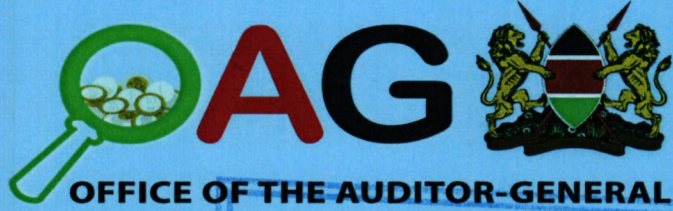


REPUBLIC OF KENYA



Enhancing Accountability

THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 09 JUN 2021

DAY.

TA
BY: **REPORT**

CLERK-AT
THE-TABLE:

PARLIAMENT
OF KENYA
LIBRARY

OF

THE AUDITOR-GENERAL

ON

**OFFICE OF THE CONTROLLER OF
BUDGET**

**FOR THE YEAR ENDED
30 JUNE, 2020**

THE REPUBLIC OF KENYA
OFFICE OF THE CONTROLLER OF BUDGET



Tel: 020 2211068, 0738466721, 0709910000
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P.O Box 35616-00100
Nairobi Kenya

REPORTS AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2020**

SEPTEMBER, 2020

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE:	09 JUN 2021 DAY: <i>Wednesday</i>
TABLED BY:	<i>Leader of majority party Hon. Amos Kimani</i>
CLERK OF THE TABLE:	<i>Habib Ahmed</i>

OFFICE OF THE CONTROLLER OF BUDGET
Reports and Financial Statements
For the year ended June 30, 2020

Table of Contents

Table of Contents	i
1 KEY INFORMATION AND MANAGEMENT	1
1.1 Background information	1
1.2 Mandate.....	1
1.3 Strategic Direction	4
1.4 Executive Management Team.....	11
1.5 Fiduciary Oversight Arrangements (Governance Structure).....	20
1.5.1 Executive Committee.....	20
1.5.2 Management Committee	21
1.5.3 Audit Committee.....	22
1.5.4 Budget Implementation Committee (BIC).....	23
1.5.5 Human Resource Management Advisory Committee (HRMAC).....	24
1.5.6 ICT Steering Committee	25
1.5.7 Integrity Committee	26
1.5.8 Procurement Ad-hoc Committees.....	27
1.5.9 Staff Mortgage Scheme Management Committee	29
1.5.10 Parliamentary Committee Activities	30
1.6 Development Partner Oversight Activities	30
1.7 Public Sensitization Forums.....	31
1.8 Legal Activities	31
2 FOREWORD BY THE CONTROLLER OF BUDGET.....	35
3 KEY PERFORMANCE HIGHLIGHTS	36
3.1 Statement of Budget Execution.....	36
3.2 Budget Execution by Economic Classification	38
3.3 Performance for Two consecutive years	40
3.4 Payments	41
3.5 Key Achievements	44
3.6 Constraints and Challenges in Budget Implementation and how they will be addressed.....	56
3.7 Emerging Issues	61

OFFICE OF THE CONTROLLER OF BUDGET
Reports and Financial Statements
For the year ended June 30, 2020

4	STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES	62
5	CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY	69
	REPORTING	69
6.	STATEMENT OF OCOB MANAGEMENT RESPONSIBILITIES	76
7.	REPORT OF THE AUDITOR GENERAL ON THE OFFICE OF THE CONTROLLER OF BUDGET (VOTE 2121) FOR THE YEAR ENDED 30TH JUNE 2020	78
8.	STATEMENT OF RECEIPTS AND PAYMENTS	79
9.	STATEMENT OF ASSETS AND LIABILITIES	80
10.	STATEMENT OF CASH FLOWS	81
11.	SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED	83
12.	SUMMARY STATEMENT OF APPROPRIATION: RECURRENT	88
13.	SUMMARY STATEMENT OF APPROPRIATION: DEVELOPMENT	90
14.	BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES.....	90
15.	SIGNIFICANT ACCOUNTING POLICIES	92
16.	NOTES TO THE FINANCIAL STATEMENTS.....	98
17.	ANNEXES.....	107

OFFICE OF THE CONTROLLER OF BUDGET
Reports and Financial Statements
For the year ended June 30, 2020

LIST OF TABLES

Table 1.1: Strategic themes and objectives	7
Table 1.2: Composition of the Key Management.....	8
Table 1.3: Composition of Fiduciary Management.....	9
Table 1.4: Composition of Executive Committee	21
Table 1.5: Composition of the Audit Committee	22
Table 1.6: Composition of Budget Implementation Committee	23
Table 1.7: Composition of Human Resource Management Advisory Committee.....	24
Table 1.8: Composition of ICT Steering Committee	26
Table 1.9: Composition of Integrity Committee	27
Table 1.10: Staff Mortgage Scheme management Committee.....	29
Table 3.1: Budget Execution by Sub-Programme	36
Table 3.2: Budget Execution by economic classification.....	38
Table 3.3: Comparison of Receipts for between FY 2019/20 and FY 2018/19	41
Table 3.4: Payments for Two Consecutive Years	41
Table 3.5: Comparison between total receipts and total payments for the last two consecutive years.....	43
Table 3.6: Financial Assets and Liabilities.....	43
Table 3.7: Cash Flow Activities	44
Table 8: Summary of the Exchequer Issues against revised net estimates (Kshs. Billions)	45

1 KEY INFORMATION AND MANAGEMENT

1.1 Background information

The Office of the Controller of Budget (OCOB) was established under Article 228(1) of the Constitution of Kenya (COK) 2010. The OCOB was further operationalized through the enactment of the Controller of Budget Act, 2016.

The rationale for the creation of the OCOB as an independent office under the Constitution of Kenya, 2010 was to address the demand by the public for separation of financial management functions; that is; controlling, monitoring, evaluating and reporting on budget implementation from the auditing function. The OCOB seeks among other issues, to promote prudent financial management, fiscal discipline and equitable allocation of available resources to improve transparency and accountability in the budget implementation process, particularly with the inception of the devolved system of government, which requires stringent budgetary control.

Prudent financial management will ensure that the country fast tracks the implementation of the programs and flagship projects envisaged in Kenya's vision 2030. The OCOB is headed by the Controller of Budget who is responsible for the policy and strategic leadership of the organization.

1.2 Mandate

The OCOB oversees the implementation of the budgets of both the national and county governments by authorizing withdrawals from Public Funds as provided for under Articles 204, 206 and 207 of COK, 2010. The roles and functions of the OCOB are as stipulated in the Constitution of Kenya 2010, PFM Act, 2012 and the Controller of Budget Act, 2016, among other laws, are as follows: -

1.2.1 Oversight Role

The oversight role involves overseeing the implementation of the budgets of both the national and county governments. The Controller of Budget performs in-year monitoring of the use of public funds and reports to Parliament on how the funds have been utilized.

1.2.2 Controlling Role

The controlling function involves authorizing withdrawals from public funds. Before authorizing any withdrawal from Public funds, the Controller of Budget must be satisfied that the said withdrawal is authorized by law, as per Article 228 (5) of the Constitution.

Public funds include:-

i. Consolidated Fund

All funds raised or received by or on behalf of the National Government are deposited into the Consolidated Fund. Article 206 (4)) mandates the Controller of Budget to authorize withdrawals from the Consolidated Fund.

ii. County Revenue Fund (CRF)

The CRF is the fund into which all money raised or received by or on behalf of a County government including money raised from property rates, entertainment taxes, levies, fees, charges, etc. is deposited (Article 207 (1)). Article 207 (3) of the Constitution of Kenya states that the Controller of Budget has the sole mandate and power to approve any withdrawal from a Revenue Fund.

iii. Equalization Fund (EF)

Article 204(1) establishes the Equalization Fund. The National Government uses the Fund to provide basic services including water, roads, health facilities and electricity to the marginalized areas to bring the quality of services in those areas to the same level as generally enjoyed by the rest of the nation.

1.2.3 Reporting Role

The reporting role entails the preparation of quarterly, annual and special reports to the Legislature and Executive on budget implementation matters of the national and county governments according to (Article 228 (6)). Type of Reports include but not limited to:

- Report every four months to each house of Parliament on the implementation of the budgets of the National and County governments under Article 228 (6) of the Constitution.

OFFICE OF THE CONTROLLER OF BUDGET

Reports and Financial Statements

For the year ended June 30, 2020

- Report after the end of every year (annual report) to the President and Parliament (Article 254 (1));
- Report, at any time (special reports), as may be required by the President, Parliament (Article 254 (2)) & (COB Act, 2016) or a member of the public through a petition;
- Arbitration/Mediation Reports to Parliament on matters relating to Budget Implementation under Article 225 (7a) Article 252 (1a&1b).
- Performance reports for the activities of the OCOB.

All the reports must be published and publicized as per Article 254 (3) which states that “Every report required from a commission or holder of an independent office under this Article shall be published and publicized” for transparency.

1.2.4 Advisory Role

The advisory function involves advising Parliament on financial matters where a Cabinet Secretary in charge of Finance has stopped the transfer of funds to a State organ or public entity. The suspension of funds cannot be lifted or sustained before the Controller of Budget present a report to Parliament.

The OCOB is expected to investigate the matter leading to the suspension of the transfer of funds to a state organ or public entity, and after that prepare and present a report on the matter to Parliament, which will then be used to approve or renew the decision to stop the transfer of funds to a State organ or public entity as provided for under Article 225 (7) of the Constitution.

The Controller of Budget also advises government entities on improving budget implementation, thereby promoting accountability in the use of public financial resources.

1.2.5 Investigation Role

Under Article 252 (1) (a) of the Constitution, the OCOB has powers to conduct investigations on its initiative or following a complaint made by a member of the public on budget implementation matters.

1.2.6 Arbitration/Mediation Role

The Controller of Budget under Article 252(1) (b) of the Constitution has powers for conciliation, mediation and negotiation. The Mediation role may involve the resolution of conflicts between the national government and the county governments, or between county

governments concerning budget implementation. The role involves conducting alternative dispute resolution to resolve disputes relating to budget implementation.

1.2.7 Public Sensitization Role

The sensitization role involves the OCOB disseminating information to the public on budget implementation at both levels of government, as provided for under Section 39(8) of the Public Finance Management Act, 2012. This role is buttressed by Article 35 of the Constitution which provides that the public has the right to access any information held by the State.

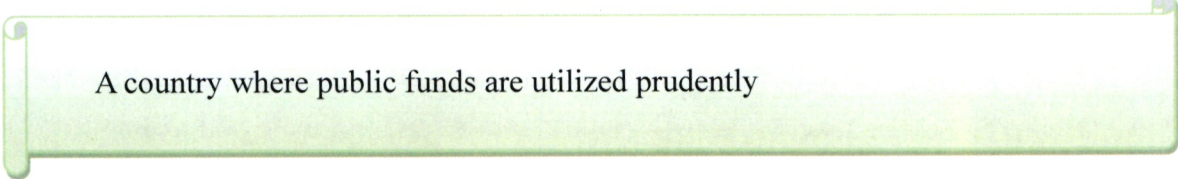
Further, the Constitution sets out public participation as one of the principles guiding public financial management (Article 201(a)). The public can only be actively and effectively involved in the budget process through the timely dissemination of information.

1.2.8 Enforcement Role

The enforcement role involves ensuring that all the entities' expenditures are within the approved budget ceilings of the Parliament and County Assemblies for national and county entities respectively (COB Act, 2016, Sec. 5 (d)).

1.3 Strategic Direction

1.3.1 Vision



A country where public funds are utilized prudently

1.3.2 Mission



To oversee implementation of Government budgets through timely authorization of withdrawals from Public Funds and reporting on utilization.

OFFICE OF THE CONTROLLER OF BUDGET
Reports and Financial Statements
For the year ended June 30, 2020

1.3.3 Core Values

Integrity

- We shall uphold honesty, fairness and professional ethics in all our undertakings.

Transparency and accountability

- We are committed to promoting transparency in our work and shall be accountable for our decisions or actions.

Professionalism

- We shall adhere to best practices, professional standards and ethics to continuously improve service delivery.

Independence

- We execute our constitutional mandate firmly and without fear or favour.

Creativity and Innovativeness

- We are a learning organization that is committed to continuous improvement of our processes in order to deliver value to our customers.

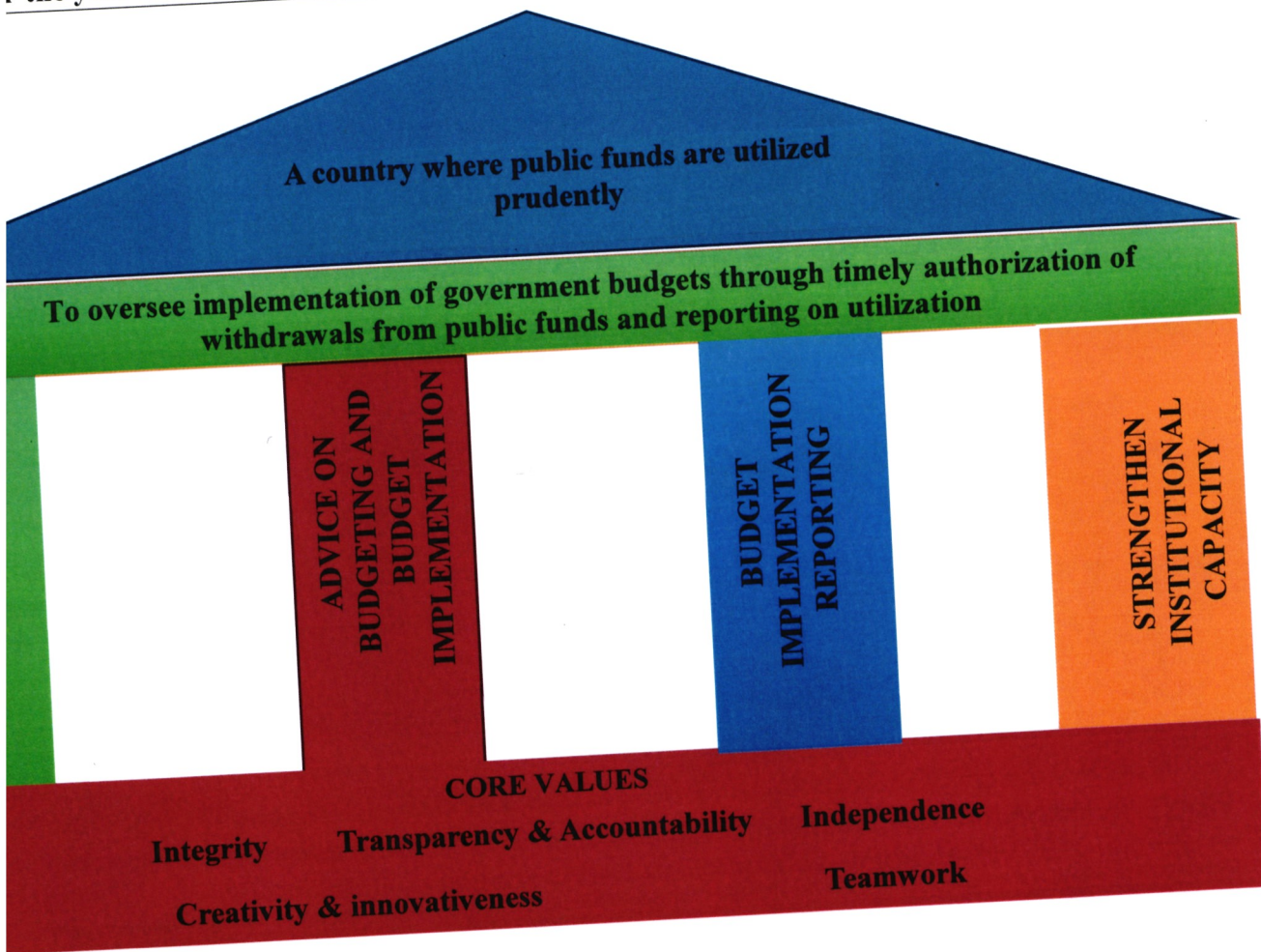
Teamwork

- The staff work as one team and will collaborate with stakeholders in the realization of our mandate.

1.3.4 Strategic Themes

Strategic themes are the key performance areas in which an organization must excel to achieve its mission and vision, and deliver value to customers. The strategic themes that govern the excellence of the OCOB are:

1. Authorization of Withdrawals from Public Funds
2. Advice on Budgeting and Budget Implementation
3. Budget Implementation Reporting
4. Institutional Capacity



OFFICE OF THE CONTROLLER OF BUDGET
Reports and Financial Statements
For the year ended June 30, 2020

1.3.5 Strategic Themes and Objectives

Table 1.1: Strategic themes and objectives

Strategic Theme	Objective
Authorization of withdrawals from Public Funds	To ensure timely approvals of withdrawals from public funds
Advice on Budgeting and Budget Implementation	To ensure the provision of quality advice on budgeting and budget implementation
Budget Implementation Reporting	To produce credible and timely budget implementation reports
	To enhance public access to government budget implementation reports
Institutional Capacity	To enhance operational efficiency
	To attract and retain a productive and motivated human resource
	To strengthen the legal and regulatory framework
	To enhance organizational image and visibility
	To enhance good governance

KEY MANAGEMENT

The OCOB is headed by the Controller of Budget who is responsible for ensuring effective and efficient management of the day to day operations. The COB is assisted by the Deputy Controller of Budget (DCOB) who is also head of the Directorate of Budget Implementation. The OCOB has the following directorates;

- ❖ Directorate of Budget Implementation
- ❖ Directorate of Corporate Services
- ❖ Directorate of Research and Planning
- ❖ Directorate of Legal Services; and
- ❖ Division of Internal Audit

OFFICE OF THE CONTROLLER OF BUDGET
Reports and Financial Statements
For the year ended June 30, 2020

Table 1.2: Composition of the Key Management

S/NO.	DESIGNATION	NAME
1	Controller of Budget	CPA Dr. Margaret Nyakang'o
2	Deputy Controller of Budget	CPA Stephen Masha
3	Director of Corporate Services	CPA, FA Macklin Ogolla
4	Director of Legal Affairs	Ms Rhoda Rutto
5	Chief Internal Auditor	CPA Joseph Tulula
6	Chief Fiscal Analyst-National Government	CPA Patrick Kamore
7	Chief Fiscal Analyst-County Government	CPA, CS Mark Kipkoech
8	Chief Manager Public Relations & Communication	Mr Stephen Wangaji
9	Chief Manager Human Resource & Administration	Ms Irene Arimi
10	Chief Manager Information Communication and Technology	Ms Judith Muli
11	Chief Manager Finance & Accounts	CPA Pamela Okatch
12	Chief Manager Supply Chain Management	Dr Anthony Lusuli
13	Manager Legal Affairs	Mr George Tuti
14	Manager Human Resource & Administration	Mr Shadrack Chando
15	Personal Assistant to the COB	Ms Mary Owii
16	Senior Internal Auditor	CPA Sally Rono
17	Senior Internal Auditor	CPA David Ayimba

1.3.3 Core Values

Integrity

- We shall uphold honesty, fairness and professional ethics in all our undertakings.

Transparency and accountability

- We are committed to promoting transparency in our work and shall be accountable for our decisions or actions.

Professionalism

- We shall adhere to best practices, professional standards and ethics to continuously improve service delivery.

Independence

- We execute our constitutional mandate firmly and without fear or favour.

Creativity and Innovativeness

- We are a learning organization that is committed to continuous improvement of our processes in order to deliver value to our customers.

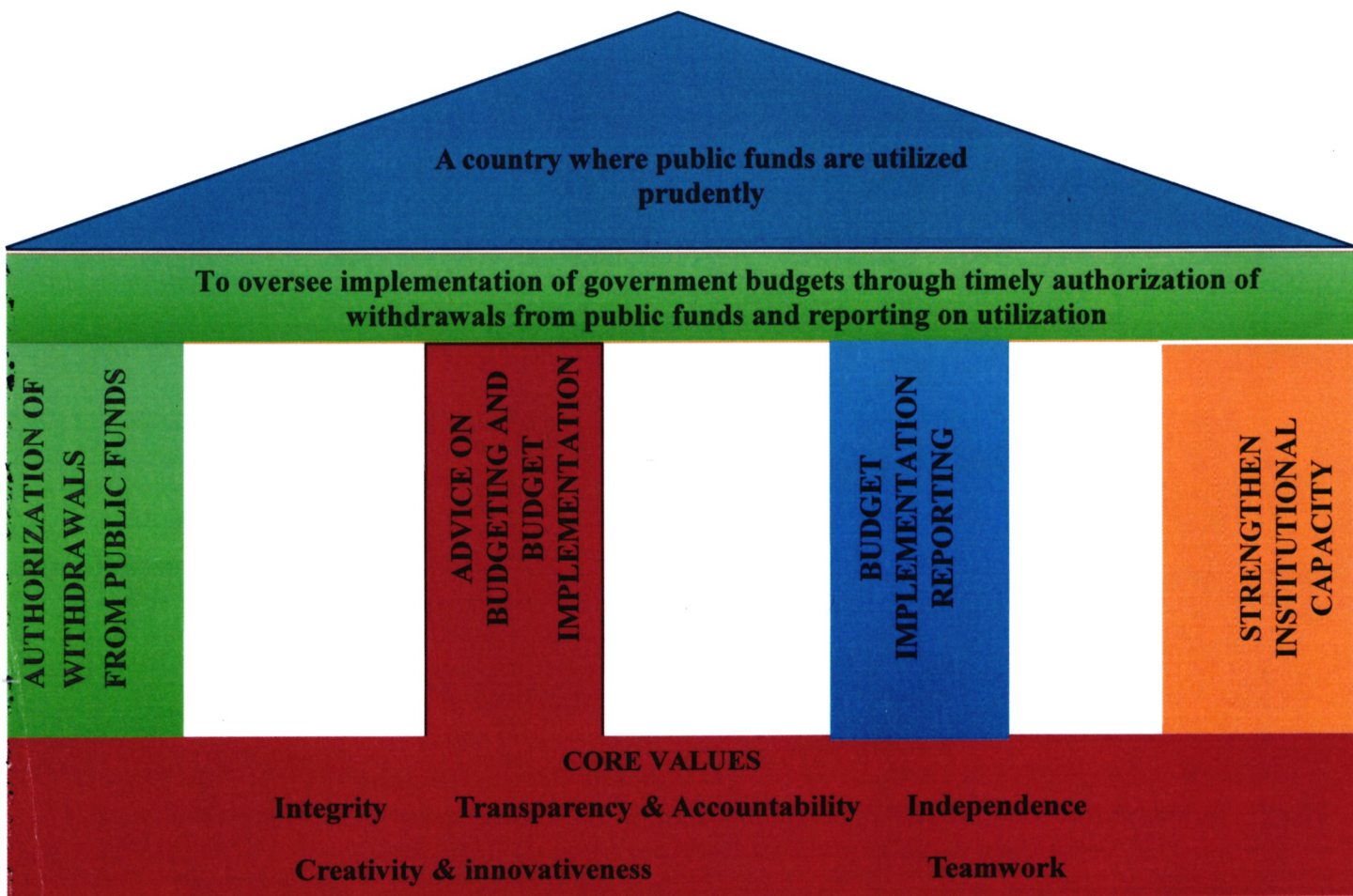
Teamwork

- The staff work as one team and will collaborate with stakeholders in the realization of our mandate.

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Strategic themes are the key performance areas in which an organization must excel to achieve its mission and vision, and deliver value to customers. The strategic themes that govern the excellence of the OCOB are:

1. Authorization of Withdrawals from Public Funds
2. Advice on Budgeting and Budget Implementation
3. Budget Implementation Reporting
4. Institutional Capacity



OFFICE OF THE CONTROLLER OF BUDGET
Reports and Financial Statements
For the year ended June 30, 2020

1.3.5 Strategic Themes and Objectives

Table 1.1: Strategic themes and objectives

Strategic Theme	Objective
Authorization of withdrawals from Public Funds	To ensure timely approvals of withdrawals from public funds
Advice on Budgeting and Budget Implementation	To ensure the provision of quality advice on budgeting and budget implementation
Budget Implementation Reporting	To produce credible and timely budget implementation reports
	To enhance public access to government budget implementation reports
Institutional Capacity	To enhance operational efficiency
	To attract and retain a productive and motivated human resource
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	To enhance organizational image and visibility
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- ❖ Directorate of Corporate Services
- ❖ Directorate of Research and Planning
- ❖ Directorate of Legal Services; and
- ❖ Division of Internal Audit

OFFICE OF THE CONTROLLER OF BUDGET
Reports and Financial Statements
For the year ended June 30, 2020

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S/NO.	DESIGNATION	NAME
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2	Deputy Controller of Budget	CPA Stephen Masha
3	Director of Corporate Services	CPA, FA Macklin Ogolla
4	Director of Legal Affairs	Ms Rhoda Rutto
5	Chief Internal Auditor	CPA Joseph Tulula
6	Chief Fiscal Analyst-National Government	CPA Patrick Kamore
7	Chief Fiscal Analyst-County Government	CPA, CS Mark Kipkoech
8	Chief Manager Public Relations & Communication	Mr Stephen Wangaji
9	Chief Manager Human Resource & Administration	Ms Irene Arimi
10	Chief Manager Information Communication and Technology	Ms Judith Muli
11	Chief Manager Finance & Accounts	CPA Pamela Okatch
12	Chief Manager Supply Chain Management	Dr Anthony Lusuli
13	Manager Legal Affairs	Mr George Tuti
14	Manager Human Resource & Administration	Mr Shadrack Chando
15	Personal Assistant to the COB	Ms Mary Owii
16	Senior Internal Auditor	CPA Sally Rono
17	Senior Internal Auditor	CPA David Ayimba

OFFICE OF THE CONTROLLER OF BUDGET
Reports and Financial Statements
For the year ended June 30, 2020

(a) Fiduciary Management

The key management personnel who held OCOB during the financial year ended 30th June 2020 and who had direct fiduciary responsibility were:

Table 1.3: Composition of Fiduciary Management

S/NO.	DESIGNATION	NAME
1.	Controller of Budget	CPA Dr. Margaret Nyakang'o
2.	Deputy Controller of Budget	CPA Stephen Masha
3.	Director of Corporate Services	CPA, FA Macklin Ogolla
4.	Director of Legal Affairs	Ms Rhoda Rutto
5.	Chief Manager Finance & Accounts	CPA Pamela Okatch
6.	Chief Manager Supply Chain Management	Dr Anthony Lusuli

1.4 Executive Management Team



**CPA Dr. Margaret
Nyakang'o**
Controller of Budget

CPA Dr Margaret Nyakang'o was appointed the Controller of Budget in the Republic of Kenya on 4th December 2019 among others, to oversee and report on the implementation of the budgets of the National and County Governments to the National Assembly, Senate, County Assemblies and the Executive quarterly. She holds a Doctorate in Business Administration from the University of Liverpool, UK. Her doctoral research thesis was on Strategic Workforce Planning within the context of the Kenyan Public Service.

She also holds a Master of Business Administration degree in Strategic Management and a Bachelor of Commerce in Accounting, both from the University of Nairobi. Dr Nyakang'o is a Certified Public Accountant and a Practising Member of the Institute of Certified Public Accountants of Kenya. She is also a member of the Association of Women Accountants of Kenya and an active member of the Women on Boards Network with hands-on skills in corporate governance.

Dr Nyakang'o has broad experience in Finance and Accounting, Strategic Management, Auditing, Tax, and Human Resource Management; all gained from working in numerous organisations both in the public and private sectors in Kenya. Her experience spans over thirty years, during which she has distinguished herself as a person of impeccable integrity with a wide range of skills and expertise; all rolled-up into a powerhouse of demonstrable positive change.

Dr Nyakang'o has undertaken training both within and outside her line of the profession, in various disciplines including among others, Enterprise Risk Management, Quality Management Systems, Public Finance Management, and Corporate Governance. She is passionate about mentoring and coaching young aspiring women professionals. She is both a Certified Online Trainer and a Certified Professional Coach.

OFFICE OF THE CONTROLLER OF BUDGET
Reports and Financial Statements
For the year ended June 30, 2020

Dr Nyakang'o is an experienced Board Trustee having served in several Retirement Benefits Schemes, the most recent being the Kenya National Bureau of Statistics Staff Retirement Benefits Scheme. She has also been a Board Member in the Institute of Pension Management. Further, she has served at the Vet Labs Sports Club Board and was a member of the Kenya National Commission for Human Rights Audit and Risk Committee. Other than having been an independent consultant, Dr Nyakang'o also shared and disseminated her wealth of experience as a lecturer at KCA University, where she integrated academic theory into the practical world of business. She has authored several publications with others in progress. In her spare time, she plays golf and loves reading factual materials.

OFFICE OF THE CONTROLLER OF BUDGET
Reports and Financial Statements
For the year ended June 30, 2020



CPA Stephen Masha
Deputy Controller of
Budget and Director of
Budget Implementation

CPA Masha holds a Master of Science in Finance from Leicester University, a bachelor's degree in Education from Kenyatta University and is a Certified Public Accountant and a member of the Institute of Certified Public Accountants of Kenya (ICPAK). He recently served as the Convener of ICPAK's Public Finance Subcommittee and was a member of the Devolution and Branches Workstream and the Public Policy and Governance Committee.

CPA Masha has over 24 years of progressive experience in the finance and accounting sector, having worked previously as the Regional Chief Fiscal Analyst at USAID, Audit Manager at Action Aid, Kenya, an Internal Auditor at Family Health Organisation of Kenya and an Auditor at PricewaterhouseCoopers, among other reputable institutions. He has worked in the public sector at senior

management level and is highly experienced in policy formulation, financial analysis and management, budget formulation and implementation, auditing, procurement processes and fiscal decentralisation.

He was the Director, County Fiscal Affairs at the Commission on Revenue Allocation (CRA) before joining OCOB and has also served as Board Member of the Industrial Development Bank (Capital) Limited and Balozi SACCO Limited.

CPA Masha has attended several professional workshops both locally and internationally in leadership, financial analysis, program management, supervision, procurement, and training of trainers. He has also performed several short-term assignments in several countries, including Tanzania, Uganda, Burundi, Rwanda, Eritrea, Ethiopia, Zambia and the United States of America.

OFFICE OF THE CONTROLLER OF BUDGET

Reports and Financial Statements

For the year ended June 30, 2020



CPA, FA Macklin Ogolla
Director of Corporate Services

CPA Ogolla holds a Master of Business Administration (MBA) in Finance from Moi University and a Bachelor of Science in Actuarial Mathematics from the University of Nairobi. He also holds a Post-graduate Diploma in Finance from Maastricht. He is a member of the Institute of Certified Public Accountants of Kenya (ICPAK) and the Institute of Certified Investment and Financial Analysts (ICIFA). He is also a past Board Member of the Public Sector Accounting Standard Board (PSASB).

He has extensive knowledge in Fiscal Decentralisation, Debt Sustainability Analysis, Budget Coding and Classification from the World Bank and International Public Sector standards from the Public Administration Institute, London and ICT training at

Oracle University.

He is an experienced Finance Manager with a track record of success in developing policies, operational financial management information systems, processes and procedures, managing ministry budgeting, financial management and accounting functions. He has worked in various projects such as World Bank-funded El-Nino and Emergency Drought Recovery Projects and was the implementation team leader of the IFMIS at the National Treasury at its inception.

