
121	The Judiciary	34,670,412
121	The Judiciary	46,458,069
125	Commission for Implementation of the Constitution	9,200,000
133	State Department of Interior	3,494,419,400
133	State Department of Interior	370,879,500
133	State Department of Interior	133,052,500
133	State Department of Interior	600,000,000
133	State Department of Interior	14,004,600
133	State Department of Interior	14,004,600
133	State Department of Interior	5,487,750
134	State Department for Coordination of National Government	95,758,296
134	State Department for Coordination of National Government	62,512,859
135	State Department of Planning	7,111,432
135	State Department of Planning	266,862,190
139	State Department of Education	18,966,912
139	State Department of Education	22,437,051
139	State Department of Education	9,754,135

Vote	Ministry/Department	Amount (Kshs.)
139	State Department of Education	5,611,640
139	State Department of Education	9,773,062
139	State Department of Education	687,800
139	State Department of Education	275,000,000
139	State Department of Education	223,000, 000
139	State Department of Education	12,698,880
139	State Department of Education	24,647,025
139	State Department of Education	532,999,997
139	State Department of Education	239,705,045
143	State Department of Infrastructure	42,715,088
144	State Department of Transport - Mechanical and Transport Fund	22,589,200
145	State Department for Environment and Natural Resources	169,500,054
145	State Department for Environment and Natural Resources	14,548,499
145	State Department for Environment and Natural Resources	13,543,872
145	State Department for Environment and Natural Resources	27,760,162
145	State Department for Environment and Natural Resources	34,925,500
152	State Department of Agriculture	126,850,000
152	State Department of Agriculture	126,850,000
152	State Department of Agriculture	1,772,055,670
157	State Department of Commerce and Tourism	500,000,000

Summary of the Report of the Auditor-General for the Year 2014/2015

Vote	Ministry/Department	Amount (Kshs.)
203	Independent Electoral and Boundaries Commission	1,665,113,913
203	Independent Electoral and Boundaries Commission	46,496,478
203	Independent Electoral and Boundaries Commission	220,400,000
203	Independent Electoral and Boundaries Commission	9,437,658
		14,449,695,088

4.3 Pending Bills

4.3.1. During the year ended 30 June 2015, a number of Ministries and Departments did not settle bills amounting to Kshs. 43,212,107,778 which was an increase of 160% from the previous year's figure of Kshs.16,638,164,142. The figure of Kshs 43,212,107,778 comprises of Kshs. 17,168,420,458 and Kshs. 20,731,068,491 under Recurrent and Development Votes respectively and a further Kshs. 5,312,618,829 not classified. The bills were instead carried forward to 2014/2015 financial year as analyzed below (see appendix III for details):-

	Ministry/Department/Commission/Fund	Recurrent (Kshs.)	Development (Kshs.)	Others (Kshs.)	Total
					(Kshs.)
1	State Department of Commerce and Tourism			90,954,254	90,954,254
2	State Department of East African Affairs	29,860,007		5,564,881	35,424,888
3	State Department of Environment and Natural Resources	57,828,521	362,747,486		420,576,007
4	State Department of Water and Regional Authority	28,499,619	106,106,678		134,606,297
5	Director of Public Prosecutions	26,473,753			26,473,753
6	Independent Electoral and Boundaries Commission	1,301,913,818			1,301,913,818
7	Kenya National Commission on Human Rights	7,871,000			7,871,000
8	Ministry of Defence	4,187,353,000			4,187,353,000
9	Ministry of Devolution & Planning - State Department for Devolution			3,028,638,103	3,028,638,103
10	Ministry of Devolution & Planning - State Department for Planning		7,261,076,350		7,261,076,350

11	Ministry of Education, Science and Technology-Dept of Education			3,134,854	3,134,854
12	Ministry of Education, Science and Technology-Dept of Science and Technology		796,079,111	3,996,361	800,075,472
13	Ministry of Health	1,423,830,288	3,367,825,286		4,791,655,574
14	Ministry of Industrialization and Enterprise Development			20,568,376	20,568,376
15	Ministry of Labour, Social Security and Services	297,578,490	64,869,340		362,447,830
16	Ministry of Lands, Housing & Urban Development	3,704,994,723			3,704,994,723
17	Ministry of Mining		9,060,804		9,060,804
18	Ministry of Sports, Culture and the Arts	632,045,720			632,045,720
19	Ministry of Transport and Infrastructure-State Department of Infrastructure	57,651,140	30,265,963		87,917,103
20	Ministry of Transport and Infrastructure-State Department of Transport		2,408,879,265		2,408,879,265
21	National Treasury	632,331,850			632,331,850
22	National Police Service Commission	20,141,098			20,141,098
23	Office of the Attorney General and Department of Justice	204,450,444		16,122,500	220,572,944
24	Parliamentary Service Commission	6,358,500			6,358,500
25	State Department for Coordination of National Government			2143639500	2,143,639,500
26	State Department for Interior	4,517,309,420	552,945,732		5,070,255,152
27	State Department of Livestock		259,636,678		259,636,678
28	State Department of Agriculture	31,929,067	4,561,941,149		4,593,870,216
29	The Presidency/State House		949,634,649		949,634,649
	Grand Total	17,168,420,458	20,731,068,491	5,312,618,829	43,212,107,778

4.4 Management of Imprests

4.4.1 Review of management of imprest for the National Government revealed imprest balances amounting to Kshs. 117,553,816 which ought to have been recovered or accounted for on or before 30 June 2015 but were still outstanding as at that date as tabulated:-

S/n	Ministry/Department/Commission/Fund	Amount Kshs.
1	State Department of Commerce and Tourism	1,126
2	State Department of East African Affairs	263,456
3	State Department of Environment and Natural Resources	1,123,617

4	State Department of Water and Regional Authority	1,785,524
5	Judiciary	3,859,025
6	Ministry of Devolution & Planning - State Department for Devolution	2,369,962
7	Ministry of Devolution & Planning - State Department for Planning	6,479,671
8	Ministry of Education, Science and Technology-Dept of Science and Technology	4,471,785
9	Ministry of Foreign Affairs	37,737,302
10	Ministry of Health	26,818,240
11	Ministry of Information, Communication and Technology	208,250
12	Ministry of Labour, Social Security and Services	12,089,334
13	National Treasury	3,250,777
14	Parliamentary Service Commission	8,931,430
15	State Department for Coordination of National Government	3,321,600
16	State Department of Livestock	1,100,393
17	State Department of Agriculture	1,628,404
18	Truth Justice and Reconciliation Commission	2,113,920
	Total	117,553,816

4.4.2. The total outstanding imprest of Kshs. 117,553,816 for the current year significantly reduced by Kshs.233,489,395 or approximately 67% from Kshs.351,043,211 reported as outstanding as at 30 June 2014 (See Appendix IV for details).

4.5 Maintenance of Cashbooks and Bank Accounts

4.5.1 Maintenance of Cashbooks across the ministries during 2014/2015 was noted to be weak. As reported in the previous years, the Bank Reconciliation Statements for Recurrent, Development, Deposits and Fund Cashbooks as at 30 June 2015 for several ministries and departments continued to reflect material receipts and payments in the Cashbooks not reflected in the Bank Statements and also receipts and payments in the Bank Statements not reflected in the Cashbooks. Several entries in the Bank Statements were not analyzed while others have been outstanding for a very long period of time. Most of the ministries' Cashbooks' balances as at 30 June 2015 have not been reconciled with Paymaster General Account (PMG) in the ledger.

4.5.2 As a result the accuracy and validity as at 30 June 2015 of most of the Bank and Cash balances could not be ascertained. Detailed observations on the statements are

Audit Opinions on the Financial Statements

1. Unqualified Certificate

REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE GOVERNMENT OF KENYA FOR THE YEAR ENDED 30 JUNE 2015

I have audited the financial statements of the Government of Kenya for the year ended 30 June 2015 which are listed in Appendix A in accordance with Section 229(4) of the Constitution of Kenya and Section 8 of the Public Audit Act, 2003. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

Management's Responsibility for the Financial Statements

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

The Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Sections 4, 5, 6 and 7 of the Public Audit Act, 2003.

Auditor-General's Responsibility

My responsibility is to express an opinion on these financial statements based on the audit and report in accordance with the provisions of Section 8 of the Public Audit Act, 2003. The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). Those standards require compliance with ethical requirements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

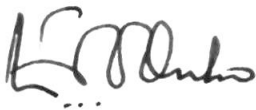
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Government's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the

reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements listed in Appendix A, present fairly, in all material respects, the financial position of the Government of Kenya and its Funds as at 30 June 2015, and of its operations for the year then ended, in accordance with the International Public Sector Accounting Standards (IPSAS)-Cash Basis and comply with Government Financial Regulations and Procedures and Public Finance Management Act, 2012.



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

Nairobi

15 July 2016

2. Qualified Certificate

REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE GOVERNMENT OF KENYA FOR THE YEAR ENDED 30 JUNE 2015

I have audited the financial statements of the Government of Kenya for the year ended 30 June 2015 which are listed in Appendix B in accordance with Section 229(4) of the Constitution of Kenya and Section 8 of the Public Audit Act, 2003. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

Management's Responsibility for the Financial Statements

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

The Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Sections 4, 5, 6 and 7 of the Public Audit Act, 2003.

Auditor-General's Responsibility

My responsibility is to express an opinion on these financial statements based on the audit and report in accordance with the provisions of Section 8 of the Public Audit Act, 2003. The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). Those standards require compliance with ethical requirements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Government's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

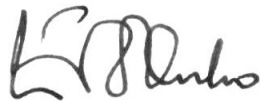
I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.

Basis for Qualified Opinion

Details of the basis for qualified opinion are given in the accompanying detailed reports listed in Appendix B. This includes various unexplained discrepancies and omission of expenditure from the financial statements.

Qualified Opinion

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion paragraphs, the financial statements listed in Appendix B, present fairly in all material respects, the financial position of the Government of Kenya and its Funds as at 30 June 2015, and of its operations for the year then ended in accordance with the International Public Sector Accounting Standards (IPSAS) -Cash Basis and comply with Government Financial Regulations and Procedures and Public Finance Management Act, 2012.



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

Nairobi

15 July 2016

3. Adverse Certificate

REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE GOVERNMENT OF KENYA FOR THE YEAR ENDED 30 JUNE 2015

I have audited the financial statements of the Government of Kenya for the year ended 30 June 2015, which are listed in Appendix C in accordance with Section 229(4) of the Constitution of Kenya and Section 8 of the Public Audit Act, 2003. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

Management's Responsibility for the Financial Statements

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

The Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Sections 4, 5, 6 and 7 of the Public Audit Act, 2003.

Auditor-General's Responsibility

My responsibility is to express an opinion on these financial statements based on the audit and report in accordance with the provisions of Section 8 of the Public Audit Act, 2003. The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). Those standards require compliance with ethical requirements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Government's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

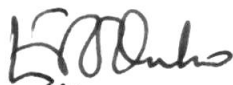
I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my adverse audit opinion.

Basis for Adverse Opinion

Details of the Basis for Adverse Opinion are as per accompanying detailed audit reports listed in Appendix C. This includes various material misstatements, unexplained discrepancies and omission of expenditure from the financial statements.

