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REPORT

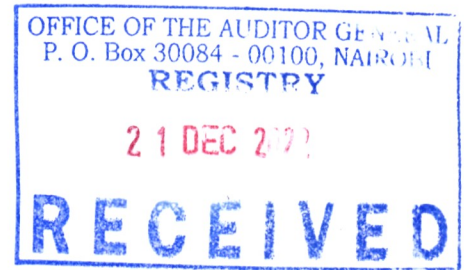
OF

THE AUDITOR-GENERAL

ON

**STATE DEPARTMENT
FOR PUBLIC WORKS**

**FOR THE YEAR ENDED
30 JUNE, 2022**



**MINISTRY OF TRANSPORT, INFRASTRUCTURE, HOUSING, URBAN
DEVELOPMENT AND PUBLIC WORKS**

STATE DEPARTMENT FOR PUBLIC WORKS

REVISED ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

JUNE 30, 2022

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

State Department for Public Works
Annual Reports and Financial Statements
For the year ended June 30, 2022

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1. KEY STATE DEPARTMENT FOR PUBLIC WORKS INFORMATION AND MANAGEMENT

(a) Background information

The Ministry of Transport, Infrastructure, Housing, Urban Development and Public Works was formed through Presidential Executive Order No. 1/2018 of June 2018 (Revised). The Ministry is headed by the Cabinet Secretary for Transport, Infrastructure, Housing, Urban Development and Public Works Mr. James W. Macharia, EGH who is responsible for the general policy and strategic direction of the State Department for Public Works.

The Ministry further consists of five State Departments each administered by a Principal Secretary. The State Departments under the Ministry of Transport, Infrastructure, Housing and Urban Development and Public Works are as follows;

- i. The State Department for Transport administered by Dr. Andrew Njoroge, CBS.
- ii. The State Department for Infrastructure administered by Prof. Arch. Paul M. Maringa, (PhD), CBS, Corp. Arch, MAAK, MKIP.
- iii. The State Department for Housing and Urban Development administered by Mr. Charles Hinga Mwaura.
- iv. The State Department for Public Works Administered by Mr. Solomon Kitungu, CBS.
- v. The State Department for Shipping and Maritime Affairs administered by Ms. Nancy Karingithu, CBS.

The accompanying financial statements constitute the financial statements for the State Department for Public Works.

Vision, Mission, Core Values and Core Functions

The vision, mission, core values and core functions of the State Department for Public Works under Ministry of Transport, Infrastructure, Housing, Urban Development and Public Works include:

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Vision

“Achieve and sustain excellence in regulation of the construction industry, construction and maintenance of public buildings and other public works”

Mission

“To facilitate regulation of the construction industry, construction and maintenance of quality government buildings and other public works for sustainable socio-economic development”

Core Values

The core values that underpin the operations of the State Department for Public Works are;

- i. Professionalism
- ii. Accountability and transparency
- iii. Team spirit
- iv. Impartiality
- v. Innovation and Continuous improvement

Mandate

The mandate of the State Department for Public Works as outlined in the Revised Executive Order No. 1 of 2020 are as follows: Public Works Policy and Planning; National Building Inspection Services; Registration and Regulation of Contractors, Civil Works and Material Suppliers; Registration of Civil, Building and Electro-mechanical Contractors; Standardization and Maintenance of Plants, Equipment and Vehicle; Maintenance of Inventory of Government Property; Registration of Engineers, Architects and Quantity Surveyors; Setting and Management of Building and Construction Standards and Codes; Provision of Mechanical and Electrical Building Services; Supplies Branch; Coordination of Procurement of Common User Items by Government Ministries; Building Research Services and Other Public Works.

Core functions

The core functions of the State Department for Public Works as espoused in its mandate and envisioned in Medium Term Plan III of the vision 2030 are as follows;

i. Improvement of Living and Working Conditions in Government Buildings:

These include completion of stalled public buildings; design, documentation and supervision to completion of new government buildings; and rehabilitation and maintenance of existing government buildings as requested by government ministries, agencies, departments and county governments.

ii. Development and Maintenance of Coastline Infrastructure and Pedestrian Access:

These involve construction and maintenance of Jetties and Seawalls to improve movement into and out of waters, and protect land and property in low lying areas from erosion, flooding and sea wave action. It further involves construction of footbridges that facilitates access to areas of difficult terrain.

iii. Regulation and Development of Construction Industry

This involves regulation of the construction industry, research on cost effective building materials; and audit / inspection of buildings to ascertain their safety for occupation.

iv. Procurement of common user items for government institutions:

This involves procurement of term supply contracts and preparation of framework agreements to be used for procurement of common user items by other government institutions.

(b) Key Management

The State Department for Public Works day-to-day management is under the following key organs:

- Cabinet Secretary's office
- Principal Secretary's office
- Works Secretary's office
- Secretary Administration's office

(c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2022 and who had direct fiduciary responsibility were:

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No.	Designation	Name
i.	Cabinet Secretary, Ministry of Transport, Infrastructure, Housing, Urban Development and Public Works	Mr. James W. Macharia, EGH -
ii.	Principal Secretary, State Department for Public Works	Mr. Solomon Kitungu, CBS
iii.	Secretary Administration	Dr. C. T. Muchiri
iv.	Works Secretary	Qs. A. N. Okweto, EBS
v.	Head of Accounts	CPA. Samuel Kung'u

(d) Fiduciary Oversight Arrangements

The State Department had in place a Budget Implementation Committee composed of Heads of Department and all AIE Holders which was chaired by the Principal Secretary with Chief Finance Officer as the Secretary. The role of this committee was to ensure that the budget is implemented according the Public Financial Management Act and other financial regulations. The Audit Committee's role is to provide an independent expert assessment on the quality of the activities of the management and the internal audit function.

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(e) State Department for Public Works Headquarters

P.O. Box 30743-00100
Works Building/
Ngong/ Road Community Area
NAIROBI, KENYA

State Department for Public Works Contacts

Telephone: (254) (0)202723101
E-mail: info@publicworks.go.ke
Website: publicworks.go.ke

(f) State Department for Public Works Bankers

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

(g) Independent Auditors

Auditor General
Office of Auditor General
Anniversary Towers, University Way
P.O. Box 30084
GPO 00100
NAIROBI, KENYA

(h) Principal Legal Adviser

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

2. STATEMENT BY THE CABINET SECRETARY



***Mr James Macharia, EGH,
Cabinet Secretary, Ministry
Transport, Infrastructure,
Housing & Urban Development***

The State Department for Public Works is responsible for development and maintenance of Government Buildings and Public Works. It is mandated to provide policy direction and coordinate all matters related to construction, rehabilitation and maintenance of Public Buildings and Other Public Works. In discharging its functions, the State Department is guided by detailed mandate through Revised Executive Order No. 1 of 2020 notably: Public Works Policy and Planning; National Building Inspection Services; Registration and Regulation of Contractors, Civil Works and Material Suppliers; Registration of Civil, Building and Electro-mechanical Contractors; Standardization and Maintenance of Plants, Equipment and Vehicles; Maintenance of Inventory of Government Property; Registration of Engineers, Architects and Quantity Surveyors; Setting and Management of Building and Construction Standards and Codes; Provision of Mechanical and Electrical Building Services; Supplies Branch; Coordination of Procurement of Common User Items by Government Ministries; Building Research and Services and Other Public Works funded by the exchequer.