CPA Ogolla has over 28 years' work experience gained from his previous positions as Deputy Director of Budget, and Assistant Accountant General at the National Treasury. He also served as Chief Finance Officer in the Ministry of Industrialization and was a Board Member of the Kenya Industrial Estates Limited.

OFFICE OF THE CONTROLLER OF BUDGET

Reports and Financial Statements

For the year ended June 30, 2020



Ms. Rhoda Rutto
Director Legal Services

Ms Rhoda Rutto is an Advocate of the High Court of Kenya. She holds a Master of Laws degree in Constitutional Law and Human Rights, from the University of Dar-e-salaam (Tanzania) Postgraduate Diploma in Law from the Kenya School of Law and a Bachelors of Law from Moi University. She is a member of both the Law Society of Kenya and the East Africa Law Society. She has also earned professional certificates in the areas of Constitutional Law, Human Rights, Conflict Resolution, Leadership and Company Secretarial duties.

Ms Rutto previously worked at the Office of the Attorney General and Department of Justice as a State Counsel and the Judiciary where she was a Law Clerk at the Supreme Court of Kenya. Before joining the OCOB Ms Rutto was the Deputy Director, Legal Services at the Teachers Service Commission. She brings in a wealth of experience from the Public Service.



CPA Joseph Tulula
Chief Internal Auditor

CPA Tulula holds a Master of Arts in Economics and a Bachelor of Commerce (Accounting) degrees both from the University of Nairobi. He is a member of the Institute of Certified Public Accountants of Kenya and Institute of Internal Auditors of Kenya.

CPA Tulula has over 25 years of experience in Auditing, Finance, and Management. He is a seasoned auditor and finance expert, specifically in Risk Management, reviewing the internal control systems and implementing computerized financial systems. He is a trained Lead Auditor for ISO quality management systems.

He previously worked for Kenya Institute of Curriculum Development as the Chief Internal Auditor where he developed policies and procedures of internal audit and changed the auditing system from pre-audits to risk-based audits. He also worked at Kenya Bureau of Standards as Manager, Finance and Accounts spearheading change in the accounting

OFFICE OF THE CONTROLLER OF BUDGET

Reports and Financial Statements

For the year ended June 30, 2020

system from manual to a computerized system. Mr Tulula also worked at Defence Forces Canteen Organization as an Internal Auditor and Office of the Auditor General as an Auditor.

CPA Tulula has also attended various management and auditing seminars and workshops including Strategic Leadership Development Programme (SLDP) at the Kenya School of Government, and Performance Management and Transformative Leadership.



CPA Patrick Kamore
Chief Fiscal Analyst National
Government

CPA Kamore holds a Master of Business Administration (Finance) and Bachelor of Education (Economics), both from the University of Nairobi and is a Certified Public Accountant. He is a member of the Institute of Certified Public Accountants of Kenya (ICPAK).

Mr Kamore has extensive training in Finance and Banking, Institutional Operations and Strategic Leadership Management. He has attended several professional courses including Information communication and technology, Senior Management Course at the Kenya School of Government, financial data analysis and report

writing.

Mr Kamore has over 17 years' experience in finance, institutional operations and change management. Before joining OCOB, he was a Branch Manager at Family Bank Ltd where He had joined as a management trainee.



CPA, CS Mark Kipkoech
Chief Fiscal Analyst, County
Governments

CPA, CS Kipkoech holds a Master of Economics from the University of Nairobi and Bachelor of Arts degree in Economics from Kenyatta University. He is a member of the Institute of Certified Public Accountants of Kenya (ICPAK) and the Institute of Certified Public Secretaries of Kenya (ICPSK).

He is experienced in the finance industry having previously worked in the finance and accounting sections at Amana

OFFICE OF THE CONTROLLER OF BUDGET
Reports and Financial Statements
For the year ended June 30, 2020

Capital Ltd, Lukenya Getaway Ltd, and at Trustmark Insurance Brokers Ltd.

He has had extensive training in investment banking, management and administration of retirement pension schemes, accounting for public and private entities, public finance, public procurement, data analysis and report writing, management and administration. Before joining OCOB, he was the Finance and Compliance Manager at Amana Capital Ltd and was appointed Pension Administrator of the Amana Personal Pension Scheme and the Amana Umbrella Pension Scheme in line with the requirements of the Retirement Benefits Authority.



Mrs. Irene Arimi
Chief Manager HR and
Administration

Ms Arimi holds a Master of Business Administration (MBA) in HR from Kenya Methodist University (KeMU). She also holds a Bachelors' degree in HR Management and Higher National Diploma in HR both from the University of South Africa (UNISA) as well as a Certificate in Executive Human Resource Management from the Institute of Human Resource Management.

Ms Arimi has over 16 years' experience in Human Resource management. Previously she worked at the Kenya Methodist University as the Administrative Officer – HR, at the William J. Clinton Foundation HIV/AIDS Initiative (CHAI) in Papua New Guinea as HR Coordinator and Marketing, Travel and Credit

Consultancy (MTC), Botswana as Products and Services Manager. She has also worked with Deloitte, South Africa/Botswana as HR Management Assistant. She is a member of the Institute of Human Resources Management (IHRM).



Ms. Judith Muli
Chief Manager Information
Communication and Technology

Ms Muli holds a Master of Science in Information Systems from the University of Nairobi, a Master in Business Administration (Strategic Management option) from Moi University and a Bachelor of Science in Mathematics with bias in computing from the University of Nairobi. She is currently pursuing a PhD program in Information Technology at the Jomo Kenyatta University of Agriculture and Technology.

OFFICE OF THE CONTROLLER OF BUDGET

Reports and Financial Statements

For the year ended June 30, 2020

Judith has extensive professional training and over fifteen years of work experience in information systems management and training, ICT project management and research. She previously worked as a lecturer at Jomo Kenyatta University of Agriculture and Technology [JKUAT]. Some of the National projects Judith has been engaged include being the research team leader in the development of e-government strategic plan 2008-2012 Kenya, Country field Manager in ResearchICTAfrica.net 2007–SME E-access and e-usage for WSIS–Tunis and the research project coordinator for Communication Commission of Kenya Research - Internet Market Study for Kenya 2006.

Judith has attended various leadership, management and ICT seminars and workshops including Senior Management Course (SMC) at the Kenya School of Government, TOM PETERS (Reimagine Leadership/Re-imagine Excellence) by KPMG, Microsoft Partner University program and United Nations second World Data Forum, amongst others.

She is a member of Information Systems Audit and Control Association (ISACA), Computer Society of Kenya [CSK], Internet Society (ISOC), Kenya Chapter, a lister with Kenya ICT Action Network [KICTANet] and a Toastmaster.



FPRSK Stephen Wangaji
Chief Manager, Public Relations &
Communications

Mr Wangaji holds a Master of Business Administration (Marketing) degree from Egerton University, a Postgraduate Diploma in Mass Communication and a Bachelor of Arts, Economics and Geography both from the University of Nairobi. He is a Fellow of the Public Relations Society of Kenya.

He is a skilled Public Relations practitioner with over fifteen years' experience in Journalism and Public Relations in the Public, Private and Civil Society sectors in Kenya, and serves in The Centre for Corporate Governance Alumni Network as a Board Member.

Mr Wangaji is the immediate former President of the East Africa Public Relations Association (EAPRA), immediate former Vice Chairman of the Public Relations Society of Kenya (PRSK) and 2012 recipient of the PRSK Golden Honors Award for

OFFICE OF THE CONTROLLER OF BUDGET

Reports and Financial Statements

For the year ended June 30, 2020

significant contribution to the PR industry in the region. He previously worked as Public Relations and Marketing Manager at the National Hospital Insurance Fund and at Egerton University, Public Relations Manager at the Pyrethrum Board of Kenya and Corporate and Regulatory Affairs Assistant at the BAT Kenya Limited.



Dr. Anthony Lusuli
Chief Manager, Supply Chain Management

Dr Lusuli holds a PhD in Supply Chain Management, Masters' Degree in Procurement and Logistics both from Jomo Kenyatta University of Agriculture and Technology and a Bachelor's Degree in Business Administration (Entrepreneurship) from the Kenya Methodist University. He is also a member of Kenya Institute of Supplies Management and Chartered Institute of Purchase and Supplies.

Dr Lusuli has over 31 years of experience in Supply Chain management both in the public and private sectors. Previously, he worked as a Supply Chain Management Officer at Kenya National Bureau of Statistics (KNBS), World Bank Project on Flood Mitigation as well as the National Treasury. He has participated in drafting several pieces of legislation especially the Public Procurement and Asset Disposal Act, 2015 and draft Public Procurement and Asset Disposal Regulations of 2016.

He was part of the pioneer team that sensitized public servants on the implementation of the Public Procurement and Asset Disposal Act, 2015 in the Public Sector. He is also part of the team that pioneered the implementation of IFMIS in the public sector.



CPA Pamela Okatch
Chief Manager Finance and
Account

CPA Pamela holds a Master of Business Administration [Finance Option] and a Bachelor of Commerce degree [Finance Option] from the University of Nairobi and Catholic University of Eastern Africa respectively. She is a member of the Institute of Public Accountants of Kenya (ICPAK) and Association of Women Accountants of Kenya (AWAK). She is a Certified Public

Secretaries (CPS) Finalist. She is also a Board Member of the AWAK.

Pamela has over 15 years of experience in the accounting and finance field. She is well versed in accounting systems and practice and has attended various courses of professional training, conferences and workshops both locally and overseas in financial management.

Previously, she worked for the Kenya Institute of Special Education (KISE) as Head of Finance and Administration and Jaribu Credit Traders Limited as a Senior Accountant.

1.5 Fiduciary Oversight Arrangements (Governance Structure)

The OCOB established the following administrative structure to entrench good governance practices:

1.5.1 Executive Committee

The purpose of the Executive Committee (EXCOM) is to oversee the (OCOB) budget's overall performance and delivery. The Committee focuses on strategic leadership, management and direction, ensuring the most effective prioritization of resources. Further, the Committee spearheads development and implementation of policies and the OCOB Strategic Plan implementation.

The Executive Committee is composed of the Controller of Budget; Deputy Controller of Budget, Directors and any such members as may be co-opted into the Committee on need basis.

The Executive Management Committee is responsible for:

- ❖ Developing and monitoring the implementation of the OCOB Strategic Plan
- ❖ Approving and monitoring the implementation of OCOB Policies and Procedures.
- ❖ Approving OCOB's Organization Structure.
- ❖ Overseeing Risk Management in the organization.
- ❖ Providing direction on Succession Planning.
- ❖ Promoting stakeholder engagements as provided for in the OCOB Strategic Plan.

OFFICE OF THE CONTROLLER OF BUDGET
Reports and Financial Statements
For the year ended June 30, 2020

Table 1.4: Composition of Executive Committee

S/NO.	DESIGNATION	NAME
1	Controller of Budget	CPA Dr Margaret Nyakang'o
2	Deputy Controller of Budget	CPA Stephen Masha
3	Director Corporate Services	CPA Macklin Ogolla
4	Director Legal Services	Ms Rhoda Rutto

1.5.2 Management Committee

The Committee is composed of the Controller of Budget, Deputy Controller of Budget, Directors and Heads of Departments. The Committee makes recommendations and approves policies on major decisions that have an impact on the OCOB operations. The other roles and functions of the Management Committee include:

- ❖ Planning – establishing and reviewing strategic and operational plans for the OCOB
- ❖ Policy and decision making – establishing policies/procedures that guide the operations of OCOB and record decisions and actions on matters concerning OCOB.
- ❖ Management – ensuring that all staff properly perform their tasks according to their job descriptions and further ensuring that the OCOB mandate is properly executed.
- ❖ Legal – ensuring that at all times, OCOB complies with the laws of Kenya in the discharge of its mandate.
- ❖ Financial – ensuring that all finances are properly managed; that financial records are audited annually and that the principles of public finance management articulated under Article 201 of the Constitution are adhered to.
- ❖ Evaluation – monitoring all activities of OCOB and ensuring that the feedback contributes to the continuous improvement in governance and service delivery.

In execution of their functions, the Executive Committee and the Management Committee have the power to appoint sub-committees to assist in discharging the mandate of the OCOB.

In discharging their duties, Members of the Committees are guided by:

- ❖ The organisation's policies and procedures
- ❖ The organisation strategic plan and other legislation.

Composition of Management Committee (Membership as shown in table 1 above)

OFFICE OF THE CONTROLLER OF BUDGET

Reports and Financial Statements

For the year ended June 30, 2020

1.5.3 Audit Committee

Section 73(5) of the Public Finance Management Act, 2012 provides that every national government public entity shall establish an Audit Committee whose composition and functions shall be as prescribed by the regulations. Section 174 (10) of the PFM (National Government) Regulations, 2015 provides that the Public Sector Accounting Standards Board shall prescribe guidelines for the appointment of audit committee members and shall be approved and gazetted by the Cabinet Secretary National Treasury. The National Treasury and Planning have since issued the guidelines for appointment of Audit Committee members. OCOB is in the process of recruitment of the Audit committee to comply with the guidelines. Currently, OCOB established an Audit Committee using its guidelines, before the National Treasury and Planning issued the guidelines, whose main functions are;

- ❖ Support the Accounting Officer concerning their responsibilities on issues of risk, control and governance and associated assurance, even when the responsibility for the management of risk, control and governance processes remains with the management; and
- ❖ Follow up on the implementation of the recommendations of internal and external auditors.

The key achievements during the year under review include

- i. **Reviewed the Internal and External Audit's reports on various OCOB's functions.**
- ii. **Reviewed the OCOB Risk Register to ascertain the adequacy of risk identification, measurement and mitigation strategies.**

The Audit Committee has direct access to the External Auditors, and OCOB Internal auditors.

Table 1.5: Composition of the Audit Committee

S/NO.	NAME	ROLE
1.	CPA Mark Kipkoech	Member
2.	Ms Judith Muli	Member
3.	CPA Patrick Kamore	Member
4.	George Waweru Tuti	Member
5.	CPA Joseph Tulula	Secretary

OFFICE OF THE CONTROLLER OF BUDGET
Reports and Financial Statements
For the year ended June 30, 2020

1.5.4 Budget Implementation Committee (BIC)

The BIC is set up to ensure the resources are utilised as per the OCOB budgetary allocation and work plan. The main responsibility of the budget implementation committee is to assist the COB to discharge her responsibility in the following areas:

- ❖ Review the actual departmental expenditures to determine the absorption rate for the budgeted activities and identify the reasons behind the non-utilization of funds.
- ❖ Advise the Accounting Officer on any problems related to budget implementation.
- ❖ Review and recommend re-allocations.
- ❖ Review the utilization of donor funds.
- ❖ Review the commitments including pending bills and recommend solutions.

Some of the achievements include;

- i. **Prepared OCOB Programme Based Budget, Subsector Report and Performance Review Reports;**
- ii. **Prepared Annual budget Estimate and Participated in the Sector working group;**
- iii. **Advised and recommended budget re-allocations;**
- iv. **Monitored and reported on departmental budgets and expenditures**

Table 1.6: Composition of the Budget Implementation Committee

S/NO.	NAME	ROLE
1	CPA Macklin Ogolla	● Chairperson
2	Ms Judith Muli	● Member
3	Ms Irene Arimi	● Member
4	Dr Anthony Lusuli	● Member
5	Mr Shadrack Chando	● Member
6	CPA Hope Keah	● Member
7	CPA Antonette Kanani	● Member
8	CPA Pamela Okatch	● Secretary

OFFICE OF THE CONTROLLER OF BUDGET
Reports and Financial Statements
For the year ended June 30, 2020

1.5.5 Human Resource Management Advisory Committee (HRMAC)

The HRMAC is a standing committee that advises the Controller of Budget on HR issues and staff development. The Committee holds meetings every quarter. However, the Committee may call for special meetings when necessary. The functions of the Committee include the following;

- ❖ Discuss and make recommendations to the Controller of Budget on general staff welfare and motivation issues among others.
- ❖ Consider and recommend OCOB’s training requests to the Controller of Budget for approval.
- ❖ Investigate and make recommendations to the Controller of Budget on disciplinary matters;
- ❖ Discuss and make recommendations on existing HR regulations and policies to the Controller of Budget;

One major achievement during the period under review;

- i. **Finalisation and gazettelement of OCOB Procedures for Administrative for Part IV of Public Officer’s Ethics Act, 2003**

Table 1.7: Composition of the Human Resource Management Advisory Committee

S/NO.	NAME	ROLE
1	CPA Macklin Ogolla	Chairperson
2	CPA Mark Kipkoech	Member
3	CPA Patrick Kamore	Member
4	Ms Judith Muli	Member
5	Mr Stephen Wangaji	Member
6	CPA Pamela Okatch	Member
7	Dr Anthony Lusuli	Member
8	Mr George Tuti	Member
9	Mr Shadrack Chando	Member
10	Ms Irene Arimi	Secretary

OFFICE OF THE CONTROLLER OF BUDGET

Reports and Financial Statements

For the year ended June 30, 2020

1.5.6 ICT Steering Committee

The ICT Steering Committee provides advice to the Controller of Budget concerning strategic decisions in Information and Communication Technology (ICT) with particular attention to ensuring efficiency, effectiveness, agility in the adoption and use of ICTs, risk management, compliance and change management. The committee ensures that OCOB's ICT strategic objectives and their implementation remain aligned with the mandate and strategic objectives of the OCOB.

The ICT Steering Committee plays a key role within OCOB, in organizational strategic planning and management environment. The committee has continued to steer and to strengthen ICT deliverables in OCOB's strategic and operational areas.

Some of the achievements include:

i. ICT Strategy - Infrastructure

The OCOB has developed a robust ICT infrastructure to support the office in achieving its Mandate. Having a reliable LAN and WAN network, the OCOB has improved its internal communication and collaboration, thus faster achievement of its strategic activities.

ii. Systems and application development

Implementation, maintenance and support for a management information system (MIS) for OCOB. Notably, the OCOB implemented the electronic documents and records management system (EDRMS) for the registry and records repository, as well as, revamped its website (www.cob.go.ke) to aid delivery of budget implementation information to stakeholders.

iii. Periodic and Continuous assessment of available and effectiveness of the current ICT systems

iv. Development of ICT risk management framework

v. Training and Skills development for all Staff

vi. Stakeholder engagements

vii. Research, Innovation and Agility

OFFICE OF THE CONTROLLER OF BUDGET
Reports and Financial Statements
For the year ended June 30, 2020

Table 1.8: Composition of the ICT Steering Committee

S/NO	NAME	ROLE
1.	CPA Macklin Ogolla	Chairperson
2	CPA Mark Kipkoech	Member
3	CPA Patrick Kamore	Member
4	Ms Irene Arimi	Member
5	Mr Stephen Wangaji	Member
6	CPA Pamela Okatch	Member
7	Dr Anthony Lusuli	Member
8	Mr George Tuti	Member
9	Ms Judith Muli	Secretary

1.5.7 Integrity Committee

The purpose of the Committee is to institutionalize the anti-corruption initiatives in the operations of the OCOB. The mandate of the committee includes;

- ❖ Coordination, formulation and implementation of Codes of Conduct and Ethics, Anti-Corruption Policy, Integrity Testing Programme, Whistle Blowers Protection Systems, Corruption reporting channels, Customer service charters for all Departments, Financial, Procurement, and Human Resource Manuals, Corruption Risk Assessment and mitigation plan and Performance contracting targets.
- ❖ Holding periodic meetings to deliberate on anti-corruption and other integrity issues
- ❖ Setting priorities in the prevention of corruption in functional areas
- ❖ Planning and coordinating corruption prevention strategies
- ❖ Integrating integrity in the institutional programs and activities
- ❖ Receiving and reviewing corruption reports and recommending action
- ❖ Planning staff training on integrity issues
- ❖ Spearheading anti-corruption public campaigns within the OCOB
- ❖ Monitoring the impact of corruption prevention initiatives

OFFICE OF THE CONTROLLER OF BUDGET
Reports and Financial Statements
For the year ended June 30, 2020

- ❖ Preparing and submitting regular progress reports to the Ethics and Anti-Corruption Commission and other appropriate agencies
- ❖ Strengthening internal control systems

Table 1.9: Composition of the Integrity Committee

S/NO	NAME	ROLE
1.	CPA Dr. Margaret Nyakang'o	Chairperson
2.	CPA Stephen Masha	Member
3.	CPA Macklin Ogolla	Member
5.	Ms Rhoda Ruto	Member
6.	Ms Irene Arimi	Member
7.	Ms Judith Muli	Member
8.	Mr Stephen Wangaji	Member
9.	CPA Mark Kipkoech	Member
10.	CPA Patrick Kamore	Member
11.	Dr Anthony Lusuli	Member
12.	CPA Pamela Okatch	Member
13.	Dr Dennis Okungu	Member
14.	CPA Joseph Tulula	Secretary

The purpose of the Committee is to ensure that anti-corruption initiatives are mainstreamed in the operations of the OCOB. The Committee reviews reports presented by the Integrity Assurance Officers on the reported cases of corruption.

The Committee also ensures that the integrity policy, conflict- of- interest register and gift registers are maintained and operationalized.

1.5.8 Procurement Ad-hoc Committees

The Public Procurement and Assets Disposals Act (PPADA), 2015 establishes several ad-hoc Committees i.e. Tender Evaluation, Disposals, Opening and Inspection and Acceptance and

OFFICE OF THE CONTROLLER OF BUDGET
Reports and Financial Statements
For the year ended June 30, 2020

Negotiations. The Procurement Department recommends the appointment of the committee members as required in the Act. Some of the achievements of the committees are outlined below:

- i. **Opening Committee:** The main purpose of the committee is to open Tenders and Request for Proposals as outlined in sections 78(1) and 120 of the PPADA, 2015. Among the tenders and Request for Proposals opened during the period under review were: Medical Cover, Registration of Suppliers, Framework Contract Printing of Budget Implementation Review Reports, Recruitment of Staff and Team Building.
Outcomes: Opening reports generated
- ii. **Evaluation Committee:** Section 80 and 121 of PPADA, 2015 establishes Tender and Request for Proposals Evaluation Committees. Among the tenders and Request for Proposals evaluated during the period under review includes; Medical Cover, Registration of Suppliers, Framework Contract Printing of Budget Implementation Review Reports, Recruitment of Staff and Team Building
Outcomes: Evaluation reports containing recommendations were generated to assist the Head of Procurement to prepare a Professional Opinion for decision making by the Accounting Officer.
- iii. **Inspection and Acceptances Committee** Inspection and Acceptances Committee is established under section 48 of the PPADA 2015 to receive goods, works and Services. In the year under review, several goods works and services were received and inspected by the committee.
Outcomes: Various goods and services were received and inspection and acceptance reports generated to update stores records.
- iv. **Disposal Committee:** Section 163 of the PPADA 2015 establishes the Disposal committee for purposes of identifying assets for disposal and making recommendations to the Accounting Officer on methods of disposal through Annual Disposal Plan. The committee held several meetings and forwarded its recommendations to the Accounting Officer for implementation.

OFFICE OF THE CONTROLLER OF BUDGET

Reports and Financial Statements

For the year ended June 30, 2020

Outcomes: The Committee identified assets for disposal, set reserve prices for disposable assets and recommend appropriate methods of disposal.

1.5.9 Staff Mortgage Scheme Management Committee

The purpose of the Committee is to operationalize the scheme in line with Section 6 and 7 of the OCOB Staff Mortgage Scheme Guidelines. The mandate of the committee includes;

- ❖ Receive and process applications for loans under the existing terms and conditions of borrowing
- ❖ Liaise with the service providers (financial institutions) to set up the revolving fund for disbursement of the loans
- ❖ Forward successful applications with recommendations to the Controller of Budget for approval before forwarding to the financial institutions
- ❖ Consider and recommend approval of the financial statements

Table 1.10: **Staff Mortgage Scheme Management Committee**

S/NO	NAME	NAME
1.	CPA Macklin Ogolla	Chairperson
2	CPA Mark Kipkoech	Member
3.	Ms Irene Arimi	Member
4	Ms Judith Muli	Member
5	Dr Anthony Lusuli	Member
6	CPA Pamela Okatch	Member
7	Mr George Tuti	Secretary

Some of the achievements include:

- i. Developed and agreed on the Guidelines on Conduct of Business for the Committee;
- ii. Developed a confidentiality agreement which was signed by all members.
- iii. Developed a Register for Conflict of Interest which is signed at the beginning of each meeting.

1.5.10 Parliamentary Committee Activities

Article 228 (6) of the Constitution requires the Controller of Budget to submit to each house of Parliament a report on budget implementation of the national and county governments every four months. In line with this requirement, OCOB has continually engaged Parliamentary Committees to increase awareness on budget implementation and debate on issues under consideration by Parliament. This has benefited the overall budget implementation process by informing the review of proposed laws, facilitating more informed policy-making and ensuring greater government accountability. The OCOB engagement with Parliament ranged from making written submissions, giving evidence and presentations during committee hearings, consultation on budget implementation, and provision of expert advice on findings and recommendations for action by Government and Parliament. Specifically, key engagements were with the following committees:

- ❖ Senate Committee on Finance, Commerce and Budget
- ❖ Senate Sessional Committee on County Public Accounts and Investment Committee
- ❖ Standing Public Accounts Committee of the Senate
- ❖ Standing Public Accounts Committee of the National Assembly
- ❖ Standing Committee on Budget and Appropriations of the National Assembly
- ❖ Departmental Committee on Finance, Planning and Trade of the National Assembly.

The main engagement with Parliament was in the submission of quarterly budget implementation review reports per Article 228 (6) of the Constitution of Kenya. Other engagements were on financial management in the Public sector.

1.6 Development Partner Oversight Activities

The OCOB collaborates with development partners in the delivery of its mandate. In the period under review the OCOB partnered with; Ford Foundation, United States Agency for International Development (USAID), German Society for International Cooperation (Deutsche Gesellschaft für Internationale Zusammenarbeit GIZ), World Bank, Danish International Development Agency(DANIDA), UN Women, International Development Law Organization (IDLO), among others. The partnerships focused on building capacities at both levels of government in public finance management.

OFFICE OF THE CONTROLLER OF BUDGET

Reports and Financial Statements

For the year ended June 30, 2020

1.7 Public Sensitization Forums

The OCOB has developed strategies and plans to engage with critical stakeholders by developing a communication policy that defines the criteria for engagement particularly with the citizens. Through proactive media relations, the OCOB has managed to regularly publicize key issues contained in the quarterly Budget Implementation Review reports through both print and electronic media and other publicity materials. This was to ensure that the public is informed on their roles in;

- ❖ Public financial management at national and county level;
- ❖ Monitoring and evaluation during the budget-making process and implementation;
- ❖ Social accountability audit and interaction between the public and the OCOB to address emerging issues on budget implementation-

During the period under review, the OCOB organized a public participation forum in Narok County with 240 participants representing the business community, cooperative societies, the youth, women, religious groups and persons with disabilities, trade unions minorities and marginalised communities from Kericho, Narok, Nyamira, Kisii, Bomet and Migori Counties. The Theme of the Forum was *“Promoting a better understanding of the Budgeting Process”*

1.8 Legal Activities

In the financial year 2019/20 the OCOB undertook various legal activities under the following heads;

1.8.1 Litigation- Representing the OCOB in the numerous court cases

The OCOB was listed as either a respondent or interested party in a total of 17 cases filed across the country. The subject matter of the cases included lack of public participation in the budget process; the constitutional and legal framework underpinning the qualification and appointment of the Controller of Budget upon effluxion of time; the decision of the Cabinet Secretary to invoke Article 225 of the Constitution on Stoppage of funds; the budget implementation processes where the decision of the National Assembly to proceed to introduce, consider and pass the Appropriation Bill 2019 before the Division of Revenue Bill 2019 was challenged; and on the role of the Controller of Budget in enforcing budget ceilings.

During the same period, the following judgments were delivered

- i. *Garissa High Court Petition No. 9 of 2019 Ainuhamshi Construction & Transport Ltd & 62 Others –vs- County Government of Garissa & 4 Others.* The case was in respect of non-payment of pending bills by

OFFICE OF THE CONTROLLER OF BUDGET

Reports and Financial Statements

For the year ended June 30, 2020

the County Government of Garissa. Justice C. Kariuki ruled that the Petitioners did not advance a Prima facie case for the issuance of Conservatory Orders. Further, that the matter was *Sub-judice* as the Petitioners had already filed Civil Case No. 7 of 2019 before abandoning the same without formal withdrawal which amounted to forum shopping. For these reasons, the case was dismissed.

- ii. *Nairobi Employment and Labour Relations Court Petition No. 235 of 2019 Okiya Omutata Okoiti & 5 Others Vs The Kenya National Executive of the Republic of Kenya & 4 Interested Parties* where the Court upheld the appointment of the Controller of Budget and further held that there was need to undertake legislative amendments to Section 7 of the Controller of Budget Act.
- iii. *Supreme Court Advisory Opinion Reference No. 3 of 2019 Council of Governors and 47 Counties* where the Court in its opinion advised that first, the Appropriation Bill cannot be introduced into the National Assembly unless the estimates of revenue and expenditure have been approved and passed by that House. Secondly, that the recommendations of CRA while not binding to Parliament, must be accorded due consideration and in case of deviation, reasons must be given, before a vote takes place in either of the Houses, on the Division of Revenue Bill and the County Allocation of Revenue Bill. The Court also stated that should an impasse occur due to the failure of the mediation process, the National Assembly shall, to meet the expenditure necessary to carry on the services of the County Governments during that year until the Division of Revenue Act is assented to, authorize the withdrawal of money from the Consolidated Fund. Thirdly, that the money to be withdrawn shall be 50% of the total equitable share allocated to the Counties in the Division of Revenue Act of the preceding financial year. Further, the Court stated that where the two Houses of Parliament fail to agree during a second mediation under Article 113 of the Constitution, any person may petition the High Court for a declaration to the effect that Parliament has violated the Constitution. Upon the transmittal of such declaration, the Chief Justice would advise the President to dissolve Parliament and the President would dissolve Parliament.

1.8.2 Statutory Reporting on Stoppage of funds

In exercise of the powers conferred under Article 225 of the Constitution as read together with Section 97 of the PFMA, the Cabinet Secretary National Treasury and Planning decided to stop the transfer of funds to 15 counties due to non- payment of pending bills. This triggered the mandate of the OCOB which resulted in the preparation of a comprehensive report on the status of the pending

OFFICE OF THE CONTROLLER OF BUDGET

Reports and Financial Statements

For the year ended June 30, 2020

bills and the CS's decision to stop the transfer of funds. The Report on the 15 counties whose funds had been earmarked for the stoppage was presented to the National Assembly and the Senate to guide in the decision-making process

1.8.3 Report on the automation of the Exchequer process

The OCOB reviewed the proposed Exchequer Automation System and prepared a report giving a detailed analysis and recommendations on how to improve the automation system and ensure the independence and mandate of the OCOB are upheld before the rollout. A risk matrix concerning the mandate of the OCOB was prepared. The report was shared with the specific stakeholders namely the National Treasury and the Central Bank of Kenya.