Adverse Opinion

In my opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion paragraphs, the financial statements listed in Appendix C, do not present fairly, in all material respects, the financial position of the Government of Kenya and its Funds as at 30 June 2015 and of its operations for the year then ended, in accordance with International Public Sector Accounting Standards (IPSAS)-Cash Basis and do not comply with the Government Financial Regulations and Procedures and Public Finance Management Act, 2012.



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

Nairobi

15 July 2016

4. Disclaimer Certificate

REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE GOVERNMENT OF KENYA FOR THE YEAR ENDED 30 JUNE 2015

I have audited the financial statements of the Government of Kenya for the year ended 30 June 2015 which are listed below in accordance with Section 229(4) of the Constitution of Kenya and Section 8 of the Public Audit Act, 2003.

Management's Responsibility for the Financial Statements

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

The Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Sections 4, 5, 6 and 7 of the Public Audit Act, 2003.

Auditor-General's Responsibility

My responsibility is to express an opinion on these financial statements based on the audit and report in accordance with the provisions of Section 8 of the Public Audit Act, 2003. The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). Those standards require compliance with ethical requirements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Government's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

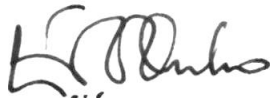
Because of the matters described in the detailed Report of the financial statements contained in Appendix D, I was unable to obtain sufficient and appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

Details of the Basis for Disclaimer of Opinion are as per the accompanying detailed audit Report listed in appendix D. This includes various unexplained discrepancies, omission of expenditure from the Accounts, lack of documentation to support some of the figures shown in the financial statements listed in Appendix D and failure by the Accounting Officers to provide information and explanation considered necessary for the purpose of the audit.

Disclaimer of Opinion

Because of the significance of the matters described in the Basis for Disclaimer of Opinion paragraphs, I have not been able to obtain sufficient and appropriate audit evidence to provide a basis for an audit opinion. Accordingly, I do not express an opinion on the financial statements contained in Appendix D.



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

Nairobi

15 July 2016

APPENDIX A

The following is a list of financial statements for which I expressed an unqualified opinion as I was provided with sufficient and accurate information and explanations.

Ministries/ Departments/ Agencies/Commissions

S/n	Vote	Account
1	120	Kenya Law Reform Commission
2	120	National Cohesion and Integration Commission
3	120	Office of the Attorney General and Department of Justice - Official Receiver
4	121	Judges and Magistrates Vetting Board
5	122	Ethics and Anti-Corruption Commission
6	124	Director of Public Prosecutions
7	124	Public Trustee
8	126	Registrar of Political Parties
9	127	Witness Protection Agency
10	133	Kenya Citizens and Foreign Nationals Service
11	154	State Department of Fisheries
12	205	Judicial Service Commission
13	207	Public Service Commission
14	208	Salaries and Remuneration Commission
15	212	Controller of Budget
16	215	Independent Policing Oversight Authority

Funds

S/n	Vote	Account
1	107	Asiatic Widows and Orphans Fund
2	107	Contingencies Fund
3	115	Kenya Energy Environment & Social Responsibility Programme Fund
4	123	Intelligence Service Development Fund
5	133	Government Press Fund
6	153	Veterinary Services Development Fund

7	204	Parliamentary Car Loan Scheme Fund
8	204	Parliamentary Mortgage Loan Scheme Fund

Revenue Statements

S/n	Vote	Account
1	107	Development Revenue
2	157	Department of Commerce and Tourism- Revenue Financial Statement
3	206	Commission on Revenue Allocation

APPENDIX B

The following is a list of financial statements for which I expressed qualified opinion. I was provided with sufficient and appropriate information and explanations and out of the audit I raised issues which were material but not fundamental.

Consolidated Fund Services

S/n	Vote	Account
1	107	CFS Pensions and Gratuities

Ministries/ Departments/ Agencies/Commissions

S/n	Vote	Account
1	101	The Presidency/State House
2	104	Ministry of Defense
3	107	The National Treasury
4	108	Ministry of Health
5	111	Ministry of Lands, Housing & Urban Development
6	112	Ministry of Information, Communication and Technology
7	113	Ministry of Sports, Culture and the Arts
8	114	Ministry of Labour, Social Security and Services
9	115	Ministry of Energy and Petroleum
10	117	Ministry of Industrialization and Enterprise Development
11	119	Ministry of Mining
12	120	Office of the Attorney General and Department of Justice
13	121	Judiciary
14	123	National Intelligence Service
15	125	Commission for the Implementation of the Constitution
16	133	State Department for Interior
17	136	Ministry of Devolution & Planning - State Department for Devolution
18	140	Ministry of Education, Science and Technology-Dept of Science and Technology
19	152	State Department of Agriculture
20	153	State Department of Livestock

21	156	Department of East African Affairs
22	157	Department of Commerce and Tourism
23	201	Kenya National Commission on Human Rights
24	202	National Land Commission
25	203	Independent Electoral and Boundaries Commission
26	204	Parliamentary Service Commission
27	209	Teachers Service Commission
28	210	National Police Service Commission
29	213	The Commission on Administrative Justice

Revenue Statements

S/n	Vote	Account
1	107	Recurrent Revenue
2	112	Ministry of Information, Communication and Technology- Statement of Revenue
3	120	Office of the Attorney General and Department of Justice- Revenue Financial Statement
4	121	Judiciary- Revenue Financial Statement
5	133	State Department for Interior - Statement of Revenue
6	154	State Department of Fisheries -Revenue Statement Head 000000-156 Fishing Rights

Other Statements

S/n	Vote	Account
1	107	Statement of outstanding Loans

Funds

S/n	Vote	Account
1	107	Asiatic Officers Family Fund
2	107	European Widows and Orphans Fund
3	111	Civil Servant Housing Fund
4	111	Kenya Slum Upgrading, low Cost Housing and Infrastructure Trust Fund
5	115	Petroleum Development Levy Fund
6	115	Petroleum Training Fund

7	126	Political Parties Fund
8	136	National Humanitarian Fund
9	136	National Youth Service -Mechanical and Transport Fund
10	136	Women Enterprise Fund
11	144	Mechanical and Transport Fund
12	144	Railway Development Levy Fund
13	152	Agricultural Information Resource Centre Revolving Fund
14	152	Demonstration Farms Fund

APPENDIX C

The following is a list of financial statements for which I expressed an adverse opinion due to materials misstatements.

Consolidated Fund Services

S/n Vote Account

1	107	CFS-Salaries Allowances & Misc. Services-Statement of Expenditure
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Ministries/ Departments/ Agencies/Commissions

S/n	Vote	Account
1	105	Ministry of Foreign Affairs
2	139	Ministry of Education, Science and Technology-Dept. of Education
3	143	Ministry of Transport and Infrastructure-State Department of Infrastructure
4	144	Ministry of Transport and Infrastructure-State Department of Transport
5	145	Department of Environment and Natural Resources
6	146	Department of Water and Irrigation
7	214	National Gender and Equality Commission

Funds

S/n	Vote	Account
1	107	Petroleum Development Levy Fund
2	134	Prison Farms Revolving Fund
3	107	Provident Fund
4	152	Strategic Grain Reserve Trust Fund
5	107	Treasury Main Clearance Fund

Statements

S/n	Vote	Account
1	107	Statement of Expenditure-Subscriptions to International Organizations
2	107	Statement of Investments by the Cabinet Secretary/National Treasury in Various Companies
3	107	CFS - Public Debt

4 107 Statement of Outstanding Obligations guaranteed by GOK

Revenue

S/n	Vote	Account
1	107	Pension Department- Statement of Revenue
2	134	State Department for Coordination-Revenue statement

APPENDIX D

The following is a list of financial statements for which I was unable to express an opinion due to lack of sufficient and accurate information and explanations.

Issues and Receipts into Consolidated Fund Services

S/n	Vote	Account
1	107	National Exchequer Account

Funds

S/n	Vote	Account
1	107	Government Clearing Agency Fund
2	107	Kenya Local Loans Support Fund
3	107	Rural Enterprise Fund
4	111	Agricultural Settlement Fund Trust
5	111	Stores and Service Fund
6	134	Prisons Industries Fund

Statements

S/n	Vote	Account
1	111	Ministry of Lands, Housing & Urban Development-Revenue Statement
2	120	Truth Justice and Reconciliation Commission
3	134	State Department for Coordination of National Government
4	135	Ministry of Devolution & Planning - State Department for Planning

Appendix I: Unsupported Expenditure

Vote	Ministry	Amount	Remarks	Ref. paragraph in the detailed report
108	Ministry of Health	402,025,962	Propriety of the expenditure of Kshs.402,025,962.00 for the year ended 30 June 2015 could not be confirmed.	99 &100
111	Ministry of Lands, Housing &Urban Development	7,327,743	Procurement of fuel not supported	107
111	Ministry of Lands, Housing &Urban Development	482,983,866	Supplies Branch Suspense and PMG Accounts Debit and Credit Balances whose supporting schedules were not availed for audit review.	137
111	Ministry of Lands, Housing &Urban Development	844,003,800	Supplies Branch Suspense and PMG Accounts Debit and Credit Balances whose supporting schedules were not availed for audit review.	137
112	Ministry of Information, Communication and Technology	28,218,313	Propriety of the expenditure would not be confirmed.	148.2
113	Ministry of Sports, Culture and the Arts	83,844,527	(i)Transfer to Ministry - No documentary evidence was provided to support the transfer and account for the utilization of the funds.	154
113	Ministry of Sports, Culture and the Arts	10,638,221	(ii) Subscription to International Organizations - The list of these organizations together with the information receipts have not been provided for audit verification.	155
113	Ministry of Sports, Culture and the Arts	42,979,650	(iii) Disbursement to Sport organizations - Disbursement made to some organizations which a had not complied with the Sports Act 2013.	156
113	Ministry of Sports, Culture and the Arts	13,946,900	(iv) Disbursement to the KNSC - Further, disbursements of Kenya National Sports Council totalling Kshs.13,946,900.00 were not supported by payment vouchers.	156
113	Ministry of Sports, Culture and the Arts	83,485,637	(v) MOU with FEBACI - Although the amount disbursed has been reflected in the privately audited financial statements of FEPACI as at 30 June 2015, in the absence of itemized budget and expenditure returns to the Ministry, utilization and accountability of the funds could not be confirmed.	163
114	Ministry of Labour, Social Security and Services	16,639,968	(ii)Lease agreements - No lease agreements provided for review.	168
114	Ministry of Labour, Social Security and Services	8,959,195	(iii) Irregular and Inconsistent Salary - 199 officers earning salary beyond their cadre	169.1
114	Ministry of Labour, Social Security and Services	15,180,870	(i)Unsupported expenditure	172.4
115	Ministry of Energy and Petroleum	7,800,000	Unsupported imprest	191
120	Office of the Attorney General and Department of Justice	300,000,000	The statement of receipts and payments reflects proceeds from domestic and foreign grants of Kshs.300,000,000 as at 30 June 2015. It was alleged the donor agencies paid the funds directly to recipient projects/programs and the expenditure incurred thereon in form of Research, Studies, Project Preparation, Design and Supervision. However, no supporting documentation has been provided for audit review to confirm the amount received and spent by the Office of the Attorney-General and Department of Justice	210