CABINET SECRETARY

**MINISTRY OF TRANSPORT, INFRASTRUCTURE, HOUSING & URBAN
DEVELOPMENT**

3. STATEMENT BY THE PRINCIPAL SECRETARY

Budget Performance

In the financial year 2021/22, the State Department for Public Works had a gross budget of **KShs. 4,120,495,638** which was made up of **KShs. 3,092,695,638** for recurrent vote and **KShs. 1,027,800,000** for development vote. The State Department was to expend the gross budget of **KShs. 4,120 million** under the following four programmes:

Programmes	Approved Budget Allocation		
	Actual Payments	Variance	
	KShs	KShs	KShs
Government Buildings	1,023,545,629	1,011,816,217	11,729,412
Coastline Infrastructure Development and Pedestrian Access	351,449,454	340,588,770	10,860,684
General Administration Planning and Support Services	360,308,502	351,175,606	9,132,896
Regulation and Development of Construction Industry	2,385,192,053	1,412,330,641	972,861,412
	4,120,495,638	3,115,911,234	1,004,584,404

Programme 1: Government Buildings

The objective of this programme is to improve the living and working conditions in Government Buildings through development of cost-effective public buildings. This programme was allocated Kshs. **1,023,545,629** representing **25%** of the total budget. The allocated amount was spent under the following sub programmes:

- i. Completion of Stalled and New Government Buildings
- ii. Construction of County Headquarters
- iii. Design, documentation and supervision of the Big Four Agenda projects

Out of the total approved budget of Kshs. **1,023,545,629**, Kshs **1,011,816,217** was utilized in the course of the financial year on the programmed projects and activities representing an absorption level of **32%**.

Programme 2: Coastline Infrastructure Development and Pedestrian Access

The objective of this programme is to protect land and property from sea wave action, flooding and erosion and enhance accessibility between human settlements and in areas of difficult terrain. This programme was allocated KShs. **351,449,454** representing **9%** of the total budget. This amount was spent under the following sub programmes:

- i. Coastline Infrastructure Development that involved construction of Jetties
- ii. Pedestrian access that involves construction of footbridges across the country.

In regard to budget expenditure under this programme, a total of Kshs. **340,588,770** was utilized on the programmed projects and activities. This represents budget absorption level of **11%**.

Programme 3: General Administration Planning and Support Services

The objective of this programme is to develop capacity, enhance efficiency and transparency in service delivery and to ensure efficiency in procurement of common user items for government institutions. This programme was allocated KShs. **360,308,502** representing **9%** of the total budget, which was spent under the following sub programmes:

- i. Administration, Planning and Support Services
- ii. Procurement, Warehousing and Supply

Out of the total approved budget of Kshs. **360,308,502**, Kshs **351,175,606** was utilized in the course of the financial year on the programmed projects and activities representing an absorption level of **11%**.

Programme 4: Regulation and Development of Construction Industry

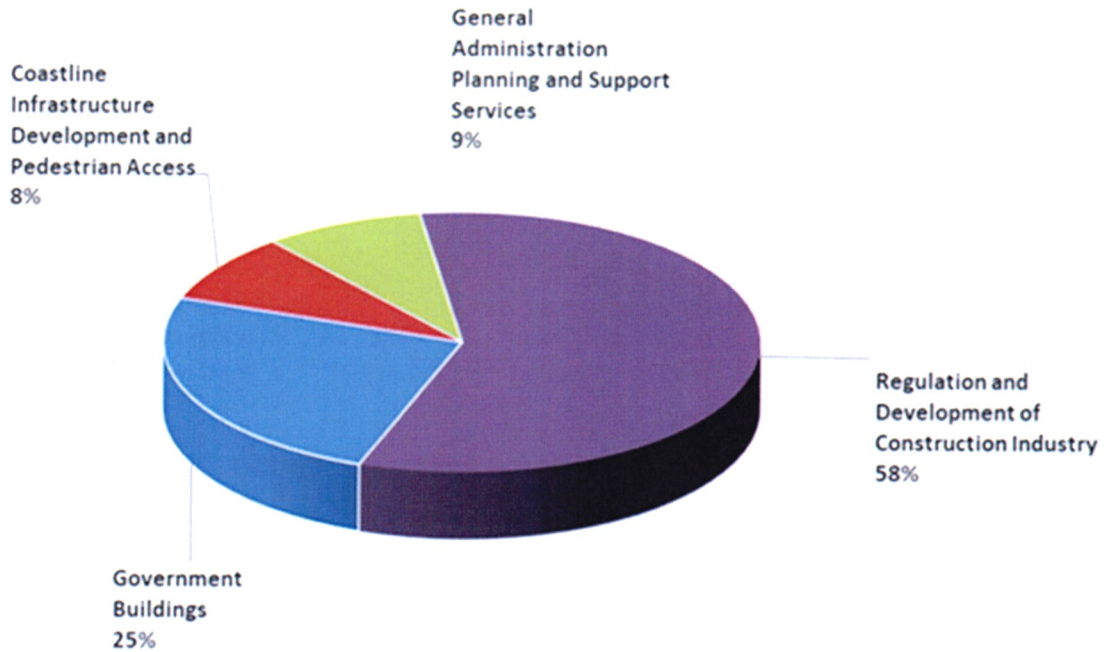
The objective of this program is to achieve enhanced research on building materials, improved technology, building standards and regulated construction industry for economic growth. This program was allocated Ksh. **2,385,192,053** representing **58%** of the total budget. This amount was spent under the following sub programmes.

- i. Regulation of Construction Industry
- ii. Research Services
- iii. Building Standards

This programme was able to utilize Kshs **1,412,330,641** of the budgeted amount represents an absorption level of **45%**.

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Proportion of Budget Allocation Per Program

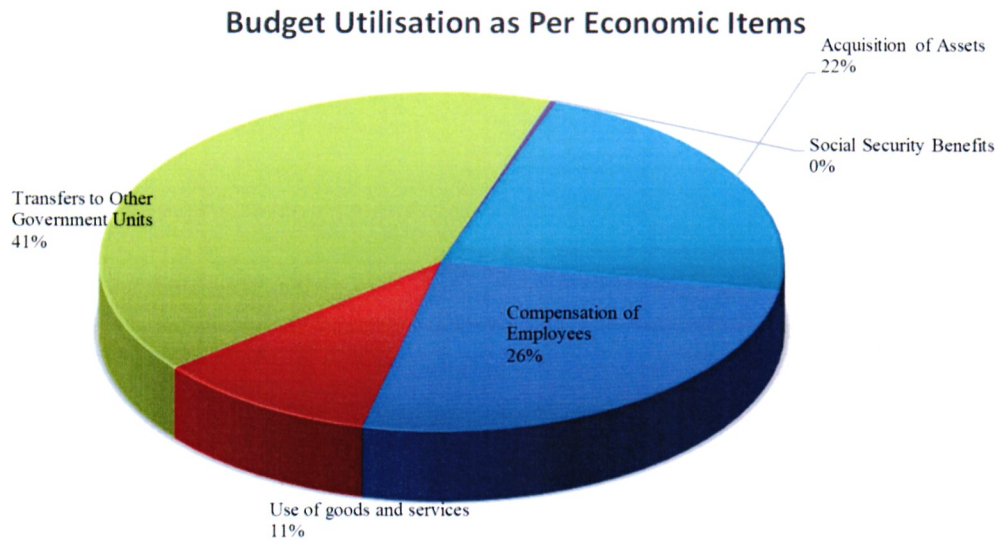


Budget utilization per economic classification

The table below shows the budget performance in terms of economic classification

	Approved Budget Allocation	Actual Payments	Variance
Compensation of Employees	808,078,278	807,129,963	948,315
Use of goods and services	340,553,802	320,108,106	20,445,696
Transfers to Other Government Units	2,242,000,000	1,276,000,000	966,000,000
Social Security Benefits	9,625,180	9,618,531	6,649
Acquisition of Assets	720,238,378	703,054,635	17,183,743
Total Payments	4,120,495,638	3,115,911,234	1,004,584,404

Proportion of budget utilization per economic classification



Key Performance Highlights

Below is an overview of the financial performance for the year ended 30th June 2022 as reported in the detailed financial statements together with the commentary and comparative analysis against budget and prior year for the key items in the financial statements.