1.8.4 Legislative Reviews

As part of the routine work, the OCOB continues to review various legislation forming the basis for approving the withdrawal of funds. During the period under review, the directorate reviewed a total of 31 pieces of legislation. Besides, as part of stakeholders' engagement, the OCOB gave various recommendations to the National Assembly and Senate on the various Bills.

OFFICE OF THE CONTROLLER OF BUDGET
Reports and Financial Statements
For the year ended June 30, 2020

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2 FOREWORD BY THE CONTROLLER OF BUDGET



**Dr. CPA Margaret
Nyakang'o**
Controller of Budget

It is with great pleasure that I present to you the Report and Financial Statements for the financial year (FY) 2019/20. This report has been prepared under Section 81(1,2,3,4) of the Public Finance Management Act, 2012 which requires the Accounting Officer for a national government entity to prepare financial statements in respect of the entity.

This report presents an overview of the financial performance for the year ended 30th June 2020 on the budget performance against actual amounts for the current and prior year based on the economic classification and programmes, exchequer issues during the reporting period and expenditure on recurrent activities. The OCOB did not have any development activities hence there were no development expenditures during the period under review. Information was generated from statutory financial reports and data from the Integrated Financial Management Systems (IFMIS)

The report provides key achievements for the entity, emerging issues, implementation challenges and the recommended way forward as reported in the detailed financial statements together with the commentary and comparative analysis for the key economic items.

3 KEY PERFORMANCE HIGHLIGHTS

3.1 Statement of Budget Execution

During the period under review, the OCOB was allocated budget estimates of **Kshs.703, 100,000**. This was revised down to **Kshs.678, 100,000** as part of the austerity measures undertaken during the year and the outbreak of COVID-19 which affected the flow of operations. The exchequer issues amounted to **Kshs.599, 472,929**. The OCOB incurred recurrent expenditure amounting to **Kshs. 597,910,867** representing an absorption rate of **88%**. Utilization of the budget was carried out through the main Programme of ‘Control and Management of Public Finances’ in four sub-programmes and various activities (economic classifications) as shown in Table 9 and Table 10 respectively

Table 3.1: Budget Execution by Sub-Programme

Sub-Programme	Approved Budget	Actual Payments	Variance	Absorption Rate
	Kshs.	Kshs.	Kshs.	(%)
Authorization of withdrawal from public funds (County Services)	192,630,755	172,370,776	20,259,979	89
Budget Review and Analysis	44,223,759	36,198,945	8,024,814	82
Administrative Support Services	426,902,186	379,954,317	46,947,869	89
Research and Planning	14,343,300	9,386,829	4,965,471	65
TOTAL	678,100,000	597,910,867	80,189,133	88

❖ Sub-Programme 1: Authorization of withdrawal from public funds (County Services)

The objective of this sub-programme is to ensure timely approval of withdrawals from the Consolidated Fund, County Revenue Fund and Equalization fund. This sub-programme was allocated **Kshs.192, 630,755** representing **28%** of the overall budget. A total of **Kshs.172, 370,776** was spent recording an absorption rate of **89%**.

❖ Sub-Programme 2: Budget Review and Analysis

The objective of this sub-programme is to oversee and regularly monitor the utilization of public funds released to spending units. This sub-programme was allocated **Kshs.44, 223,759** representing

OFFICE OF THE CONTROLLER OF BUDGET
Reports and Financial Statements
For the year ended June 30, 2020

7% of the overall budget. A total of **Kshs.36, 198,945** was spent recording an absorption rate of **82%**.

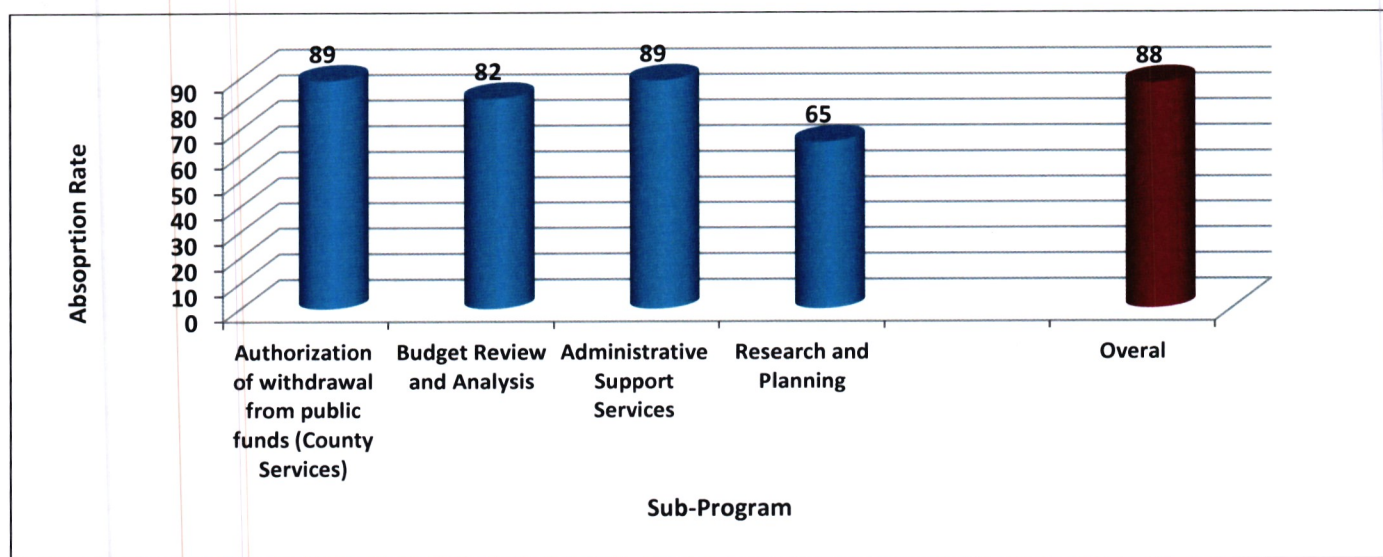
Sub-Programme 3: Administrative Support Services

The objective of this sub-programme is to enhance openness, accountability and public participation in prudent financial management. This sub-programme was allocated **Kshs.426, 902,186** representing **63%** of the overall budget. A total of **Kshs.379, 954,317** was spent recording an absorption rate of **89%**.

❖ **Sub-Programme 4: Research and Planning**

The objective of this sub-programme is to carry out research and provide evidence-based advice on planning and budgeting process. This sub-programme was allocated **Kshs. 14,343,300** representing **2%** of the overall budget. A total of **Kshs9, 386,829** was spent recording an absorption rate of **65%**.

Figure 1 Shows budget absorption by Sub-Programme;



OFFICE OF THE CONTROLLER OF BUDGET
Reports and Financial Statements
For the year ended June 30, 2020

3.2 Budget Execution by Economic Classification

Budget Execution by Economic Classification in the FY 2019/20 as shown in **Table 10**

Table 3.2: Budget Execution by economic classification

Economic Classification	Approved Budget	Actual Payments	Variance	Absorption Rate
	Kshs	Kshs	Kshs	%
Compensation of employees	336,408,408	304,234,494	32,173,915	90
Use of goods and services	206,339,397	159,148,964	47,190,433	77
Social security benefits	11,265,600	10,793,555	472,045	96
Acquisition of assets(non-financial)	24,086,595	23,733,854	352,741	99
Acquisition of assets(financial)	100,000,000	100,000,000	-	100
TOTAL	678,100,000	597,910,867	80,189,133	88

❖ **Compensation to Employees**

Compensation to employees included; basic salaries for permanent employees, basic wages for temporary employees, personal allowances paid as part of salary, employer contribution to compulsory national social security schemes and pension schemes. The budget allocated was Kshs. **336,408,408** representing **50%** of the overall budget. This recorded the highest expenditure of **Kshs.304, 234,494** representing an absorption rate of **90%**

❖ **Use of goods and services**

This category includes: domestic and foreign travel, printing and advertising, rentals and rates for non-residential, training, hospitality, legal fees, and maintenance expenses for motor vehicles and other assets among other expenses. The budget allocated was Kshs.**206, 339,397** representing **30%** of the overall budget. This recorded expenditure of **Kshs.159, 148,964** representing an absorption rate of **77%**

❖ **Social Security Benefits**

This category includes; Gratuity for civil servants and government pension and retirement benefits. The budget allocated was Kshs.**11, 265,600** representing **2%** of the overall budget. This recorded expenditure of **Kshs.10, 793,555** representing an absorption rate of **96%**

OFFICE OF THE CONTROLLER OF BUDGET
Reports and Financial Statements
For the year ended June 30, 2020

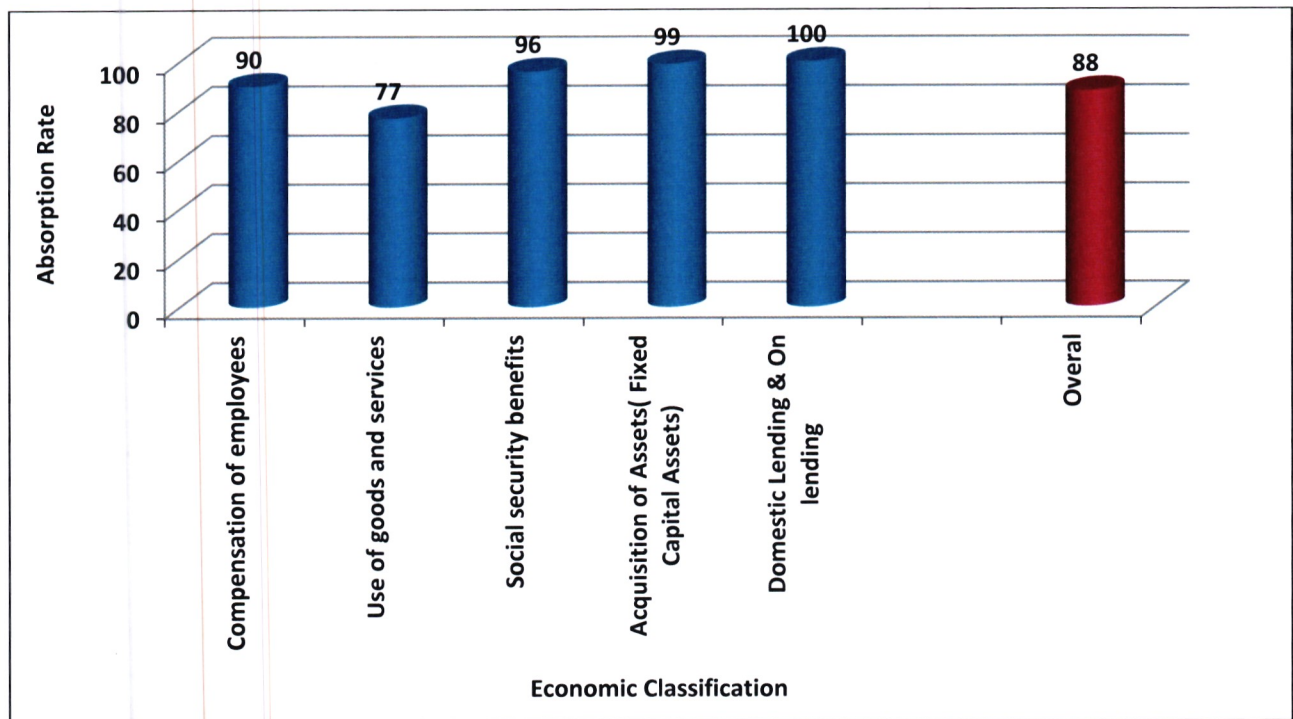
❖ **Acquisition of Assets-Non Financial**

This category includes; purchase of motor vehicles, purchase of OCOB furniture and equipment, purchase of specialised plant, equipment and machinery. The budget allocated was **Kshs. 24,086,595** representing **4%** of the overall budget. This recorded expenditure of **Kshs. 23,733,854** representing an absorption rate **99%**.

❖ **Acquisition of Assets- Financial**

This category includes Mortgage loan to public servants. The budget allocation was **Kshs.100,000,000** representing **15%** of the overall budget. The total expenditure was **Kshs.100,000,000** representing an absorption rate of **100%**.

Figure 2 Shows Budget Absorption by economic classification.



OFFICE OF THE CONTROLLER OF BUDGET

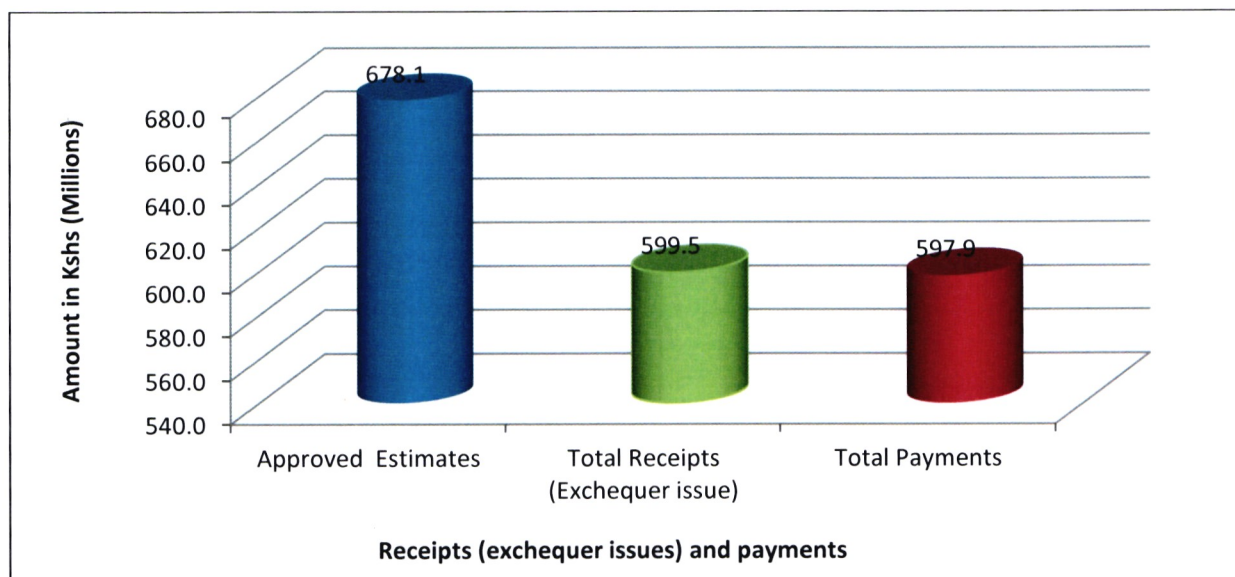
Reports and Financial Statements

For the year ended June 30, 2020

Analysis of Receipts (exchequer issues) and payments

Financial Performance	Approved Estimates	Actual	Variance	% Variance
	Kshs	Kshs	Kshs	
Total Receipts(Exchequer issue)	678,100,000	599,472,929	78,627,071	12
Total Payments	678,100,000	597,910,867	80,189,133	12
Surplus for the year		1,562,062	(1,562,062)	

Actual receipts stood at 12% below the budget while actual payments 12% below the budget. This is attributed to under receipt of exchequer and under-utilization of budget allocation for the programme. Figure 3 shows receipts and payments in the FY 2019/20.



3.3 Performance for Two consecutive years

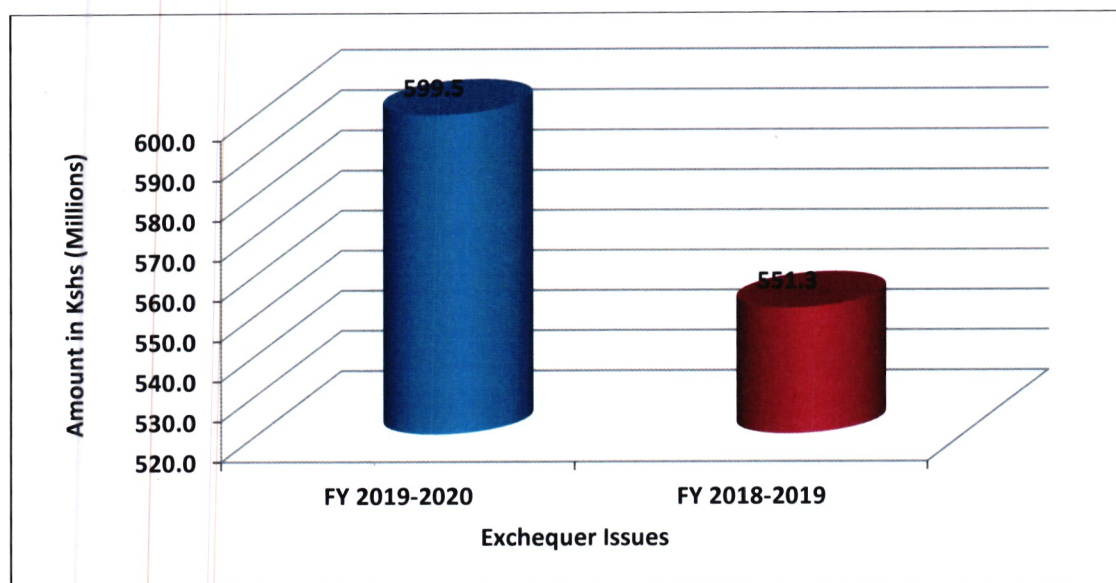
2.1.3.1 Receipts

The OCOB receipts mainly comprise of exchequer releases from the National Treasury & Planning. The total receipts for FY 2019/20 were **Kshs. 599,472,929** representing a 9% increase compared to **Kshs. 551,332,300** recorded in the FY 2018/19. Table 4 shows a comparison of actual receipts in the FY 2018/19 and FY 2019/20.

OFFICE OF THE CONTROLLER OF BUDGET
Reports and Financial Statements
For the year ended June 30, 2020

Table 3.3: Comparison of Receipts for between FY 2019/20 and FY 2018/19

Receipts	2019-2020	2018-2019	Change	% change
Exchequer Issues	599,472,929	551,332,300	48,140,629	9%
Total Receipts	599,472,929	551,332,300	48,140,629	9%



3.4 Payments

The payments mainly comprise of employee compensation, use of goods and services, social security benefits and acquisition of fixed capital assets and staff mortgage. The total payments for FY 2019/20 stood at **Kshs. 597,910,867** representing a 9% increase compared to **Kshs. 549,163,234** recorded in the FY 2018/19. Table 5 shows a comparison in FY 2018/19 and FY 2019/20.

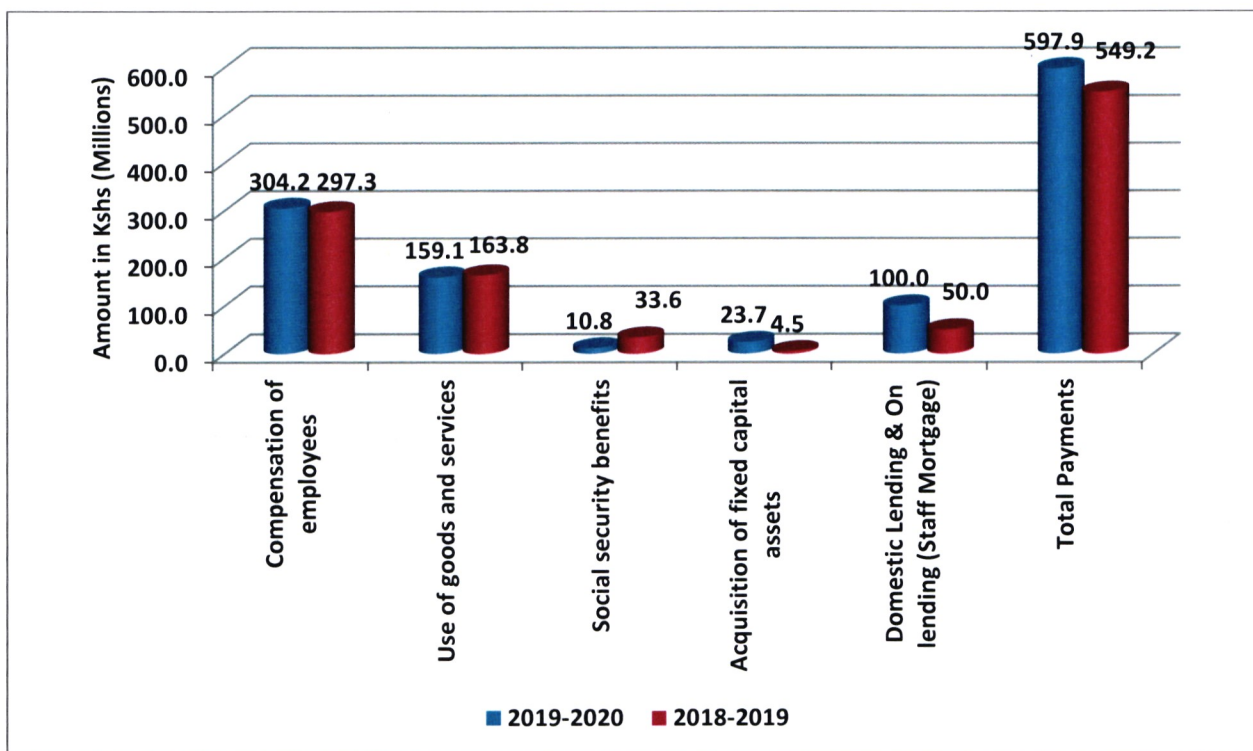
Table 3.4: Payments for Two Consecutive Years

Payments	2019-2020	2018-2019	Change	% change
Compensation of employees	304,234,494	297,281,360	6,953,134	2%
Use of goods and services	159,148,964	163,806,927	(4,657,963)	(3%)
Social security benefits	10,793,555	33,561,152	(22,767,597)	(68%)
Acquisition of assets(non- financial)	23,733,854	4,513,795	19,220,059	426%
Acquisition of assets(financial)	100,000,000	50,000,000	50,000,000	100%
Total Payments	597,910,867	549,163,234	48,747,633	9%

OFFICE OF THE CONTROLLER OF BUDGET
Reports and Financial Statements
For the year ended June 30, 2020

The increase of **2%** in compensation to employees is attributed to the annual increase of staff basic salaries, salaries for new staff, and interns who were recruited during the financial year; and employer contributions to the staff pension scheme at 20% upon the conversion of staff from contract terms to permanent and pensionable terms. The decrease of **3%** in the use of goods and services is due to scaling down in planned activities during the FY 2019/20 as a result of budgetary cuts and the effects of COVID-19 pandemic.

A decrease of **68%** on social security benefits was due to the reduction on the gratuity payment of the number of staff whose contracts ended within the financial year under review as compared to FY 2018/19. A significant increase of **426 %** on the acquisition of fixed capital assets is attributed to the purchase of motor vehicles during the FY. Payment of staff mortgage scheme during the financial year was made at **100%** in line with the Big 4 Agenda. Table 6 shows a comparison between total receipts and total payments for the last two consecutive years.



OFFICE OF THE CONTROLLER OF BUDGET
Reports and Financial Statements
For the year ended June 30, 2020

Table 3.5: Comparison between total receipts and total payments for the last two consecutive years

Receipts & Payments	2019-2020	2018-2019	Change	%
Total Receipts	599,472,929	551,332,300	48,140,629	9%
Total Payments	597,910,867	549,163,234	48,747,633	9%

The overall total receipts and payments increased by **9%** as a result of increased activities carried out during the financial year compared to FY 2018/19. The increase is mainly due to the implementation of planned activities during the period under review

Table 3.6: Financial Assets and Liabilities

Financial Assets	As at 30th June 2020	As at 30th June 2019	Change	%
Bank Balances	3,039,898	7,597,705	(4,557,807)	(60%)
Cash Balances	329,439	666,815	(337,376)	(51%)
Total	3,369,337	8,264,520	(4,895,183)	(59%)

Bank balances comprise of recurrent account and deposit account amounting to **Kshs 1,181,292** and **Kshs.1,858,587** respectively. The decrease of 60% is as a result of refund of the contractor's retention monies held in the deposit account and payments of activities planned during the year.

Cash balances decreased by 51 % due to the reduction of cash-related transactions at the year-end.

OFFICE OF THE CONTROLLER OF BUDGET
Reports and Financial Statements
For the year ended June 30, 2020

Table 3.7: Cash Flow Activities

The table below summarizes cash flows generated and used from various activities during the two consecutive years.

Cash Flow Activities	2019-2020	2018-2019	Change	%
Net Cash Flows generated from Operating activities	118,838,651	59,749,870	59,088,781	99%
Net Cash Flows used from Investing activities	(123,733,854)	(54,513,795)	(69,220,059)	127%
Net Cash Flows generated from Financing activities	-	-	-	-
Net increase in Cash and Cash Equivalents	(4,895,203)	5,236,075	10,131,278	(193%)
Cash and Cash Equivalents at 1 July	8,264,520	3,028,444	(16,873,537)	173%
Cash and Cash Equivalents at 30 June	3,369,317	8,264,520	5,236,075	(59%)

- ❖ Net cash flows in operating activities increased from **Kshs.59 million** to **Kshs.119 million** mainly due to payment of employer contribution to the staff pension scheme.
- ❖ Net cash flows from investing activities increased from Kshs.54 million to Ksh 123 million as a result of the purchase of motor vehicles and increased fund allocation for the staff mortgage scheme
- ❖ The OCOB does not have any financing activities.

3.5 Key Achievements

To realise its strategic objectives, the OCOB relied on its strategic plan 2018-2022 to guide activities, policy formulation and work plans and made the following progress and achievements towards its targeted objectives during FY 2019/20.

OFFICE OF THE CONTROLLER OF BUDGET
Reports and Financial Statements
For the year ended June 30, 2020

The following are key activities implemented by the OCOB under each sub-programme

3.5.1 Authorization of withdrawal from Public Funds

The sub-programme entails approval of exchequer requisitions from Public Funds (Consolidated Fund, County Revenue Fund and Equalisation Fund) subject to compliance with relevant laws and regulations. The OCOB has reviewed internal exchequer requisition process to ensure the expeditious release of funds to finance approved programmes by spending entities at both national and county governments.

- **Exchequer Releases and Budget Absorption**

Article 228 (4) of the Constitution states that;

“The Controller of Budget shall oversee the implementation of the budgets of the national and county governments by authorizing withdrawals from public funds under Articles 204,206 and 207.”

In line with this mandate, the OCOB has continued to approve withdrawals from public funds promptly to facilitate budget execution by both levels of government.

The table below presents a summary of the exchequer issues against revised net estimates

Table 8: Summary of the Exchequer Issues against revised net estimates (Kshs. Billions)

VOTE	FY 2019/20				
	% of Exch. Issues to Revised Net Estimates	Revised Gross Estimates	Revised Net Estimates	Exchequer Issues	% of Exch. Issues to Revised Net Estimates
RECURRENT	96.4	2,135.9	1,946.8	1,828.2	93.9
DEVELOPMENT (MDAs)	88.4	712.6	439.7	385.6	87.7
COUNTY GOVERNMENTS	98.1	499.6	391.3	383.8	76.8
TOTAL	95.6	3,348.1	2,777.8	2,597.6	93.5

OFFICE OF THE CONTROLLER OF BUDGET
Reports and Financial Statements
For the year ended June 30, 2020

Through the directorate of budget implementation, the OCOB approved total exchequer requests of **Kshs 2.6 trillion** over the period under review This represents **93.5%** of the net estimates over the period for both national and county governments.

3.5.2 Budget Implementation and Monitoring

The key outputs of this sub-programme include preparation and publications of budget implementation review reports, proper management of exchequer records, ensuring compliance with public financial management framework, sensitisation of the public on the budget implementation and a framework for tracking and monitoring the implementation of budgets.

The OCOB monitors and prepares statutory reports to Parliament on the implementation of the budgets of the National and County Governments in compliance with Article 228 (6) of the Constitution of Kenya, 2010.

3.5.2.1 Quarterly Budget Implementation Review Reports

The reports are prepared in line with Article 228 (6) of the Constitution of Kenya, 2010 and Section 9 of the Controller of Budget Act, 2016, which requires the Controller of Budget to submit to Parliament quarterly budget implementation reports for the National and County Governments every four months.

In the FY2019/20 a total of eight (8) BIRRs, of 42,000 copies were published by the OCOB. These reports were submitted to Parliament and widely publicized, and consisted of four quarterly reports for the National Government and four for the County Governments.

3.5.2.2 Review of Planning and Budget Documents

The PFM Act requires the National Treasury and County Treasuries for the 47 county governments to incorporate the views of the Controller of Budget during the preparation of the Budget Policy Statement and the County Fiscal Strategy Papers.

During the FY, the OCOB reviewed planning and budget documents. The OCOB gave inputs into the Budget Policy Statement (BPS), Budget Review Outlook Paper (BROP) and the County Fiscal

OFFICE OF THE CONTROLLER OF BUDGET
Reports and Financial Statements
For the year ended June 30, 2020

Strategy Papers (CFSP) for the 47 CFSPs in line with Section 25(5) and 117(5) of the Public Finance Management Act, 2012.

The OCOB highlighted key issues in the BPS and CFSPs such as excessive expenditure allocation to non-priority areas, low absorption of development funds, allocation to Big Four Agenda sectors, the reasonableness of the revenue projections and variances between the Division of Revenue (Amendment) Act, 2018 and the BPS figures among other budgetary concerns.

3.5.2.3 Engagement with Parliamentarians

Over the years, the OCOB has participated in several activities with various stakeholders. For instance, engagements between the OCOB and members of Parliamentary Committees have revolved around budget implementation issues. During such meetings, the OCOB made written submissions, delivered presentations during committee hearings, provided evidence-based advice on budget implementation progress, as well as expert opinion on findings and recommendations for action by both houses of Parliament and the County Governments.

The OCOB made presentations to the following Parliamentary Committees:

- Standing Committee on Budget and Appropriations of the National Assembly.
- Standing Public Accounts Committee of the National Assembly.
- Departmental Committee on Finance and National Planning.
- Senate Standing Committee on Finance and Budget.
- Senate Sessional Committee on County Public Accounts & Investment Committee.
- Senate Ad hoc Committee on COVID-19

3.5.2.4 Engagement with Development Partners

The OCOB has further collaborated with several development partners who have provided support towards building capacity on public finance management and promoting accountability at both levels of government. During the period under review, the OCOB partnered with; Ford Foundation, United States Agency for International Development (USAID), Department for International Development (DFID), German Society for International Cooperation (Deutsche Gesellschaft für Internationale

OFFICE OF THE CONTROLLER OF BUDGET
Reports and Financial Statements
For the year ended June 30, 2020

Zusammenarbeit-GIZ), World Bank, Danish International Development Agency (DANIDA), UN Women and International Development Law Organization (IDLO).

3.5.2.5 Special Reports

The OCOB produces special reports at the request of the Executive, Legislature or on its own volition on issues of national interest in compliance with Article 252(1) (a).

During the MTEF period, the OCOB prepared special reports for the Parliamentary oversight committees on various issues such as reports on Pending bills, Medical Equipment Scheme, and expenditure of COVID-19 funds in the Counties among others on matters of budget implementation.

3.5.2.6 Advice to Government and Stakeholders

The OCOB held various meetings with the committees of Parliament and County Assemblies to discuss issues raised in Budget Implementation Review Reports (BIRRs) and provided advice on the way forward. The OCOB also provided advice to the Executive on budget implementation through quarterly reports. Similarly, the OCOB reviewed county legislations to check for compliance with existing laws and advised accordingly.