Vote	Ministry	Amount	Remarks	Ref. paragraph in the detailed report
121	Judiciary	47,007,198	During the year under review, the United Nations Development Programme (UNDP) extended financial support towards reforms in the Judiciary to the tune of Kshs.47,007,198. Examination of relevant documents revealed that Judiciary as the implementing partner in the Judiciary Transformation Support Project only prepares financial requests for specified functions which are paid for by the financing partner. The implementing partner does not maintain the cashbook and does not prepare the payment vouchers for any expenditure incurred.	221
135	Ministry of Devolution & Planning - State Department for Planning	2,151,010,210	The money was transferred to the Ministry of Lands, Housing and Urban Development but the transfer had not been supported.	281.4
139	Ministry of Education, Science and Technology- Dept of Education	38,342,978	The propriety of the compensation to employees expenditure could not be confirmed	305
140	Ministry of Education, Science and Technology- Dept of Science and Technology	3,744,032	The Propriety of the expenditure could not be confirmed	328.1
140	Ministry of Education, Science and Technology- Dept of Science and Technology	141,997	The propriety of the expenditure could not be confirmed	328.2
144	Ministry of Transport and Infrastructure-State Department of Transport	4,284,400	Payment in development vote for which there was no support documents eg payment vouchers.	379
146	Department of Water and Irrigation	37,603,113	Un-supported Compensation of Employees over-expenditure	401.3
152	State Department of Agriculture	25,000,000	Procurement of Seed potato-Propriety of the expenditures could not be confirmed.	411.1
152	State Department of Agriculture	300,000,000	Procurement of Certified seed, breeding stock and Live animals-Propriety of the expenditures could not be confirmed.	411.1
152	State Department of Agriculture	2,129,128,557	Purchase and transportation of subsidized fertilizer - Propriety of the expenditures could not be confirmed.	411.3
152	State Department of Agriculture	30,095,000	Bulking of traditional high value (orphaned) crops - Propriety of the expenditures could not be confirmed.	412
152	State Department of Agriculture	5,584,025	Purchase of Techno Tablets - Propriety of the expenditure could not be confirmed.	413
156	Department of East African Affairs	54,790,890	Lack of supporting documents to the payment vouchers	449
156	Department of East African Affairs	2,887,840	Lack of supporting ETR and other approval documents	453
204	Parliamentary Service Commission	79,501,127	Examination of Communication's payment records indicate that amounts totaling Kshs.79,501,127.00 was paid to various travel companies without supporting documents.	475
210	National Police Service Commission	54,370,615	Unsupported payment of Rent	482.2
214	National Gender and Equality Commission	9,750,626	Contract for refurbishment and partitioning works in the Commission's Offices at Headquarters, Nakuru and Kisumu offices -Propriety of the expenditure could not be confirmed. Value for money not obtained.	488
		7,321,277,260		

Appendix II - Value for Money Audit Observations/Effectiveness

Vote	Ministry	Amount (Kshs.)	Remarks	Ref. to the detailed report
101	The Presidency	88,826,396	Irregular payment to a contractor	86
104	Defence	145,323,994	Overpricing of goods	89
104	Defence	957,354,060	Contract for completion of 144 Married Quarters - Gilgil - Value for money not obtained	90.2
105	Foreign Affairs	650,000,000.0	Irregular purchase of office in Kampala at (\$6,500,000) instead of \$2,500,000	95
107	The National Treasury	349,869,076	Repayment of Gvt guaranteed loan in reference Ken-Ren Chemical Fertilizer Company, a project which did not take off.	39
107	The National Treasury	50,000,000	Unexplained Exchequer Issue to European Widows and Orphans Pension Scheme Fund.	65
114	Ministry of Labour, Social Security and Services	480,000,000	Delay in completion of construction works due to implementation of Builders works in phases	175-177
117	Ministry of Industrialization	220,691,487	Loss of CIDC equipment and tools at KIRD	196
117	Ministry of Industrialization and Enterprise Development	214,899,000	Failure to install and commission Textile and Leather Working Machine Equipment	197.3
119	Ministry of Mining	102,848,436	Delays in commissioning of Ministry Laboratory	208
121	The Judiciary	20,583,210	Incomplete construction works at Narok Law Courts	225.1
121	The Judiciary	69,810,181	Questionable award of tender for construction and refurbishment of Eldama-Ravine Law Courts	225.2
121	The Judiciary	34,670,412	Kakamega Law Courts - possible litigation charges for contested award of tender	225.3
121	The Judiciary	46,458,069	Mavoko Law Courts - Cost incurred to prefabricate containers for use by the court. No evidence of court using the containers for the intended purposes.	225.4
125	Commission for Implementation of the Constitution	9,200,000	Amount the Commission irregularly paid to the supplier and which has not been recovered to date.	241.2
133	State Department of Interior	3,494,419,400	Irregular Award of Contract	243.6
133	State Department of Interior	370,879,500	Irregular Award of Contract to related companies	244
133	State Department of Interior	133,052,500	Passports issued to Foreign Citizens by Immigration Department but not recorded nor produced for audit verification.	246
133	State Department of Interior	600,000,000	An additional payment by the Ministry for the purchase of land and houses for the General Service Unit which has not been accounted for.	247
133	State Department of Interior	14,004,600	An officer was irregularly nominated to train as pilot but later discontinued for inability.	248
133	State Department of Interior	14,004,600	money lost through irregular training of a pilot who was later discontinued.	248
133	State Department of Interior	5,487,750	Construction and Re-habilitation of non-residential and residential buildings, Narok North District Treasury.	250
134	State Department for Coordination of National Government	95,758,296	Amount spent on biogas project at Kenya Prisons Service was value for money could not be explained.	258
134	State Department for Coordination of National Government	62,512,859	Loss arising from over pricing of stores at the Kenya Prisons Service.	261
135	State Department of Planning	7,111,432	Stalled project - The money was paid to a Contractor for the construction of flats at National Youth Service, Vocational Training Institute but the work was abandoned at the foundation level.	280.3
135	State Department of Planning	266,862,190	Amount claimed to have been disbursed by the ministry but never received by the Semi-Autonomous Government Agencies	282
139	State Department of Education	18,966,912	Unaccounted for rent where duplicate invoices were attached to the payment vouchers with no explanation on the whereabouts of the original invoices.	313
139	State Department of Education	22,437,051	Payments to a contractor by Mawego Institute for a project began on 22nd December 2009 for a project which stalled 50% midway while the contractor payment is 90%.	337.1
139	State Department of Education	9,754,135	Sanitation and Sewerage works contract at Kisiwa Technical Training Institute where 89.2% of the payments have been made but the contract is still in initial stages	340.1
139	State Department of Education	5,611,640	Water harvesting project at Kisiwa Technical Training Institute where the expenditure could not be properly accounted for.	340.2

Vote	Ministry	Amount (Kshs.)	Remarks	Ref. to the detailed report
139	State Department of Education	9,773,062	Construction of a tuition block phase II project at Kisiwa Technical Training Institute where the contractor was overpaid by Kshs 3,273,061.95 while a mobilization fee of Kshs 6,500,000 was never recovered.	340.3
139	State Department of Education	687,800	Withdrawals by the finance officer at Kisiwa Technical Training Institute which could not be accounted for.	340.4
139	State Department of Education	275,000,000	Construction of institutional management laboratory and kitchen annex in which it was not possible to establish the nature and terms of the contract because documents were not availed for audit review.	342
139	State Department of Education	223,000,000	Construction of an applied science laboratory at Eldoret Polytechnic in which the contract variation could not be explained.	343
139	State Department of Education	12,698,880	Unsigned schedules purported to have been used to pay workers who never signed for the money.	344
139	State Department of Education	24,647,025	Contract funds for construction of multi-complex hall at Rwika Institute of Technology which could not be accounted for.	346.1
139	State Department of Education	532,999,997	Development expenditure at Muranga Technical Training Institute which could not be accounted for.	352
139	State Department of Education	239,705,045	Funds released to Muranga Technical Training Institute for extension of fiber optic cable to TIVET Institutions when there is no evidence of any installation.	353
143	State Department of Infrastructure	42,715,088	Nugatory expenditure paid for improvement and gravelling of Road D482	377
144	State Department of Transport - Mechanical and Transport Fund	22,589,200	Payment for supply of computers and related equipment whose delivery could not be confirmed.	384
145	State Department for Environment and Natural Resources	169,500,054	Documents to confirm delivery of services not provided for sub-contracted works pertaining supply, delivery, installation and commissioning of Integrated Metrological Collection System.	395.1
145	State Department for Environment and Natural Resources	14,548,499	Irregular procurement and payment for construction of a model County Office by the Metrological Department - Embu County Office	395.2
145	State Department for Environment and Natural Resources	13,543,872	Double award for tender to construct two observatory units	395.3
145	State Department for Environment and Natural Resources	27,760,162	Engineer's report(s) or certificates not provided to confirm completion of fencing projects at various metrological service stations.	395.5
145	State Department for Environment and Natural Resources	34,925,500	Unconfirmed delivery of seedlings by various contracted suppliers	395.7
152	State Department of Agriculture	126,850,000	Award of Contract to supply fertilizer	414
152	State Department of Agriculture	126,850,000	Amount lost through irregular procurement of fertilizers by the ministry.	414
152	State Department of Agriculture	1,772,055,670	The cost of obsolete and unfit stock of maize held at various depots of the National Cereals and Produce Board.	426.1
157	State Department of Commerce and Tourism	500,000,000	Propriety and legality of expenditure on construction of Ronald Ngala Utalii Academy.	463
203	Independent Electoral and Boundaries Commission	1,665,113,913	Supply, Delivery, Installation, Configuration, Training, Testing and Commissioning of Electronic Voter Identification Devices	468.1
203	Independent Electoral and Boundaries Commission	46,496,478	Unjustified excess payment for transportation of Election Materials	468.4
203	Independent Electoral and Boundaries Commission	220,400,000	Amount paid for supply of Printers which were not supplied	468.6
203	Independent Electoral and Boundaries Commission	9,437,658	Value of 48 BVR kits and Generator stolen at the Emgwen Constituency, Nandi County	469.3
		14,449,695,088		