Financial Performance Summary

Actual Performance against Budget for Year to 30th June 2022

Revenue/Expense Item	Original Budget	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation Difference to Final Budget
	a	c=a+b	d	e=c-d	f=d/c %
Total Receipts	4,239,510,821	4,120,495,638	3,117,591,618	1,002,904,020	76%
Total Payments	4,239,510,821	4,120,495,638	3,115,911,236	1,004,584,402	76%

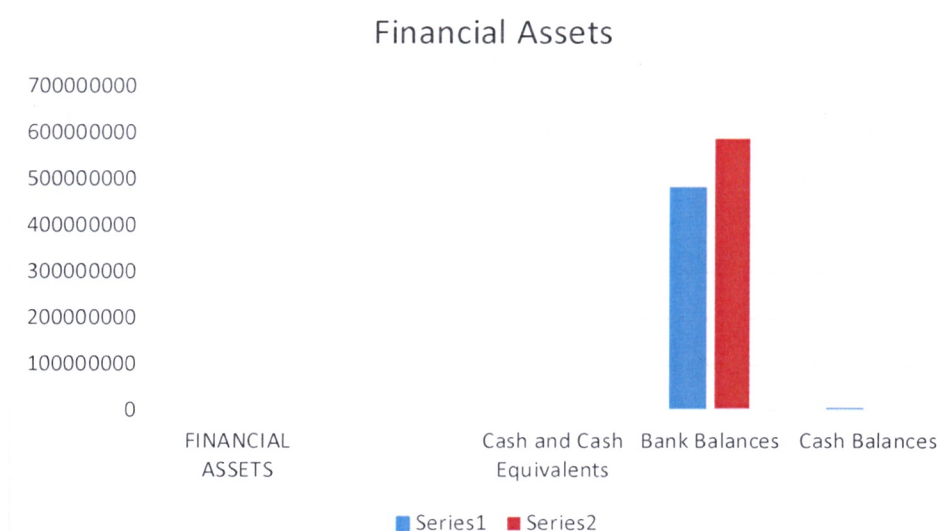
Actual receipts by the MDAs stood at **24%** below budget while actual payments were **24%** below budget.

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Financial Assets Summary

	Note	2021- 2022 Kshs	2020- 2021 Kshs	Change	% Change
FINANCIAL ASSETS					
Cash and Cash Equivalents					
Bank Balances	8A	481,640,349	587,689,256	106,048,908	18%
Cash Balances	8B	74,981	14,716	- 60,265	-4%
Total Cash And Cash Equivalents		481,715,330	587,703,972	105,988,643	18%

Bank balances decreased by 18% as a result increased spending towards year end. Cash balances increased by 4% due to decreased cash related transactions at the year-end mainly relating to staff imprest.



Key achievements of the State Department for Public Works in FY 2021/2022

In the implementation of the budget for **FY 2021/22**, the following key achievements were realized;

- a) **Improvement of Living and working Conditions in Government Buildings:** In regard to this programme, the following were the achievements;
 - i. The State Department for Public Works implemented 1 No. stalled government building project i.e. Voi Pool Housing from 77% to 82 % where 11 No. Mansionattes were practically completed.

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- ii. The State Department also designed, documented and supervised to completion 82No. New government/building projects and rehabilitated/ maintained 95 No. buildings that belong to other Ministries, Departments, Agencies as well as Counties.
- iii. The State Department further implemented five (5) County Government Headquarters to different levels of completion as follows; Isiolo County Headquarters from 40% to 53.5%, Tharaka Nithi County Headquarters from 77% to 82%, Tana River County Headquarters from 55% to 66%, Lamu County Headquarters from 50% to 60% and Nyandarua County Headquarters from 30% to 45%.
- iv. The State Department also implemented 5No. ESP District Headquarters i.e. Mbeere South, Kenyenia, Nyandarua West, Sabatia and Manderu West District Headquarters District Headquarters.

b) Implementation of the Big Four plan

The State Department targeted to supervise all Big Four Plan Projects to 100% completion level through design, documentation and supervision of the projects. The following was achieved under the 'Big Four Projects':

- a) Under Universal Healthcare, 14No Healthcare facilities were designed, documented and supervised to completion i.e Muthua, Kiamaiko, Ushirika, Kayole, Tassia, Mukuru kwa Reuben, Mukuru kwa Njenga, Gichagi, Gatina, Zimmerman, Ngomongo, Kamulu, Kibera and Mwiki. 5 No are ongoing i.e pumwani, Githurai, Lucky summer, Mabatini and Sinai.
- b) Under Affordable Housing, 2,242No units were completed at Kibera A and Park Road.
- c) Under Manufacturing, the following were achieved'
 - ✓ 8No. Constituency Industrial Development Centers (CIDCs) were completed and operationalized i.e Langata, Dagoretti South, Limuru, Lari, Juja, Gatundu North, Gatundu South and Kariobangi.
 - ✓ On Kennanie Leather Industrial Park in Athi River, the project is at 57% completion level. 2No. Warehouses of 2,500sqm were implemented up to 60% completion level; 2No. Warehouses for Tannery of 5000sqm were implemented up to 40% completion level and Effluent treatment plant was implemented up to 70% completion level.
 - ✓ On Naivasha Special economic zone, construction of administration block is ongoing at 10% completion level.

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- ✓ In regard to Dongo Kundu Special Economic Zone, preparation of designs and documentations was completed and forwarded to the client.

c) Development and Maintenance of Coastline Infrastructure and Pedestrian Access:

The following were achieved during the period;

- i. To achieve accessibility into and out of waters and protect land and property from sea wave erosion, the State Department completed construction of Mtangawanda Jetty i.e. from 96% to 100%. The State Department also implemented Mokowe Jetty from 75% to 87% completion level.
- ii. Further, 14No. Footbridges were completed and put to use. These footbridges are used for safe crossing over the rivers, streams and for easy accessibility to areas with difficult terrain.

d) Revamping / Restructuring of Supplies Branch: The State Department prepared Framework contracts /term Supply contracts for 15 categories of common user items for use by other procuring entities.

e) Regulation and Development of Construction Industry

The following were the achievements under this programme;

- i. In regard to Building Survey and Research, one research on local manufacture/production of affordable ceramic fittings to support affordable housing program was carried out.
- ii. On Building Standards, 2168 buildings were audited and inspected to establish their compliance to necessary building approvals and suitability for habitation. 15No Buildings were also tested to ascertain their structural integrity.
- iii. On regulation of the construction industry, the National Construction Authority carried out the following;
 - ✓ 7,543 No. of contractors were registered.
 - ✓ 30,214 No. skilled construction workers were accredited.
 - ✓ 1,798 No. of construction site supervisors were accredited.
 - ✓ 26,417 No. sites were inspected to promote quality assurance in the construction industry.