3.5.2.7 Advisories to County Governments

The OCOB prepared more than 282 County Budget Review reports to various County Governments on their budgets including Supplementary budgets. During the reviews, the OCOB highlighted key issues which would affect the implementation of the budgets and advised on ways of dealing with the challenges. Further, the OCOB has ensured that the County Governments comply with the legislation

3.5.2.8 County Visits

The OCOB has continuously carried out county visits to build the capacity of the County Governments on the mandate of the OCOB and to monitor the budget implementation process. During the MTEF period a total of 31 Counties were visited to build the capacity of County Assembly Members, monitor implementation of projects & programmes and undertake public expenditure financial assessment in 6 of the Counties.

OFFICE OF THE CONTROLLER OF BUDGET

Reports and Financial Statements

For the year ended June 30, 2020

3.5.2.9 Mediation

The OCOB has the mandate to undertake dispute resolution in public finance sphere. The OCOB has developed a Policy on Alternative Dispute Resolution Mechanisms to provide a framework for dispute resolution through mediation, conciliation and negotiation.

The OCOB has been involved in various dispute resolution interventions between the National Government and County Governments, and county executive and county assembly. The disputes typically revolve around budgeting and budget implementation. Some of the Counties in which the OCOB has undertaken dispute resolution include Nyeri, Wajir, Murang'a Migori, Nairobi, Kiambu, Machakos, Kitui, Taita Taveta and Elgeyo Marakwet among others.

3.5.3 Administration and Support Services

The Administration and Support Services Sub-Programme seeks to ensure effective service delivery through enhancing the capacity of the OCOB to deliver on its mandate. Some of the activities and achievements under the Sub – Programme are discussed below.

3.5.3.1 Human Resource Development and Capacity Building for OCOB Staff Training

The OCOB recognizes the importance of training and development to enhance productivity and efficiency. Towards realization of this, the OCOB undertook capacity building programs and facilitated officers to attend professional development courses, seminars and workshops. These training interventions are aligned with the organization's performance management systems. The OCOB did not meet the target set in the FY on capacity building funding resources due to budget cuts and COVID-19 GOK containment measures.

Staffing

The OCOB was able to fill vacant positions in the legal, budget implementation and audit departments to enhance service delivery on its mandate

Staff welfare

During the period under review, the OCOB established the Staff Mortgage Scheme in line with the Big Four Agenda activities.

3.5.3.2 Information Communication & Technology

During the FY period, the OCOB developed a robust ICT infrastructure to support the OCOB in achieving its mandate. Having a reliable LAN and WAN network, the OCOB improved its internal and external communication and collaboration, thus achieving its strategic objectives.

The OCOB also implemented the electronic documents and records management system (EDRMS) for registry and records repository to track exchequer processing. Further, the OCOB revamped its website (www.cob.go.ke) to provide budget implementation information to stakeholders.

3.5.3.3 Statutory, Regulatory and Policy Framework

During the period under review, the OCOB saw the gazettelement of the OCOB Procedures on Administration of Part IV of Public Officers Ethics Act, 2003. Further, the OCOB developed the following policies.

- Investigation policy
- Conflict resolution policy
- Public access to information policy
- Internship policy
- Integrity policy
- Conflict of interest policy
- Communication policy

3.5.3.4 Values & Principles Award by PSC

OCOB was recognized and ranked third with a score of 74.05 per cent in Ethics and Good Governance by the Public Service Commission in the 5th PSC compliance report in Values and Principles of good governance.

OFFICE OF THE CONTROLLER OF BUDGET
Reports and Financial Statements
For the year ended June 30, 2020

3.5.3.5 Financial Reporting (FiRe) Awards

The Financial Reporting (FiRe) Award is an initiative of the Institute of Certified Public Accountants of Kenya (ICPAK), the Capital Markets Authority (Kenya) and the Nairobi Securities Exchange (NSE). The initiative is aimed at promoting excellence in financial reporting, fostering sound corporate governance practices, and enhancing both corporate social responsibility and environmental reporting. The FiRe Award is the most prestigious and coveted in East Africa and its regions. The OCOB won the 2nd Runners up in the Independent Offices and Constitutional Commissions Reporting under IPSAS Cash category on the 2017/18 financial statements.



Fire Award, 2018

3.5.3.6 Legislative Reviews

As part of the routine work, the OCOB continues to review various legislation forming the basis for approving withdrawal of funds. During the period under review, the directorate reviewed a total of 31 pieces of legislation. Besides, as part of stakeholder engagement, the OCOB gave various recommendations to the National Assembly and Senate on the various Bills.

OFFICE OF THE CONTROLLER OF BUDGET
Reports and Financial Statements
For the year ended June 30, 2020

Through the litigations, the OCOB has managed to assist the Courts to appreciate the public finance management legal framework as well as clarify and fortify the mandate of the OCOB. The OCOB has also utilized the litigations to ensure that the principles of public finance as enshrined in Article 201 of the Constitution are adhered to, thus fulfilling the mandate of protecting constitutionalism and the rule of law as required under Article 249 of the Constitution.

3.5.3.7 Statutory Reporting on Stoppage of funds

In exercise of the powers conferred under Article 225 of the Constitution as read together with Section 97 of the PFMA, the Cabinet Secretary National Treasury and Planning (CS) decided to stop the transfer of funds to 15 counties due to non- payment of pending bills. This triggered the mandate of the OCOB which resulted in the preparation of a comprehensive report on the status of the pending bills and the CS's decision to stop the transfer of funds. The Report on the 15 counties whose funds had been earmarked for the stoppage was presented to the National Assembly and the Senate to guide in the decision-making process

3.5.3.8 Report on the automation of the Exchequer process

The OCOB reviewed the proposed Exchequer Automation System and prepared a report giving a detailed analysis and recommendations on how to improve the automation system and ensure the independence and mandate of the OCOB are upheld before the rollout. A risk matrix concerning the mandate of the OCOB was prepared. The report was shared with the specific stakeholders namely the National Treasury and the Central Bank of Kenya.

3.5.3.9 Participation in the Enactment of Laws

The OCOB was also involved in the review of Bills and Regulations touching on public finance management proposed at both the National and County Government levels and made appropriate recommendations.

3.5.3.10 Internship Programme

The Constitution of Kenya, 2010 requires the State to take measures to ensure that the youth gain access to relevant education, training and employment. In this regard, the Public Service Commission

OFFICE OF THE CONTROLLER OF BUDGET

Reports and Financial Statements

For the year ended June 30, 2020

(PSC) developed an internship policy in 2015 that establishes mechanisms for ensuring that the youth, especially those with relevant qualifications, are offered the opportunity to gain practical work experience in public institutions to improve their competitiveness in the job market. In pursuance of this policy, the OCOB recruited 9 graduate interns, comprising of 6 male and 3 female in the FY 2019/20 and deployed them to various departments. The recruitment process was conducted competitively to ensure equity, inclusivity, fairness and professionalism. The process was also guided by the capacity of the OCOB to accommodate interns in terms of resources such as office space, facilitation and mentorship capabilities.

3.5.4 Research and Planning

The Research and Planning Sub-Programme seeks to provide evidence-based policy recommendations on budget implementation by participating and providing advice on the planning and budgeting process.

3.5.4.1 Monitoring and Evaluation for Budget Implementation

The Constitution of Kenya 2010, Article 228(4) empowers the OCOB to oversee the implementation of budgets by the National and County Governments. This oversight role means the OCOB must monitor regularly how projects/programs are implemented by the national and county governments and report every four months to each house of Parliament on the implementation of budgets.

In line with this core mandate, the OCOB monitored the implementation of selected projects in several counties namely; Tana River, Kilifi, Meru, Isiolo, Nyandarua, Laikipia, Tharaka Nithi, Busia, Siaya, Vihiga, Bungoma, Kirinyaga and Kitui. The exercise covered various sectors namely; Health and sanitation sector, Water and irrigation sector, Agri-Business and Cooperatives sector, Education, Vocational Training, Sports & Youth Affairs and the roads and public works sector.

Some of the projects Monitored



Makutano Market in Kirinyaga County.



Construction of Meru County Headquarters (Meru County Investment & Development Corporation)



Construction of Hospital Plaza complex at Vihiga County.



Completion of Mtwapa Bus Park in Kilifi County.

3.5.4.2 Implementation of Strategic Plan 2018-2022

During FY 2018/19, the OCOB prepared the second generation Strategic Plan 2018-2022. The Plan is anchored on the Constitution of Kenya, 2010, Public Finance Management Act, 2012 and the Controller of Budget Act, 2016. The Plan took cognizance of the Country's development agenda as spelt out in the Long-Term Development Blue Print (Kenya Vision 2030), the Medium Term Plan III and the Big Four Agenda: Universal Healthcare, Food Security, Affordable Housing and Manufacturing. Further, the Strategic Plan is aligned to the Africa Agenda 2063 and the Sustainable Development Goals.

OFFICE OF THE CONTROLLER OF BUDGET
Reports and Financial Statements
For the year ended June 30, 2020

The Plan aims to improve OCOB's impact and effectiveness in promoting prudent financial management in the public sector and contribute towards the achievement of Kenya's development plan, including the Big Four agenda.

The OCOB is currently implementing the second generation Strategic Plan (2018-2023). The Plan outlines the strategic themes and various objectives that the OCOB has set to accomplish in the five years. The OCOB identified various strategic objectives to assist in the achievement of its mandate. These are the key performance areas in which the organization must achieve to drive its mission and vision, and deliver services to the public.

3.6 Constraints and Challenges in Budget Implementation and how they will be addressed

During the period under review the OCOB identified the following key highlights which adversely affected the achievement of its core mandate;

- a) **Conflicting provisions in legislation such as non-harmonized reporting timelines in the legal frameworks.** The OCOB is yet to develop regulations to fully operationalize the Controller of Budget Act, 2016.

Recommendation: The OCOB in collaboration with other stakeholders should hasten the development of regulations to the Controller of Budget Act, 2016.

- b) **Austerity measures affected the implementation of some of the planned activities** e.g. Capacity building, monitoring of budget implementation, investigations, public participation fora.

Recommendation: OCOB should lobby Parliament to consider increasing its budget allocation to deliver on all the mandates as is required by the constitution and the PFM Act 2012. The OCOB is likely to be subject to many court cases in light of the Public being more knowledge on their rights in aspects of public finance, therefore adequate funding for legal fees should be allocated to the OCOB.

OFFICE OF THE CONTROLLER OF BUDGET
Reports and Financial Statements
For the year ended June 30, 2020

c) Lack of a Central Data Management and Retrieval System

The OCOB lacks a Central Data Management and Retrieval System (CDMRS) for data repository, shared access, real-time analysis for business intelligence and general management and security of information, both at the Headquarters and County Budget Coordinators' OCOBs. The lack thereof increases the risk of inefficiencies and information accessibility especially considering that the OCOB budget implementation information is made available for use by staff and other stakeholders.

Recommendation: The OCOB should expedite the automation of its operations

d) Delay in the disbursement of equitable share

The County Allocation of Revenue Act (CARA), 2019 provides that County Government's allocations shall be transferred to the respective County Revenue Fund, following a Disbursement Schedule approved by the Senate. This affected budget implementation and execution of planned activities. As a result authorisation of withdrawals by OCOB was affected.

Recommendation: The Commission on Revenue Allocation, the National Treasury, and Parliament should devise strategies to ensure the Division of Revenue Bill is approved within the legal timelines. Further, there is a need to develop legislation to facilitate funds flow to Counties in the event of delays in the approval of the Division of Revenue Bill (DoRB).

e) Delays in the Approval of key planning and budget documents by County Governments

The PFM Act, 2012 presupposes that there shall be an Approved Budget and Appropriation Act by 30th June of each financial year. The law further provides that in case of delays in enacting the County Appropriation Bill, the County Assembly may approve a Vote on Account which authorizes the withdrawal of money from the County Revenue Fund to meet expenditure necessary to carry on the services of the County during the financial year until such a time when the relevant appropriation law is passed. As a result, OCOB cannot approve withdrawals of funds from public funds which affect the execution of budgets.

Recommendation: The Intergovernmental Relations Technical Committee should come up with strategies to address the relationship issues between the County Executive and Assembly and for

continuous capacity building of County Governments on the role of the two arms on the budget process.

f) Economic Effect of the COVID-19 Pandemic

The first COVID-19 case in Kenya was confirmed in mid-March 2020, prompting the government to institute stringent measures to curb its spread. While the COVID-19 Pandemic is primarily a health crisis with far-reaching economic ramifications, the responses instituted to control its spread have disrupted millions of livelihoods with a disproportionate impact on poor households and the global economic environment. Covid-19 pandemic affected the implementation of outdoor activities e.g. public outreach programmes and research activities. As a result, the OCOB could not implement some of the planned activities in the last year of the MTEF period.

Recommendation: The OCOB should strategically plan its activities in a way that all core activities are carried out amidst the COVID-19 challenges such as job rotation and use of technology.

g) Late submission of expenditure reports by the MDAs and County Governments hampered

timely preparation and submission of quarterly statutory reports and consequently monitoring of budget implementation by oversight institutions. This affects the timely preparation of the BIRRS by the OCOB.

Recommendation: The Accounting Officers should submit their financial and non-financial performance reports to the OCOB within fifteen days following the end of each quarter to facilitate timely reporting on budget implementation.

h) Inadequate OCOB space both at headquarter and county offices to ensure a conducive working environment.

It is important to provide adequate, safe and secure working space for all employees as it increases employees efficiency in their work. However, OCOB has experienced challenges in acquiring enough office space for most of its employees. Most of the County Budget Coordinators are either housed by the county governments or by the national government departments at the devolved levels which undermines the independence of the OCOB and the performance of its functions.

Recommendation: The OCOB should budget for financial resources to rent more office space for the efficient execution of her duties and proper storage of its documents.

i) Conflicting Reporting Timelines in the legal framework

The timelines for submission of the financial reports by spending entities are prescribed in the Public Finance Management (PFM) Act, 2012. Some of the timelines are too close to or coincide with the time the Controller of Budget is required to submit the BIRRs to Parliament, leaving no room for verification. For instance, Section 166(4) of the PFM Act, 2012 requires the County Treasury to consolidate the quarterly reports from the Accounting Officers and deliver a copy to the Controller of Budget not later than thirty days after the end of each quarter, the same period the OCOB is required by law to prepare and submit BIRRs to Parliament.

Recommendation: There is need to review the PFM Act, 2012(83) 3 to be clear in terms of timelines for OCOB to achieve the requirements of Article 228 (6) of the Constitution of Kenya 2010 requires the Controller of Budget to submit to each house of Parliament a report on the implementation of the budgets of the National and county governments every four months. The timelines while being reviewed should be realistic to give room to OCOB to verify some of the data before completing and submitting the reports.

j) Inconsistency between the Constitution and Controller of Budget Act, 2016

The Constitution obligates the Controller of Budget to report on the implementation of budgets by the national and county governments. Article 220 of the Constitution provides that a budget shall contain estimates of revenue and expenditure; proposals for financing any anticipated deficit for the period to which the budget applies; and, proposals regarding borrowing and other forms of public liability that will increase public debt during the following year. However, the Controller of Budget Act, 2016 limits the areas COB can report on, specifically Section 9(4) of the Act provides that COB shall not

OFFICE OF THE CONTROLLER OF BUDGET
Reports and Financial Statements
For the year ended June 30, 2020

report on inter alia, revenue, grants and loans forecasts and receipts which form part of the budget under Article 220 of the Constitution.

Recommendation: OCOB to lobby with the legislators to review the current COB Act, 2016 to report on revenues which form part of the Budget.

k) Popular Version of the BIRR: The OCOB has prepared a popular version of BIRR but has not been able to roll it out due to budgetary constraints.

Recommendation: The OCOB should plan and budget on how to be preparing popular versions on BIRRs as part of the budget requirements.

l) Ageing ICT Infrastructure

OCOB's infrastructure hardware, software and networking technology that has reached the end of life. Most of the Servers have reached their end of life support whereas Personal computers (PCs) have been in use for over 8 years. Older and obsolete hardware is less efficient which increases downtime and possess various IT security risks.

Recommendation: The OCOB to acquire funding to procure efficient and risk-free systems MOICT delays and failure to procure ICT equipment for OCOB due to consolidated ICT procurement at the Ministry

m) Enormous delays have been experienced by the Consolidation of MDAs ICT budgets at the Ministry of ICT; such delays directly impact the efficiency of the OCOB to achieve its Mandate.

Recommendation: OCOB is an independent office, hence recommendations are that OCOB should be allowed to independently manage its ICT budgets, move the ICT budget from MOICT to OCOB vote.

n) ICT Budget low allocations and budget cuts averaging (60% cuts) in the last three subsequent years.

Recommendation: ICT Budget prioritization in the National Government.

o) Inadequate staff capacity in some departments e.g. Legal, Supplies and internal audit.

OFFICE OF THE CONTROLLER OF BUDGET

Reports and Financial Statements

For the year ended June 30, 2020

3.7 Emerging Issues

The emerging issues covered here, have been brought about by the Novel coronavirus (Covid-19)

- a) Telecommuting – is currently the norm and the OCOB is seeking for innovative tools and platforms to revamp productivity and keep OCOB equipment, data and information safe and secure from unauthorized access and use.
- b) Ergonomics- with Telecommuting cometh workspace design challenges for efficiency, health and safety. The OCOB does not have total visibility of Staffs places of residence and hence the monitoring of the safety and healthy IT equipment setup while working at home is a challenge. However, the ICT team has endeavoured to sensitize members of staff on health and safety precautions while working with various electronics equipment at home, and this more so, when it is for a prolonged period.

4 STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES

Introduction

Section 81 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Accounting Officer when preparing financial statements of each National Government entity under the standards and formats prescribed by the Public Sector Accounting Standards Board includes a statement of the national government entity's performance against predetermined objectives.

The key development objectives of the 2018-2022 plan are to:

- ❖ To ensure timely approval of withdrawals from Public Funds
- ❖ To ensure the provision of quality advice on budgeting and budget implementation
- ❖ To produce credible and timely budget implementation reports
- ❖ To enhance public access to government budget implementation reports
- ❖ To enhance operational efficiency
- ❖ To attract and retain a productive and motivated human resource
- ❖ To enhance good governance
- ❖ To enhance organizational image and visibility
- ❖ To strengthen the legal and regulatory framework

To realise its strategic objectives, the OCOB relied on its strategic plan to guide activities, policy formulation and work plans and made the following progress and achievements towards its targeted objectives during FY 2019/20.

The following are key activities implemented by the OCOB under each strategic objective

Objective 1: To ensure timely approvals of withdrawals from public funds

- a) Exchequer section for County Governments was put in place, which has hastened the process.
- b) Reviewed the procedure manual that guides authorization of withdrawals from Public Funds.

Achievement not yet met

OFFICE OF THE CONTROLLER OF BUDGET
Reports and Financial Statements
For the year ended June 30, 2020

- a) Automation of the exchequer process has not been finalized

Objective 2: To ensure the provision of quality advice on budgeting and budget implementation.

- a) The investigation policy has been finalized and published.
- b) Complaints handling policy and procedures have been finalized
- c) Database of complaints investigations and dispute resolutions has been established.
- d) Compiled macro-economic, social-economic and fiscal data.
- e) Developed OCOB statistical plan to facilitate data sharing between producers and users
- f) Prepared and submitted summary reports with key issues in BIRRs to County Executive.
- g) Reviewed and made recommendations on budgeting documents (BRBP, CBROP, BPS, and CFSP).

Achievements not yet met

- a) Guidelines for engagement with MDAs & County Governments on budget implementation have not been developed.
- b) Undertaking benchmark visits on budget implementation has not been fulfilled.

Objective 3: To produce credible and timely budget implementation reports

The quarterly, mid-year and annual Budget Implementation and Review Reports (BIRR) for the national and county governments have been produced and published on time.

- a) The Annual Report for the financial year 2018/19 has been produced but not published.
- b) The management of data on budget implementation has been enhanced.

Achievements not yet met

- a) The automation of data management and reporting system has not been fulfilled.
- b) The annual report for the financial year 2018/2019 has not been published.
- c) Undertaking benchmark visits on budget implementation has not been fulfilled.

Objective 4: To enhance public access to government budget implementation reports

- a) BIRR reports continuously being uploaded on the website
- b) Stakeholder dissemination forums have been conducted.

Achievements not yet met

- a) Translation of the popular version into Swahili has not been done.
- b) Reports that are accessible to PWDs have not been done (Brail)

Objective 5: To enhance operational efficiency

- 1. Created a knowledge management system for capturing and managing knowledge in the organization.
- 2. Established partnership with international on-line databases for access to research material.
- 3. Updated the Online Public Access Catalogue (OPAC) for users
- 4. Sensitized users on how to access and use knowledge repository system

Achievement not yet met

Have not revamped/replaced old ICT gadgets e.g. computers

Objective 6: To attract and retain productive and motivated human resource.

- a) Organizational structure review has been undertaken.
- b) Mortgage scheme designed and being implemented.
- c) Training needs assessment conducted.
- d) Recruited more staff e.g. Principal Fiscal Analyst, County Budget Coordinator, Director Research & Planning, and Internal Auditor.

Achievements not yet met

- a) Have not acquired additional office space.
- b) Employee satisfaction survey has not been conducted.
- c) Work environment survey has not been done.
- d) Integrity survey not done yet.
- e) Health and Safety audit has not been done.

OFFICE OF THE CONTROLLER OF BUDGET
Reports and Financial Statements
For the year ended June 30, 2020

Objective 7: To strengthen the legal and regulatory framework

1. The proposed draft amendments to the CoB Act, 2016 to ensure conformity with the Constitution is undergoing internal review.
2. The undertaking of a legal audit to ensure compliance with the law is (30% on AGPO) done.
3. Have undertaken a review of more than 11 agreements to ensure compliance with the law.

Achievements not yet met

- a) A structured framework for engagement with stakeholders in law enforcement i.e. EACC, DCI, DPP has not been developed.
- b) Regulations to COB Act 2016 not yet enacted.

Objective 8: To enhance organizational image and visibility

- a) OCOB logo developed.
- b) Periodic organization's newsletter has been published.
- c) Developed stakeholders' engagement and communication policy.
- d) Undertaken public outreach programmes.
- e) Started engaging the public through social media forums.

Achievements not yet met

- a) Review of the current organization structure has not been done.
- b) Branding of the OCOB headquarters and regional OCOBs is still pending.
- c) Have not done media engagement through documentaries.

Objective 9: To enhance good governance

- a) Developed an Enterprise Risk Management (ERM) Framework.
- b) Review of internal control systems is continuously done.
- c) Training capacity of staff members on auditing has been done.
- d) Monitoring implementation of work plans and preparing status report is continuously done.

Achievement not yet met

- p) Development of comprehensive business continuity and recovery plan is pending.

Opportunities in the implementation of the strategic plan

- a) Strong collaborations with other government agencies for the effective and efficient discharge of its mandate.
- b) Strong collaborations with development partners leading to effective resource mobilization to fund the planned programmes and activities in the strategic plan e.g. IDLO, PFMR/DANIDA.
- c) Strengthening of the legal framework to facilitate effective discharge of the OCOB mandate e.g. on-going amendments to the CoB Act, 2016 to ensure conformity with the Constitution.

Progress on the attainment of Strategic development objectives

For purposes of implementing and cascading the above development objectives to specific sectors, all the development objectives were made specific, measurable, achievable, realistic and time-bound (SMART) and converted into development outcomes. Attendant indicators were identified for reasons of tracking progress and performance measurement: Below we provide the progress on attaining the stated objectives.

Programme Performance Report for the FY 2019/20 (as at 30th June 2020 (non-financials))

Control and Management of Public Funds					
Programme	Key Output	Key Performance Indicators	Targets	Achievements	Remarks
Sub-Programme					
0730010 SP.1.1 Authorization of withdrawal from public funds	Timely Approval of Exchequer Requisitions	The number of days taken to review process and approve. Number of files reviewed, processed and approved per day (National Government)	1	1	Target met
		Number of files reviewed, processed and approved per day (County Government)	10	10	Target met
		Number of files reviewed, processed and approved per day (County Government)	94	117	Target surpassed
	Consolidated Fund Services	Number of days taken to review, process and approve public debt files	5	5	Target met
		Number of debt files reviewed, processed and approved per week	100	100	Target met
	Consolidated Fund	Number of days taken to review, process and approve pension and gratuity files	5	5	Target met
		Number of pension and gratuity files processed per week	600	1200	Target surpassed

OFFICE OF THE COMMISSIONER OF BUDGET
Reports and Financial Statements
For the year ended June 30, 2020

Programme Performance Report for the FY 2019/20 (as at 30th June 2020 (non-financials))					
Control and Management of Public Funds					
Programme	Key Output	Key Performance Indicators	Targets	Achievements	Remarks
Sub-Programme					
0730020 SP.1.2 Budget implementation and monitoring	Enhanced reporting on Budget Implementation review	No. of reports	8	8	14,000 copies for National Government and 26,000 copies for Counties
	Public sensitization forums on budget implementation	Number of public forums held	2	1	240Participants
0730030 SP.1.3 General Administration planning and support services	Efficient service delivery	Human Resource and Capacity building.	100%	35%	Only 30 staff trained in 2019/20 due to budget cuts and COVID-19 GOK containment measures.
		Number of Annual reports produced	1	1	1500 copies were produced (500 in each year)
		Number of investigation report produced	100%	100%	requests received and concluded on pending bills, Medical Equipment Scheme (MES), COVID-19 expenditure
0730040 SP.1.4 Research & planning	Research on budget implementation	Surveys and Research Reports	1	None	Unable to conduct due to budget cuts
	Monitoring and Evaluation of projects	Number of M&E reports produced	47	13	Unable to conduct due to budget cuts

5 CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

The OCOB oversees the implementation of the budgets of both the national and county governments by authorizing withdrawals from Public Funds as provided for under Articles 204, 206 and 207 of COK, 2010. The OCOB main purpose is to improve impact and effectiveness in promoting prudent financial management in the public sector and contribute to the achievement of Kenya's development plan, including the Big Four agenda. The strategic objective is founded on four pillars:

- i. Authorization of Withdrawals from Public Funds
- ii. Advice on Budgeting and Budget Implementation
- iii. Budget Implementation Reporting
- iv. Institutional Capacity

Below is a brief highlight of our achievements in each pillar

❖ Sustainability strategy and profile

The OCOB is committed to operating in a sustainability manner with finances, people and places living our core value of integrity, transparency & accountability, professionalism, independence, creativity & Innovation and teamwork. The effective sustainability strategies have delivered several benefits to the OCOB including innovation and growth, risk management, good reputation, cost savings and motivation of staff.

ICT Strategy – Infrastructure: The OCOB has developed a robust ICT infrastructure to support the OCOB in achieving its Mandate. Having a reliable LAN and WAN network, the OCOB has improved its internal communication and collaboration, thus faster achievement of its strategic activities.

The OCOB has invested in ICT and networking equipment where the statutory reports required by law are uploaded on the Budget Yetu Mobile Application available on Google Play, Apple Store and Microsoft Store and can be downloaded at no costs.

The OCOB intranet has provided a forum for collaborating and communication, information sharing, exchange and transmission to facilitate the work of the different teams in OCOB. This has translated to the improved overall utilization of resources

Phased recruitment of staff: The OCOB has adopted a phased approach in the recruitment of staff for vacant position based on OCOB needs and workload analysis. This has resulted in some savings in personnel emoluments

OFFICE OF THE CONTROLLER OF BUDGET
Reports and Financial Statements
For the year ended June 30, 2020

Savings on rent and OCOB utilities: The OCOB adopted sharing OCOB space with county governments and national government. This has translated in huge savings on office rent, electricity, security, water and sewerages among other services.

The capacity building for staff in-house has reduced travel and accommodation costs. The OCOB focus was mostly on group training as opposed to individual training.

The OCOB also subscribed to purchase of digital newspapers as opposed to the printed ones to save on costs associated with subscription of newspapers.

❖ **Environmental performance**

OCOB as a responsible government entity has mainstreamed its environmental sustainability goals within all its operation areas as part of its corporate strategy to enhance the core mandate. The OCOB, therefore, continues to comply with applicable environmental laws and regulations in the public sector.

The OCOB has allocated in its budget funds for contracted cleaning service, supplies of cleaning material and services to facilitate general cleanliness in all its offices at the county and headquarter.

On the disposable of waste products, the OCOB is guided by Section 163 of the PPADA 2015 and has established the Disposal committee for purposes of identifying assets for disposal and making recommendations to Accounting Officer on methods of disposal through Annual Disposal Plan.

❖ **Employee welfare**

The OCOB has an elaborate recruitment policy that provides for a structured framework for the management of human resources processes of recruitment, selection appointment, development and promotions. The policy emphasizes the need to take into consideration the OCOB's commitment to diversity to represent the face of Kenya. It is the policy of OCOB to provide continuous high-quality training and development to staff to improve their skills and competencies that will contribute to improved organizational performance.

a) Staff Welfare Kitty

The OCOB has established a staff welfare scheme to cater for welfare matters. The aim of establishing the scheme is to empathize with members and show solidarity during hard times of sickness and bereavement.

b) Staff Mortgage Scheme

The OCOB has also established a Mortgage Scheme for its staff. The scheme is aimed at providing an opportunity for staff to purchase either houses or land for construction of their residences, this is in line with the government programme of the big four agenda.

c) Staff Capacity building

The OCOB recognizes the importance of training and development to enhance productivity and efficiency. Towards realization of this, the OCOB undertook capacity building programs and facilitated OCOBrs to attend professional development courses, seminars and workshops. These training interventions are aligned with the organization's performance management systems.

d) Staff occupational and Safety

The OCOB is committed to providing and maintaining working conditions, equipment and systems of work, that are safe and healthy for all employees, visitors and other persons at or near its OCOB and operational areas. OCOB has an Occupational Safety and Health Policy aligned with the Occupational Safety and Health Act of 2007, (OSHA.)

The OCOB in collaboration with Vimak Dental Centre Limited, an established Dental Service Centre organized a free Dental Health Education Talk for OCOB staff to empower them with knowledge on common dental problems, their treatment and prevention as well as provide free medical consultation. Vimak Dental Centre brought a team of dentists and nurses who provided free consultation during the event.



OCOB staff during presentations by Vimak Dental Centre staff

e) First Aid Kits

The OCOB acquired functional First Aid kits. The aim is to ensure first aid is given to staff in event of minor injuries or accidents before the case is handed over to professional medics. A first aid kit can help reduce the risk of infection or the severity of the injury. As part of the Kenya government safety requirements within the work environment, organizations must train at least five staff to handle the kits.

f) Safety Risk Management

OCOB continues to undertake a risk assessment of its operations to strengthen the controls and prevent disruptions. This entails developing measures to prevent an incident.

A risk register is maintained and regularly reviewed for relevance, as the conditions of our workplaces are dynamic. Where an incident occurs, the OCOB focuses on the protection of life and has put measures to safeguard life and property. These include;

- ❖ Adherence to safety designs in the OCOB,

OFFICE OF THE CONTROLLER OF BUDGET
Reports and Financial Statements
For the year ended June 30, 2020

- ❖ Strengthening barriers that reduce the spread of harm and
- ❖ Continual training and awareness of staff with skills to detect and appropriately respond to emergencies.
- ❖ Disaster recovery plans measures for operations recovery and continuity planning to enable the resumption of the operation of critical services as fast as possible.