Appendix III: Pending Bills

Vote	Ministry	Amount	Remarks	Ref. paragraph in the detailed report
101	The Presidency/State House	949,634,649	The Presidency did not pay pending bills	87
104	Ministry of Defence	4,187,353,002	The Ministry did not provide details of payees of pending bills	91
107	The National Treasury	632,331,850	The Ministry did not settle these bills instead they were carried forward.	4
108	Ministry of Health	1,423,830,288	Full payment of the pending bills could have resulted to a deficit of Kshs.4,869,625,142 in the statement of receipts and payments.	101
108	Ministry of Health	3,367,825,286	Full payment of pending bills - recurrent could have resulted to a deficit of Kshs.4,869,625,142 in the statement of receipts and payments-development.	101
111	Ministry of Lands, Housing & Urban Development	3,704,994,723	Had the bills been paid the receipt & payments could have shown a deficit instead of the surplus shown.	119
113	Ministry of Sports, Culture and the Arts	632,045,720	Had the bills been paid and the expenditure charged to the accounts for financial year 2014/2015, the statement of receipts and payments for the year would have reflected a deficit of Kshs.805,940,589.00 instead of deficit of Kshs.173,894,869.00 now shown, apart from distorting the budget allocation for financial year 2015/2016.	161
114	Ministry of Labour, Social Security and Services	297,578,490	Had the expenditure been paid and captured in financial statements, the ministry would have recorded a reduced under expenditure of Kshs.451.733,514.90 and not Ksh.814,186,345	167
114	Ministry of Labour, Social Security and Services	64,869,340	The ministry did not settle these bills during the year they relate but instead they were carried forward.	167
117	Ministry of Industrialization and Enterprise Development	20,568,376	Had the bills been paid and charged to the A/C, the financial statements would have reflected an excess in expenditure of Kshs.56,285,371 instead of the Kshs.35,716,995 now shown.	198
119	Ministry of Mining	9,060,804	Recurrent and Development - Failure to settle bills in the year to which they relate distorts the accounts for that year and adversely affects the budgetary provision for the subsequent financial year to which they have to be charged.	204
120	Office of the Attorney General and Department of Justice	204,450,444	The pending bills for the financial year 2014/2015 amounted to Kshs.204,450,444.00 out of which Kshs.14,215,439 remained unpaid as at the time of audit and is likely to distort the 2015/2016 budget.	211
120	Office of the Attorney General and Department of Justice	16,122,500	During the previous financial year ended 30 June 2014, the Office of the Attorney-General and Department of Justice disclosed pending bills amounting to Kshs.17,060,902.45. However, this figure was understated by Kshs.16,122,500.00 of other pending bills that were not disclosed and supported and have subsequently been paid in the year 2014/2015.	211
124	Director of Public Prosecutions	26,473,753	The office has pending bills of Kshs.26,473,752.95(2014:Kshs.1,196,404) as at 30 June 2015 against a deficit of Kshs.6,847,139(2014:Kshs.5,593,752)	238
133	State Department for Interior	5,070,255,153	Had the bills been paid, the net surplus for the year would have reduced from Kshs.260,119,000 reported in the financial statements, into a deficit of Kshs.4,810,136,152.00	251
134	State Department for Coordination of National Government	2,143,639,500	Headquarters -Failure to pay the bills within the financial year they relate to	262

Vote	Ministry	Amount	Remarks	Ref. paragraph in the detailed report
135	Ministry of Devolution & Planning - State Department for Planning	7,261,076,350	Pending bills amounting to Kshs.7,261,076,350 were not settled during the year. Had the bills been paid and the expenditure charged to the financial statement of 2014/2015, the statement of receipts and payments for the year would have reflected an increased deficit of Kshs.7,473,895,922 instead of the Kshs.212,819,572 now reflected. Failure to settle the bills during the year to which they relate distorts the financial statements for that year and adversely affects the provisions of the subsequent year which they have to be charged.	286
136	Ministry of Devolution & Planning - State Department for Devolution	3,028,638,103	The total pending bills amounted to Kshs.3,028,638,103 and had they been paid and the expenditure charged to the statement of receipts and payments in the 2014/2015 financial year, the statement would have reflected an excess vote (deficit) of Kshs.2,929,909,333 instead of the Kshs.98,728,770 surplus now shown. Failure to settle the pending bills during the year to which they relate distorts the FS for the year and adversely affects the provisions of the subsequent year to which they would be charged.	292
139	Ministry of Education, Science and Technology-Dept of Education	3,134,854	The propriety could not be confirmed.	314
140	Ministry of Education, Science and Technology-Dept of Science and Technology	796,079,111	Had the pending bills been included the statement of receipts and payments would have reflected a deficit of Kshs.792,018,046 (pending bills)	326
140	Ministry of Education, Science and Technology-Dept of Science and Technology	3,996,361	Payments for workers not confirmed.	326
143	Ministry of Transport and Infrastructure-State Department of Infrastructure	57,651,140	Un-disclosed pending bills - Effect on financial statements is reduction in under expenditure.	374.2
143	Ministry of Transport and Infrastructure-State Department of Infrastructure	30,265,963	Un-disclosed pending bills- Effect on financial statements is reduction in under-expenditure.	374.2
144	Ministry of Transport and Infrastructure-State Department of Transport	2,408,879,265		380
145	Department of Environment and Natural Resources	57,828,521	Bills amounting to Kshs.420,576,006 chargeable to both recurrent and development votes for the ministry as at 30 June 2015 were not paid in the year 2014/2015 but were instead carried forward to 2015/2016. Had those bills been paid and expenditure charged, the statement of receipts and payments will have reflected a higher deficit of Kshs.430,966,872.	389
145	Department of Environment and Natural Resources	362,747,486		389
146	Department of Water and Irrigation	28,499,619	Had the bill been paid and charged to the A/C, the statement of receipt and expenditure would have reflected a reduced surplus of Kshs.454,166,634 and not Kshs.588,772,931 now shown	403
146	Department of Water and Irrigation	106,106,678		403
152	State Department of Agriculture	31,929,067	Failure to settle bills in the year to which they relate distorts the accounts for that year and adversely affects the budget for the subsequent year to which they have to be charged.	417
152	State Department of Agriculture	4,561,941,149	Failure to settle bills in the year to which they relate distorts the accounts for that year and adversely affects the budget for the subsequent year, to which they have to be charged.	417
153	State Department of Livestock	259,636,678	Failure to settle bills in the year to which they relate distorts the financial statements for the year and adversely affects the budgetary provision for the subsequent year to which they have to be charged.	440

Vote	Ministry	Amount	Remarks	Ref. paragraph in the detailed report
156	Department of East African Affairs	29,860,007	Had the expenditure been paid and charged, the financial statement would have reflected a deficit of Kshs.32,390,662 and not a surplus of Kshs.3,034,226 now shown	F/S
156	Department of East African Affairs	5,564,881		F/S
157	Department of Commerce and Tourism	90,954,254	Unsupported pending bills paid	460
201	Kenya National Commission on Human Rights	7,871,000	Failure to settle bills in the year to which they relate distorts the accounts for that year and adversely affects the budgetary provision for the subsequent year to which they have to be charged.	466
203	Independent Electoral and Boundaries Commission	1,301,913,818	Due diligence check of pending bills in fifteen regions revealed that pending bills amounted to Kshs.132,586,361.21 instead of Kshs.140,181,106.57 reported in the financial statements for the regions. As a result, the accuracy and validity of the reported figure of pending bills in the financial statements could not be confirmed.	470
204	Parliamentary Service Commission	6,358,500	Examination of Pending Bills reveals that bills totaling Kshs.6,358,500 were outstanding as at June 2015. Had the bills been paid, the statement of receipts and payments could have reflected a balance of Kshs(6,301,577) instead of Kshs.56,923.00 now reflected.	475
210	National Police Service Commission	20,141,098	The Commission had pending bills of Kshs.14,144,988.00 relating to financial year 2013/2014, which increased to Kshs.20,141,098.00 in the financial year 2014/2015 by Kshs.5,996,110.00. Had the bills been settled, the Statement of Receipts and Payments would have reflected a Net Deficit of Kshs.20,135,228.00 instead of a Net surplus of Kshs.5,870 now shown.	485
		43,212,107,781		

#REF1



Appendix IV: Unsurrendered Temporary Imprests

Vote	Ministry	Amount	Remarks	Ref. paragraph in the detailed report
105	Ministry of Foreign Affairs	37,737,302	Amount of Outstanding imprests which ought to have been surrendered by the close of the financial year.	96.3
107	The National Treasury	3,250,777	Amount of Outstanding imprests which ought to have been surrendered by the close of the financial year.	Para 5
108	Ministry of Health	26,818,240	Various officers were issued with new imprest before accounting for the previous one contrary to Government Financial Regulations.	Para 98
112	Ministry of Information, Communication and Technology	208,250	Unsurrendered/unaccounted for imprest brought forward from Year 2013/2014	Para 149
114	Ministry of Labour, Social Security and Services	12,089,334	Amount of Outstanding imprests which ought to have been surrendered by the close of the financial year.	170
120	Office of the Attorney General and Department of Justice	2,113,920	The statement of Financial performance under use of goods and services reflects an expenditure of Kshs.26,273,845.00 which includes an imprest of Kshs.2,113,920.00 which was not surrendered or accounted for.	219
121	Judiciary	3,859,025	Included in the imprest and cash balance of Kshs.11,803,266 as at 30 June 2015 is an amount of Kshs.3,859,025 which has been outstanding for almost a year and has not been recovered to date.	223.2
134	State Department for Coordination of National Government	3,321,600	Failure to surrender imprest when due. Balance not reconciling with one in the financial statements	259
135	Ministry of Devolution & Planning - State Department for Planning	6,479,671	Some imprests have been outstanding for over six months and some employees were issued with more than one imprest prior to surrendering the previously issued imprests contrary to PFM Act and prevailing financial regulations.	283
136	Ministry of Devolution & Planning - State Department for Devolution	2,369,962	Contrary to financial regulations, the outstanding staff imprests should have been surrendered or recovered on or before 30 June 2015 from staff members. Some of the imprests have been outstanding for more than one financial year and some employees have been issued with more than one imprest before surrendering outstanding imprests.	293
140	Ministry of Education, Science and Technology-Dept of Science and Technology	4,471,785	Imprests not accounted for after completion of the activity for which the imprest was advanced.	333.3
145	Department of Environment and Natural Resources	1,123,617	Imprests not accounted for after completion of the activity for which the imprest was advanced.	F/S
146	Department of Water and Irrigation	1,785,524	Imprests not accounted for after completion of the activity for which the imprest was advanced.	F/S
152	State Department of Agriculture	1,628,404	Imprests not accounted for after completion of the activity for which the imprest was advanced.	419
153	State Department of Livestock	1,100,393	Imprests not accounted for after completion of the activity for which the imprest was advanced.	444
156	Department of East African Affairs	263,456	Imprests not accounted for after completion of the activity for which the imprest was advanced.	450

Vote	Ministry	Amount	Remarks	Ref. paragraph in the detailed report
157	Department of Commerce and Tourism	1,126	Imprests not accounted for after completion of the activity for which the imprest was advanced.	F/S
204	Parliamentary Service Commission	8,931,430	A payment of Kshs.4,400,570.00 on account of Public Investment Committee meeting was not supported with documentation including the list of attendees. An officer of the Technical Evaluation Committee was issued with imprest totaling Kshs.1,057,000.00. No documentary evidence has been produced to support this payment. Two imprest surrenders of Kshs.1462,640.00 and Kshs.795,720.00 were not supported with the relevant documentary evidence, hence the propriety of these payments could not be confirmed. The Commission paid Kshs.1,215,500.00 to a local company in respect of accommodation provided to thirty three (33) National Lands Committee members. No documentary evidence has been produced to support the procurement and payment.	476
		117,553,816		



Republic of Kenya
National Treasury
National Exchequer Account
Statement of Receipts and Issues
For the Financial Year ended 30th June 2015

Table of contents.....	Page No.
1. Overview of National Exchequer Operations.....	1
2. Statement of responsibilities	2
3. Statement of Receipts and Issues for the year end 30 June 2015	3
4. Summary of budget vs actual performance for the period ended 30th June 2015	4
5. Significant Accounting Policies.....	5
5.1 Accounting policies	5
5.2 Tax Income and Non Tax Income Receipts.....	6
5.3 Proceeds from domestic borrowings	6
5.4 Grants received through National Exchequer Account	7
5.5 Proceeds from external borrowings	8
5.6 Exchequer transfers to voted entities.....	10
5.7 Closing Balances.....	10
Annex 1: Detailed Exchequer Receipts.....	11
Annex 2: Movement in Sovereign Bond Account.....	13
Annex 3: Detailed statement of Exchequer transfers through the National Exchequer Account	15

1. Overview of National Exchequer Operations

Article 206 of the Constitution of Kenya provides for the establishment of a Consolidated Fund into which shall be paid all money raised or received by or on behalf of the national government. As outlined under Section 17 of the PFM Act, the National Treasury is responsible for administration of the Consolidated Fund. The Consolidated Fund is maintained in an account known as the National Exchequer Account, at the Central Bank of Kenya.