- ✓ 3,890 No. construction projects registered.

Emerging issues related to the department

Some of the emerging issues that relate to the Department are the following;

- Flooding in various parts of the country especially around the Coast region, Lake Victoria, Lake Baringo, Lake Turkana, Nyando and Budalangi calls for expansion and spread of water protection works hence the need for more funding.
- Rapid climate change on built environment and adoption of green building concept on existing housing stock.
- COVID -19 pandemic has affected implementation of some projects.

Key risk management strategies

- i. Reconstitution and operationalization of corruption prevention committee
- ii. Monthly meetings of the budget implementation committee
- iii. Regular and independence internal audits

Challenges encountered in implementation of the budget

In the course of implementation of the budget, the State Department encountered a number of challenges and some of them include;

- i. Inadequate funding coupled with lack of exchequer for implementation of projects;
- ii. High construction costs leading to non-adherence to the industry standards especially by private developers.
- iii. Shortage of skilled technical personnel to manage the projects and high rate of staff turnover.
- iv. Poor performance by contractors.
- v. Legal and contract challenges arising from arbitration and contractual issues impacting on project implementation.

Recommended way forward in overcoming the challenges

The State Department has put in place the following efforts in order to overcome the above challenges;

- i. Lobbying for increased funding and timely exchequer release by the National Treasury.

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- ii. Strict adherence to the contractual obligations during project implementation.
- iii. Reprimand of non- performing contractors.
- iv. Strict supervision of the project implementation by project managers.



JOEL ARUMONYANG

PRINCIPAL SECRETARY / ACCOUNTING OFFICER

STATE DEPARTMENT FOR PUBLIC WORKS

4. STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES FOR FY2021/22.

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 State Department for Public Works in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board includes a statement of the national government State Department for Public Works performance against predetermined objectives.

The key strategic objectives as per the strategic plan Strategic Plan 2018-2022 for the State Department for Public Works are:

- a) To develop Policy, Legal, Regulatory and Institutional Framework to guide building standards
- b) To improve living and working conditions in government buildings.
- c) To design, document and supervise implementation of the Big Four Agenda projects
- d) To protect land and property from sea wave action, flooding and erosion; enhance accessibility into and out of waters and enhance accessibility between human settlements, other facilities and areas of difficult terrain.
- e) To ensure a well-regulated and developed construction industry
- f) To ensure efficiency in the procurement of common user items for Ministries, Departments Counties and Agencies (MDCAs)
- g) To ensure effectiveness and efficiency in service delivery

Progress on the attainment of Strategic Objectives through Performance Contracting

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:

MDA Program	Strategic Objective	Outcome	Indicator	Performance in F/Y 2021/22	Comments
Government Buildings	To improve living and working conditions in government buildings	Improved living and working conditions in Government buildings	No. of stalled government buildings completed	Voi Pool Housing project implemented from 77% to 82 %	Performance affected by inadequate funding
			No. of new government building designed, documented and supervised	82 No. buildings	The projects belong to client Ministries and Departments

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MDA Program	Strategic Objective	Outcome	Indicator	Performance in F/Y 2021/22	Comments
			No. of Government building rehabilitated/maintained	95 No. buildings	The projects belong to client Ministries and Departments
			No. of County Headquarters constructed	Projects were implemented to various levels of completion: Isiolo- 53.5%, Tharaka Nithi -82%, Tana River-66% Lamu-60% Nyandarua-45%	Performance affected by inadequate funding
			No. of ESP District Headquarters completed	5 No. ESP District Headquarters were completed	The ESP District Headquarters include; Mbeere South, Kenyena, Nyandarua West, Sabatia and Mandera West
	To design, document and supervise implementation of the Big four plan projects	Big four plan projects designed, documented and supervised	No. of Universal Health Care facilities designed, documented and supervised	14No. Level III and IV hospitals in the informal settlements were designed, documented and supervised to completion and handed over.	Funding for the projects is held by client Ministry of Health
No. of affordable housing Units designed, documented and supervised			462 No. Housing Units in Mavoko were supervised to completion and offered for sale 605 No. Housing Units in Nakuru's Bondeni area were implemented up to 41% completion level 2,355 Housing units at Shauri Moyo were designed, documented and awarded	Funding for the projects is held by client Ministry of Housing and Urban Development	
% Works done on Kennanie Leather Industrial Park in Athi-River			On average the project is cumulatively at 57% completion level	Funding for the projects is held by client Ministry of Trade and	

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MDA Program	Strategic Objective	Outcome	Indicator	Performance in F/Y 2021/22	Comments
				Construction of Common Effluent plant is at 70%	Enterprise Development
				Construction of 2No. Warehouses for finished leather goods was implemented up to 60%	
				Construction of 2No. Warehouses for tannery is at 40%	
			% works done on Naivasha Special Economic Zone Industrial Park	Construction of Administration Block is ongoing at 10% completion level	
Coastline Infrastructure Development and Pedestrian Access	To protect land and property from sea wave action, flooding and erosion; enhance accessibility into and out of waters and enhance accessibility between human settlements, other facilities and areas of difficult terrain	Improved protection of land and property from sea wave action, flooding, erosion; improved access into and out of the waters and improved communication in human settlement and areas of difficult terrain	% levels of completion of jetties	Mtangawanda Jetty was implemented from 96% to 100% and put to use Mokowe Jetty was implemented from 75% to 87%	Project implementation affected by inadequate funding
			No. of footbridges	14 No. of Footbridges were constructed to 100% completion and put to use	Project implementation affected by inadequate funding
Regulation and Development of Construction Industry	To carry out research on cost effective construction materials and ensure a well-regulated and developed construction industry	Developed and regulated construction industry	No. of Buildings Inspected and Audited	2,168	This was meant to establish compliance to necessary building approvals and suitability for habitation
			No. of researches carried out	1	One research on local production of affordable ceramic fittings was carried
			No of contractors registered	7,543	

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MDA Program	Strategic Objective	Outcome	Indicator	Performance in F/Y 2021/22	Comments
			No of skilled construction workers accredited	30,214	
			No of construction site supervisors accredited	1,798	
			No of construction projects registered	6,834	
			No. of sites inspected to promote quality assurance	26,417	
General Administration and Planning Services	To ensure effectiveness and efficiency in service delivery	Improved service delivery	No. of term contracts procured to be used for supply of common user items by government institutions	15	The framework/ term contracts are used for procurement and supply of common user items by government institutions

5. ENVIRONMENTAL AND SUSTAINABILITY REPORTING

a) Sustainability strategy and profile

The top management especially the accounting officer should refer to sustainable efforts, broad trends in political and macroeconomic affecting sustainability priorities, reference to international best practices and key achievements and failure.

b) Environmental performance /climate change/ mitigation of natural disasters

Outline clearly, environmental policy guiding the organisation, provide evidence of the policy. Outline successes, shortcomings, efforts to manage biodiversity, waste management policy and efforts to reduce environmental impact of the organisation's products.

c) Employee welfare

Give account of the policies guiding the hiring process and whether they consider the gender ratio, whether they take in stakeholder engagements and how often they are improved. Explain efforts made in improving skills and managing careers, appraisal, and reward systems. The organisation should also disclose their policy on safety and compliance with Occupational Safety and Health Act of 2007, (OSHA).

d) Operational practices

The organisation should outline its efforts to:

i. Responsible Supply chain and supplier relations

explain how the organisation maintains good business practices, treats its own suppliers responsibly by honouring contracts and respecting payment practices.

e) **Community Engagements-**

Give evidence of community engagement including charitable giving (cash & material), Community Social Investment and any other forms of community.