However, the OCOB is in the process of finalizing the following policies

- Review of the HRM manual of procedures to address gaps in the schemes of service and succession management.
- Talent management policy to cater for rewards and sanctions for staff to ensure staff retention.
- Environmental policy
- Review of the Safety and Occupational policy

❖ **Market practices-**

a) Anti-corruption issues

The OCOB has made remarkable strides in the prevention of corruption and unethical practices as provided in the Ethics and Anti-Corruption Act, 2011. Key achievements include:

The establishment of the Integrity Committee to institutionalize the anti-corruption initiatives in the operations of the OCOB. The committee main mandate is to Coordinate, formulate and implement Codes of Conduct and Ethics, Anti-Corruption Policy, Integrity Testing Programme, Whistle Blowers Protection Systems, Corruption reporting channels, Customer service charters for all Departments, Financial, Procurement, and Human Resource Manuals, Corruption Risk Assessment and mitigation plan and Performance contracting targets.

Institutional capacity-The OCOB has developed the following policies: Alternative Dispute Resolution Policy; Investigation Policy; Risk Management Policy Framework, Wealth declaration, Complaints Handling Policy; Code of conduct and ethics: Functional departmental manuals and procedures to strengthen the institutional capacity in dealing with anti-corruption issues

Public Education: The OCOB has 2 trained Integrity Assurance Officers and 14 members of Integrity Committees. The OCOB also trained the 166 staff members on leadership and integrity. The Committee also ensured that the integrity policy, conflict of interest register and gift register were implemented, maintained and operationalized.

Challenges: The OCOB is in the process of finalizing the following;

- ❖ Whistleblowing policy
- ❖ Corruption Risk Assessment
- ❖ Training of the integrity committees members

b) Political Involvement

The OCOB is an Independent OCOB established under Article 228 of The Constitution of Kenya with the core mandate being to oversee implementation of the budgets of both the National and County Governments by authorising withdrawals from public funds. The OCOB's independence is further ensured by the constitutional provisions under Articles 249 of the Constitution of Kenya 2010 which stipulates that they are subject only to the Constitution and the law, and are not to be directed or controlled by any person or authority. The OCOB provides elaborate checks and balances mechanisms that ensure prudent financial management of public resources as envisaged by the law.

c) Responsible Supply chain and supplier relations

The main objective for supply chain function is to improve processes, service delivery to stakeholders for sustained economic development. Supply Chain plays a pivotal role in timely procurement of quality goods, works and services. The procurement process is guided by the Public Procurement and Assets Disposal Act 2015, relevant regulations, policy and procedures and best practices in the industry.

The OCOB maintains good business practices, treats its suppliers responsibly by honouring contracts and respecting payment practices; specifications are given under what is required to ensure that, there is value for money for the goods is procured or services rendered. The OCOB while carrying out its mandate has endeavoured to follow the generally accepted good procurement standards. By doing this, the aspects of the right quality, quantity and time are always observed.

The OCOB carried out the following activities during the year under review to ensure best practices are adhered to;

The OCOB complied with 30% rule reservation for women, youth and persons with disabilities about procurement. The OCOB also complied with Section 155 of the Public Procurement and Asset Disposal Act, 2015 which makes it mandatory for public entities to comply with the provisions of Part XII of the Act on Preference and Reservations in Procurement. Sections 53 (6), and 157 (5) and (10) of the Act requires Accounting Officers of public entities to reserve a prescribed percentage of its procurement budget, which shall not be less than 30 per cent, to the disadvantaged groups in society. In this regard, the OCOB awarded contracts worth **Kshs.143.8 million** to the disadvantaged Groups (Women, Youth and PWDs) against the procurement budget of **Kshs.205.6.6 million**. The

OFFICE OF THE CONTROLLER OF BUDGET
Reports and Financial Statements
For the year ended June 30, 2020

total contracts awarded to the target group translated to **69.9 per cent** of the total procurement budget of the OCOB for 2019/20.

The Controller of Budget appointed the Adhoc Procurement committee i.e. Tender Evaluation, Disposals, Opening, Inspection and Acceptance and Negotiations. Some of the major tenders requests opened, evaluated, awarded and inspected include; Medical Cover contracts, Framework Contract for Printing of Budget Implementation Review Reports, Recruitment of Staff and Team Building training for staff. The members of the Disposal Committee appointed by the Controller of Budget also identified assets for disposal, set reserve prices for disposable assets and made recommendations to Accounting Officers on methods of disposal through Annual Disposal Plan.

❖ **Marketing and Advertisement**

The OCOB is a service delivery entity hence does not engage in the buying and selling of products. In the public sector, the advertisement activities budget is centralised under the Ministry of ICT. The services provided by the OCOB are as stipulated in the law.

❖ **Community Engagements-**

CSR is an important component that enables an organization to participate in promoting the Environmental, ethical and socio-economic concerns of the communities. As part of this initiative, these activities have always been planned for during the 4th quarter on yearly basis. OCOB in the past had organized a voluntary CSR activity in Kiambu and Limuru towns by visiting children homes. In the period under review the effects of the outbreak of COVID -19 pandemic in the 4th quarter, barred the physical visits to the children homes.

6. STATEMENT OF OCOB MANAGEMENT RESPONSIBILITIES

Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Accounting Officer for a National Government Entity shall prepare financial statements in respect of that entity. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed the Public Sector Accounting Standards Board of Kenya from time to time.

The Controller of Budget is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2020. This responsibility includes:

- a) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period;
- b) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity;
- c) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud;
- d) safeguarding the assets of the entity;
- e) selecting and applying appropriate accounting policies; and
- f) making accounting estimates that are reasonable in the circumstances.

The Controller of Budget accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies under International Public Sector Accounting Standards (IPSAS). The Accounting Officer believes that the OCOB financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2020, and of the entity's financial position as at that date. The Controller of Budget further confirms the completeness of the accounting records maintained for the OCOB which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

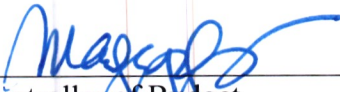
The Controller of Budget confirms that the entity has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable) and that the entity's

OFFICE OF THE CONTROLLER OF BUDGET
Reports and Financial Statements
For the year ended June 30, 2020

funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further, the Controller of Budget confirms that the entity's financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the financial statements

The OCOB financial statements were approved and signed by the Controller of Budget on 28th September 2020.



Controller of Budget
Name: CPA Dr. Margaret Nyakang'o
ICPAK Member: 2145

OFFICE OF THE CONTROLLER OF BUDGET

Reports and Financial Statements

For the year ended June 30, 2020

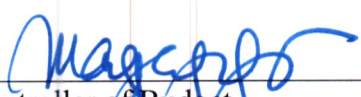
**7. REPORT OF THE AUDITOR GENERAL ON THE OFFICE OF THE
CONTROLLER OF BUDGET (VOTE 2121) FOR THE YEAR ENDED 30TH JUNE
2020**


OFFICE OF THE CONTROLLER OF BUDGET
Reports and Financial Statements
For the year ended June 30, 2020


8. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2019-2020	2018-2019
		Kshs	Kshs
RECEIPTS			
Exchequer releases	16.1	599,472,929	551,332,300
Proceeds from Domestic and Foreign Grants	16.2	4,765,000	5,712,290
TOTAL RECEIPTS		604,237,929	557,044,590
PAYMENTS			
Compensation of Employees	16.3	304,234,493	297,281,360
Use of goods and services	16.4	159,148,964	163,806,927
Social Security Benefits	16.5	10,793,555	33,561,152
Acquisition of Assets-Non-Financial	16.6	23,733,854	4,513,795
Acquisition of Assets-Financial	16.7	100,000,000	50,000,000
Expenditure from Domestic and Foreign Grants	16.8	4,765,000	5,712,290
TOTAL PAYMENTS		602,675,866	554,875,524
SURPLUS/DEFICIT		1,562,063	2,169,066

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 28th September 2020 and signed by:


 Controller of Budget
 Name: CPA Dr. Margaret Nyakang'o
 ICPAK Member: 2145


 Chief Manager Finance and Accounts
 Name: CPA Pamela Okatch
 ICPAK Member Number: 7884

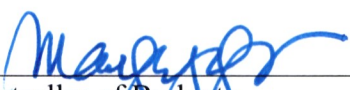

 Director Corporate Services
 Name: CPA Macklin Ogolla
 ICPAK Member: 4077


OFFICE OF THE CONTROLLER OF BUDGET
Reports and Financial Statements
For the year ended June 30, 2020


9. STATEMENT OF ASSETS AND LIABILITIES

	Note	2019-2020	2018-2019
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	16.9A	3,039,878	7,597,705
Cash Balances	16.9B	329,439	666,815
Total Cash and cash equivalent		3,369,317	8,264,520
Accounts Receivables - Outstanding Imprest and Clearance Accounts	16.10	51,333	-
TOTAL FINANCIAL ASSETS		3,420,650	8,264,520
FINANCIAL LIABILITIES			
Accounts Payables – Deposits and retentions	16.11	(1,858,587)	(6,095,454)
NET FINANCIAL ASSETS		1,562,063	2,169,066
REPRESENTED BY			
Fund balance b/fwd	16.12	2,169,066	1,060,885
Prior year adjustment	16.15	(2,169,066)	(1,060,885)
Surplus/Deficit for the year		1,562,063	2,169,066
NET FINANCIAL POSITION		1,562,063	2,169,066

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 28th September 2020 and signed by:


 Controller of Budget
 Name: CPA Dr. Margaret Nyakang'o
 ICPAK Member: 2145


 Chief Manager Finance and Accounts
 Name: CPA Pamela Okatch
 ICPAK Member Number: 7884


 Director Corporate Services
 Name: CPA Maacklin Ogolla
 ICPAK Member: 4077

REPUBLIC OF KENYA

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Enhancing Accountability

HEADQUARTERS
Anniversary Towers
Monrovia Street
P.O. Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON OFFICE OF THE CONTROLLER OF BUDGET FOR THE YEAR ENDED 30 JUNE, 2020

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of Office of the Controller of Budget set out on pages 81 to 107, which comprise the statement of assets and liabilities as at 30 June, 2020, and the statement of receipts and payments, statement of cash flows and summary statement of appropriation - recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Office of the Controller of Budget as at 30 June, 2020, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012

Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Office of the Controller of Budget Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

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

REPORT ON EFFECTIVENESS, OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal control, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the Office of the Controller of Budget's ability to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to abolish the Office of the Controller of Budget or to cease operations.

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

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

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

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and

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

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

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

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

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

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

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



Nancy Gathungu
AUDITOR-GENERAL

Nairobi

17 May, 2021

OFFICE OF THE CONTROLLER OF BUDGET
Reports and Financial Statements
For the year ended June 30, 2020


10. STATEMENT OF CASH FLOWS

	Note	2019-2020	2018-2019
		Kshs	Kshs
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts for operating income			
Exchequer releases	16.1	599,472,929	551,332,300
Proceeds from Domestic and Foreign Grants	16.2	4,765,000	5,712,290
		604,237,929	557,044,590
Payments for operating expenses			
Compensation of Employees	16.3	304,234,493	297,281,360
Use of goods and Services	16.4	159,148,964	163,806,927
Social Security Benefits	16.5	10,793,555	33,561,152
Expenditure from Domestic and Foreign Grants	16.8	4,765,000	5,712,290
		478,942,012	500,361,729
Adjusted for:			
Changes in receivables	16.13	(51,333)	-
Changes in payables	16.14	(4,236,867)	4,127,894
Adjustments during the Year	16.15	(2,169,066)	(1,060,885)
Net cash flow from operating activities(A)		118,838,651	59,749,870
CASHFLOW FROM INVESTING ACTIVITIES			
Acquisition of Assets-Non-Financial	16.6	(23,733,854)	(4,513,795)
Acquisition of Assets- Financial	16.7	(100,000,000)	(50,000,000)
Net cash flows from Investing Activities(B)		(123,733,854)	(54,513,795)
CASHFLOW FROM BORROWING ACTIVITIES			
Proceeds from Domestic Borrowings		-	-
Proceeds from Foreign Borrowings		-	-


OFFICE OF THE CONTROLLER OF BUDGET
Reports and Financial Statements
For the year ended June 30, 2020

Repayment of principal on Domestic and Foreign borrowing		-	-
Net cash flow from financing activities(C)		-	-
NET INCREASE IN CASH AND CASH EQUIVALENT(A+B+C)		(4,895,203)	5,236,075
Cash and cash equivalent at BEGINNING of the Year		8,264,520	3,028,444
Cash and cash equivalent at END of the Year	16.9A+16.9B	3,369,317	8,264,520

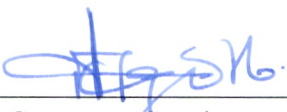
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 28th September 2020 and signed by:



 Controller of Budget
 Name: CPA Dr. Margaret Nyakang'o
 ICPAK Member: 2145



 Chief Manager Finance and Accounts
 Name: CPA Pamela Okatch
 ICPAK Member Number: 7884



 Director Corporate Services
 Name: CPA Macklin Ogolla
 ICPAK Member: 4077

11. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Revenue/Expense Item	Approved Budget	Adjustments	Final Budget	Actual on comparable basis	Budget Utilization Difference	% of Utilization Difference to Final Budget
	Kshs	Kshs	Kshs	Kshs	Kshs	f=d/c
RECEIPTS	a	b	c=a+b	d	e=c-d	f=d/c
Exchequer releases	703,100,000	(25,000,000)	678,100,000	599,472,929	78,627,071	88%
Proceeds from Domestic and Foreign Grants	-	-	-	4,765,000	-	-
Total Receipts	703,100,000	(25,000,000)	678,100,000	604,237,929	78,627,071	88%
PAYMENTS						
Compensation of Employees	350,599,999	(14,191,591)	336,408,408	304,234,493	32,173,914	90%
Use of goods and services	235,239,401	(28,900,004)	206,339,397	159,148,964	47,190,433	77%
Social Security Benefits	10,565,600	700,000	11,265,600	10,793,555	472,045	96%
Acquisition of Assets-Non-Financial	6,695,000	17,391,595	24,086,595	23,733,854	352,741	99%
Acquisition of Assets- Financial	100,000,000	-	100,000,000	100,000,000	-	100%
Expenditure from Domestic and Foreign Grants	-	-	-	4,765,000	-	-
Grand Total	703,100,000	(25,000,000)	678,100,000	602,675,866	80,189,133	88%

OCOB OF THE CIONTROLLE OF BUDGET
Reports and Financial Statements
For the year ended June 30, 2020

Detailed explanation of underutilization of budget and actual on the exchequer releases and use goods and services

Title	Actual Expenditure	Current Budget Year	Difference between actual and budget (actual less Budgeted Amount)	% difference	Comments
Exchequer Releases	599,472,929	678,100,000	-78,627,071	-12%	The under-issue of exchequer was due to the reduced implementation of the planned activities as a result of budget austerity measures instituted by NT hence affecting the operations
Use of Good and Services	159,148,964	206,339,397	-47,190,433	-23%	The significant utilization of economic classification of the use of goods and services was as a result of budget austerity measures instituted by the National Treasury coupled with under expenditure of the training vote due to low capacity building of staff during the COVID 19 period.

Analysis of budget underutilization of sub-components of use goods and services

OFFICE OF THE CONTROLLER OF BUDGET
Reports and Financial Statements
For the year ended June 30, 2020

EXPENDITURE ANALYSIS -USE OF GOODS AND SERVICES AS AT 30TH JUNE, 2020						
Economic Item	Title	Approved Estimates	Actual Expenditure	Difference between actual and budget amount	% difference(actual less budgeted amount)	Comments
2210 100	Utilities Supplies and Services	30,000	1,500	(28,500)	95	Budget Austerity and Covid-19
2210 200	Communication, Supplies and Services	11,933,790	8,756,747	(3,177,043)	27	Budget Austerity and Covid-19
2210 300	Domestic Travel and Subsistence, and Other Transportation Costs	27,458,914	9,311,993	(18,146,921)	66	Budget Austerity and Covid-19
2210 400	Foreign Travel and Subsistence, and other transportation costs	15,735	8,135	(7,600)	48	Budget Austerity and Covid-19
2210 500	Printing, Advertising and Information Supplies and Services	68,225,000	60,716,379	(7,508,621)	11	Budget Austerity and Covid-19
2210 600	Rentals of Produced Assets	2,540,000	2,103,249	(436,751)	17	Budget Austerity and Covid-19
2210 700	Training Expenses	8,323,492	2,873,076	(5,450,416)	65	Budget Austerity and Covid-19
2210 800	Hospitality Supplies and Services	11,498,824	8,824,520	(2,674,304)	23	Budget Austerity and Covid-19
2210 900	Insurance Costs	44,360,600	41,063,261	(3,297,339)	7	Budget Austerity and Covid-19

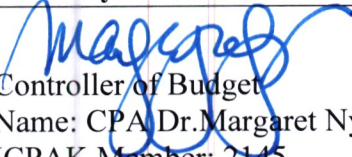
OFFICE OF THE CONTROLLER OF BUDGET
Reports and Financial Statements
For the year ended June 30, 2020


2211 000	Specialised Materials and Supplies	1,175,000	1,151,538	(23,462)	2	Budget Austerity and Covid-19
2211 100	Office and General Supplies and Services	8,152,441	7,973,551	(178,890)	2	Budget Austerity and Covid-19
2211 200	Fuel Oil and Lubricants	2,753,000	2,570,083	(182,917)	7	Budget Austerity and Covid-19
2211 300	Other Operating Expenses	8,935,800	6,626,964	(2,308,836)	26	Budget Austerity and Covid-19
2220 100	Routine Maintenance - Vehicles and Other Transport Equipment	8,700,000	5,471,397	(3,228,603)	37	Budget Austerity and Covid-19
2220 200	Routine Maintenance - Other Assets	2,236,801	1,696,573	(540,228)	24	Budget Austerity and Covid-19
		206,339,397	159,148,966	(47,190,431)	23	Budget Austerity and Covid-19

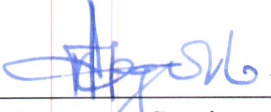
The OCOB does not have AIA hence the receipts is only exchequer issues during the period.

- The changes between the original budget and the final budget of **Kshs. 25,000,000** was due to austerity measures undertaken during the Supplementary Budget Estimate which affected all Ministries, Departments and Agencies during the period under review and the effect of COVID-19 during the 4th quarter.
- The under the issue of exchequer was due to the reduced implementation of the planned activities as a result of budget austerity which affected the operations.
- The significant underutilization of economic classification of the use of good and services was the under-expenditure of the budget allocated to the training vote due to low capacity building for staff during the period under review.

OFFICE OF THE CONTROLLER OF BUDGET
Reports and Financial Statements
For the year ended June 30, 2020


Controller of Budget
Name: CPA Dr. Margaret Nyakang'o
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Name: CPA Pamela Okatch
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ICPAK Member: 4077

12. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT

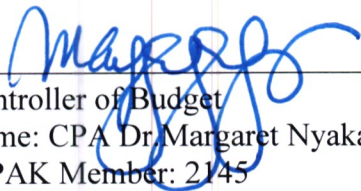
Revenue/Expense Item	Approved Budget Kshs	Adjustments Kshs	Final Budget Kshs	Actual on comparable basis Kshs	Budget Utilisation Difference Kshs	% of Utilisation Difference to Final Budget
RECEIPTS	a	b	c=a+b	d	e=c-d	f=d/c
Exchequer releases	703,100,000	(25,000,000)	678,100,000	599,472,929	78,627,071	88%
Proceeds from Domestic and Foreign Grants	-	-	-	4,765,000	-	-
Total Receipts	703,100,000	(25,000,000)	678,100,000	604,237,929	78,627,071	88%
PAYMENTS						
Compensation of Employees	350,599,999	(14,191,591)	336,408,408	304,234,494	32,173,914	90%
Use of goods and services	235,239,401	(28,900,004)	206,339,397	159,148,964	47,190,433	77%
Social Security Benefits	10,565,600	700,000	11,265,600	10,793,555	472,045	96%
Acquisition of Assets-Non-Financial	6,695,000	17,391,595	24,086,595	23,733,854	352,741	99%
Acquisition of Assets-Financial	100,000,000	-	100,000,000	100,000,000	-	100%
Expenditure from Domestic and Foreign Grants	-	-	-	4,765,000	-	-
Grand Total	703,100,000	(25,000,000)	678,100,000	602,675,866	80,189,133	88%

OCOB OF THE CONTROLLE OF BUDGET

Reports and Financial Statements

For the year ended June 30, 2020

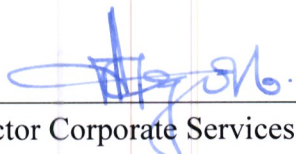
- The changes between the original budget and the final budget of **Kshs. 25,000,000** was due to austerity measures undertaken during the Supplementary Budget Estimate which affected all Ministries, Departments and Agencies during the period under review and the effect of COVID-19 during the 4th quarter.
- The under the issue of exchequer was due to the reduced implementation of the planned activities as a result of budget austerity which affected the operations.
- The significant underutilization of economic classification of the use of good and services was the under-expenditure of the budget allocated to the training vote due to low capacity building for staff during the period under review.



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OFFICE OF THE CONTROLLER OF BUDGET
Reports and Financial Statements
For the year ended June 30, 2020

13. SUMMARY STATEMENT OF APPROPRIATION: DEVELOPMENT

The OCOB does not have any development vote hence there is no summary statement of appropriation.

The OCOB Financial statements were approved on 28th September 2020 and signed by:



Controller of Budget
Name: CPA Dr. Margaret Nyakang'o
ICPAK Member: 2145



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14. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

OFFICE OF THE CONTROLLER OF BUDGET
Reports and Financial Statements
For the year ended June 30, 2020

Head	Programme/S ub- Programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilizati on
		Kshs	Kshs	Kshs	Kshs	Kshs	
	Control and Management of Public finances	703,100,000	- 25,000,000	678,100,000	597,910,867	80,189,133	88
212100 0100	Sub- Programme 1: Administration Support Services	414,317,679	12,584,507	426,902,186	379,954,317	46,947,869	89
212100 0200	Sub- Programme 2: Research and Planning	21,556,516	(7,213,216)	14,343,300	9,386,829	4,956,471	65
212100 0300	Sub- Programme3: Budget Review and Analysis	47,775,804	(3,552,045)	44,223,759	36,198,945	8,024,814	82
212100 0400	Sub- Programme 4: County Services	219,450,001	(26,819,246)	192,630,755	172,370,776	20,259,979	89
	GRAND TOTAL	703,100,000	(25,000,000)	678,100,000	597,910,867	80,189,133	88

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

15. SIGNIFICANT ACCOUNTING POLICIES

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

a) Going Concern Principle

The OCOB is an independent OCOB established under Article 228 of the Constitution of Kenya, 2010 to oversee the implementation of budgets of both the National and County Governments by authorizing a withdrawal from public funds and reporting on the utilization. The financial statements are prepared on assumption that the OCOB is a going concern and will continue in operation and meet its statutory obligations for the foreseeable future.

b) Statement of compliance and Basis of Preparation

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

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

c) Reporting Entity

The financial statements are for the Office of the Controller of Budget. The financial statements encompass the reporting entity as specified under section 81 of the PFM Act 2012. This does not include any development projects implemented as the OCOB does not have any projects.

d) Reporting Currency

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

OFFICE OF THE CONTROLLER OF BUDGET
Reports and Financial Statements
For the year ended June 30, 2020

e) Recognition of Receipts

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

❖ **Exchequer Receipts**

Exchequer receipts are recognized in the books of accounts when cash is received. Cash is considered as received when notification of exchequer remittance is received.

❖ **External Assistance**

External assistance is received through grants from development partners such as Ford Foundation and PFMR/DANIDA. During the period under review, The OCOB received a grant from Ford Foundation to support the end of term activities. The financial assistance received under PFMR/DANIDA was mainly for capacity building for the County officials on their role in the budget-making process and review of budget planning documents.

During the year ended 30th June 2020, there were no instances of non-compliance with terms and conditions which have resulted in the cancellation of external assistance grants.

❖ **Other receipts**

These include Appropriation-in-Aid and relates to receipts such as proceeds from the disposal of assets and sale of tender documents. These are recognized in the financial statements the time associated cash is received. During the FY 2019/20, the OCOB disposed of items worth **Kshs.86, 859**. This amount has since been refunded to the exchequer account.

❖ **Interest Earned**

Interest earned includes interest recognized as receipts in the period in which they are earned. The OCOB earned interest amounting to **Kshs.5,077,387.42** on staff mortgage at the rate of 91 day Treasury bills minus one. This is reported in a separate financial statement (Annex 6)

f) Recognition of payments

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

❖ **Compensation of Employees**

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

❖ **Use of Goods and Services**

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

❖ **Acquisition of Assets-Non Financial**

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

A fixed asset register is maintained by the OCOB and a summary provided for purposes of consolidation. This summary is disclosed as an annexure to the financial statements (Annex 4)

❖ **Acquisition of Assets- Financial (Domestic Lending and On Lending)**

The OCOB received **Kshs.100 million** to cater for staff mortgage funds. This amount was transferred to the fund Manager (Housing Finance Corporation). This is reported in a separate financial statement (Annex 6)

OFFICE OF THE CONTROLLER OF BUDGET
Reports and Financial Statements
For the year ended June 30, 2020

g) In-kind contributions

In-kind contributions are donations that are made to the Entity in the form of actual goods and/or services rather than in money or cash terms. These donations may include vehicles, equipment or personnel services. Where the financial value received for in-kind contributions can be reliably determined, the Entity includes such value in the statement of receipts and payments both as receipts and as payments in equal and opposite amounts; otherwise, the contribution is not recorded. . During the period under review, the OCOB did not receive any contributions in-kind.

h) Third-Party Payments

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

i) Cash and Cash Equivalent

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and various commercial banks at the end of the financial year.

j) Restriction on Cash

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

Amounts maintained in deposit bank accounts are restricted for use in refunding third party deposits. As at 30th June 2020, this amounted to **Kshs 1,858,587** compared to **Kshs 6,095,454** in the prior period as indicated on note 16.11

There were no other restrictions on cash during the year.

OFFICE OF THE CONTROLLER OF BUDGET
Reports and Financial Statements
For the year ended June 30, 2020

k) Accounts Receivable

For these financial statements, imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year are treated as receivables. This is in recognition of the government practice where the imprest payments are recognized as payments when fully accounted for by the imprest or AIE holders. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements. During the period under review, the OCOB had issued a salary advance amounting to **Kshs.110,000** to a member of staff. The recovery during the period amounted to **Kshs.58,667** hence an outstanding balance of **Kshs. 51, 333**. There was no outstanding imprest issued as at the close of the financial year.

l) Accounts Payable

For these financial statements, deposits and retentions held on behalf of third parties have been recognized on an accrual basis (as accounts payables). This is in recognition of the government practice of retaining a portion of contracted services and works pending the fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. This is an enhancement to the cash accounting policy adopted by National Government Ministries and Agencies. Other liabilities including pending bills are disclosed in the financial statements.

m) Pending Bills

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

n) Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest and deposits, which are accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by

OFFICE OF THE CONTROLLER OF BUDGET
Reports and Financial Statements
For the year ended June 30, 2020

Parliament on June 2019 for the period 1st July 2019 to 30th June 2020 as required by Law and there were three supplementary adjustments to the original budget during the year.

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

o) Comparative Figures

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

p) Subsequent Events

There have been no events after the financial year-end with a significant impact on the financial statements for the year ended 30th June 2020.

q) Errors

Material prior period errors shall be corrected retrospectively in the first set of financial statements authorized for issue after their discovery by i. restating the comparative amounts for the prior period(s) presented in which the error occurred; or ii. If the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and net assets/equity for the earliest prior period presented. During the year, no errors that have been corrected

r) Related Party Transactions

Related party relationships are a normal feature of commerce. The OCOB had no related party to disclose as the compensation for the Accounting Officer is made directly from the Consolidated Fund Services (CFS)

16. NOTES TO THE FINANCIAL STATEMENTS

16.1 EXCHEQUER RELEASES

Item Description	Item Code	2019-2020	2018-2019
		Kshs	Kshs
Total Exchequer Releases for Quarter 1	9910201	116,267,200	97,548,100
Total Exchequer Releases for Quarter 2	9910201	106,945,660	101,465,600
Total Exchequer Releases for Quarter 3	9910201	160,213,379	123,000,000
Total Exchequer Releases for quarter 4	9910201	216,046,690	229,318,600
TOTAL		599,472,929	551,332,300

The OCOB budgeted exchequer amount was Kshs. **Kshs.703, 100,000**. This was revised downwards to **Kshs.678, 100,000** during Supplementary Budget Estimate. The OCOB received exchequer amounting to **Kshs. 599,472,929** in FY 2019/20 compared to **Kshs. 551,332,300** recorded in the FY 2018/19. This is representing a 9% increase in the two consecutive periods.

16.2 PROCEEDS FROM DOMESTIC AND FOREIGN GRANTS

Item Description	Item Code	2019-2020	2018-2019
		Kshs	Kshs
Grant Received from Multilateral Donors(International Organizations)			
Ford Foundation	7310000	4,765,000	5,712,290
TOTAL		4,765,000	5,712,290

During the year under review, the OCOB received a grant of **Kshs. 4,765,000** from Ford Foundation to support the end of year term activities.

OFFICE OF THE CONTROLLER OF BUDGET
Reports and Financial Statements
For the year ended June 30, 2020

16.3 COMPENSATION OF EMPLOYEES

Item Description	Item Code	2019-2020	2018-2019
		Kshs	Kshs
Basic Salaries - Permanent Employees	2110100	193,499,877	185,901,807
Basic Wages - Temporary Employees	2110200	1,692,001	2,460,193
Personal Allowances paid as part of Salary	2110300	78,529,810	77,373,477
Employer Contributions to Compulsory National Social Security Schemes, Staff Pension Scheme	2120100	30,512,806	31,545,884
TOTAL		304,234,494	297,281,360

The total payment for the compensation of employees for FY 2019/20 stood at **Kshs. 304,234,494** representing a 2% increase compared to **Kshs. 297,281,360** recorded in the FY 2018/19. This is attributed to the annual increase of staff basic salaries, salaries for new staff, and interns who were recruited during the financial year; and employer contributions to the staff pension scheme at 20% upon the conversion of staff from contract terms to permanent and pensionable terms.