Government revenue is received through persons designated as Receivers of Revenue by the Cabinet Secretary to the National Treasury pursuant to Article 209 (1), (2) and (4) of the Constitution. Receivers of Revenue are responsible for receiving, remitting to the Exchequer, and accounting for the National government revenue pursuant to section 82 of the Public Finance Management Act 2012. During the FY 2014/15, there were a total of 10 Receivers of revenue.

Section 78 of the PFM Act has mandated the Kenya Revenue Authority (KRA), as the collector of national government revenue. Revenue collected by KRA is received by the Principal Secretary, National Treasury who is the designated Receiver.

An appropriation Act and County Allocation Revenue Act is required to authorize the withdrawal of funds from the Consolidated Fund. The National Treasury is required to seek Controller of Budget approval before withdrawing from the National Exchequer Account to the respective National and County Government entities' bank accounts.

Entities that receive funds from the Exchequer Account include National Government Ministries, Departments and Agencies (MDAs) and County Governments. These entities are responsible for administration of their respective budgets.

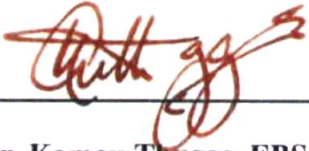
Pursuant to Section 83 of the PFM Act, 2012, the National Treasury is responsible for accounting of the all monies paid into and out of the Exchequer Account. This Statement therefore covers the operations of the National Exchequer Account for the financial year ended 30th June 2015.

2. Statement of responsibilities

As the Accounting Officer, the Principal Secretary to the National Treasury is responsible for the preparation and fair presentation of the Statement of Receipts into and out of the National Exchequer Account and submission to the Auditor-General in accordance with the provisions of Section 80 of the Public Finance Management Act, 2012 and Section 3 of the Public Audit Act, 2003.

The Principal Secretary to the National Treasury accepts responsibility for the National Exchequer Account, Statement of Receipts and Issues, which has been prepared using the cash basis as prescribed by the Public Sector Accounting Standards Board (PSASB). The Statement has been extracted from the accounting records maintained by National Treasury, and the information provided is accurate and complete in all material respects. The Statement also forms part of the Consolidated Financial Statements of the Republic of Kenya.

In my opinion as the Principal Secretary at the National Treasury, the National Exchequer Statement of Receipts and Issues as set out on page 3 to 19 gives a true and fair view of the National Exchequer Account operations for the period ended 30th June 2015.

Signature: 
Name: **Dr. Kamau Thugge, EBS**
Principal Secretary, National Treasury
Date: 30/9/15

3. Statement of Receipts and Issues for the year end 30 June 2015

Description	Notes	Period ended	Period ended
		30th June 2015	30th June 2014
		Kshs	Kshs
Opening balance		162,086,138.90	496,366,817.30
Receipts			
Tax income	5.2	1,001,245,431,205.77	893,547,719,445.10
Non tax income	5.2	40,804,376,558.25	42,790,876,550.40
Net domestic borrowing	5.3	292,680,000,000.00	267,360,000,000.00
Grants	5.4	10,473,510,502.50	11,126,034,282.80
External borrowing	5.5	249,233,782,495.55	63,080,692,720.25
Total Receipts		1,594,437,100,762.07	1,277,905,322,998.55
Transfers from the Exchequer			
National Government Recurrent	Annex 3.1	640,352,208,883.00	601,745,585,437.95
National Government Development	Annex 3.2	270,240,838,230.00	224,355,607,699.00
Consolidated Fund Services	Annex 3.3	454,466,411,172.00	258,792,271,715.00
Total National Government		1,365,059,458,285.00	1,084,893,464,851.95
County Governments	Annex 3.4	229,336,237,197.00	193,346,138,825.00
Total transfers		1,594,395,695,482.00	1,278,239,603,676.95
Excess of Receipts over transfers during the Year		203,491,418.97	162,086,138.90
Closing cashbook balance	5.7	203,491,418.97	162,086,138.90

The notes on pages 5 to 19 form an integral part of these financial statements. This statement has been prepared, reviewed and approved by the following:

Prepared by: G. K. Kangogo Sign:  Date: 30.09.2015

Reviewed by: Lucy N. Kariuki Sign:  Date: 30.09.2015

Approved by: B. M. Ndungu Sign:  Date: 30.09.2015

Principal Secretary: Dr. Kamau Thugge, EBS Sign:  Date: 30/9/15

4. Summary of budget vs actual performance for the period ended 30th June 2015

The following statement summarizes the outturn against budget. Further details are provided under annex 2 to this report:

Description		Original Estimates	Revised Estimates	Total Actual	%
		Kshs	Kshs	FY 2014/15	Realized FY 2014/15
Exchequer receipts:					
Tax Income	5.2	1,050,907,798,049.00	1,050,907,798,049.00	1,001,245,431,205.77	95%
Non Tax Revenue	5.2	38,259,703,218.00	38,259,703,218.00	40,804,376,558.25	107%
Net Domestic Borrowing	5.3	339,813,540,042.00	339,813,540,042.00	292,680,000,000.00	86%
Grants	5.4	16,372,345,055.00	16,372,345,055.00	10,473,510,502.50	64%
External Borrowing	5.5	146,207,105,741.00	252,597,285,028.00	249,233,782,495.55	99%
Total Receipts		1,591,560,492,105.00	1,697,950,671,392.00	1,594,437,100,762.07	95%
Exchequer Transfers:					
National Government Recurrent	Annex 3.1	625,831,601,031.00	675,133,495,321.00	640,352,208,883.00	95%
National Government Development	Annex 3.2	320,885,760,014.00	356,665,895,935.00	270,240,838,230.00	76%
Consolidated Fund Services	Annex 3.3	415,579,481,060.00	436,887,630,136.00	454,466,411,172.00	104%
County Governments	Annex 3.4	229,263,650,000.00	229,263,650,000.00	229,336,237,197.00	100%
Total Exchequer Transfers		1,591,560,492,105.00	1,697,950,671,392.00	1,594,395,695,482.00	95%

Commentary:

- The total revenue for FY 2014/2015 amounted to KShs 1.594 trillion compared to a budgeted amount of KShs 1.698 trillion representing a 95% realisation.
- Out of the collected revenue, County Governments received 100% of equitable share as per County Revenue Allocation Act (CARA) of 2015.
However an amount of Kshs 72,587,196.00 for West Pokot County relating to FY 2013/2014 was disbursed in FY 2014/2015 hence the difference between budget and actuals.
- The debt repayment budgeted for under the Consolidated Fund Services was also fully funded.
- Recurrent expenditure budget was funded at 95% while development budget was funded at 76%.
- On overall, the budgeted issues from the Exchequer Account were funded at 95%.

5. Significant Accounting Policies

5.1 Accounting policies

a) Basis of preparation

The Statement of Receipts and Payments has been prepared in accordance with the cash basis of International Public Sector Accounting Standard (IPSAS) as prescribed by the Public Sector Accounting Standard Board (PSASB) in Kenya.

b) Reporting entity

This report relates to financial operations of the Consolidated Fund held in the National Exchequer Account maintained at CBK. The reporting entity is the National Treasury.

c) Revenues

Revenues include receipts collected by the receivers of revenue and deposited in the Consolidated Fund pursuant to Article 206 of the Constitution of Kenya. This Article requires that all revenue collected by the National Government shall be deposited in the Consolidated Fund held at the National Exchequer Account maintained at the Central Bank of Kenya.

The receipts collected include tax collections by Kenya Revenue Authority (KRA), loans and grants from development partners, proceeds from domestic loans, and other miscellaneous deposits in the National Exchequer bank account.

d) Grants and loans from Development Partners

Grants and loans received from development partners are recognized as receipts when the funds are received in the National Exchequer Account.

e) Exchequer Transfers

Exchequer Transfers relate to appropriations to votes based on exchequer requests made by the respective votes subject to budget provisions. The exchequer requests are received by National Treasury, which rationalizes the requests based on available balance, consolidates the requests and forwards them to Controller of Budget (CoB) for approval. Once the approval of CoB is obtained, the funds are released to either the recurrent or development accounts of National Government entries or the County Revenue Fund accounts of the Counties. These accounts are maintained at CBK.

The appropriations from the National Treasury are regarded as transfers rather than expenditures. At consolidation level, these transfers are netted off against the corresponding transfers reported as having been received by the respective votes and County Governments.

f) Cash and cash equivalents

Cash and cash equivalents comprise cash at hand, bank balances, un-surrendered imprests and short term deposits in money market instruments.

g) Presentation Currency

The financial statements are reported in Kenya Shillings, being the currency of legal tender in Kenya.