6. STATEMENT OF 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 State Department for Public Works shall prepare financial statements in respect of that State Department for Public Works. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed the Public Sector Accounting Standards Board of Kenya from time to time.

The Accounting Officer in charge of the *State Department for Public works* is responsible for the preparation and presentation of the State Department for Public Works financial statements, which give a true and fair view of the state of affairs of the State Department for Public Works for and as at the end of the financial year (period) ended on June 30, 2022. 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 State Department for Public Works, (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 State Department for Public Works; (v) selecting and applying appropriate accounting policies, and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the *State Department for Public works* accepts responsibility for the State Department for Public Works financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *State Department for Public Works* financial statements give a true and fair view of the state of State Department for Public Works transactions during the financial year ended June 30, 2022, and of the State Department for Public Works financial position as at that date. The Accounting Officer in charge of the *State Department for Public works* further confirms the completeness of the accounting records maintained for the *State Department for Public Works*, which have been


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relied upon in the preparation of the State Department for Public Works financial statements as well as the adequacy of the systems of internal financial control.

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

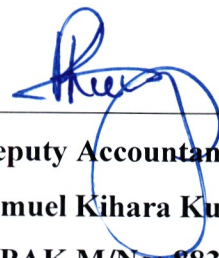
Approval of the financial statements

The *State Department for Public Works* financial statements were approved and signed by the Accounting Officer on 20th DEC 2022.



Principal Secretary

Name: Joel Arumonyang



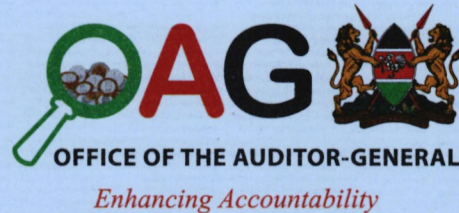
Deputy Accountant General

Samuel Kihara Kungu

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REPORT OF THE AUDITOR-GENERAL ON STATE DEPARTMENT FOR PUBLIC WORKS FOR THE YEAR ENDED 30 JUNE, 2022

PREAMBLE

I draw your attention to the contents of my report which is in three parts:

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure Government achieves value for money and that such funds are applied for intended purpose.
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, the risk management environment and the internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations, and that its internal controls, risk management and governance systems are properly designed and were working effectively in the financial year under review.

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012 and the Public Audit Act, 2015. The three parts of the report, when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of State Department of Public Works set out on pages 25 to 49, which comprise of the statement of assets and liabilities as at 30 June, 2022, and the statement of receipts and payments, statement of cash flows

and the statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the State Department for Public Works as at 30 June, 2022, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Irregular Payments under Use of Goods and Services

The statement of receipts and payments reflects use of goods and services amount of Kshs.320,108,106 as disclosed in Note 4 to the financial statements. However, the following anomalies were noted;

- (i) Utilities, supply and services expenditure of Kshs.6,814,371 includes payments to staff for extraneous allowance and travel costs amounting to Kshs.205,630 for doing normal work.
- (ii) The expenditure on foreign travel and subsistence of Kshs.4,132,810 includes domestic travel and subsistence expenses amounting to Kshs.147,222.
- (iii) Other operating expenses of Kshs.162,980,856 include extraneous allowances of Kshs.2,630,000 paid to officers.
- (iv) Other operating expenses also include an amount of Kshs.6,412,700 described as monitoring of footbridges for which no details were provided for audit.
- (v) Specialized materials expenditure of Kshs.7,502,394 includes Kshs.780,000 paid as extraneous allowance which is a compensation of employees related expenditure.

In the circumstances, the accuracy and validity of expenditure on use of goods and services of Kshs.320,108,106 could not be confirmed.

2. Irregular Payments under Acquisition of Assets

The statement of receipts and payments reflects acquisition of assets amount of Kshs.703,054,635 as disclosed in Note 7 to the financial statements. However, the following anomalies were noted;

- (i) The construction of building expenditure of Kshs.383,050,844 includes an amount of Kshs.2,560,000 paid to staff for undertaking routine work.
- (ii) Further, the construction of civil works amount of Kshs.182,174,281 includes payments to officers amounting to Kshs.3,517,500 for doing normal duties not related to any construction activity.

- (iii) In addition, the research, studies, project preparation, design and supervision expenditure of Kshs.109,725,751 includes payments to staff totalling to Kshs.20,875,000 for undertaking daily routine work.

In the circumstances, the accuracy and validity of expenditure on acquisition of assets of Kshs.703,054,635 could not be confirmed.

3. Compensation of Employees - Payments Outside Integrated Payroll and Personnel Database (IPPD) System

The statement of receipts and payments and as disclosed in Note 3 to the financial statements reflects compensation of employees' amount of Kshs.807,129,963. Review of the expenditure revealed that payments totalling to Kshs.36,317,963 were made outside the IPPD system as detailed below;

Type of Allowance	Amount (Kshs)
Basic Salaries	13,108,422
House Allowance	11,664,152
Special Duty	680,000
Responsibility	40,050
Entertainment	1,679,625
Transport	2,165,111
Domestic Servant Allowance	1,964,000
Extraneous Allowance	1,817,405
Leave Allowance	3,199,198
Total	36,317,963

Management did not justify the payment of salaries outside the IPPD system.

In the circumstances, the validity of amounts paid outside the IPPD system of Kshs.36,317,963 could not be confirmed.

4. Unconfirmed Transfers to Other Government Units

The statement of receipts and payments and as disclosed in Note 5 to the financial statements reflects transfers to other Government units amount of Kshs.1,276,000,000. The amount includes Kshs.16,000,000 indicated to have been transferred to the Ministry of Works Sports Club. However, Management did not provide documentation to support the creation of the club as a Government entity neither were there financial statements of the Sports Club to confirm receipts of Kshs.16,000,000.

In the circumstances, the accuracy and regularity of the transfers to other Government units amount of Kshs.16,000,000 could not be confirmed.

5. Inaccuracies in Outstanding Imprest Balance

5.1 Payments to Staff not Captured as Outstanding Imprest

The statement of assets and liabilities and as disclosed in Note 9 of the financial statements reflects accounts receivables - outstanding imprest and clearance accounts

balance of Kshs.637,210. However, review of the recurrent bank reconciliation statement reflects payments totalling to Kshs.1,460,832 relating to imprest to staff paid on 30 June, 2022 resulting to an unreconciled variance of Kshs.823,622.

In the circumstances, the accuracy of the outstanding imprest and clearance accounts balance of Kshs.637,210 could not be confirmed.

5.2 Imprest to Staff

Review of both development and recurrent cashbooks revealed that Kshs.155,555,931 was paid during the year to twenty-one (21) members of staff relating to imprests for domestic travel and subsistence.

This clearly shows that officers were in the field for more days than the work schedule can accommodate and possibly more than the working days in a year.

In the circumstances, the propriety and value for money of Kshs.155,555,931 could not be confirmed.