16.4 USE OF GOODS AND SERVICES

Item Description	Item Code	2019-2020	2018-2019
		Kshs	Kshs
Utilities, Supplies and Services	2110100	1,500	12,300
Communication, Supplies and Services	2110200	8,756,746	9,727,058
Domestic Travel and Subsistence, and Other Transportation Costs	2210300	9,311,993	12,475,079
Foreign Travel and Subsistence, and other transportation costs	2210400	8,135	3,519,355
Printing, Advertising and Information Supplies and	2210500	60,716,379	54,581,230

OFFICE OF THE CONTROLLER OF BUDGET
Reports and Financial Statements
For the year ended June 30, 2020

Services			
Rentals of Produced Assets	2210600	2,103,249	2,101,239
Training Expenses	2210700	2,873,076	10,445,359
Hospitality Supplies and Servi	2210800	8,824,519	10,338,421
Insurance Costs	2210900	41,063,261	34,001,301
Specialized Materials and Supp	2211000	1,151,538	876,150
OCOB and General Supplies and Services	2211100	7,973,551	7,179,996
Fuel Oil and Lubricants	2211200	2,570,083	3,192,000
Other Operating Expenses	2211300	6,626,964	7,596,334
Routine Maintenance - Vehicles	2220100	5,471,397	5,918,122
Routine Maintenance - Other Assets	2220200	1,696,573	1,842,983
TOTAL		159,148,964	163,806,927

The total payment for the use of goods and services for FY 2019/20 stood at **Kshs. 159,148,964** representing a 3% decrease compared to **Kshs. 163,806,927** recorded in the FY 2018/19. This decrease is due to scaling down of planned activities during the FY 2019/20 as a result of budgetary cuts and the effects of COVID-19 pandemic.

16.5 SOCIAL SECURITY BENEFITS

Item Description	Item Code	2019-2020	2018-2019
		Kshs	Kshs
Government Pension and Retirement Benefits	2710100	10,793,555	33,561,152
TOTAL		10,793,555	33,561,152

The social security benefit relates to the pension payments to seconded staff and gratuity for staff whose contracts ended during the year.

OFFICE OF THE CONTROLLER OF BUDGET
Reports and Financial Statements
For the year ended June 30, 2020

The total payment for the social security benefits for FY 2019/20 stood at **Kshs. 10,793,555** representing a 68% decrease compared to **Kshs. 33,561,152** recorded in the FY 2018/19. This was due to the reduction in the number of staff whose contracts ended within the financial year under review.

16.6 ACQUISITION OF ASSETS-NON- FINANCIAL

Item Description	Item Code	2019-2020	2018-2019
		Kshs	Kshs
Purchase of Motor Vehicles	3110700	21,987,259	-
Purchase of OCOB Furniture and General Equipment	3111000	1,746,595	732,195
Purchase of Specialized Plant, Equipment and Machinery	3111100	-	3,781,600
TOTAL		23,733,854	4,513,795

The total payment for the acquisition of assets for FY 2019/20 stood at **Kshs. 23,733,854** representing a 426% increase compared to **Kshs. 4,513,795** recorded in the FY 2018/19. The significant increase is attributed to the purchase of motor vehicles during the financial year under review

16.7 ACQUISITION OF ASSETS- FINANCIAL

Item Description	Item Code	2019-2020	2018-2019
		Kshs	Kshs
Domestic Lending and On-lending(Mortgage Scheme)	4110000	100,000,000	50,000,000
TOTAL		100,000,000	50,000,000

During the year under review, the mortgage fund stood at **Kshs.100,000,000** which was a 100% increment from the FY 2018-19 to cater for implementation of the Big 4 Agenda projects and enablers as contained in Medium Term Plan II 2018-2022(Affordable Housing) for staff mortgage scheme paid to Housing Finance Corporation.

OFFICE OF THE CONTROLLER OF BUDGET
Reports and Financial Statements
For the year ended June 30, 2020

16.8 EXPENDITURE FROM DOMESTIC AND FOREIGN GRANTS

Item Description	Item Code	2019-2020	2018-2019
Expenditure from Multilateral Donors(International Organizations)		Kshs	Kshs
Ford Foundation	7310000	4,765,000	5,712,290
TOTAL		4,765,000	5,712,290

During the year under review, the OCOB made payments amounting to **Kshs. 4,765,000** from Ford Foundation grant to cater for the end of year term activities.

16.9 A: BANK ACCOUNTS

Name of Bank, Account Number & Currency	Amount in Bank account currency	Account Type	Item Code	2019-2020	2018-2019
	Kshs			Kshs	Kshs
Central Bank of Kenya Bank, A/C 1000181338, Kshs	1,181,291	Recurrent	6530000	1,181,291	1,502,251
Central Bank of Kenya Bank ,A/C 1000182369,Kshs	1,858,587	Deposit	6550000	1,858,587	6,095,454
TOTAL	3,039,878			3,039,878	7,597,705

-OFFICE OF THE CONTROLLER OF BUDGET
Reports and Financial Statements
For the year ended June 30, 2020

16.9 B: CASH IN HAND

Item Description	Item Code	2019-2020	2018-2019
		Kshs	Kshs
Cash in Hand-Held in domestic currency Headquarters, Bima House Building, 12th-floor cash office	6580000	329,439	666,815
TOTAL		329,439	666,815

Cash in hand should also be analyzed as follows:

Item Description	Item Code	2019-2020	2018-2019
		Kshs.	Kshs
Location: Headquarters, Bima House Building, 12th-floor cash office	6580000	329,439	666,815
TOTAL		329,439	666,815

NB: Cash Count certificates (F.O 51) for the above amount has been provided as an attachment to the financial statements

16.10 ACCOUNTS RECEIVABLES

Item Description	Item Code	Bank Account Type	2019-2020	2018-2019
			Kshs	Kshs
Salary Advance	6740000	Recurrent	51,333	-
TOTAL			51,333	-

The amount relates to salary advance given to a member of staff during the financial year under review.

Name of Officer	Date taken	Amount Taken	Amount Recovered	Balance
		Kshs	Kshs	Kshs
Sarah Sakha	30.11.2019	110,000	58,667	51,333
TOTAL		110,000	58,667	51,333

OFFICE OF THE CONTROLLER OF BUDGET
Reports and Financial Statements
For the year ended June 30, 2020

16.11 ACCOUNTS PAYABLE

Item Description	Item Code	Bank Account Type	2019-2020	2018-2019
			Kshs	Kshs
Retention	7320000	Deposit	200,000	698,256
Other Liabilities(deposit)	7310000	Deposit	1,658,587	5,397,198
TOTAL			1,858,587	6,095,454

This amount includes retention on bid bond fees paid by Losagi Insurance forbidding insurance services and Ford Foundation grant given to conduct capacity building exercise for county officials on matters of budget-making process and planning.

16.12 FUND BALANCE BROUGHT FORWARD

Item Description	Item Code	2019-2020	2018-2019
		Kshs	Kshs
Opening Balance Bank	9990100	7,597,705	2,851,205
Opening Balance Cash	9990200	666,815	177,239
Opening Balance Receivables - Imprest and Clearance Accounts	9990300	-	-
Opening Balance - Deposits	9990100	(6,095,454)	(1,967,560)
TOTAL		2,169,066	1,060,885

The opening bank and cash balance brought forward represent unutilized balance at the closure of the financial year. The unspent balance is refunded to the Exchequer account as per Section 45(2) Public Finance Management (PFM) Act, 2012. The difference in the opening balance in the deposit account was as a result of remittance of retention monies.

OFFICE OF THE CONTROLLER OF BUDGET
Reports and Financial Statements
For the year ended June 30, 2020

16.13 CHANGES IN RECEIVABLES –SALARY ADVANCE

Item Description	Item Code	2019-2020	2018-2019
		Kshs	Kshs
Payables at the beginning of the Year	7320000	-	-
Payables at the end of the Year	7320000	51,333	-
TOTAL		(51,333)	-

16.14 CHANGES IN PAYABLES -DEPOSITS AND RETENTIONS

Item Description	Item Code	2019-2020	2018-2019
		Kshs	Kshs
Payables at the beginning of the Year	7320000	6,095,454	1,967,560
Payables at the end of the Year	7320000	1,858,587	6,095,454
TOTAL		(4,236,867)	4,127,894

16.15 PRIOR YEAR ADJUSTMENTS

Item Description	2019-2020	2018-2019
	Kshs	Kshs
Adjustments on bank account balances-Remittances to Exchequer-Recurrent Bank Balance-The National Treasury (FY 2018/19 Balances)	1,502,251	883,646
Adjustments on cash in hand-Remittances to Exchequer-Cash Balance-The National Treasury (FY 2018/19 Balances)	666,815	177,239
TOTAL	2,169,066	1,060,885

Prior year adjustments relate to the fund balances brought forward which were refunded to the exchequer hence adjusted by a reduction on the bank and cash balances during the year.

OFFICE OF THE CONTROLLER OF BUDGET
Reports and Financial Statements
For the year ended June 30, 2020

16.16 ANALYSIS OF THE DEPOSIT ACCOUNT

Description	2019-2020	2018-2019
	Kshs	Kshs
Retention-Fine Tops Enterprises	-	1,257
Retention –Specicom Technologies Ltd	-	497,000
Bid Bond-Losagi Insurance	200,000	200,000
The National Treasury - Commissions(payload)	16,867	77,998
Insurance Refund	82,540	310,940
Tender Bond-Losagi Insurance	-	145,500
Ford Foundation	1,164,620	4,372,710
EFT Collections	-	490,049
CIC Insurance Medical Refund	394,560	-
TOTAL	1,858,587	6,095,454

OFFICE OF THE CONTROLLER OF BUDGET
Reports and Financial Statements
For the year ended June 30, 2020

17. ANNEXES

ANNEX 1: Other Pending Payables

Item Description	Item Code	Balance b/f FY 2018/2019	Additions for the period	Paid during the year	Balance c/f FY 2019/2020
		Kshs	Kshs	Kshs	Kshs
Amounts due to National Government entities	7310100	77,998	298,635	359,766	16,867
Amounts due to OCOB	7310100	5,319,199	2,339,310	6,016,789	1,641,720
Amounts due to third parties	7320200	698,257	-	498,257	200,000
TOTAL		6,095,454	2,637,945	6,874,812	1,858,587


OFFICE OF THE CONTROLLER OF BUDGET
Reports and Financial Statements
For the year ended June 30, 2020

ANNEX 2: Progress on Follow Up of Auditor Recommendations


Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
Misclassification of Mortgage Funds	The amount of Kshs.50,000,000 being staff mortgage was expensed and classified as acquisition of assets and also wrongly included in the summary of fixed assets register. The Auditor recommended a journal voucher should be raised to reclassify the mortgage funds into current assets and charge economic item 2820200-Capital Transfers to Public Institutions and Enterprises.	The Office uses Cash Basis of accounting in which the template classifies the funds as part of Acquisition of Assets. Furthermore, a journal entry will imply that the Office incurred expenditure without a budget line. We would, however recommend that the issue be sorted out at the budget making process in the next accounting period.	Pamela Okatch(Chief Manager Finance & Accounts)	Not Resolved. A letter drafted, dated 5th February 2020 to PS, The National Treasury through the Director General Accounting Services and Quality Assurance to seek for assistance.	

OFFICE OF THE CONTROLLER OF BUDGET
Reports and Financial Statements
For the year ended June 30, 2020


The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The OCOB financial statements was approved on 28th September 2020 and signed by:



Controller of Budget
Name: CPA Dr. Margaret Nyakang'o
ICPAK Member: 2145



Chief Manager Finance and Accounts
Name: CPA Pamela Okatch
ICPAK Member Number: 7884



Director Corporate Services
Name: CPA Macklin Ogolla
ICPAK Member: 4077

OCOB OF THE CIONTROLLE OF BUDGET
Reports and Financial Statements
For the year ended June 30, 2020

ANNEX 3 - Analysis of other Pending Payables

Name	Brief Transaction Description	Outstanding Balance 2019	Outstanding Balance 2020	Comments
		c	d=a-b	
Amounts due to National Govt Entities				
1. The National Treasury	Payroll commission	77,998	16,867	
Sub-Total	-	77,998	16,867	
Amounts due to County Govt Entities				
2. NONE	-	-	-	
Sub-Total	-	-	-	
Amounts due to Third Parties				
3. Retention -Specicom Technologies Ltd	Retention	497,000	-	
4. Retention - Pong Agencies	Retention	1,257	-	
5. Tender Bond-Real Insurance	Retention	200,000	200,000	
Sub-Total	-	698,257	200,000	
Others (specify)				
6. Losagi Insurance Broker	Insurance Compensation	145,500	-	
7. Insurance	Insurance Compensation	800,989	477,100	
8. Ford Foundation	Grant	4,372,710	1,164,620	
Sub-Total		5,319,199	1,641,720	
Grand Total		6,095,454	1,858,587	

OFFICE OF THE CONTROLLER OF BUDGET
Reports and Financial Statements
For the year ended June 30, 2020

ANNEX 4 – Summary of Fixed Asset Register

Asset class	Item Code	Historical Cost b/f	Additions during the Year	Disposals during the Year	Historical Cost c/f
		Kshs	Kshs	Kshs	Kshs
Non-Financial Assets		125,422,713	23,733,854	86,859	149,069,708
Refurbishment of buildings	3110300	2,328,000	-	-	2,328,000
Vehicles and Other Transport Equipment	3110700	26,799,000	21,987,259	-	48,786,259
OCOB Furniture and General Equipment	3111000	73,380,678	1,746,595	86,859	75,040,414
Specialised Plant, Equipment and Machinery	3111100	22,915,035	-	-	22,915,035
Financial Assets		50,000,000	100,000,000	-	150,000,000
Domestic Lending and On-Lending(Mortgage)	4110000	50,000,000	100,000,000	-	150,000,000
TOTAL		175,422,713	123,733,854	86,859	299,069,708

The balance as at the end of the year is the cumulative cost of all assets bought by the OCOB.

Additions during the year amounting to **Kshs. 23,733,854** are assets acquired during the year (see note 16.6). However, the amount in figures in the table above;

- ❖ Does not include the cost of vehicles worth **Kshs 45,484,472** which were earlier bought through the National Treasury funding before the OCOB was voted.
- ❖ Include payment for staff loan mortgage scheme amounting to **Kshs.100,000,000**
- ❖ During the year, assets were disposed of amounting to **Kshs. 86,859**.

OFFICE OF THE CONTROLLER OF BUDGET

Reports and Financial Statements

For the year ended June 30, 2020

ANNEX 5 – List of Projects implemented by the OCOB

Ref	Project Name	The principal activity of the project	Accounting Officer	The project consolidated in these financial statements(yes/no)
1	The OCOB did not have any capital formation project during the year under review			

OFFICE OF THE CONTROLLER OF BUDGET
Reports and Financial Statements
For the year ended June 30, 2020

ANNEX 6 – List of SCSs, SAGAs and Public funds under the OCOB

Ref	SC, SAGA or Public Fund's name	The principal activity of the entity	Accounting Officer	Amount transferred during the year	Inter- entity reconciliations done?(yes/no)
1	Public Fund- OCOB Mortgage Fund	Provide loan scheme for OCOB Staff members	Controller of Budget	Ksh.100 million	Yes

*The OCOB has maintained separate financial statements for the Mortgage Fund Account prepared under IPSAS Accrual Basis.

OFFICE OF THE CONTROLLER OF BUDGET
Reports and Financial Statements
For the year ended June 30, 2020

ANNEX 7- Reports Generated from IFMIS

The following financial Reports Generated from IFMIS is attached as appendices to these financial statements.

- ❖ GOK IFMIS Comparison Trial Balance
- ❖ FO30 (Bank reconciliations) for all bank accounts
- ❖ GOK IFMIS Receipts and Payments Statement
- ❖ GOK IFMIS Statement of Financial Position
- ❖ GOK IFMIS Statement of Cash Flows
- ❖ GOK IFMIS Notes to the Financial Statements
- ❖ GOK IFMIS Statement of Budget Execution
- ❖ GOK IFMIS Statement of Deposits
- ❖ GOK IFMIS Budget Execution by Programme and Economic Classification
- ❖ GOK IFMIS Budget Execution by Heads and Programmes
- ❖ GOK IFMIS Budget Execution by Programmes and Sub-programmes

Annex 6

THE REPUBLIC OF KENYA
OFFICE OF THE CONTROLLER OF BUDGET



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Harambee Avenue
P.O. Box 35616-00100
Nairobi Kenya

OFFICE OF THE CONTROLLER OF BUDGET

OCOB MORTGAGE FUND REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2020

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

TABLE OF CONTENTS

TABLE OF CONTENTS	2
1. KEY ENTITY INFORMATION AND MANAGEMENT	3
2. THE CONTROLLER OF BUDGET FOREWORD REPORT	7
3. CORPORATE GOVERNANCE STATEMENT	9
4. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING	11
5. REPORT OF THE COMMITTEE	12
6. STATEMENT OF MANAGEMENT'S RESPONSIBILITIES	13
7. REPORT OF THE INDEPENDENT AUDITOR	15
8. FINANCIAL STATEMENTS	16
8.1. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30th JUNE 2020.....	16
8.2. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020	17
8.3. STATEMENT OF CHANGES IN NET ASSETS AS AT 30 JUNE 2020	18
8.4. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2020.....	19
8.5. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE PERIOD ENDED 30th JUNE 2020	20
8.6. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	21
8.7. NOTES TO THE FINANCIAL STATEMENTS	26
9. PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS	31

1. KEY ENTITY INFORMATION AND MANAGEMENT

a) i) Background information

The Office of the Controller of Budget (OCOB) was established under Article 228(1) of the Constitution of Kenya (COK) 2010. The OCOB was further operationalized through the enactment of the Controller of Budget Act, 2016.

The rationale for the creation of the OCOB as an independent office under the Constitution of Kenya, 2010 was to address the demand by the public for separation of financial management functions; that is; controlling, monitoring, evaluating and reporting on budget implementation from the auditing function. The OCOB seeks among other issues, to promote prudent financial management, fiscal discipline and equitable allocation of available resources to improve transparency and accountability in the budget implementation process, particularly with the inception of the devolved system of government, which requires stringent budgetary control.

Prudent financial management will ensure that the country fast tracks the implementation of the programs and flagship projects envisaged in Kenya's vision 2030. The OCOB is headed by the Controller of Budget who is responsible for the policy and strategic leadership of the organization.

ii) OCOB Mortgage Scheme Fund

The OCOB Mortgage Scheme Fund is a revolving fund established pursuant to the Salaries and Remuneration Commission (SRC) circular number SRC/ADM/CIR/1/13 Vol. III (128) dated 17th December 2014. Further, the fund was established and administered as provided under Section 24 (4) (5) (6) (7) of the PFM Act, 2012 and section 127 (1) (2) of the PFM (National Government) Regulations, 2015.

Section 84 of the Public Finance Management (PFM) Act 2012 mandates the administrator of public funds with the preparation of annual financial statements.

For proper management of the fund and as advised by the SRC in the circular under the reference, the Office of the Controller of Budget developed Staff Mortgage Scheme

Guidelines, 2018 and adopted the PFM Act, 2012 and PFM Regulations, 2015 to guide in the operationalization of the fund.

The fund is under the management of the Housing Finance Corporation-Kenya (HFCK). The role of the bank is to provide administration services for the fund.

The SRC in its circular reference SRC/ADM/CIR/1/13 Vol. III (128) dated 17th December 2014 provided guidelines for access of car loan and mortgage benefits by state and public officers. Arising therefrom, the Office of the Controller of Budget approved and adopted the OCOB Mortgage Scheme Guidelines, 2018 on 1st March, 2019.

The fund is wholly owned by the Office of the Controller of Budget and is domiciled in Kenya.

b) Principal Activities

The principal activity of the fund is to provide mortgage loans to OCOB staff.

Vision

OCOB Vision envisages a country where public funds are utilized prudently.

The OCOB Mortgage Fund envisages being a Fund of Choice for Staff.

Mission

OCOB Mission is to oversee implementation of Government budgets through timely authorization of withdrawals from Public Funds and reporting on utilization.

The Fund's Mission is to provide affordable, accessible and sustainable mortgage loans to staff in line with the Big Four and Vision, 2030.

Core Values

Integrity

- We shall uphold honesty, fairness and professional ethics in all our undertakings.

Transparency and accountability

- We are committed to promoting transparency in our work and shall be accountable for our decisions or actions.

Professionalism

- We shall adhere to best practices, professional standards and ethics to continuously improve service delivery.

Independence

- We execute our constitutional mandate firmly and without fear or favour.

Creativity and Innovativeness

- We are a learning organization that is committed to continuous improvement of our processes in order to deliver value to our customers.

Teamwork

- The staff work as one team and will collaborate with stakeholders in the realization of our mandate.

Staff Mortgage Scheme Management Committee

S/NO	NAME	NAME
1.	CPA Macklin Ogolla	Chairperson
2	CPA Mark Kipkoech	Member
3.	Ms Irene Arimi	Member
4	Ms Judith Muli	Member
5	Dr Anthony Lusuli	Member
6	CPA Pamela Okatch	Member
7	Mr George Tuti	Secretary

c) Registered Offices

Entity Headquarters

Office of the Controller of Budget
Bima House 12th Floor
Harambee Avenue
P.O. Box 35616-00100
Telephone: (254) 020-2211068
E-mail: cob@cob.go.ke
Website: www.cob.go.ke
Nairobi, Kenya

d) Fund Contacts

Office of the Controller of Budget
P.O. Box 35616-00100
Telephone: +254 (0) 20 318939, 2211056
E-mail: cob@cob.go.ke
Website: www.cob.go.ke

e) Fund Bankers

1. Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
Nairobi, Kenya
2. Housing Finance Company of Kenya Ltd
HFC Mortgage Division
Head Office: Rehani House, Kenyatta Avenue / Koinange Street
P.O. Box 30088-00100
Mobile number: 0709 438 000 & 0709 438 888
Email: customer.service@hfgroup.co.ke or mybank@hfgroup.co.ke

f) Independent Auditors

Auditor General.
Office of the Auditor General
Anniversary Towers, University Way
P.O. Box 30084-00100
Nairobi, Kenya

g) Principal Legal Adviser

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

2. THE CONTROLLER OF BUDGET FORWARD REPORT

It is my pleasure to forward, on behalf of the fund administration committee, the Office of the Controller of Budget mortgage fund financial statements for the year ended 30th June, 2020. The financial statements present the financial performance of the fund over the past financial year.

Review of performance

Income

The fund earned revenues amounting to **Kshs. 105,077,378.42** from both non-exchange and exchange transactions. The income received from non-exchange transaction includes transfer from the national government of **Kshs 100,000,000** while **KShs. 5,077,378.42** was earned through exchange transactions from interest income in the fixed term deposit account. Since inception a total sum of **Kshs 150,000,000** has been received from the exchequer for the mortgage fund. Overall revenue increased by 67.8% from the previous financial year.

Expenditures

A part from withholding tax on interest of **Kshs. 761,608.11** that was charged at a prevailing tax rate of 15% on interest income earned, there was no any other expenditure incurred or charged in the fund during the year under review. Generally, the committee did not disburse any loan during the period due to Covid-19 implications and a few applications received that were at various stages of approval as at the period end.

Future outlook

The outlook of the Fund for FY 2020/2021 looks brighter. The fund hopes to establish other funds like car loan funds. The fund focus is looking to build a robust and sustainable fund with a motivated workforce and structures that enhance efficiency and effectiveness in the service delivery. The fund looks forward to continued support from the National Government and other stakeholders to the realization of its mandate.

Appreciation

I take this opportunity to express my sincere gratitude and appreciation to the national government, development partners, stakeholders, management, staff and fund committee members for their continued support which made us achieve these results.

I look forward to your continued support in the year 2020/2021.

Signed:  _____

Controller of Budget
Name: CPA Dr. Margaret Nyakang'o
ICPAK Member: 2145

3. CORPORATE GOVERNANCE STATEMENT

THE MORTGAGE FUND

The OCOB Mortgage Fund scheme is a revolving fund established pursuant to the Salaries and Remuneration Commission (SRC) circular number SRC/ADM/CIR/1/13 Vol. III (128) dated 17th December 2014 and Section 24 (4)(5)(6)(7) of the Public Finance Management (PFM) Act 2012 and 127 (1)(2) of the PFM (National Government) Regulations, 2015. Its mandate is to provide car loans to members of staff. The fund is committed to ensuring compliance with regulatory and supervisory corporate governance requirements. Essential to the establishment of a corporate governance framework in the fund is a formal governance structure with the committee at its apex. The operations of the fund are governed by OCOB Staff Mortgage Scheme Guidelines, 2018 approved on 1st March, 2019 and PFM Act, 2012, PFM Regulations, SRC Circulars, National Treasury Circulars and any other government legislations.

THE FUND MANAGEMENT COMMITTEE

Section 6 & 8 of the OCOB Staff Mortgage Guidelines of 2018 provides for appointment of committee and administrator of the fund. The committee is made up of seven members including the chairperson and a secretary. The committee is responsible for the long-term strategic direction of the fund. The committee exercises leadership, enterprise, integrity and judgment in directing the Fund.

The committee members are provided with full, appropriate and timely information that enables them to maintain full and effective control over the strategic, financial, operational and compliance issues. The day-to-day running of the operations of the fund is delegated to the fund administrator but the committee is responsible for establishing and maintaining the fund's system of internal controls for the realization of its mandate.

COMMITTEE MEETINGS

The committee meets quarterly or as required in order to monitor the implementation of the fund's strategic plan and achievement of the targets. The committee also plays an oversight role over all other financial and operational issues.

STATEMENT OF COMPLIANCE

The committee confirms that the fund has throughout the FY2019/2020 complied with all statutory and regulatory requirements and that the fund has been managed in accordance with the principles of good corporate governance.

INTERNAL CONTROL AND RISK MANAGEMENT

Internal Control

The committee is responsible for reviewing the effectiveness of the fund's system of internal control which is designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against unauthorized use or disposition and the maintenance of proper accounting records and the reliability of financial information used within the business or for publication. These controls are designed to manage rather than eliminate the risk of failure to achieve business objectives due to circumstances which may reasonably be foreseen and can only provide reasonable and not absolute assurance against material misstatement or loss.

Management Team

The management team headed by the Fund Administrator implements the committee decisions and policies through action plans. The team meets regularly to review these action plans to ensure that the committee's objectives are achieved effectively and efficiently.

Auditor

The fund is audited by the Auditor-General.

4. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

Corporate social responsibility is an integral part of our culture. As a responsible organisation, we respect the interests of our stakeholders – our employees, customers, suppliers and the wider community and we actively seek opportunities both to improve the environment and to contribute to the well-being of the communities around us.

During the financial year 2019/20, the fund did not carry-out any CSR due to the instability brought about by Covid-19 pandemic and the adherence to the measures put in place by the government thereon to curb the pandemic. We are looking forward to getting involved more in CSR activities in FY 2020/21, and the management team has been tasked with coming up with more CSR ideas.

5. REPORT OF THE COMMITTEE

The committee submit their report together with the audited financial statements for the year ended June 30, 2020 which show the state of the fund affairs.

Principal activities

The principal activity of the fund is to provide financing to the members of staff to purchase, develop or renovate residential property.

Results

The results of the Fund for the year ended June 30, 2020 are set out on pages 16 to 21

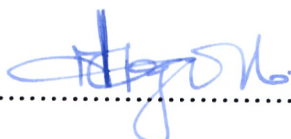
Committee

The members of the committee who served during the year are as shown on page 5. There were no changes in the committee during the FY 2019/20.

Auditors

The Auditor General is responsible for the statutory audit of the Fund in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015.

By Order of the Committee



.....
Committee Chair

Name: CPA Macklin Ogolla

ICPAK Member: 4077

Date: 28th September 2020.

6. STATEMENT OF MANAGEMENT'S RESPONSIBILITIES

Section 84 of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Administrator of a National Public Fund established under the constitution or an act of parliament shall prepare financial statements for the Fund in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

The Administrator of the National Public Fund is responsible for the preparation and presentation of the Fund's financial statements, which give a true and fair view of the state of affairs of the Fund for and as at the end of the financial year ended on June 30, 2020. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Fund; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Fund; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Administrator of the National Public Fund accepts responsibility for the Fund's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012. The Administrator of the Fund is of the opinion that the Fund's financial statements give a true and fair view of the state of Fund's transactions during the financial year ended June 30, 2020, and of the Fund's financial position as at that date. The Administrator further confirm the completeness of the accounting records maintained for the Fund, which have been relied upon in the preparation of the Fund's financial statements as well as the adequacy of the systems of internal financial control.

In preparing the financial statements, the Administrator of the National Public Fund has assessed the Fund's ability to continue as a going concern and disclosed, as applicable, matters relating to the use of going concern basis of preparation of the financial statements. Nothing has come to the attention of the Administrator to indicate that the Fund will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The Fund's financial statements were approved by the Committee on 28th September 2020 and signed on its behalf by:



**Mortgage Fund Administrator
CPA Pamela Okatch
ICPAK Member Number: 7884**

7. REPORT OF THE INDEPENDENT AUDITOR

8. FINANCIAL STATEMENTS

8.1. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30th JUNE 2020

	Note	FY2019/2020	FY2018/2019
		KShs	KShs
Revenue from non-exchange transactions			
Transfers from the National Government	1	100,000,000	50,000,000
		100,000,000	50,000,000
Revenue from exchange transactions			
Interest income	2	5,077,387.42	-
		5,077,387.42	-
Total revenue		105,077,387.42	50,000,000
Expenses			
Finance costs	3	761,608.11	-
Total expenses		(761,608.11)	-
		104,315,779.31	50,000,000
Other gains/(losses)			
Gain/(loss) on disposal of assets	4	-	-
Surplus/(Deficit) for the period		4,315,779.31	-

The notes set out on page 27 to 33 form an integral part of these Financial Statements

8.2. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020

	Note	FY2019/2020 KShs	FY2017/2018 KShs
Assets			
Current assets			
Cash and cash equivalents	11	154,315,779.31	50,000,000
		154,315,779.31	50,000,000
Non-current assets		-	-
Total assets		154,315,779.31	50,000,000
Liabilities			
Current liabilities		-	-
Non-current liabilities		-	-
Total liabilities		-	-
Net assets		154,315,779.31	50,000,000
Revolving Fund		150,000,000	50,000,000
Reserves		-	-
Accumulated surplus		4,315,779.31	-
Total Equity		154,315,779.31	50,000,000

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 28th September 2020 and signed by:



Name: CPA Macklin Ogolla
 ICPAK Member: 4077
 Committee Chair



CPA Pamela Okatch
 ICPAK Member Number: 7884
 Mortgage Fund Administrator

OFFICE OF THE CONTROLLER OF BUDGET MORTGAGE SCHEME FUND
Reports and Financial Statements
For the year ended June 30, 2020

8.3. STATEMENT OF CHANGES IN NET ASSETS AS AT 30 JUNE 2020

	Revolving Fund	Revaluation Reserve	Accumulated surplus	Total
		KShs	KShs	KShs
Balance as at 1 July 2018	-	-	-	-
Surplus/(deficit) for the period	-	-	-	-
Funds received during the year	50,000,000	-	-	50,000,000
Revaluation gain	-	-	-	-
Balance as at 30 June 2019	50,000,000	-	-	50,000,000
Balance as at 1 July 2019	50,000,000	-	-	50,000,000
Surplus/(deficit) for the period	-	-	4,315,779.31	4,315,779.31
Funds received during the year	100,000,000	-	-	100,000,000
Revaluation gain	-	-	-	-
Balance as at 30 June 2020	100,000,000	-	4,315,779.31	154,315,779.31

5.4. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2020

	Note	FY2019/2020	FY2018/2019
		KShs	KShs
Cash flows from operating activities			
Receipts			
Transfers from the National Government		100,000,000	50,000,000
Interest received		5,077,387.42	
Receipts from other operating activities			
Total Receipts		105,077,387.42	50,000,000
Payments			
Finance cost		761,608.11	
Total Payments		761,608.11	
Net cash flows from operating activities	21	104,315,779.31	50,000,000
Cash flows from investing activities		-	-
Purchase of property, plant, equipment and intangible assets		-	-
Proceeds from sale of property, plant and equipment		-	-
Proceeds from loan principal repayments		-	-
Loan disbursements paid out		-	-
Net cash flows used in investing activities		-	-
Cash flows from financing activities			
Proceeds from revolving fund receipts			
Additional borrowings			
Repayment of borrowings			
Net cash flows used in financing activities		-	-
Net increase/(decrease) in cash and cash equivalents		104,315,779.31	50,000,000
Cash and cash equivalents at 1 JULY	15	50,000,000	-
Cash and cash equivalents at 30 JUNE	15	154,315,779.31	50,000,000

8.5. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE PERIOD ENDED 30th JUNE 2020

	Original budget 2019/20	Adjustments 2019/20	Final budget 2019/20	Actual on comparable basis 2019/20	Performance difference 2019/20	% utilisation 2019/20
	KShs	KShs	KShs	KShs	KShs	
Revenue						
Public contributions and donations	-	-	-	-	-	-%
Transfers from National Govt.	100,000,000	-	100,000,000	100,000,000	-	100%
Interest income	5,077,387.42	-	5,077,387.42	5,077,387.42	-	-%
Other income						100%
Total income	105,077,387.42		105,077,387.42	105,077,387.42	-	100%
Expenses						
Finance cost	761,608.11		761,608.11	761,608.11	-	100%
Total expenditure	761,608.11		761,608.11	761,608.11		100%
Surplus for the period	4,315,779.31		4,315,779.31	4,315,779.31		100%

8.6. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Statement of compliance and basis of preparation

The Fund's financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS). The financial statements are presented in Kenya shillings, which is the functional and reporting currency of the Fund. The accounting policies have been consistently applied to all the years presented.