5.2 Tax Income and Non Tax Income Receipts

The following is an analysis by revenue type of the receipts collected in the National Exchequer Account:

Code	Description	30 June 2015 Kshs	30 June 2014 Kshs
Tax Income			
1110000	Taxes on Income, Profits and Capital Gains	511,405,623,499.57	452,912,588,054.40
1130000	Taxes on Property	13,241,979,167.10	11,574,866,350.50
1140000	Taxes on Goods and Services	449,604,648,567.80	402,382,396,515.20
1150000	Taxes in International Trade and Transactions	26,993,179,971.30	26,677,868,525.00
Total Tax Income		1,001,245,431,205.77	893,547,719,445.10
Non Tax Income			
1160000	Other Revenue	37,154,624,799.05	41,264,861,976.50
1430000	Fines, Penalties and Forfeitures	2,490,948,629.20	1,442,618,801.60
1450000	Other receipts Not Classified Elsewhere	1,158,803,130.00	83,395,772.30
Total Non-Tax Income		40,804,376,558.25	42,790,876,550.40
Total Tax and Non-Tax income – refer to Annex 1		1,042,049,807,764.02	936,338,595,995.50

5.3 Proceeds from domestic borrowings

The proceeds from sale of Treasury Bills and Treasury Bonds during the year were as summarised below:

Description	30 June 2015 Kshs	30 June 2014 Kshs
Treasury Bonds	255,680,000,000.00	106,700,000,000.00
Treasury Bills (net)	37,000,000,000.00	160,660,000,000.00
Net proceeds	292,680,000,000.00	267,360,000,000.00

5.4 Grants received through National Exchequer Account

The budget support received from development partners is channelled through the National Exchequer Account and is summarized below:

Description	30 June 2015 Kshs	30 June 2014 Kshs
Bilateral Donors		
Government of Denmark (DANIDA)	1,700,676,179.00	906,832,693.00
Government of Sweden (SIDA)	858,906,187.00	961,579,998.00
Government of Italy	578,781,278.00	424,000,000.00
Government of Japan	34,944,961.00	1,168,337,621.00
Government of United States (USAID)	18,500,000.00	-
United Kingdom (DFID)	-	28,670,000.00
Total Grants from Bilateral Donors	3,191,808,605.00	3,489,420,312.00
Multilateral Donors		
African Union Mission in Somalia (AMISON)	3,842,803,467.95	4,694,571,553.20
Global Fund	1,532,823,872.35	1,136,281,167.00
United Nations Development Programme (UNDP)	62,513,224.00	135,490,414.00
United Nations Fund for Population Activities (UNFPA)	3,220,000.00	31,329,232.00
United Nations Environmental Programme (UNEP)	6,600,000.00	6,814,375.00
United Nations International Children Education Fund (UNICEF)	21,266,190.00	11,791,000.00
International Fund for Agricultural Development (IFAD)	203,722,976.00	8,589,853.00
International Development Association (IDA)	1,491,142,845.30	1,421,612,806.00
African Development Fund	-	131,819,990.00
Global Environment Trust Fund (GETF)	-	48,310,080.00
Grants from other international organizations	117,609,321.90	10,003,500.00
Total Grants from Multilateral Donors	7,281,701,897.50	7,636,613,970.20
Grand total	10,473,510,502.50	11,126,034,282.20

5.5 Proceeds from external borrowings

The following loans amount was received through the National Exchequer Account as summarised below:

Description	30 June 2015 Kshs	30 June 2014 Kshs
Borrowings from bilateral and multilateral lenders –see note (i) below	33,764,156,459.95	28,432,304,538.85
Commercial Financing (Euro Bond) - see note (ii) below	215,469,626,035.75	34,648,388,180.25
Total	249,233,782,495.55	63,080,692,720.25

Note i: Borrowing from bilateral and multilateral lenders

The following is the breakdown of bilateral and multilateral lender whose funding was received through the National Exchequer Account.

Description	30 June 2015 Kshs	30 June 2014 Kshs
Bilateral Lenders		
Government of Germany	-	98,533,414.00
Government of France (AFD)	1,292,551,034.55	464,851,750.00
Government of Japan	1,287,142,155.00	55,763,523.00
Total borrowing from bilateral lenders	2,579,693,189.55	619,148,687.00
Multilateral Lenders		
International Development Association (IDA)	23,808,995,864.00	25,648,885,003.00
European Investment Bank	1,471,373,148.60	11,753,371.00
Global Fund	897,135,670.00	299,199,663.00
African Development Fund	626,309,588.80	802,063,459.00
International Fund for Agricultural Development (IFAD)	926,521,457.75	1,069,269,223.00
Prior year adjustments*	-	(18,014,867.15)
International Development Association (IDA) – for Kenya National Safety Program for Results (PFORR)	3,454,127,541.25	-
Total Grants from Multilateral Donors	31,184,463,270.40	27,813,155,851.85
Grand total	33,764,156,459.95	28,432,304,538.85

* Prior year adjustment relates to loan amounts captured in error in FY 2012/2013 and adjusted during the FY 2013/2014.

National Treasury
National Exchequer Account, Statements of Receipts and Issues
For the Financial Year ended 30th June 2015

Note ii: Commercial Financing (Euro Bond)

In June 2014, the Government issued a Sovereign Bond (referred to as the Euro Bond). The purpose of the bond issuance was for general budget support including funding of infrastructure projects and the repayment of the Syndicated Loan amounting to US\$ 600 million which was incurred in 2011/12 and was to mature in August, 2014.

The initial proceeds from the Sovereign Bond was US\$ 2,000,000,000.00 (Kshs 174,000,000,000.00). During the month of December 2014, the Government issued an additional bond (referred to as the Tap Sale) for US\$ 750,000,000.00 (Kshs 67,882,500,000.00). The Net Proceeds from the Tap Sales were US\$ 815,684,271.00 including a premium of US\$ 65,684,271.00 (Kshs 5,945,083,368.00).

The net proceeds from the Sovereign Bond and the Tap Sale totalled Kshs 250,118,014,216.00 after netting off the commissions, bank charges and taxes. Of this, Kshs 53,201,344,900.00 was applied to retiring the syndicated loan while Kshs 196,916,669,316.00 (Kshs 162,268,281,136.00 during FY 2014/2015 and Kshs 34,648,388,180.00 during FY 2013/2014) were paid into the Exchequer Account to fund development budget.

The interest rate on the five year Sovereign Bond is 5.875 percent and 6.875 percent for ten year tenor.

The following is the summary movement on the Sovereign Bond account for the financial years 2013/2014 and 2014/2015:

Summary Movement - Sovereign Bond Accounts	Year ended	Year ended	Total
	30-Jun-14	30-Jun-15	
	Kshs	Kshs	Kshs
Opening Balance	-	140,428,045,092.20	-
Proceeds from Sovereign Bond (US\$ 2,000,000,000)	174,000,000,000.00	-	174,000,000,000.00
Tap Sale - face value of the proceeds (US\$ 750,000,000)	-	67,882,499,999.98	67,882,499,999.98
Premium on issue of Tap Sale (US\$ 65,684,271)	-	5,945,083,368.21	5,945,083,368.21
Exchange gains	1,158,833,323.80	1,239,412,781.24	2,398,246,105.05
Interest earned	6,659,120.94	14,908,577.20	21,567,698.14
Less Commissions, expenses and taxes:			
Commissions and transaction expenses deducted at source	(87,194,619.00)	(22,386,652.89)	(109,581,271.89)
Account settlement charges	-	(13,762,728.32)	(13,762,728.32)
Federal Interest withheld	(1,864,553.55)	(4,174,401.62)	(6,038,955.17)
Net proceeds received	175,076,433,272.20	75,041,580,943.81	250,118,014,216.00
The proceeds from the Sovereign Bond were applied as follows:			

National Treasury
National Exchequer Account, Statements of Receipts and Issues
For the Financial Year ended 30th June 2015

Summary Movement - Sovereign Bond Accounts	Year ended	Year ended	Total
	30-Jun-14	30-Jun-15	
	Kshs	Kshs	Kshs
Payment of Syndicated Loan in FY2013/2014	-	53,201,344,900.00	53,201,344,900.00
Transfer to Exchequer A/C in FY2013/2014 (directly to Exchequer A/C)	34,648,388,180.00	-	34,648,388,180.00
Transfer to Exchequer A/C in FY2014/2015 (From Special A/C No.1000212764 at CBK)	-	162,268,281,136.00	162,268,281,136.00
Total	34,648,388,180.00	215,469,626,036.00	250,118,014,216.00
Closing Balance	140,428,045,092.20	-	-

NB: A more detailed breakdown of the Sovereign Bond account is provided under Annex 2.

5.6 Exchequer transfers to voted entities

The summary details of exchequer transfers per institution are shown below:

Description	30 June 2015 Kshs	30 June 2014 Kshs
National Government Recurrent	640,352,208,883.00	601,745,585,437.95
National Government Development	270,240,838,230.00	224,355,607,699.00
National Government CFS	454,466,411,172.00	258,792,271,715.00
County Governments	229,336,237,197.00	193,346,138,825.00
Net Exchequer transfers	1,594,395,695,482.00	1,278,239,603,676.95

See Annex 3 for a detailed analysis of the above exchequer transfers by vote and County.

5.7 Closing Balances

The closing balance relates to the cash book balance as at 30th June 2015.

Description	As at 30 June 2015 Kshs	As at 30 June 2014 Kshs
Exchequer cashbook balance	203,491,418.97	162,086,138.90
Grand total	203,491,418.97	162,086,138.90

National Treasury
National Exchequer Account, Statements of Receipts and Issues
For the Financial Year ended 30th June 2015

Annex 1: Detailed Exchequer Receipts

Category Of Receipt	Printed Estimates	Actual Receipts	Under/(Over
	Kshs	Kshs	Estimates)
			Kshs
Taxation Receipts			
Income Tax from Individuals (P.A.Y.E)	299,768,071,970.00	279,795,651,215.20	(19,972,420,754.80)
Income Tax from Corporations	240,051,125,152.00	228,785,246,254.52	(11,265,878,897.48)
Refunds	(300,000,000.00)	-	300,000,000.00
Immovable Property	743,805,140.00	-	(743,805,140.00)
Second Hand Motor Vehicle Pur. Tax	616,698,473.00	-	(616,698,473.00)
VAT on Domestic Goods & Services	146,138,279,663.00	127,904,574,521.00	(18,233,705,142.00)
VAT on Imported Goods & Services	146,635,781,084.00	131,780,626,466.50	(14,855,154,617.50)
VAT Refunds	(25,636,289,822.00)	-	25,636,289,822.00
Excise Taxes	122,170,416,749.00	115,871,723,794.35	(6,298,692,954.65)
Refunds	(2,400,000,000.00)	-	2,400,000,000.00
Customs Duties	80,653,365,678.00	74,047,723,785.95	(6,605,641,892.05)
Refunds	(300,000,000.00)	-	300,000,000.00
Other Taxes on Int. Trade & Transactions (IDF)	30,969,490,261.00	26,993,179,971.30	(3,976,310,289.70)
Stamp Duty	11,803,053,701.00	11,467,760,697.65	(335,293,003.35)
Refunds	(6,000,000.00)	-	6,000,000.00
Licences under Traffic Act		2,824,726,029.85	2,824,726,029.85
Licences Under Communications Act		-	-
Rent of Land		1,774,218,469.45	1,774,218,469.45
Total Tax Receipts	1,050,907,798,049.00	1,001,245,431,205.77	69,269,708,794.23
Non Tax Receipts			
Licences under Traffic Act	1,535,999,837.00	2,824,726,029.85	1,288,726,192.85
Rent of Land	1,688,120,928.00	1,774,218,469.45	86,097,541.45
Surplus Funds for Regulatory Authority	5,758,000,000.00	1,158,803,130.00	(4,599,196,870.00)
Cont. From Govt. Employees To Social	660,809,724.00	-	(660,809,724.00)
Interest Received	921,729,599.00	1,608,601,213.40	686,871,614.40
Other Profits & Dividends	11,606,300,000.00	12,872,590,015.45	1,266,290,015.45
Rent of Government Buildings and Housing	175,157,576.00	-	(175,157,576.00)
Fines, Penalties & Forfeitures & other charges	1,357,120,046.00	2,490,948,629.20	1,133,828,583.20
Miscellaneous & Sundry Revenue	3,445,197,675.00	9,650,526,851.55	6,205,329,176.55
Receipts from sale of Non Financial Assets	35,625,657.00	-	(35,625,657.00)
Mps Contribution	-	120,429,099.75	120,429,099.75
Fees Under Traffic Act	852,852,290.00	-	(852,852,290.00)
Motor Drivers Licences	1,103,969,759.00	-	(1,103,969,759.00)
Registration Services	80,817,350.00	505,129,712.65	424,312,362.65
Conveyance fees	1,113,240,693.00	-	(1,113,240,693.00)
Immigration Visas and Other Consular Fees	1,718,795,655.00	2,509,319,840.65	790,524,185.65