6. Inaccuracies in Pending Bills

Note 16.2 and Annex 5A to the financial statements reflects pending accounts payable balance of Kshs.812,842,132. However, the following anomalies were noted;

6.1 Fuel, Oil and Lubricants Pending Bills

Included in the pending bills balance is an amount of Kshs.18,073,198 due to a local company for the supply of fuel in previous years. However, the debtor's statement from the company provided for audit reflected a balance of Kshs.23,650,178 as outstanding resulting in unexplained variance of Kshs.5,576,980. Further, Management did not explain why the debt has taken a long time to be settled by the State Department.

In the circumstances, the accuracy and completeness of the fuel, oil and lubricants pending bills amount of Kshs.18,073,198 could not be confirmed.

6.2 Understatement of Pending Bills for Security Services

Included in the pending bills balance is an amount of Kshs.6,761,433 for a security services firm. However, the invoices provided to support the pending bill amount totalled Kshs.9,061,594, resulting in understatement of the pending bill by Kshs.2,300,161.

In the circumstances, the accuracy and completeness of the security services pending bills balance of Kshs.6,761,433 could not be confirmed.

7. Uncollected Rent Income

The statement of receipts and payments and as disclosed in Note 2 to the financial statements reflects proceeds from sale of assets amount of Kshs.24,381,170 relating rent income from Government Agencies. Review of records revealed that the rent received from Kenya National Examination Council (KNEC) during the year amounted to Kshs.4,606,680. However, the lease agreement provided revealed that the Council was to pay rent of Kshs.8,859,000 per annum (Kshs.738,250 per month) thereby resulting into

an uncollected rent of Kshs.4,252,320. Further the Council financial statements and records did not reflect the State Department as a creditor.

In the circumstances, the recoverability of the uncollected rent amount of Kshs.4,252,320 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the State Department for Public Works 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 qualified opinion.

Key Audit Matters

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

Other Matter

1. Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.4,120,495,638 and Kshs.3,117,591,618 respectively resulting to an under-funding of Kshs.1,002,904,020 or 24% of the budget. Similarly, the State Department spent Kshs.3,115,911,235 against an approved budget of Kshs.4,120,495,638 resulting to an under-expenditure of Kshs.1,004,584,403 or 24% of the budget.

The underfunding and under-expenditure affected the planned activities of the State Department and have impacted negatively on service delivery to the public.

2. Pending bills

Note 16.2 and Annex 5A to the financial statements reflect pending accounts payable balance of Kshs.812,842,132. The State Department therefore runs the risk of incurring significant unquantified interest costs and penalties due to continued delay in settling invoiced bills.

Further, failure to settle bills during the year in which they relate adversely affects the provisions of the subsequent year to which they have to be the first charge.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

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

Basis for Conclusion

1. Staffing Levels Above Approved Staff Establishment

Review of the approved staff establishment provided by the Human Resources Department revealed that total of staff in post was 639 as compared to the approved establishment of 818 staff. However, thirteen (13) cadres of staff had 101 staff in post against an approved establishment of 27 staff resulting to over establishment of 74 in the respective cadres or positions within the various departments of the State Department. No explanation was provided by Management including the approval by the Public Service Commission on the employment of more staff than the approved staff establishment for the various positions in the State Department.

In the circumstances, Management was in breach of the approved staff establishment.

2. Delay in Completion of Projects

2.1 Proposed Headquarters for Nyandarua County at Olkalou

The proposed Nyandarua County Headquarters at Olkalou project was awarded to a contractor at a contract sum of Kshs.617,644,564 for a duration of 104 weeks beginning 16 March, 2017 and ending on 16 March, 2019. The contract was terminated on 16 March, 2019 (Initial completion date) for failure to perform as per the contract terms with contractor having achieved 19% completion status. The contractor went to Court and sought an injunction to the tendering process of a new contract that had been restarted by the County Government of Nyandarua. In June, 2020 the termination was lifted by the employer and the initial contractor agreed to resume works and complete the project by July, 2021 which was not achieved. However, through an arbitration process and an addendum dated 01 July, 2021, the contractor transferred the assigned works to another contractor at agreed amount of Kshs.24,900,855 with no further claims.

During the year under review, the project completion time has been extended to 31 December, 2022 vide letter Ref: BD103/10121A Vol. III/122 dated 18 January, 2022.

Further, the State Department paid a total of Kshs.60,996,198 to the various contractors working on or assigned to the project.

The following anomalies were noted;

- (i) As previously reported, there is no evidence that the Project Management team attempted to warn and possibly terminate the services of the contractor earlier than 16 March, 2019, which was the initial project completion date, when 19% of works had been delivered.
- (ii) At the time of termination, payments amounting to Kshs.101,623,125 had already been made to the contractor including an amount of Kshs.13,078,306 meant for

installation of lifts. However, as previously reported, it was not possible to install lifts given that the project had stalled at the foundation level.

- (iii) The project is significantly behind schedule (40% complete) as a result of engaging a contractor who could not deliver as per the contract engagement terms and this has cost the public in terms of delayed delivery of services.
- (iv) Review of records revealed that there were additional charges related to the project totalling Kshs.83,497,615 occasioned by fluctuations of builders work and materials, interest on delayed payments and contractual claims which were occasioned by delays in project implementation and which were certified for payment.

In the circumstances, the value for money for amount paid to the contractor could not be confirmed due to delay in project execution and related associated costs.

2.2 Proposed Completion of Voi Pool Housing Project

The Voi Pool Housing project was awarded to a contractor at a contract sum of Kshs.747,290,699 for a contract period of one hundred and four (104) weeks commencing 01 December, 2012. The estimated completion date of 30 November, 2014 was revised to 31 December, 2019 and later to 31 December, 2022. The contract sum was revised to Kshs.1,077,429,595 according to the project status report of August, 2022. However, the contract variation by Kshs.330,138,896 or 44% of the contract sum is contrary to Section 139(4)(c) and (d) of the Public Procurement and Assets Disposal Act, 2015 which limits the price variation to 20% of the contract sum. Further, approval for the variation of the price was not provided for audit review. In addition, the project status report of August, 2022 indicated that an amount of Kshs.476,299,012 had been certified for payment, with the project being 64% complete. However, the elapsed period of the project was indicated as being four hundred and ninety-four (494) weeks indicating that the project was significantly behind schedule. The total amount paid to the contractor as at 31 August, 2022 was Kshs.445,501,805 or 41% of the revised contract sum.

Review of records, further revealed that the total pending certificates for the project amounted to Kshs.30,797,207 comprising of certificate No.18 of Kshs.16,005,833 and No.19 of Kshs.14,791,374. These certificates have been delayed for payments by 185 days and 100 days respectively.

In the circumstances, the Project is significantly delayed and the likelihood of cost escalations is high resulting to additional charge to public funds.

2.3 Proposed Completion of Migori District Headquarters

As previously reported, the proposed completion of Migori District Headquarters Phase I project, was awarded to a contractor at a contract sum of Kshs.609,471,291 for a duration of 104 weeks starting 31 July, 2009 and was expected to be completed on 29 July, 2011. Available information indicates that there was a variation order of Kshs.92,064,030 to the contract sum resulting to a revised contract sum of Kshs.701,535,321. As at the time of

audit, works valued at Kshs.685,283,825 had been certified for payment with Kshs.539,010,127 already paid.