The financial statements have been prepared on the basis of historical cost, unless stated otherwise. The cash flow statement is prepared using the direct method. The financial statements are prepared on accrual basis.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the entity and can be measured reliably.

ii) Revenue from exchange transactions

Interest income

Interest income is accrued using the effective yield method. The effective yield discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this yield to the principal outstanding to determine interest income each period.

3. Budget information

The original budget for FY 2018/2019 approved by the National Assembly for the OCOB was Kshs 618,170,000 with an allocation of Kshs 50,000,000 towards the mortgage fund account. Further, the original budget for FY 2019/20 was Kshs 703,100,000. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Fund recorded additional appropriations of Kshs 100,000,000 on the 2019-2020 budgets following the national assembly approval.

The entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual

OFFICE OF THE CONROLLER OF BUDGET MORTGAGE SCHEME FUND
Reports and Financial Statements
For the year ended June 30, 2020

basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts.

In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget.

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section 12.5 of these financial statements.

OFFICE OF THE CONTROLLER OF BUDGET MORTGAGE SCHEME FUND
Reports and Financial Statements
For the year ended June 30, 2020

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4. Borrowing costs

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment. Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

5. Related parties

The Entity regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the Entity, or vice-versa. Members of key management are regarded as related parties and comprise the Fund Administrator and the Fund Accountant.

6. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term cash-impressts and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

7. Comparative figures

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

8. Events after the reporting period

There were no material adjusting and non- adjusting events after the reporting period.

9. Ultimate and Holding Entity

The entity is a National Public Fund established by Section 84 of the Public Finance Management (PFM) Act 2012. Its ultimate parent is the OCOB.

10. Currency

The financial statements are presented in Kenya Shillings (KShs).

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

11. Financial risk management

The Fund's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The Fund's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The Fund does not hedge any risks and has in place policies to ensure that credit is only extended to customers with an established credit history.

OFFICE OF THE CONROLLER OF BUDGET MORTGAGE SCHEME FUND
Reports and Financial Statements
For the year ended June 30, 2020

8.7. NOTES TO THE FINANCIAL STATEMENTS

1. Transfers from County Government

Description	FY2019/2020	FY2018/2019
	KShs	KShs
Transfers from National Govt. – operations	100,000,000	50,000,000
Payments by County on behalf of the entity	-	-
Total	100,000,000	50,000,000

2. Interest income

Description	FY2019/2020	FY2018/2019
	KShs	KShs
Interest income from loans (mortgage or car loans)	-	-
Interest income earned on deposits	5,077,387.42	
Total interest income	5,077,387.42	-

OFFICE OF THE CONTROLLER OF BUDGET MORTGAGE SCHEME FUND
Reports and Financial Statements
For the year ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. Finance costs

Description	FY2019/2020	FY2018/2019
	KShs	KShs
Interest on Bank overdrafts		
Interest on loans from banks		
Withholding Tax on interest income	761,608.11	-
Total	761,608.11	-

4. Cash and cash equivalents

Description	FY2019/2020	FY2018/2019
	KShs	KShs
Fixed deposits account	154,315,779.31	50,000,000
On – call deposits		
Current account		
Others		
Total cash and cash equivalents	154,315,779.31	50,000,000

(The amount should agree with the closing and opening balances as included in the statement of cash flows)

OFFICE OF THE CONTROLLER OF BUDGET MORTGAGE SCHEME FUND
Reports and Financial Statements
For the year ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Detailed analysis of the cash and cash equivalents are as follows:

		FY2019/2020	FY2018/2019
Financial institution	Account number	KShs	KShs
a) Fixed deposits account			
Housing Finance Company Ltd	9289753401-0	154,315,779.31	50,000,000
Sub- total		154,315,779.31	50,000,000
b) On - call deposits			
Sub- total		-	-
c) Current account			
Sub- total		-	-
d) Others(specify)			
Cash in transit		-	-
Cash in hand			
M Pesa			
Sub- total		-	-
Grand total		154,315,779.31	50,000,000

1. Cash generated from operations

	FY2019/2020	FY2018/2019
	KShs	KShs
Surplus for the year before tax		
Adjusted for:		
Interest income	5,077,387.42	-
Finance cost	761,608.11	
Working Capital adjustments		
Decrease in inventory		

OFFICE OF THE CONTROLLER OF BUDGET MORTGAGE SCHEME FUND
Reports and Financial Statements
For the year ended June 30, 2020

(Increase)/Decrease in receivables	100,000,000	50,000,000
Increase in payables		
Net cash flow from operating activities	104,315,779.31	50,000,000

2. Related party balances

a) Nature of related party relationships

Entities and other parties related to the Fund include those parties who have ability to exercise control or exercise significant influence over its operating and financial decisions. Related parties include management personnel, their associates and close family members. The fund/scheme is related to the following entities:

- a) Office of the Controller of Budget
- b) Housing Finance Company of Kenya;
- c) Mortgage Scheme Committee; and
- d) Key management personnel.

OFFICE OF THE CONTROLLER OF BUDGET MORTGAGE SCHEME FUND
Reports and Financial Statements
For the year ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

b) Related party transactions

	FY2019/2020	FY2018/2019
	KShs	KShs
Transfers from related parties'	100,000,000	50,000,000
Transfers to related parties		
Total	100,000,000	50,000,000

c) Due from related parties

	FY2019/2020	FY2018/2019
	KShs	KShs
Due from parent Ministry		
Due from National Government	100,000,000	50,000,000
Total	100,000,000	50,000,000

d) Due to related parties

	FY2019/2020	FY2018/2019
	KShs	KShs
Due to parent Ministry		
Due to National Government		
Due to Key management personnel		
Total		

OFFICE OF THE CONTROLLER OF BUDGET MORTGAGE SCHEME FUND
Reports and Financial Statements
For the year ended June 30, 2020

9. PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

The fund was established in FY 2018/19 and became operational in FY 2019/2020

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)

Guidance Notes:

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



Trial Balance Comparison Report

Entity: 2121-Controller of Budget

Current Period: JUL-19 To JUN-20

Compare With: JUL-18 To ADJ2-19

Account No and Description	Current Period		Previous period	
	Debit Balance	Credit Balance	Debit Balance	Credit Balance
	Kshs	Kshs	Kshs	Kshs
1420601 Sale of Tender Documents	0.00	0.00	0.00	0.00
1420600 Receipts from Sale of Incidental Goods	0.00	0.00	0.00	0.00
1420000 Sales of Goods and Services	0.00	0.00	0.00	0.00
2110101 Basic Salaries - Civil Service	0.00	0.00	0.00	0.00
2110106 Basic Salaries - Commissioners	193,499,877.05	0.00	185,901,806.70	0.00
2110100 Basic Salaries - Permanent Employees	193,499,877.05	0.00	185,901,806.70	0.00
2110202 Casual Labour - Others	1,692,001.00	0.00	2,460,193.05	0.00
2110200 Basic Wages - Temporary Employees	1,692,001.00	0.00	2,460,193.05	0.00
2110301 House Allowance	38,753,641.35	0.00	36,699,155.60	0.00
2110303 Acting Allowance	480,274.35	0.00	0.00	0.00
2110307 Hardship Allowance	2,600,340.00	0.00	2,667,600.00	0.00
2110311 Transfer Allowance	930,000.00	0.00	3,351,770.00	0.00
2110313 Entertainment Allowance	758,000.00	0.00	906,428.60	0.00
2110314 Transport Allowance	11,506,124.75	0.00	11,076,621.25	0.00
2110315 Extraneous Allowance	21,398,209.10	0.00	20,548,994.70	0.00
2110317 Domestic Servant Allowance	1,091,220.00	0.00	1,117,907.00	0.00
2110319 Top-up House Allowance	0.00	0.00	0.00	0.00
2110320 Leave Allowance	1,012,000.00	0.00	1,005,000.00	0.00
2110300 Personal Allowances paid as part of Salary	78,529,809.55	0.00	77,373,477.15	0.00
2110000 Wages and Salary Contributions	273,721,687.60	0.00	265,735,476.90	0.00
2120101 Employer Contributions to National Social Security Fund	295,400.00	0.00	281,400.00	0.00
2120103 Employer Contribution to Staff Pensions Scheme	30,217,405.90	0.00	31,264,483.50	0.00
2120100 Employer Contributions to Compulsory National Social Security Schemes	30,512,805.90	0.00	31,545,883.50	0.00
2120000 Social Contributions	30,512,805.90	0.00	31,545,883.50	0.00
2210101 Electricity	1,500.00	0.00	12,300.00	0.00
2210102 Water and Sewerage Charges	0.00	0.00	0.00	0.00
2210100 Utilities, Supplies and Services	1,500.00	0.00	12,300.00	0.00
2210201 Telephone, Telex, Facsimile and Mobile Phone Services	4,651,259.10	0.00	4,969,503.70	0.00
2210202 Internet Connections	2,057,641.75	0.00	3,179,899.55	0.00
2210203 Courier & Postal Services	2,047,845.00	0.00	1,577,655.00	0.00
2210200 Communication, Supplies and Services	8,756,745.85	0.00	9,727,058.25	0.00
2210301 Travel Costs (airlines, bus, railway, mileage allowances, etc.)	1,239,133.00	0.00	1,936,079.00	0.00
2210302 Accommodation - Domestic Travel	7,647,500.00	0.00	9,703,600.00	0.00
2210304 Sundry Items (e.g. airport tax, taxis, etc?)	207,960.00	0.00	473,900.00	0.00
2210305 Shipment of Personal and Household Effects	217,400.00	0.00	361,500.00	0.00
2210300 Domestic Travel and Subsistence, and Other Transportation Costs	9,311,993.00	0.00	12,475,079.00	0.00
2210401 Travel Costs (airlines, bus, railway, etc.)	8,135.00	0.00	1,767,485.00	0.00
2210403 Daily Subsistence Allowance	0.00	0.00	1,716,872.15	0.00
2210404 Sundry Items (e.g. airport tax, taxis, etc?)	0.00	0.00	34,997.85	0.00
2210400 Foreign Travel and Subsistence, and other transportation costs	8,135.00	0.00	3,519,355.00	0.00
2210502 Publishing & Printing Services	58,847,480.00	0.00	53,116,990.00	0.00
2210503 Subscriptions to Newspapers, Magazines and Periodicals	1,868,898.70	0.00	1,464,240.00	0.00
2210504 Advertising, Awareness and Publicity Campaigns	0.00	0.00	0.00	0.00
2210500 Printing, Advertising and Information Supplies and Services	60,716,378.70	0.00	54,581,230.00	0.00
2210603 Rents and Rates - Non-Residential	2,103,249.00	0.00	2,101,239.00	0.00
2210600 Rentals of Produced Assets	2,103,249.00	0.00	2,101,239.00	0.00
2210701 Travel Allowance	158,485.00	0.00	93,450.00	0.00
2210702 Remuneration of Instructors and Contract Based Training Services	1,522,780.00	0.00	3,757,878.00	0.00

Account No and Description	Current Period		Previous period	
	Debit Balance	Credit Balance	Debit Balance	Credit Balance
2210704 Hire of Training Facilities and Equipment	811,711.00	0.00	5,404,191.00	0.00
2210710 Accommodation Allowance	380,100.00	0.00	1,004,240.00	0.00
2210711 Tuition Fees Allowance	0.00	0.00	185,600.00	0.00
2210700 Training Expenses	2,873,076.00	0.00	10,445,359.00	0.00
2210801 Catering Services (receptions), Accommodation, Gifts, Food and Drinks	7,284,976.80	0.00	8,135,365.00	0.00
2210802 Boards, Committees, Conferences and Seminars	1,539,542.60	0.00	2,203,056.00	0.00
2210800 Hospitality Supplies and Servi	8,824,519.40	0.00	10,338,421.00	0.00
2210901 Group Personal Insurance	2,270,600.00	0.00	2,120,996.80	0.00
2210903 Plant, Equipment and Machinery Insurance	0.00	0.00	403,815.00	0.00
2210904 Motor Vehicle Insurance	1,028,689.00	0.00	1,682,306.00	0.00
2210910 Medical Insurance	37,763,972.20	0.00	29,794,183.20	0.00
2210900 Insurance Costs	41,063,261.20	0.00	34,001,301.00	0.00
2211009 Education and Library Supplies	420,238.00	0.00	270,000.00	0.00
2211016 Purchase of Uniforms and Clothing - Staff	731,300.00	0.00	606,150.00	0.00
2211000 Specialised Materials and Supp	1,151,538.00	0.00	876,150.00	0.00
2211101 General Office Supplies (papers, pencils, forms, small office equipment etc)	2,709,830.00	0.00	3,112,033.00	0.00
2211102 Supplies and Accessories for Computers and Printers	4,489,055.00	0.00	3,531,038.00	0.00
2211103 Sanitary and Cleaning Materials, Supplies and Services	774,666.00	0.00	536,925.00	0.00
2211100 Office and General Supplies and Services	7,973,551.00	0.00	7,179,996.00	0.00
2211201 Refined Fuels and Lubricants for Transport	2,570,083.00	0.00	3,192,000.00	0.00
2211200 Fuel Oil and Lubricants	2,570,083.00	0.00	3,192,000.00	0.00
2211301 Bank Service Commission and Charges	74,340.00	0.00	80,810.00	0.00
2211305 Contracted Guards and Cleaning Services	3,434,550.00	0.00	3,179,900.00	0.00
2211306 Membership Fees, Dues and Subscriptions to Professional and Trade Bodies	895,074.30	0.00	1,077,623.85	0.00
2211308 Legal Dues/fees, Arbitration and Compensation Payments	698,000.00	0.00	1,160,000.00	0.00
2211310 Contracted Professional Services	1,525,000.00	0.00	2,098,000.00	0.00
2211300 Other Operating Expenses	6,626,964.30	0.00	7,596,333.85	0.00
2210000 Goods and Services	151,980,994.45	0.00	156,045,822.10	0.00
2220101 Maintenance Expenses - Motor Vehicles	5,471,397.00	0.00	5,918,122.00	0.00
2220100 Routine Maintenance - Vehicles	5,471,397.00	0.00	5,918,122.00	0.00
2220201 Maintenance of Plant, Machinery and Equipment (including lifts)	0.00	0.00	70,000.00	0.00
2220202 Maintenance of Office Furniture and Equipment	113,568.80	0.00	343,227.00	0.00
2220205 Maintenance of Buildings and Stations -- Non-Residential	127,519.00	0.00	82,400.00	0.00
2220210 Maintenance of Computers, Software, and Networks	1,455,485.00	0.00	1,347,356.00	0.00
2220200 Routine Maintenance - Other Assets	1,696,572.80	0.00	1,842,983.00	0.00
2220000 Routine Maintenance	7,167,969.80	0.00	7,761,105.00	0.00
2710102 Gratuity - Civil Servants	10,793,554.90	0.00	33,561,151.80	0.00
2710107 Monthly Pension - Civil Servants	0.00	0.00	0.00	0.00
2710100 Government Pension and Retirement Benefits	10,793,554.90	0.00	33,561,151.80	0.00
2710000 Social Security Benefits	10,793,554.90	0.00	33,561,151.80	0.00
3110302 Refurbishment of Non-Residential Buildings	0.00	0.00	0.00	0.00
3110300 Refurbishment of Buildings	0.00	0.00	0.00	0.00
3110701 Purchase of Motor Vehicles	21,987,259.00	0.00	0.00	0.00
3110700 Purchase of Vehicles and Other Transport Equipment	21,987,259.00	0.00	0.00	0.00
3111001 Purchase of Office Furniture and Fittings	450,000.00	0.00	0.00	0.00
3111002 Purchase of Computers, Printers and other IT Equipment	0.00	0.00	0.00	0.00
3111009 Purchase of other Office Equipment	1,296,595.00	0.00	732,195.00	0.00
3111000 Purchase of Office Furniture and General Equipment	1,746,595.00	0.00	732,195.00	0.00
3111111 Purchase of ICT Networking and Communication Equipment	0.00	0.00	3,781,600.00	0.00
3111112 Purchase of Software	0.00	0.00	0.00	0.00
3111100 Purchase of Specialised Plant,	0.00	0.00	3,781,600.00	0.00

Account No and Description	Current Period		Previous period	
	Debit Balance	Credit Balance	Debit Balance	Credit Balance
Equipment and Machinery				
3110000 Acquisition of Fixed Capital Assets	23,733,854.00	0.00	4,513,795.00	0.00
4110403 Housing loans to public servants	100,000,000.00	0.00	50,000,000.00	0.00
4110400 Domestic Loans to Individuals and Households	100,000,000.00	0.00	50,000,000.00	0.00
4110000 Domestic Lending and On-lending	100,000,000.00	0.00	50,000,000.00	0.00
6520101 Exchequer Account/CRF Account	0.00	0.00	0.00	0.00
6520100 Treasury Bank Accounts	0.00	0.00	0.00	0.00
6520000 Treasury Bank Accounts (Exchequer and CRF Accounts)	0.00	0.00	0.00	0.00
6530101 Ministry HQ Recurrent Bank A/C	1,181,290.35	0.00	1,502,250.70	0.00
6530100 Recurrent Bank Accounts	1,181,290.35	0.00	1,502,250.70	0.00
6530000 Recurrent Bank Accounts	1,181,290.35	0.00	1,502,250.70	0.00
6550101 Ministry HQ Deposit Bank A/C	1,858,587.20	0.00	6,095,454.15	0.00
6550100 Deposit Bank Accounts	1,858,587.20	0.00	6,095,454.15	0.00
6550000 Deposit Bank Account	1,858,587.20	0.00	6,095,454.15	0.00
6580101 Cash	329,439.00	0.00	666,815.00	0.00
6580104 Cash in Transit	0.00	0.00	0.00	0.00
6580100 Cash in Hand	329,439.00	0.00	666,815.00	0.00
6580000 Cash in Hand	329,439.00	0.00	666,815.00	0.00
6710103 Salary advance	51,333.20	0.00	0.00	0.00
6710100 Debtors & Advances - Employees	51,333.20	0.00	0.00	0.00
6710000 Domestic Debtors & Advances	51,333.20	0.00	0.00	0.00
6740101 Prepayment	0.00	0.00	0.00	0.00
6740102 R/D Cheques	0.00	0.00	0.00	0.00
6740103 Loss of Cash	0.00	0.00	0.00	0.00
6740100 Other Debtors & Pre-payments	0.00	0.00	0.00	0.00
6740000 Other Debtors & Pre-payments	0.00	0.00	0.00	0.00
6760101 Standing Imprests	0.00	0.00	0.00	0.00
6760103 Temporary Imprests	0.00	0.00	0.00	0.00
6760100 Imprests	0.00	0.00	0.00	0.00
6760000 Government Imprests	0.00	0.00	0.00	0.00
6790102 Receiving Inventory A/C	0.00	0.00	0.00	0.00
6790100 Other Current System A/cs	0.00	0.00	0.00	0.00
6790000 Other Current Assets (System r	0.00	0.00	0.00	0.00
7310111 Miscellaneous Deposits (Surve	0.00	1,658,587.20	0.00	5,397,197.65
7310100 General Deposits Items	0.00	1,658,587.20	0.00	5,397,197.65
7310000 Deposits	0.00	1,658,587.20	0.00	5,397,197.65
7320001 PAYE	0.00	0.00	0.00	0.00
7320002 NHIF	0.00	0.00	0.00	0.00
7320003 House Rent	0.00	0.00	0.00	0.00
7320006 NSSF	0.00	0.00	0.00	0.00
7320007 Co-operatives	0.00	0.00	0.00	0.00
7320008 Insurances	0.00	0.00	0.00	0.00
7320012 Staff Welfare Associations	0.00	0.00	0.00	0.00
7320013 HELB Deductions	0.00	0.00	0.00	0.00
7320017 Govt. Liability Attachments	0.00	0.00	0.00	0.00
7320018 Salary Control Account	0.00	0.00	0.00	0.00
7320000 Other Liabilities	0.00	0.00	0.00	0.00
7320101 PAYE	0.00	0.00	0.00	0.00
7320102 NHIF	0.00	0.00	0.00	0.00
7320103 House Rent	0.00	0.00	0.00	0.00
7320106 NSSF	0.00	0.00	0.00	0.00
7320107 Co-operatives	0.00	0.00	0.00	0.00
7320108 Insurances	0.00	0.00	0.00	0.00
7320112 Staff Welfare Associations	0.00	0.00	0.00	0.00
7320113 HELB Deductions	0.00	0.00	0.00	0.00
7320115 Save As You Earn (SAYE)	0.00	0.00	0.00	0.00
7320116 Mortgages / Bank Loans	0.00	0.00	0.00	0.00
7320118 Provident Fund	0.00	0.00	0.00	0.00
7320123 Civil Service Housing Fund	0.00	0.00	0.00	0.00
7320199 Salary Control Account	0.00	0.00	0.00	0.00
7320100 Salary Deductions	0.00	0.00	0.00	0.00
7320201 Contractors Retention Money	0.00	200,000.00	0.00	698,256.50
7320200 Other General Liabilities	0.00	200,000.00	0.00	698,256.50
7320000 Other Liabilities	0.00	200,000.00	0.00	698,256.50
7380101 General Withholding Tax	0.00	0.00	0.00	0.00
7380102 VAT Withholding	0.00	0.00	0.00	0.00
7380100	0.00	0.00	0.00	0.00
7380000 Withholding Taxes	0.00	0.00	0.00	0.00
7390101 Inventory AP Accrual	0.00	0.00	0.00	0.00
7390103 AP Liabilities	0.00	0.00	0.00	0.00
7390100 System Required Liabilities	0.00	0.00	0.00	0.00
7399999 Cash Clearing A/c	0.00	0.00	0.00	0.00
7399900	0.00	0.00	0.00	0.00
7390000 System Required Liabilities A/cs	0.00	0.00	0.00	0.00

Account No and Description	Current Period		Previous period	
	Debit Balance	Credit Balance	Debit Balance	Credit Balance
9910101 Provision for Encumbrance	0.00	0.00	0.00	0.00
9910100 General Provisions	0.00	0.00	0.00	0.00
9910201 Exchequer Releases/ Provisioning Account	0.00	2,565,808,576.20	0.00	1,966,335,647.00
9910209 Remittances to Exchequer Miscellaneous Revenue	66,346,364.80	0.00	64,177,299.10	0.00
9910200 Exchequer Provisions	66,346,364.80	2,565,808,576.20	64,177,299.10	1,966,335,647.00
9910000 Provisions	66,346,364.80	2,565,808,576.20	64,177,299.10	1,966,335,647.00
9990101 Opening Balance Bank	0.00	64,872,141.05	0.00	64,872,141.05
9990100 Opening Balance Bank	0.00	64,872,141.05	0.00	64,872,141.05
9990201 Opening Balance Cash	0.00	392,236.00	0.00	392,236.00
9990200 Opening Balance Cash	0.00	392,236.00	0.00	392,236.00
9990301 Opening Balance Receivables - Imprest and Clearance Accounts	0.00	657,769.00	0.00	657,769.00
9990300 Opening Balance Receivables - Imprest and Clearance Accounts	0.00	657,769.00	0.00	657,769.00
9990401 Opening Balance - Deposits	2,493,091.70	0.00	2,493,091.70	0.00
9990400 Opening Balance - Deposits	2,493,091.70	0.00	2,493,091.70	0.00
9999998 Vote Control Account	0.00	395,962,740.00	0.00	395,962,740.00
9999999 Consolidated Fund	2,359,381,076.55	0.00	1,810,217,842.25	0.00
9999900	2,359,381,076.55	395,962,740.00	1,810,217,842.25	395,962,740.00
9990000 Opening Balance Reserves	2,361,874,168.25	461,884,886.05	1,812,710,933.95	461,884,886.05
Total	3,029,552,049.45	3,029,552,049.45	2,434,315,987.20	2,434,315,987.20

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

Prepared By: _____

Date: _____

Reviewed By: _____

Date: _____

Approved By: _____

Date: _____

BANK RECONCILIATION

From Date : 01-JUL-19 To : 30-JUN-20

REC-CONTROLLER OF BUDGET

Bank : Central Bank of Kenya , Branch : Haile Selassie , Account Number : 1000181338

Balance as per bank certificate	1,181,290.35
Less --	
1. Payment in Cash Book not yet recorded in Bank Statement (Unpresented Cheques)	
2. Receipts in Bank Statement not yet recorded in Cash Book	
Add --	
3. Payment in Bank Statement not yet recorded in Cash Book	
4. Receipts in Cash Book not yet Recorded in Bank Statement	
Bank Balance as per Cash Book	1,181,290.35

Reconciled by: Signature: Date:

Reviewed by : Signature: Date:

Approved by: Signature: Date:

BANK RECONCILIATION

From Date : 01-JUL-19 To : 30-JUN-20

REC-CONTROLLER OF BUDGET

Bank : Central Bank of Kenya , Branch : Haile Selassie , Account Number : 1000181338

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

Cheque		Payee	Amount
No	Date		
			Total :

2. RECEIPTS IN BANK STATEMENT NOT YET RECORDED IN CASH BOOK

Receipts		Amount
No	Date	
		Total :

3. PAYMENTS IN BANK STATEMENT NOT YET RECORDED IN CASH BOOK

Cheque		Amount
No	Date	
		Total :

4. RECEIPTS IN CASH BOOK NOT YET RECORDED IN BANK STATEMENT

Receipts		Amount
No	Date	
		Total :

BANK RECONCILIATION

From Date : 01-JUL-19 To : 30-JUN-20

DEP-CONTROLLER OF BUDGET

Bank : Central Bank of Kenya , Branch : Haile Selassie , Account Number : 1000182369

Balance as per bank certificate	1,858,587.20
Less --	
1. Payment in Cash Book not yet recorded in Bank Statement (Unpresented Cheques)	
2. Receipts in Bank Statement not yet recorded in Cash Book	
Add --	
3. Payment in Bank Statement not yet recorded in Cash Book	
4. Receipts in Cash Book not yet Recorded in Bank Statement	
Bank Balance as per Cash Book	1,858,587.20

Reconciled by: Signature: Date:

Reviewed by : Signature: Date:

Approved by: Signature: Date:

BANK RECONCILIATION

From Date : 01-JUL-19 To : 30-JUN-20

DEP-CONTROLLER OF BUDGET

Bank : Central Bank of Kenya , Branch : Haile Selassie , Account Number : 1000182369

1. PAYMENTS IN CASH BOOK NOT YET RECORDED IN BANK STATEMENT (UNPRESENTED CHEQUES)			
Cheque			
No	Date		
Total :			
2. RECEIPTS IN BANK STATEMENT NOT YET RECORDED IN CASH BOOK			
Receipts			
No	Date		
Total :			
3. PAYMENTS IN BANK STATEMENT NOT YET RECORDED IN CASH BOOK			
Cheque			
No	Date		
Total :			
4. RECEIPTS IN CASH BOOK NOT YET RECORDED IN BANK STATEMENT			
Receipts			
No	Date		
Total :			



STATEMENT OF RECEIPTS AND PAYMENTS

Entity: 2121-Controller of Budget

Current Period: JUL-19 To JUN-20

Compare With: JUL-18 To JUN-19

	Note	Current Period	Previous Period
RECEIPTS			
Tax Receipts	1	0.00	0.00
Social Security Contribution	2	0.00	0.00
Proceeds from Domestic and Foreign Grants	3	0.00	0.00
Exchequer releases	4	599,472,929.20	551,332,300.00
Transfers from Other Government Entities	5	0.00	0.00
Proceeds from Domestic Borrowings	6	0.00	0.00
Proceeds from Foreign Borrowings	7	0.00	0.00
Proceeds from Sales of Assets	8	0.00	0.00
Reimbursements and Refunds	9	0.00	0.00
Returns of Equity Holdings	10	0.00	0.00
Other Receipts	11	0.00	0.00
TOTAL RECEIPTS		599,472,929.20	551,332,300.00
PAYMENTS			
Compensation of Employees	12	304,234,493.50	297,281,360.40
Use of goods and Services	13	159,148,964.25	163,806,927.10
Subsidies	14	0.00	0.00
Transfers to Other Government Units	15	0.00	0.00
Other Grants and Transfers	16	0.00	0.00
Social Security Benefits	17	10,793,554.90	33,561,151.80
Acquisition of Assets	18	123,733,854.00	54,513,795.00
Finance Costs, including Loan Interest	19	0.00	0.00
Repayment of Principal on Domestic and Foreign Borrowing	20	0.00	0.00
Other payments	21	0.00	0.00
TOTAL PAYMENTS		597,910,866.65	549,163,234.30
SURPLUS/DEFICIT		1,562,062.55	2,169,065.70

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

Prepared By: _____

Date: _____

Reviewed By: _____

Date: _____

Approved By: _____

Date: _____



Statement of Financial Position

Entity: 2121-Controller of Budget

Current Period: JUL-19 To JUN-20

Compare With: JUL-18 To JUN-19

	Note	Current Period	Previous Period
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	22A	3,039,877.55	7,597,704.85
Cash Balances	22B	329,439.00	666,815.00
Total Cash And Cash Equivalents		3,369,316.55	8,264,519.85
Accounts Receivables - Outstanding Imprest and Clearence Accounts	23	51,333.20	0.00
TOTAL FINANCIAL ASSETS		3,420,649.75	8,264,519.85
Financial Liabilities			
Accounts Payables - Deposits	24	1,858,587.20	6,095,454.15
NET FINANCIAL ASSETS		1,562,062.55	2,169,065.70
REPRESENTED BY			
Fund Balance b/fwd	25	2,169,065.70	1,060,884.50
Prior Year Adjustment	26	(2,169,065.70)	(1,060,884.50)
Surplus/Deficit for the Year		1,562,062.55	2,169,065.70
NET FINANCIAL POSITION		1,562,062.55	2,169,065.70