National Treasury
National Exchequer Account, Statements of Receipts and Issues
For the Financial Year ended 30th June 2015

Category Of Receipt	Printed Estimates	Actual Receipts	Under/(Over Estimates)
	Kshs	Kshs	Kshs
Passport Fees	321,099,895.00	10,861,330.00	(310,238,565.00)
Work Permit Fees	2,735,071,402.00	1,488,820,736.15	(1,246,250,665.85)
Sale of Tender Documents	1,073,202.00	-	(1,073,202.00)
Course Fees & Hostel Charges	2,959,198.00	-	(2,959,198.00)
Kenya Oil Facility Storage Charges	50,306,365.00	-	(50,306,365.00)
Sale of Goods and Fees for Services	291,281,951.00	-	(291,281,951.00)
Sale of Goods and Fees Others	25,251,822.00	-	(25,251,822.00)
Fishing Rights	109,625,738.00	210,980,546.95	101,354,808.95
Betting Control	27,619,181.00	3,127,271.35	(24,491,909.65)
Funds Management Fees received from LATF	17,506,142.00	-	(17,506,142.00)
Loans to Non-Financial Public Enterprises	1,904,700,000.00	2,694,798,172.95	790,098,172.95
Loans to Financial Institutions	77,250,000.00	202,574,682.50	125,324,682.50
Reimbursement within central government	52,285,453.00	-	(52,285,453.00)
Other revenues	589,936,080.00	677,920,826.40	87,984,746.40
Total Non Tax Receipts	38,259,703,218.00	40,804,376,558.25	2,544,673,340.25
Ordinary Revenue	1,089,167,501,267.00	1,042,049,807,764.02	71,814,382,134.48

Annex 2: Movement in Sovereign Bond Account

	US\$	Ex- Rate	KShs
JPMORGAN CHASE NEW YORK ACCOUNT NO. 603149985			
Proceeds from Sovereign Bond	2,000,000,000.00	87.00	174,000,000,000.00
Less Commissions deducted at source:			
(i) Commissions and transaction expenses	(1,002,237.00)	87.00	(87,194,619.00)
(ii) Interest payment	76,541.62	87.00	6,659,120.94
(iii) Federal Interest withheld	(21,431.65)	87.00	(1,864,553.55)
Net proceeds received in offshore A/C	1,999,052,872.97		173,917,599,948.39
Less Transfer to Exchequer A/C on 30.06.2014 for infrastructure projects in FY2013/2014	(395,439,262.50)	87.62	(34,648,388,180.25)
Add Exchange gain on translation of closing balance	-		1,239,412,781.24
Balance in Off-shore account as at 30th June 2014	1,603,613,610.47	87.62	140,508,624,549.38
Less Payment of syndicated loan on 02.07.2014	(604,560,737.50)	88.00	(53,201,344,900.00)
Less Commissions and bank charges:			
(i) Account settlement charges	(156,394.64)	88.00	(13,762,728.32)
(ii) Interest payment	169,415.65	88.00	14,908,577.20
(iii) Federal Interest withheld	(47,436.38)	88.00	(4,174,401.62)
Add Exchange gain on translation of closing balance before transfer			1,158,833,323.80
Balance transferred to CBK S/Bond A/C No.1000212764 on 08/09/2014	999,018,457.60	88.55	88,463,084,420.45
Less Payments from the S/Bond account at CBK A/C No. 1000212764:			
(i) Amount transferred to Exchequer A/C on 15.09.2014	-		(25,000,000,000.00)
(ii) Amount transferred to Exchequer A/C on 19.09.2014	-		(25,000,000,000.00)
(iii) Amount transferred to Exchequer A/C on 30.10.2014	-		(15,000,000,000.00)
Total payments from S/Bond account at CBK:	-		(65,000,000,000.00)
Balance in Sovereign Bond Account at CBK as at 31st October 2014	-		23,463,084,420.45
CITIBANK NEW YORK ACCOUNT NO. 36341018			
Proceeds from the tap sale:			
(i) Face Value of the proceeds	750,000,000.00	90.51	67,882,499,999.98
(ii) Premium on issue of tap sale	65,684,271.00	90.51	5,945,083,368.21

National Treasury
National Exchequer Account, Statements of Receipts and Issues
For the Financial Year ended 30th June 2015

	US\$	Ex- Rate	K Shs
(iii) Less Commissions and transaction expenses deducted at source	(247,339.00)	90.51	(22,386,652.89)
Net proceeds transferred to CBK S/Bond A/C No.1000212764 on 17.12.2014	815,436,932.00	90.51	73,805,196,715.30
Balance in S/Bond A/C No.1000212764 at CBK as at 31st December 2014	-		97,268,281,135.75
			-
Less transfers to Exchequer Account:			
(i) Amount transferred to Exchequer A/C on 21.01.2015	-		(25,000,000,000.00)
(ii) Amount transferred to Exchequer A/C on 17.03.2015	-		(25,000,000,000.00)
Balance in Sovereign Bond Account at CBK as at 31st March 2015	-		47,268,281,135.75
Less transfers to Exchequer Account:			
(i) Amount transferred to Exchequer A/C on 02.06.2015	-		(30,000,000,000.00)
(ii) Amount transferred to Exchequer A/C on 30.06.2015	-		(17,268,281,135.75)
Balance in Sovereign Bond Account at CBK as at 30th June 2015	-		-

Annex 3: Detailed statement of Exchequer transfers through the National Exchequer Account

3.1 National Government Recurrent Budget

	Original Estimates Recurrent	Revised Estimates Recurrent	Actual Transfer Recurrent 30 June 2015	% Realized 2014/15
	KShs	KShs	KShs	
The Presidency	3,511,023,597.00	7,209,783,597.00	5,632,016,000.00	78%
Ministry of Defence	73,281,000,000.00	78,770,800,000.00	74,585,220,000.00	95%
Ministry of Foreign Affairs	9,828,839,943.00	12,749,814,217.00	11,801,800,000.00	93%
The national Treasury	37,796,000,000.00	29,814,525,602.00	27,685,820,000.00	93%
Ministry of health	22,199,373,000.00	25,397,289,096.00	23,543,000,000.00	93%
Ministry of Lands Housing, and Urban Development	4,039,846,962.00	4,352,583,177.00	4,007,000,000.00	92%
Ministry of Information & Communication and Technology	1,925,748,127.00	2,513,748,127.00	2,240,600,000.00	89%
Ministry of Sports Culture and Arts	2,578,053,968.00	2,881,053,968.00	2,608,000,000.00	91%
Ministry of Labour Social Security and Services	8,368,995,289.00	8,688,995,289.00	8,336,300,000.00	96%
Ministry of Energy and Petroleum	1,748,336,641.00	1,766,558,644.00	1,735,500,000.00	98%
Ministry of Industrialization and Enterprise Dev.	2,259,717,028.00	3,275,917,028.00	2,819,640,000.00	86%
Ministry of Mining	708,227,033.00	753,711,140.00	665,765,000.00	88%
Office of The Attorney General and Department of Justice	3,378,486,691.00	3,282,486,700.00	2,815,115,000.00	86%
The Judiciary	11,867,000,000.00	10,732,000,000.00	10,318,560,000.00	96%
Ethics & Anti-Corruption Commission	1,546,000,000.00	1,746,000,000.00	1,646,000,000.00	94%
National Intelligence Service	17,440,000,000.00	19,140,000,000.00	19,137,400,000.00	100%
Directorate of Public Prosecution	1,732,421,263.00	1,726,831,272.00	1,479,200,000.00	86%
Commission for Implementation of the Const.	306,000,000.00	306,000,000.00	304,700,000.00	100%
Registrar of Political Parties	466,960,949.00	475,961,000.00	457,341,000.00	96%
Witness Protection Agency	249,675,000.00	295,200,213.00	282,278,600.00	96%
State Department For Interior	78,920,337,021.00	92,839,437,021.00	84,934,000,000.00	91%
State Department For Co-ord. of National Government	15,411,370,819.00	17,113,870,819.00	17,105,000,000.00	100%
State Department for Planning	14,642,570,625.00	17,108,800,000.00	14,732,840,000.00	86%
State Department For Devolution	2,171,015,315.00	4,327,827,515.00	4,288,050,000.00	99%
State Department For Education	49,984,434,457.00	50,107,770,016.00	49,095,900,000.00	98%
State Department for Science & Technology	37,100,091,952.00	40,123,691,952.00	38,980,000,000.00	97%
State Department for Infrastructure	1,441,457,939.00	1,368,979,238.00	1,337,386,000.00	98%
State Department for Transport	1,370,480,983.00	1,465,553,760.00	1,408,740,000.00	96%
State Department for environment & Natural Resource	6,901,976,982.00	8,311,291,664.00	7,864,900,000.00	95%

National Treasury
National Exchequer Account, Statements of Receipts and Issues
For the Financial Year ended 30th June 2015

	Original Estimates Recurrent	Revised Estimates Recurrent	Actual Transfer Recurrent 30 June 2015	% Realized 2014/15
	KShs	KShs	KShs	
State Department for Water & Regional Authority	2,103,792,790.00	2,053,792,790.00	2,053,792,790.00	100%
State Department for Agriculture	7,477,495,200.00	9,538,495,200.00	7,898,400,000.00	83%
State Department for Livestock	1,814,430,310.00	1,819,430,310.00	1,762,620,000.00	97%
State Department for Fisheries	971,413,217.00	1,113,913,217.00	1,111,400,000.00	100%
State Department for East African Affairs	1,617,103,767.00	1,617,103,767.00	1,480,600,000.00	92%
State Department for Commerce & Tourism	2,720,707,394.00	2,975,058,549.00	2,877,105,000.00	97%
Kenya National Comm. on Human Rights	356,500,000.00	356,500,000.00	345,345,994.00	97%
National land Commission	1,156,338,149.00	1,093,838,149.00	1,089,100,000.00	100%
Independent Electoral & Boundaries Comm.	2,993,099,681.00	6,787,803,346.00	5,233,000,000.00	77%
Parliamentary Service Commission	19,971,000,000.00	22,391,000,000.00	22,234,012,000.00	99%
Judicial Service commission	438,000,000.00	338,000,000.00	253,700,000.00	75%
The Commission on Revenue Allocation	283,586,889.00	276,086,889.00	212,401,499.00	77%
Public Service Commission	874,204,313.00	1,008,204,313.00	980,040,000.00	97%
Salaries & Remuneration Commission	440,549,493.00	839,849,493.00	596,500,000.00	71%
Teachers Service Commission	165,358,978,668.00	169,635,978,668.00	166,047,000,000.00	98%
National Police Service Commission	278,119,240.00	470,119,240.00	426,100,000.00	91%
Auditor General	2,501,020,000.00	2,801,020,000.00	2,672,400,000.00	95%
Controller of Budget	429,962,741.00	395,962,740.00	341,500,000.00	86%
The Commission on Administrative Justice	374,485,500.00	393,985,500.00	363,420,000.00	92%
National Gender & Equality Commission	290,250,930.00	290,250,930.00	289,500,000.00	100%
Independent Police Oversight Authority	205,121,165.00	290,621,165.00	236,200,000.00	81%
Sub-total National Government Recurrent	625,831,601,031.00	675,133,495,321.00	640,352,208,883.00	95%