The following observations were made: -

- (i) The project was significantly behind schedule as the percentage of completion as at June, 2022 stood at 80%. The office block had outstanding works, the administration block was only at 35% complete and the refurbishment works had not been done with more than 315% of time elapsed.
- (ii) As previously reported, the project stalled and the main contractor abandoned site and the project recommended for termination through mutual winding-up. An unreferenced letter dated 29 June, 2020 by the main contractor indicated concurrence to mutual winding-up of the contract. A certificate of partial completion was issued on 15 December, 2020 and the certificate of making good defects dated 10 June, 2021. However, the final account showing contractual costs and expenses and the eventual payment thereof was not provided for audit review.
- (iii) The Project is thus significantly delayed and the likelihood of cost escalations is high resulting to additional charge to public funds. Further, winding-up the contract would result to additional cost to public funds as a result of costs of tendering, new preliminaries and cost fluctuation due to time value of money.

In the circumstances, the intended users of this project may not get value for money for the funds already paid for this contract.

2.4 Interest on Delayed Payment - Completion of Longisa Sub-District Hospital

Review of records revealed that the State Department paid Kshs.888,562 to a local Company for mechanical engineering services rendered on the contract for Longisa sub-district hospital. The amount is a claim of interest due to delay in honoring the fee note for services offered for the period January, 2017 to February, 2020.

In the circumstances, the value for money of Kshs.888,562 paid as interest on delayed payments will not be realized.

2.5 Proposed Completion of Mathare Nyayo Hospital

As previously reported, the proposed completion of Mathare Nyayo Hospital project was awarded to a contractor at a contract sum of Kshs.1,212,414,732 with the anticipated completion date being 26 August, 2015. However, the completion date was revised severally with the latest revised completion date being 31 December, 2020. As at 30 June, 2021 the work progress was at 70% with the elapsed period being more than 275% of the initial completion date indicating that the project was significantly behind schedule resulting to delayed delivery of service.

Further, review of Interim Payment Certificate No.34 revealed that an amount of Kshs.132,321,751 had been certified for payment. The amount includes additional costs of fluctuation in labour and materials amounting to Kshs.46,169,430, interest on delayed payments of Kshs.37,852,236.96 and claims for direct loss and expenses due to changes

introduced by the employer of Kshs.48,300,085. The costs are avoidable and could be attributed to the delay in project completion.

In the circumstances, value for money paid to the contractor may not be achieved due to delay in project execution and related associated costs.

2.6 Proposed Construction of Isiolo County Headquarters

As previously reported, the proposed construction of Isiolo County headquarters was awarded to a contractor at a revised contract sum of Kshs.556,905,703 from initial contract sum of Kshs.870,706,011 with completion date of 30 August, 2021. Review of progress report as at 30 June, 2021 revealed physical progress of 35% with more than 109% of time having elapsed, an indication of slow progress in project implementation. Further, the contractor raised an extension of time claim from 30 August, 2021 to 30 August, 2022 whose approval was not provided for audit review. In addition, at the time of audit, works valued at Kshs.102,300,195 representing 18% of the contract sum had been certified for payment. Included in the amount was Kshs.2,972,179 relating to interest on delayed payments which forms an extra charge to public funds.

In the circumstances, the value for money for amount paid to the contractor could not be confirmed due to delay in project execution and related associated costs.

3. Termination of Contracts and Related Costs

3.1 Rehabilitation of Mtangawanda Jetty

As previously reported, the contract for the rehabilitation of Mtangawanda Jetty was awarded to a contractor at a contract sum of Kshs.72,468,735. The completion date was initially set at 17 February, 2020 and was revised to 16 June, 2020 and further revised to 12 August, 2020. However, the contractor did not execute the contract within the second revised completion date and is reported to have deserted from the site in October, 2020, a clear indication that the contractor had no capacity to deliver the project.

The employer issued a notice of termination on 27 November, 2020 and after it became apparent that the contractor was not willing to resume work, the contract was terminated on 1 March, 2021. As at the time of the audit, Kshs.50,685,400 had been paid to the contractor with Kshs.5,631,711 held as retention amount. The final account had not been prepared to ascertain the costs and all expenses incurred by the employer, the work done, materials on site and inventory/materials in line with the provisions of the contract. Further, the contract was terminated when the project was at 97% completion and the completion cost was estimated to be Kshs.11,000,000. However, if another contract is awarded, the cost is likely to increase due to fluctuations and preliminary costs involved.

In the circumstances, the value for money on the amount already paid may not be achieved since the project has continued to suffer defects and dilapidation.

3.2 Construction of Ndaou Sea Wall

As previously reported, the contract for the construction of Ndaou Sea wall was awarded to a contractor at a contract sum of Kshs.365,103,794. The contract period was revised

three (3) times with the latest revised completion date of 6 July, 2017. The contractor did not complete the construction within the third revised completion date and is reported to have stopped working on the site in June, 2018.

The employer issued a notice of termination on 7 February, 2019 but the contractor promised to complete the project. Another notice to terminate the contract was issued on 25 July, 2019 which the contractor sought a restraining order from the High Court (Case No.189 of 2019). The case was later dismissed by the Court and consequently the contract was terminated on 16 June, 2021. It is however, not clear whether there was subsequent approval of extension of time between the third revised completion date of 6 July, 2017 and date of notice of termination on 7 February, 2019. Further, at the time the contractor stopped working on site, the project was at 87% completion with Kshs.284,504,648 paid to the contractor. However, some of the incomplete sections have since been subjected to aggressive sea wave forces leading to progressive failure.

In addition, with the termination of the contract, the estimated completion cost was Kshs.80,000,000 with Kshs.31,611,627 and Kshs.4,700,000 recoverable from the contractor as retention money and liquidated damages respectively.

In the circumstances, value for money paid to the contractor may not be achieved due to increased costs in terms of reconstruction costs, preliminary costs and fluctuations in price and quantities when a new contract is awarded.

4. Projects Behind Schedule

Review of records revealed that eight (8) other projects being implemented by the State Department had slow progress having exceeded their contractual period and were therefore behind schedule as at 30 June, 2022 as indicated below.

No.	Project Name	Contract Start Date	Contract End Date	Contract Amount (Kshs)	Amount Certified (Kshs)	Percentage of Completion
1	New Mokowe Jetty	15 February, 2019	12 August, 2022	599,872,373	495,985,129	92
2	Kapkures Footbridge (36m Span)	12 October, 2020	12 April, 2021	7,737,436	3,999,840	65
3	Kiptabsir – Chebongi Footbridge (36m Span)	06 June, 2020	30 June, 2020	8,172,999	6,020,000	98
4	Kiangonina Footbridge	04 May, 2020	30 March, 2022	7,333,902	Nil	15
5	Tirgamo Ipisikhu Footbridge	10 September, 2021	26 April, 2022	11,219,615	2,500,000	25
6	Kitutu Chache Footbridge	2013	2014	15,439,960	6,965,556	65

No.	Project Name	Contract Start Date	Contract End Date	Contract Amount (Kshs)	Amount Certified (Kshs)	Percentage of Completion
7	Proposed Construction of Tharaka Nithi County Headquarters at Kathwana	27 July, 2015	15 January, 2021	458,239,186	297,236,217	75
8	Proposed Construction of Tana River County Headquarters	16 March, 2020	22 September, 2021	495,268,750	259,874,591	51

In the circumstances, delay in completion of projects exposes the public to loss of value for money for the expenditure incurred on the eight (8) projects.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Incomplete Motor Vehicle Register

Review of the systems for the management, safeguarding and maintenance of motor vehicles by the State Department revealed the following anomalies;

- (i) The motor vehicle register maintained was not in compliance with the National Treasury template provided vide Circular No.23 of 2020. Important information such as cost of vehicle, engine number, chassis number, engine capacity, year of manufacture, financed by, depreciation etc. is missing.
- (ii) Vehicles financed through projects and provided by contractors through projects with a preliminary condition to provide a vehicle are not clearly reported as financed by specific projects.