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

Prepared By: _____

Date: _____

Reviewed By: _____

Date: _____

Approved By: _____

Date: _____



STATEMENT OF CASH FLOW

Entity: 2121-Controller of Budget
 Current Period: JUL-19 To JUN-20
 Compare With: JUL-18 To JUN-19

	Note	Current Period	Previous Period
		Kshs	Kshs
Receipts and operating income			
Tax Receipts	1		
Social Security Contribution	2	0.00	0.00
Proceeds from Domestic and Foreign Grants	3	0.00	0.00
Exchequer releases	4		
Transfers from Other Government Entities	5	599,472,929.20	551,332,300.00
Reimbursements and Refunds	9	0.00	0.00
Returns of Equity Holdings	10	0.00	0.00
Other Receipts	11	0.00	0.00
Payments for Operating Expenses			
Compensation of Employees	12	304,234,493.50	297,281,360.40
Use of goods and Services	13	159,148,964.25	163,806,927.10
Subsidies	14	0.00	0.00
Transfers to Other Government Units	15	0.00	0.00
Other Grants and Transfers	16	0.00	0.00
Social Security Benefits	17	10,793,554.90	33,561,151.80
Finance Costs, including Loan Interest	19	0.00	0.00
Other payments	21	0.00	0.00
Adjusted for :			
Adjustments during the year		(4,288,200.15)	4,127,894.20
Prior year adjustments		(2,169,065.70)	(1,060,884.50)
Net Cash From Operating Activities	A	118,838,650.70	59,749,870.40
Cash Flow From Investing Activities			
Proceeds from Sales of Assets	8	0.00	0.00
Acquisition of Assets	18	123,733,854.00	54,513,795.00
Net Cash Flow From Investing Activities	B	(123,733,854.00)	(54,513,795.00)
Cash Flow From Borrowing Activities			
Proceeds from Domestic Borrowings	6	0.00	0.00
Proceeds from Foreign Borrowings	7	0.00	0.00
Repayment of Principal on Domestic and Foreign Borrowing	20	0.00	0.00
Net Cash Flow From Financing Activities	C	0.00	0.00
NET INCREASE IN CASH AND CASH EQUIVALENT	A+B+C	(4,895,203.30)	5,236,075.40
Cash and Cash Equivalent at BEGINNING of The Year		8,264,519.85	3,028,444.45
Cash and Cash Equivalent at END of The Year	22A+22B	3,369,316.55	8,264,519.85

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

Prepared By: _____

Date: _____

Reviewed By: _____

Date: _____

Approved By: _____

Date: _____



NOTES TO THE FINANCIAL STATEMENTS

Entity: 2121-Controller of Budget

Current Period: JUL-19 To JUN-20

Compare With: JUL-18 To JUN-19

1 Tax Receipts

Item Description	Item Code	Current Period	Previous Period
		Kshs	Kshs
Taxes on Income, Profits and Capital Gains	1110000	0.00	0.00
Taxes on Payroll and Workforce	1120000	0.00	0.00
Taxes on Property	1130000	0.00	0.00
Taxes on Goods and Services	1140000	0.00	0.00
Taxes on International Trade and Transactions	1150000	0.00	0.00
Other Taxes (not elsewhere classified)	1160000	0.00	0.00
TOTAL		0.00	0.00

2 Social Security Contribution

Item Description	Item Code	Current Period	Previous Period
		Kshs	Kshs
Health Insurance Contribution	1210100	0.00	0.00
NHIF Health Insurance Contributions	1210200	0.00	0.00
Contributions from Govt. Employees for Social & Welfare Schemes	1210300	0.00	0.00
TOTAL		0.00	0.00

3 Proceeds from Domestic and Foreign Grants

Item Description	Item Code	Current Period	Previous Period
		Kshs	Kshs
Grants from Foreign Governments	1310000	0.00	0.00
Grants from International Organisations	1320000	0.00	0.00
TOTAL		0.00	0.00

4 Exchequer releases

Item Description	Item Code	Current Period	Previous Period
		Kshs	Kshs
Exchequer Releases/ Provisioning Account	9910201	599,472,929.20	551,332,300.00
TOTAL		599,472,929.20	551,332,300.00

5 Transfers from Other Government Entities

Item Description	Item Code	Current Period	Previous Period
		Kshs	Kshs
Grants received by Central Govt from General Govt units	1330100	0.00	0.00
Grants Received from General Govt units by Local Authorities	1330200	0.00	0.00
Grants to Fund Accounts from Central Govt Budget	1330300	0.00	0.00
Grants to other General Govt units from General Govt units	1330400	0.00	0.00
TOTAL		0.00	0.00

6 Proceeds from Domestic Borrowings

Item Description	Item Code	Current Period	Previous Period
		Kshs	Kshs
Borrowing within General Government	5110100	0.00	0.00
Borrowing from Monetary Authorities (Central Bank)	5110200	0.00	0.00
Other Domestic Depository Corporations (Commercial Banks)	5110300	0.00	0.00
Borrowing from Other Domestic Financial Institutions	5110400	0.00	0.00
Borrowing from Other Domestic Creditors	5110500	0.00	0.00
TOTAL		0.00	0.00

7 Proceeds from Foreign Borrowings

Item Description	Item Code	Current Period	Previous Period
		Kshs	Kshs
Foreign Borrowings - Drawdowns through Exchequer	5120100	0.00	0.00
Foreign Borrowing-Direct Payments	5120200	0.00	0.00
Foreign Currency and Foreign Deposits	5120300	0.00	0.00
Other Foreign Accounts Payable	5120400	0.00	0.00
TOTAL		0.00	0.00

8 Proceeds from Sales of Assets

Item Description	Item Code	Current Period	Previous Period
		Kshs	Kshs
Receipts from the Sale of Buildings - Paid to Exchequer	3510100	0.00	0.00
Receipts from the Sale of Buildings	3510200	0.00	0.00
Receipts from sale of other st	3510300	0.00	0.00
Receipts from sale of other st	3510400	0.00	0.00
Receipts from the Sale of Vehicles and Transport Equipment - Paid to Exchequer	3510500	0.00	0.00
Receipts from the Sale of Vehicles and Transport Equipment	3510600	0.00	0.00
Receipts from the Sale of Plant Machinery and Equipment - Paid to Exchequer	3510700	0.00	0.00
Receipts from the Sale Plant Machinery and Equipment	3510800	0.00	0.00
Receipts from Sale of Certified Seeds and Breeding Stock - Paid to Exchequer	3510900	0.00	0.00
Receipts from Sale of Certified Seeds and Breeding Stock	3511000	0.00	0.00
Receipts from the Sale of Strategic Reserves Stocks	3520100	0.00	0.00
Receipts from the Sale of Other Inventories, Stocks, and Commodities	3520200	0.00	0.00
Receipts from the Sale of Inventories, Stocks and Commodities	3520300	0.00	0.00
Receipts from the Sale of Land	3540100	0.00	0.00
Receipts from the Sale of Other Naturally Occurring Non-Produced Assets	3540200	0.00	0.00
Receipts from the Sale of Intangible Non-Produced Assets	3540300	0.00	0.00
Receipts from the Sale of Non-Produced Assets Collected as AIA	3540400	0.00	0.00
Repayments from Loans to Government Agencies and Other Levels of Government	4510100	0.00	0.00
Loans to Non-Financial Public Enterprises	4510200	0.00	0.00
Loans to Financial Institutions	4510300	0.00	0.00
Repayments from Domestic Loans to Individuals and Households	4510400	0.00	0.00
Repayments from lending to Foreign Govts.	4520100	0.00	0.00
Repayments from lending to International Orgns.	4520200	0.00	0.00
Repayments from lending to Foreign Non - Financial Enterps. & Financial Instns.	4520300	0.00	0.00
Repayments from Other Foreign Lending	4520400	0.00	0.00
Sales and Disposals of Equity Holdings in Domestic Public Non - Financial Enterprises	4530100	0.00	0.00
Sales and Disposals of Equity Holdings in Domestic Public Financial Institutions	4530200	0.00	0.00
Sales and Disposals of Other Equity Holdings	4530300	0.00	0.00
Sales and Disposals of Equity Holdings in Foreign Financial Instns. and Domestic Financial Instns. operating abroad	4530400	0.00	0.00
Sales and Disposals of Equity Holdings in Foreign Enterps. Financial Instns. and Domestic Financial Instns. operating abroad	4530500	0.00	0.00
Redemption/ Disposal of Other Financial Assets	4530600	0.00	0.00
Refund of Bonds paid as Deposits for Guarantees	4530700	0.00	0.00
TOTAL		0.00	0.00

9 Reimbursements and Refunds

Item Description	Item Code	Current Period	Previous Period
		Kshs	Kshs
Refund from World Food Programme (WFP)	4540101	0.00	0.00
Reimbursement of Audit Fees	4540102	0.00	0.00
Reimbursement on Messing Charges (UNICEF)	4540103	0.00	0.00
Reimbursement from World Bank - ECD	4540104	0.00	0.00
Reimbursement from Individuals and Private Organizations	4540105	0.00	0.00

Item Description	Item Code	Current Period	Previous Period
Reimbursement from Local Government Authorities	4540106	0.00	0.00
Reimbursement from Statutory Organizations	4540107	0.00	0.00
Reimbursement within Central Government	4540108	0.00	0.00
Reimbursement Using Bonds	4540109	0.00	0.00
Reimbursements and Refunds - Other (Budget)	4540199	0.00	0.00
TOTAL		0.00	0.00

10 Returns of Equity Holdings

Item Description	Item Code	Current Period	Previous Period
		Kshs	Kshs
Returns of Equity Holdings	4550000	0.00	0.00
Returns of Equity Holdings	4610000	0.00	0.00
TOTAL		0.00	0.00

11 Other Receipts

Item Description	Item Code	Current Period	Previous Period
		Kshs	Kshs
Interest Received	1410100	0.00	0.00
Profits and Dividends	1410200	0.00	0.00
Withdrawals from Income of Quasi-corporations	1410300	0.00	0.00
Rents on land, houses and buildings	1410400	0.00	0.00
Other Property Income collected as AIA	1410500	0.00	0.00
	1415000	0.00	0.00
Sales of Market Establishment	1420100	0.00	0.00
Administrative Fees and Charges	1420200	0.00	0.00
Administrative Fees and Charges collected as AIA	1420300	0.00	0.00
Incidental Sales by Non-Market Establishments	1420400	0.00	0.00
Incidental Sales by Non-Market Establishments Collected as AIA	1420500	0.00	0.00
Receipts from Sale of Incidental Goods	1420600	0.00	0.00
Fines, Penalties, Forfeitures and other Charges	1430100	0.00	0.00
Current Grants from International NGOs paid through Exchequer	1440100	0.00	0.00
Capital Grants from International NGOs paid through Exchequer	1440200	0.00	0.00
Current Grants from International NGOs collected as AIA	1440300	0.00	0.00
Capital Grants from International NGOs collected as AIA	1440400	0.00	0.00
Other Voluntary Transfers for Current purposes	1440500	0.00	0.00
Other Voluntary Transfers for Capital purposes	1440600	0.00	0.00
Paid to Exchequer	1450100	0.00	0.00
Receipts Not Classified Elsewhere	1450200	0.00	0.00
	1510200	0.00	0.00
	1510300	0.00	0.00
	1520100	0.00	0.00
Business Permits	1520200	0.00	0.00
Cesses	1520300	0.00	0.00
Poll Rates	1520400	0.00	0.00
Plot Rents	1520500	0.00	0.00
Other Local Levies	1520600	0.00	0.00
Administrative Services Fees	1530100	0.00	0.00
Various Fees	1530200	0.00	0.00
Council'S Natural Resources Exploitation	1530300	0.00	0.00
Sales Of Council Assets	1530400	0.00	0.00
Lease / Rental Of Council'S Infrastructure Assets	1530500	0.00	0.00
Other Miscellaneous Revenues	1530600	0.00	0.00
Other Miscellaneous Revenues	1540100	0.00	0.00
Insurance Claims Recovery	1540200	0.00	0.00
Medium Term Loans (1-3 Yr Repayment)	1540300	0.00	0.00
Long Term Loans (Over 3 Yr Rpayment)	1540400	0.00	0.00
Transfers From Reserve Funds	1540500	0.00	0.00
Donations	1540600	0.00	0.00
Fund Raising Events	1540700	0.00	0.00
Other Revenues From Financial Assets Loan	1540800	0.00	0.00
	1541000	0.00	0.00
Market/Trade Centre Fee	1550100	0.00	0.00
Vehicle Parking Fees	1550200	0.00	0.00
Housing	1560100	0.00	0.00
Social Premises Use Charges	1560200	0.00	0.00
School Fees	1570100	0.00	0.00
Other Education-Related Fees	1570200	0.00	0.00
Other Education Revenues	1570300	0.00	0.00
Public Health Services	1580100	0.00	0.00

Item Description	Item Code	Current Period	Previous Period
Public Health Facilities Operations	1580200	0.00	0.00
Environment & Conservancy Administration	1580300	0.00	0.00
Slaughter Houses Administration	1580400	0.00	0.00
Water Supply Administration	1580500	0.00	0.00
Sewerage Administration	1580600	0.00	0.00
Other Health & Sanitation Revenues	1580700	0.00	0.00
Technical Services Fees	1590100	0.00	0.00
External Services Fees	1590200	0.00	0.00
	1930100	0.00	0.00
System Required Revenue A/cs	1990100	0.00	0.00
TOTAL		0.00	0.00

12 Compensation of Employees

Item Description	Item Code	Current Period	Previous Period
		Kshs	Kshs
Basic Salaries - Permanent Employees	2110100	193,499,877.05	185,901,806.70
Basic Wages - Temporary Employees	2110200	1,692,001.00	2,460,193.05
Personal Allowances paid as part of Salary	2110300	78,529,809.55	77,373,477.15
Personal Allowances paid as Reimbursements	2110400	0.00	0.00
Personal Allowances provided in Kind	2110500	0.00	0.00
Employer Contributions to Compulsory National Social Security Schemes	2120100	30,512,805.90	31,545,883.50
Employer Contributions to Compulsory Health Insurance Schemes	2120200	0.00	0.00
Social Benefit Schemes Outside Government	2120300	0.00	0.00
TOTAL		304,234,493.50	297,281,360.40

13 Use of goods and Services

Item Description	Item Code	Current Period	Previous Period
		Kshs	Kshs
Utilities, Supplies and Services	2210100	1,500.00	12,300.00
Communication, Supplies and Services	2210200	8,756,745.85	9,727,058.25
Domestic Travel and Subsistence, and Other Transportation Costs	2210300	9,311,993.00	12,475,079.00
Foreign Travel and Subsistence, and other transportation costs	2210400	8,135.00	3,519,355.00
Printing , Advertising and Information Supplies and Services	2210500	60,716,378.70	54,581,230.00
Rentals of Produced Assets	2210600	2,103,249.00	2,101,239.00
Training Expenses	2210700	2,873,076.00	10,445,359.00
Hospitality Supplies and Servi	2210800	8,824,519.40	10,338,421.00
Insurance Costs	2210900	41,063,261.20	34,001,301.00
Specialised Materials and Supp	2211000	1,151,538.00	876,150.00
Office and General Supplies and Services	2211100	7,973,551.00	7,179,996.00
Fuel Oil and Lubricants	2211200	2,570,083.00	3,192,000.00
Other Operating Expenses	2211300	6,626,964.30	7,596,333.85
Routine Maintenance - Vehicles	2220100	5,471,397.00	5,918,122.00
Routine Maintenance - Other Assets	2220200	1,696,572.80	1,842,983.00
Exchange Rate Losses	2230100	0.00	0.00
TOTAL		159,148,964.25	163,806,927.10

14 Subsidies

Item Description	Item Code	Current Period	Previous Period
		Kshs	Kshs
Subsidies to Public Corporations	2510000	0.00	0.00
Subsidies to Private Enterprises	2520000	0.00	0.00
TOTAL		0.00	0.00

15 Transfers to Other Government Units

Item Description	Item Code	Current Period	Previous Period
		Kshs	Kshs
Current Grants to Government Agencies and other Levels of Government	2630100	0.00	0.00
Capital Grants to Government Agencies and other Levels of Government	2630200	0.00	0.00
Other Current Transfers, Grants and Subsidies	2640400	0.00	0.00
Other Capital Grants and Trans	2640500	0.00	0.00
TOTAL		0.00	0.00

16 Other Grants and Transfers

Item Description	Item Code	Current Period	Previous Period
		Kshs	Kshs
Grants and Transfers to Foreign Governments	2610100	0.00	0.00
Membership Fees and Dues and Subscriptions to International Organizations	2620100	0.00	0.00
Membership Fees and Dues and Subscriptions to International Organizations (Continued)	2620200	0.00	0.00
Scholarships and other Educational Benefits	2640100	0.00	0.00
Emergency Relief and Refugee Assistance	2640200	0.00	0.00
Grants to Small Businesses, Cooperatives, and Self Employed	2640300	0.00	0.00
	2649900	0.00	0.00
TOTAL		0.00	0.00

17 Social Security Benefits

Item Description	Item Code	Current Period	Previous Period
		Kshs	Kshs
Government Pension and Retirement Benefits	2710100	10,793,554.90	33,561,151.80
Social Security Benefits	2710200	0.00	0.00
Employer Social Benefits	2710300	0.00	0.00
Refund of Pension to UK Government	2720100	0.00	0.00
Refund of Contributions to WCPS and other Ex-Gratia	2720200	0.00	0.00
TOTAL		10,793,554.90	33,561,151.80

18 Acquisition of Assets

Item Description	Item Code	Current Period	Previous Period
		Kshs	Kshs
Purchase of Buildings	3110100	0.00	0.00
Construction of Building	3110200	0.00	0.00
Refurbishment of Buildings	3110300	0.00	0.00
Construction of Roads	3110400	0.00	0.00
Construction and Civil Works	3110500	0.00	0.00
Overhaul and Refurbishment of Construction and Civil Works	3110600	0.00	0.00
Purchase of Vehicles and Other Transport Equipment	3110700	21,987,259.00	0.00
Overhaul of Vehicles and Other Transport Equipment	3110800	0.00	0.00
Purchase of Household Furniture and Institutional Equipment	3110900	0.00	0.00
Purchase of Office Furniture and General Equipment	3111000	1,746,595.00	732,195.00
Purchase of Specialised Plant, Equipment and Machinery	3111100	0.00	3,781,600.00
Rehabilitation and Renovation of Plant, Machinery and Equipment	3111200	0.00	0.00
Purchase of Certified Seeds, Breeding Stock and Live Animals	3111300	0.00	0.00
Research, Feasibility Studies, Project Preparation and Design, Project Supervision	3111400	0.00	0.00
Rehabilitation of Civil Works	3111500	0.00	0.00
Purchase of Specialised Plant	3112200	0.00	0.00
Acquisition of Strategic Stocks	3120100	0.00	0.00
Acquisition of Other Inventori	3120200	0.00	0.00
Acquisition of Land	3130100	0.00	0.00
Acquisition of Other Intangible Assets	3130200	0.00	0.00
Domestic Lending and On-lending	4110000	100,000,000.00	50,000,000.00
Domestic Equity Participation	4120000	0.00	0.00
Other Domestic Accounts Receivable	4130000	0.00	0.00
Foreign Lending and On- Lending	4140000	0.00	0.00
Foreign Equity Participation	4150000	0.00	0.00
Other Foreign Accounts Receivable	4160000	0.00	0.00
TOTAL		123,733,854.00	54,513,795.00

19 Finance Costs, including Loan Interest

Item Description	Item Code	Current Period	Previous Period
		Kshs	Kshs
Interest Payments on Foreign Borrowing	2410100	0.00	0.00
Interest Payments on Guaranteed Debt	2410200	0.00	0.00
Interest on Domestic Borrowing	2420000	0.00	0.00
Interest on Borrowing From Other Government Units	2430000	0.00	0.00
TOTAL		0.00	0.00

20 Repayment of Principal on Domestic and Foreign Borrowing

Item Description	Item Code	Current Period	Previous Period
		Kshs	Kshs
Repayments on Borrowings from General Government	5510100	0.00	0.00
Repayments on Borrowings from Monetary Authorities (Central Bank)	5510200	0.00	0.00
Repayments on Borrowings from Other Domestic Depository Corporations (Commercial Banks)	5510300	0.00	0.00
Repayments on Borrowings from Other Domestic Financial Institutions	5510400	0.00	0.00
Repayments on Borrowings from Other Domestic Creditors	5510500	0.00	0.00
Principal Repayments on Foreign Borrowing	5510600	0.00	0.00
Principal Repayments on Guaranteed Debt Taken over by Government	5520000	0.00	0.00
Principal Repayments on Guaranteed Domestic Debt Taken over by Government	5520100	0.00	0.00
Principal Repayments on Guaranteed Foreign Debt Taken over by Government	5520200	0.00	0.00
Repayments on Borrowings from Other Domestic Creditors	5610000	0.00	0.00
Repayments on Borrowings from Other Domestic Creditors - Private Enterprises	5610500	0.00	0.00
	5620000	0.00	0.00
Repayments on Borrowings from Other Domestic Creditors - Public Enterprises	5620100	0.00	0.00
TOTAL		0.00	0.00

21 Other payments

Item Description	Item Code	Current Period	Previous Period
		Kshs	Kshs
Budget Reserves	2810100	0.00	0.00
Civil Contingency Reserves	2810200	0.00	0.00
Capital Transfer to Non Financial Public Enterprises	2820100	0.00	0.00
Capital Transfer to Public Financial Institutions and Enterprises	2820200	0.00	0.00
Capital Transfer to Private Non-Financial Enterprises	2820300	0.00	0.00
System Required Expenses	2990100	0.00	0.00
	2999900	0.00	0.00
TOTAL		0.00	0.00

22A Bank Balances

Item Description	Item Code	Current Period	Previous Period
		Kshs	Kshs
Special Accounts	6510000	0.00	0.00
Treasury Bank Accounts (Exchequer and CRF Accounts)	6520000	0.00	0.00
Recurrent Bank Accounts	6530000	1,181,290.35	1,502,250.70
Development Bank Accounts	6540000	0.00	0.00
Deposit Bank Account	6550000	1,858,587.20	6,095,454.15
Project Specific Bank Accounts	6570000	0.00	0.00
Foreign Currency and Foreign D	6590101	0.00	0.00
TOTAL		3,039,877.55	7,597,704.85

22B Cash Balances

Item Description	Item Code	Current Period	Previous Period
		Kshs	Kshs
Cash in Hand	6580000	329,439.00	666,815.00
Foreign Currency and Foreign D	6590201	0.00	0.00
TOTAL		329,439.00	666,815.00

23 Accounts Receivables - Outstanding Imprest and Clearance Accounts

Item Description	Item Code	Current Period	Previous Period
		Kshs	Kshs
Domestic Debtors & Advances	6710000	51,333.20	0.00
Debtors & Advances - Govt Owne	6720000	0.00	0.00
Foreign Debtors & Advances	6730000	0.00	0.00
Other Debtors & Pre-payments	6740000	0.00	0.00
Government Imprests	6760000	0.00	0.00
Agency Accounts	6770000	0.00	0.00
Suspense & Clearance Account	6780000	0.00	0.00
Other Current Assets (System r	6790000	0.00	0.00

Item Description	Item Code	Current Period	Previous Period
		Kshs	Kshs
TOTAL		51,333.20	0.00

24. ACCOUNTS PAYABLE

Item Description	Item code	Current Period	Previous Period
		Kshs	Kshs
Other Liabilities	7320000	200,000.00	698,256.50
Deposits	7310000	1,658,587.20	5,397,197.65
Withholding Taxes	7380000	0.00	0.00
System Required Liabilities A/cs	7390000	0.00	0.00
TOTAL		1,858,587.20	6,095,454.15

25. FUND BALANCES BROUGHT FORWARD

Item Description	Item Code	Current Period	Previous Period
		Kshs	Kshs
Opening Balance Bank	22A	7,597,704.85	2,851,205.45
Opening Balance Cash	22B	666,815.00	177,239.00
Opening Balance Receivables - Imprest and Clearance Accounts	23	0.00	0.00
Opening Balance - Deposits	24	(6,095,454.15)	(1,967,559.95)
TOTAL		2,169,065.70	1,060,884.50

26. PRIOR YEAR ADJUSTMENTS

Item Description	Item Code	Current Period	Previous Period
		Kshs	Kshs
County Transfers	9910300	0.00	0.00
Exchequer Provisions	9910200	2,169,065.70	1,060,884.50
TOTAL		2,169,065.70	1,060,884.50



SUMMARY STATEMENT OF DEPOSITS

Entity: 2121-Controller of Budget
Current Period: JUL-19 To JUN-20
Compare With: JUL-18 To JUN-19

Economic Item	6550101 - Ministry HQ Deposit Bank A/C	
	Current Period	Previous Period
Opening Balance	6,095,454.15	1,967,559.95
Transfers of retentions during the year	2,637,944.40	10,857,875.25
Payments made out of deposit account during the year	6,874,811.35	6,729,981.05
Closing Balance	1,858,587.20	6,095,454.15

Principal Secretary
Controller

Principal Accounts

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

Prepared By: _____

Date: _____

Reviewed By: _____

Date: _____

Approved By: _____

Date: _____



Statement of Budget Execution - Recurrent Expenditure

Entity: 2121-Controller of Budget
Current Period: JUL-19 To JUN-20

	Note	Printed Estimate	Reallocation / Transfer	Supplementary Estimates	Final Approved Estimate (Net)	Actual	Budget Utilization Differences	% of Utilization
		a	b	c	d=a+b+c	e	f=d-e	g=e/d%
RECEIPTS								
Tax Receipts	1	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
Social Security Contribution	2	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
Proceeds from Domestic and Foreign Grants	3	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
Exchequer releases	4	0.00	0.00	0.00	0.00	599,472,929.20	(599,472,929.20)	0.00%
Transfers from Other Government Entities	5	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
Proceeds from Domestic Borrowings	6	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
Proceeds from Foreign Borrowings	7	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
Proceeds from Sales of Assets	8	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
Reimbursements and Refunds	9	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
Returns of Equity Holdings	10	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
Other Receipts	11	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
Total		0.00	0.00	0.00	0.00	599,472,929.20	(599,472,929.20)	0.00%
PAYMENTS								
Compensation of Employees	12	175,300,000.00	0.00	161,108,409.00	336,408,409.00	304,234,493.50	32,173,915.50	90.44%
Use of goods and Services	13	117,619,700.50	0.00	88,719,696.50	206,339,397.00	159,148,964.25	47,190,432.75	77.13%
Subsidies	14	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
Transfers to Other Government Units	15	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
Other Grants and Transfers	16	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
Social Security Benefits	17	5,282,799.50	0.00	5,982,799.50	11,265,599.00	10,793,554.90	472,044.10	95.81%
Acquisition of Assets	18	53,347,500.00	0.00	70,739,095.00	124,086,595.00	123,733,854.00	352,741.00	99.72%
Finance Costs, including Loan Interest	19	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
Repayment of Principal on Domestic and Foreign Borrowing	20	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
Other payments	21	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
Total		351,550,000.00	0.00	326,550,000.00	678,100,000.00	597,910,866.65	80,189,133.35	88.17%



Statement of Budget Execution - Recurrent Expenditure

Entity: 2121-Controller of Budget
Current Period: JUL-19 To JUN-20

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

Prepared By: _____

Date: _____

Reviewed By: _____

Date: _____

Approved By: _____

Date: _____



Budget Execution by Programme and Economic Classification

Entity: 2121-Controller of Budget

Period: JUL-19 To JUN-20

Program	Item	Description	Approved Budget	Actual Payments	Variance
0000000000		Default - Non Programmatic	0.00	0.00	0.00
	2990000	System Required Expense A/cs	0.00	0.00	0.00
0730000000		Control and Management of Public finances	678,100,000.00	597,910,866.65	80,189,133.35
	2110000	Wages and Salary Contributions	302,429,276.00	273,721,687.60	28,707,588.40
	2120000	Social Contributions	33,979,133.00	30,512,805.90	3,466,327.10
	2210000	Goods and Services	195,402,596.00	151,980,994.45	43,421,601.55
	2220000	Routine Maintenance	10,936,801.00	7,167,969.80	3,768,831.20
	2710000	Social Security Benefits	11,265,599.00	10,793,554.90	472,044.10
	3110000	Acquisition of Fixed Capital Assets	24,086,595.00	23,733,854.00	352,741.00
	4110000	Domestic Lending and On-lending	100,000,000.00	100,000,000.00	0.00
		Grand Total	678,100,000.00	597,910,866.65	80,189,133.35

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

Prepared By: _____

Date: _____

Reviewed By: _____

Date: _____

Approved By: _____

Date: _____



Budget Execution by Heads and Programmes

Entity: 2121-Controller of Budget

Period: JUL-19 To JUN-20

Head	Program	Description	Approved Budget	Actual Payments	Variance
0000000000		Default Value (Non-Departmental)	0.00	0.00	0.00
	0000000000	Default - Non Programmatic	0.00	0.00	0.00
2121000100		Administration Support Services	426,902,186.00	379,954,316.60	46,947,869.40
	0730000000	Control and Management of Public finances	426,902,186.00	379,954,316.60	46,947,869.40
2121000200		Research and Planning	14,343,300.00	9,386,828.60	4,956,471.40
	0730000000	Control and Management of Public finances	14,343,300.00	9,386,828.60	4,956,471.40
2121000300		Budget Review and Analysis	44,223,759.00	36,198,945.20	8,024,813.80
	0730000000	Control and Management of Public finances	44,223,759.00	36,198,945.20	8,024,813.80
2121000400		County Services	192,630,755.00	172,370,776.25	20,259,978.75
	0730000000	Control and Management of Public finances	192,630,755.00	172,370,776.25	20,259,978.75
		Grand Total	678,100,000.00	597,910,866.65	80,189,133.35

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

Prepared By: _____

Date: _____

Reviewed By: _____

Date: _____

Approved By: _____

Date: _____



Budget Execution By Programmes and Sub-Programmes

Entity: 2121-Controller of Budget

Period: JUL-19 To JUN-20

Program	Sub Program	Description	Approved Budget	Actual Payments	Variance
000000000		Default - Non Programmatic	0.00	0.00	0.00
	000000000	Default - Non Programmatic	0.00	0.00	0.00
073000000		Control and Management of Public finances	678,100,000.00	597,910,866.65	80,189,133.35
	0730010000	Authorization of withdrawal from public Funds	192,630,755.00	172,370,776.25	20,259,978.75
	0730020000	Budget implementation and Monitoring	44,223,759.00	36,198,945.20	8,024,813.80
	0730030000	General Administration Planning and Support Services	426,902,186.00	379,954,316.60	46,947,869.40
	0730040000	Research & Development.	14,343,300.00	9,386,828.60	4,956,471.40
		Grand Total	678,100,000.00	597,910,866.65	80,189,133.35

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

Prepared By: _____

Date: _____

Reviewed By: _____

Date: _____

Approved By: _____

Date: _____