National Treasury
National Exchequer Account, Statements of Receipts and Issues
For the Financial Year ended 30th June 2015

3.2 National Government Development Budget

	Original Estimates Development KShs	Revised Estimates Development KShs	Actual Development Transfers 30 June 2015 KShs	% Realized 2014/15
The Presidency	786,500,000.00	1,236,500,000.00	782,570,000.00	63%
Ministry of Foreign Affairs	1,560,000,000.00	1,625,700,000.00	1,067,603,000.00	66%
The National Treasury	24,403,751,045.00	29,441,957,325.00	18,823,330,317.00	64%
Ministry of Health	13,907,269,126.00	17,487,964,921.00	10,493,170,608.00	60%
Ministry of Lands Housing, and Urban Development	15,429,583,948.00	21,197,280,970.00	14,062,123,310.00	66%
Ministry of Information & Communication and Technology	4,890,612,364.00	5,487,933,793.00	4,133,702,010.00	75%
Ministry of Sports Culture and Arts	1,310,000,000.00	1,533,000,000.00	1,282,810,000.00	84%
Ministry of Labour Social Security and Services	11,425,663,636.00	11,682,523,636.00	10,678,728,230.00	91%
Ministry of Energy and Petroleum	24,131,937,490.00	31,700,481,457.00	24,819,254,060.00	78%
Ministry of Industrialization and Enterprise Dev.	6,921,911,200.00	5,438,511,480.00	2,729,007,700.00	50%
Ministry of Mining	1,200,000,000.00	1,150,000,000.00	889,820,000.00	77%
Office of The Attorney General and Department of Justice	231,675,000.00	199,532,140.00	121,650,000.00	61%
The Judiciary	5,624,895,000.00	3,093,000,000.00	1,230,379,860.00	40%
Ethics & Anti-Corruption Commission	77,600,000.00	-	-	0%
Directorate of Public Prosecution	119,300,000.00	67,000,000.00	65,000,000.00	97%
State Department For Interior	4,321,321,100.00	8,630,071,100.00	4,606,000,000.00	53%
State Department For Coordination of National .Government	657,116,200.00	597,116,200.00	597,116,200.00	100%
State Department for Planning	50,546,531,393.00	54,822,052,611.00	45,375,586,144.00	83%
State Department For Devolution	3,516,969,000.00	5,542,069,000.00	3,646,051,225.00	66%
State Department For Education	20,255,055,000.00	7,846,926,916.00	6,222,314,390.00	79%
State Department for Science & Technology	9,969,084,228.00	10,175,499,313.00	9,761,050,000.00	97%
State Department for Infrastructure	59,020,582,647.00	66,281,130,647.00	53,132,867,822.00	80%
State Department for Transport	7,781,469,353.00	8,661,749,353.00	6,202,207,585.00	72%
State Department for environment & Natural Resource	6,418,919,786.00	6,771,904,554.00	5,718,741,195.00	84%
State Department for Water & Regional Authority	17,833,669,037.00	19,081,127,277.00	15,442,540,046.00	81%
State Department for Agriculture	17,566,942,775.00	23,377,655,184.00	19,420,015,132.00	83%
State Department for Livestock	3,280,197,238.00	3,380,197,238.00	3,030,750,386.00	90%
State Department for Fisheries	1,142,523,448.00	2,104,599,009.00	2,003,597,010.00	95%
State Department for Commerce & Tourism	2,084,400,000.00	2,888,131,811.00	2,608,500,000.00	90%
National land Commission	542,000,000.00	442,000,000.00	145,000,000.00	33%

National Treasury
National Exchequer Account, Statements of Receipts and Issues
For the Financial Year ended 30th June 2015

	Original Estimates Development	Revised Estimates Development	Actual Development Transfers 30 June 2015	% Realized 2014/15
	KShs	KShs	KShs	
Independent Electoral & Boundaries Comm.	91,280,000.00	74,280,000.00	74,280,000.00	100%
Parliamentary Service Commission	3,129,000,000.00	4,075,000,000.00	921,442,000.00	23%
Public Service Commission	168,000,000.00	168,000,000.00	153,630,000.00	91%
Teachers Service Commission	135,000,000.00	-	-	0%
Auditor General	405,000,000.00	405,000,000.00	-	0%
Sub-total National Government Development	320,885,760,014.00	356,665,895,935.00	270,240,838,230.00	76%

3.3 National Government Consolidated fund Service Budget

	Original Estimates	Revised Estimates	Total Actual Transfers 30/06/2015	% Realized FY 2014/15
	KShs	KShs	KShs	
Public Debt	378,010,445,318.00	399,310,622,509.00	416,234,431,172.00	104%
Pensions and Gratuities	32,356,038,229.00	32,356,038,229.00	35,081,980,000.00	108%
Salaries and Allowances	5,212,497,513.00	5,220,469,398.00	3,150,000,000.00	60%
Subscriptions to International Organizations	500,000.00	500,000.00	-	-
Total CFS	415,579,481,060.00	436,887,630,136.00	454,466,411,172.00	104%

3.4 Transfers to County Governments

	Original Estimates	Revised Estimates	Total Actual Transfers 30/06/2015	% Realized FY 2014/15
	KShs	KShs	KShs	
County Governments				
Baringo County	3,898,701,817.00	3,898,701,817.00	3,898,701,817	100%
Bomet County	4,135,654,263.00	4,135,654,263.00	4,135,654,263	100%
Bungoma County	6,710,034,213.00	6,710,034,213.00	6,710,034,213	100%
Busia County	4,757,157,698.00	4,757,157,698.00	4,757,157,698	100%
Elgeyo/Marakwet County	2,871,945,879.00	2,871,945,879.00	2,871,945,879	100%
Embu County	3,546,340,602.00	3,546,340,602.00	3,546,340,602	100%
Garissa County	5,163,814,626.00	5,163,814,626.00	5,163,814,626.00	100%
Homa Bay County	4,939,153,509.00	4,939,153,509.00	4,939,153,509.00	100%
Isiolo County	2,673,046,921.00	2,673,046,921.00	2,673,046,921.00	100%
Kajiado County	3,865,164,568.00	3,865,164,568.00	3,865,164,568.00	100%

National Treasury
National Exchequer Account, Statements of Receipts and Issues
For the Financial Year ended 30th June 2015

	Original Estimates	Revised Estimates	Total Actual Transfers 30/06/2015	% Realized FY 2014/15
	KShs	KShs	KShs	
Kakamega County	7,999,990,175.00	7,999,990,175.00	7,999,990,175.00	100%
Kericho County	3,935,291,260.00	3,935,291,260.00	3,935,291,260.00	100%
Kiambu County	6,616,244,176.00	6,616,244,176.00	6,616,244,176.00	100%
Kilifi County	6,505,434,172.00	6,505,434,172.00	6,505,434,172.00	100%
Kirinyanga County	3,097,237,885.00	3,097,237,885.00	3,097,237,885.00	100%
Kisii County	6,293,453,626.00	6,293,453,626.00	6,293,453,626.00	100%
Kisumu County	5,219,776,886.00	5,219,776,886.00	5,219,776,886.00	100%
Kitui County	6,375,108,549.00	6,375,108,549.00	6,375,108,549.00	100%
Kwale County	4,483,784,358.00	4,483,784,358.00	4,483,784,358.00	100%
Laikipia County	3,019,047,543.00	3,019,047,543.00	3,019,047,543.00	100%
Lamu. County	1,795,183,557.00	1,795,183,557.00	1,795,183,557.00	100%
Machakos County	6,087,031,461.00	6,087,031,461.00	6,087,031,461.00	100%
Makueni County	5,230,622,802.00	5,230,622,802.00	5,230,622,802.00	100%
Mandera County	7,826,262,143.00	7,826,262,143.00	7,826,262,143.00	100%
Marsabit County	4,540,962,199.00	4,540,962,199.00	4,540,962,199.00	100%
Meru County	5,748,587,910.00	5,748,587,910.00	5,748,587,910.00	100%
Migori County	5,110,869,787.00	5,110,869,787.00	5,110,869,787.00	100%
Mombasa County	4,748,690,119.00	4,748,690,119.00	4,748,690,119.00	100%
Muranga County	4,695,587,909.00	4,695,587,909.00	4,695,587,909.00	100%
Nairobi County	11,365,111,382.00	11,365,111,382.00	11,365,111,382.00	100%
Nakuru County	7,422,873,158.00	7,422,873,158.00	7,422,873,158.00	100%
Nandi County	4,164,729,997.00	4,164,729,997.00	4,164,729,997.00	100%
Narok County	4,629,250,044.00	4,629,250,044.00	4,629,250,044.00	100%
Nyamira County	3,646,635,502.00	3,646,635,502.00	3,646,635,502.00	100%
Nyandarua County	3,774,776,517.00	3,774,776,517.00	3,774,776,517.00	100%
Nyeri County	4,100,574,908.00	4,100,574,908.00	4,100,574,908.00	100%
Samburu County	3,107,466,532.00	3,107,466,532.00	3,107,466,532.00	100%
Siaya County	4,383,163,207.00	4,383,163,207.00	4,383,163,207.00	100%
Taita County	2,899,885,925.00	2,899,885,925.00	2,899,885,925.00	100%
Tana River County	3,483,242,713.00	3,483,242,713.00	3,483,242,713.00	100%
Tharaka Nithi County	2,747,312,700.00	2,747,312,700.00	2,747,312,700.00	100%
Tranzoia County	4,458,831,419.00	4,458,831,419.00	4,458,831,419.00	100%
Turkana County	9,153,224,208.00	9,153,224,208.00	9,153,224,208.00	100%
Uasin Gishu County	4,544,602,890.00	4,544,602,890.00	4,544,602,890.00	100%
Vihiga County	3,389,883,964.00	3,389,883,964.00	3,389,883,964.00	100%
Wajir County	6,328,460,244.00	6,328,460,244.00	6,328,460,244.00	100%
West Pokot County	3,773,444,078.00	3,773,444,078.00	3,846,031,274.00	100%
Total County Governments	229,263,650,000.00	229,263,650,000.00	229,336,237,197.00	100%

Note: An amount of KShs 72,587,196.00 for West Pokot County relating to FY 2013/2014 was disbursed in FY 2014/2015 hence the difference between the estimate and actual disbursement.