- (iii) The State Department has reported one hundred (100) vehicles, motor cycles and fork lifts in its motor vehicle register bearing GK registration plates. However, only seventeen (17) vehicles had ownership documents inform of log books that were provided for audit verification.
- (iv) In addition, information provided from National Transport and Safety Authority (NTSA) portal shows that eighty-three (83) vehicles and motor cycles are registered under the state department of public works PIN number.
- (v) The motor vehicle register includes fifty-six (56) vehicles bearing private registration plates which have been funded by different projects being undertaken by the State Department. However, available information indicates that some projects have been completed but there was no official communication to facilitate change of ownership from the contractor to the State Department.
- (vi) The State Department motor vehicle register contains thirty-four (34) vehicles, three (3) motor cycles and four (4) fork lifts that are grounded or unserviceable. The Management has not explained why the vehicles have not been bonded and disposed accordingly.

Failure to maintain an accurate motor vehicle register might result to loss/theft, security threats or misuse of the vehicles. Further, the lack of a complete register is not in compliance with the law. In addition, lack of ownership documents may result to loss of the motor vehicles.

In the circumstances, the systems for the management, safeguarding and maintenance of motor vehicles of the State Department were not working effectively.

2. Incomplete Fixed Asset Register

Review of the fixed asset register provided by the State Department revealed that it was not in compliance with the National Treasury template provided vide Circular No.23 of 2020. Important information such as date acquired, cost of the asset, serial number, tag number, asset condition, current value was not included in the asset register.

In the circumstances, the effectiveness of controls over fixed assets could not be confirmed.

3. Audit Committee and Internal Audit

Review of records revealed that the Audit Committee of the State Department met only twice during the year contrary to Section 179(1) of the Public Finance Management (National Government) Regulations which states that the Audit Committee shall meet at least once in every three months.

Further, no evidence was provided to confirm that Management implemented the internal audit report recommendations on Transport System Audit and Construction of five County Headquarters (Nyandarua, Tharaka Nithi, Tana River, Isiolo and Lamu). In addition, no evidence was provided to confirm that the audit committee deliberated on the financial

statements for the year ended 30 June, 2022 prepared by the State Department for Public Works before they were submitted to the Office of the Auditor-General for audit.

In the circumstances, the effectiveness of the Audit Committee and the internal audit function could not be confirmed.

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 State Department's ability to continue to sustain its 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 terminate the State Department 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 State Department's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error,

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

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

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

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the State Department's 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 applicable 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 State Department's ability to continue 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 State Department to cease to continue 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 State Department 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.


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

22 December, 2022

State Department for Public Works
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8.STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30TH JUNE 2022

	Note	2021- 2022 Kshs	2020- 2021 Kshs
RECEIPTS			
Transfers from National Treasury	1	3,093,210,448	2,924,112,346
Proceeds from Sale of Assets	2	24,381,170	4,000,000
TOTAL REVENUES		3,117,591,618	2,928,112,346
PAYMENTS			
Compensation of Employees	3	807,129,963	787,823,589
Use of goods and services	4	320,108,106	175,797,848
Transfers to Other Government Units	5	1,276,000,000	1,278,000,000
Social Security Benefits	6	9,618,531	4,099,929
Acquisition of Assets	7	703,054,635	682,363,288
TOTAL PAYMENTS		3,115,911,235	2,928,084,654
SURPLUS/DEFICIT		1,680,383	27,691

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The State Department for Public Works financial statements were approved on 20th Dec 2022 and signed by:



Principal Secretary

Name: Joel Arumonyang



Deputy Accountant General

Samuel Kihara Kungu


ICPAK M/No: 8836

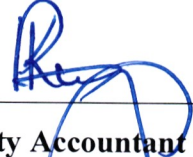
State Department for Public Works
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For the year ended June 30, 2022

9.STATEMENT OF ASSETS AND LIABILITIES AS AT 30TH JUNE 2022

Description	Note	2021- 2022 Kshs	2020- 2021 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	8A	481,640,349	587,689,256
Cash Balances	8B	74,981	14,716
Total Cash And Cash Equivalents		481,715,330	587,703,972
Accounts Receivables - Outstanding Imprest and Clearence Accounts	9	637,210	-
TOTAL FINANCIAL ASSETS		482,352,540	587,703,972
LESS: FINANCIAL LIABILITIES			
Accounts Payables - Deposits	10	480,657,441	587,676,280
NET FINANCIAL ASSETS		1,695,099	27,692
REPRESENTED BY			
Fund balance b/fwd	11	27,692	36,286,522
Prior year adjustments	12	(12,976)	(36,286,522)
Surplus/Defict for the year		1,680,383	27,691
NET FINANCIAL POSSITION		1,695,099	27,692

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The State Department for Public Works financial statements were approved on 20th DEC 2022 and signed by:


Principal Secretary
Name: Joel Arumonyang


Deputy Accountant General
Samuel Kihara Kungu
ICPAK M/No: 8836

• State Department for Public Works
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10.STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30TH JUNE 2022

	Note	2021- 2022 Kshs	2020- 2021 Kshs
CASH FLOW FROM OPERATING			
Receipts for operating income			
Transfers from National Treasury	1	3,093,210,448	2,924,112,346
		3,093,210,448	2,924,112,346
Payments for operating expenses			
Compensation of Employees	3	807,129,963	787,823,589
Use of goods and services	4	320,108,106	175,797,848
Transfers to Other Government Units	5	1,276,000,000	1,278,000,000
Social Security Benefits	6	9,618,531	4,099,929
		2,412,856,600	2,245,721,367
Adjusted for:			
Decrease/(Increase) in Accounts receivable:	13	(637,210)	3,972,963
Increase/(Decrease) in Accounts Payable: (deposits)	14	(107,018,840)	(109,346,167)
Prior Year Adjustments	12	(12,976)	(36,286,522)
		572,684,822	536,731,253
CASHFLOW FROM INVESTING ACTIVITIES			
Acquisition of Assets	7	(703,054,635)	(682,363,288)
Proceeds from Sale of Assets	2	24,381,170	4,000,000
Net cash flows from Investing Activities		(678,673,465)	(678,363,288)
EQUIVALENT			
		(105,988,643)	141,632,035
Cash and cash equivalent at BEGINNING of the		587,703,972	729,336,006
Cash and cash equivalent at END of the year		481,715,329	587,703,972

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The State Department for Public Works financial statements were approved on 28th DEC 2022 and signed by:

Principal Secretary
Name: Joel Arumonyang

Deputy Accountant General
Samuel Kihara Kungu
ICPAK M/No: 8836

State Department for Public Works
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11. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR FY2021/22

Revenue/Expense Item	Original Budget a	Adjustments b	Final Budget e=a+b	Actual on Comparable Basis d	Budget Utilisation Difference e=e-d	% of Utilisation Difference to Final Budget f=d/c %
RECEIPTS						
Exchequer releases	3,269,510,821	(139,015,183)	3,130,495,638	3,093,210,448	37,285,190	99%
Proceeds from Sale of Assets	970,000,000	20,000,000	990,000,000	24,381,170	965,618,830	2%
Total Receipts	4,239,510,821	(119,015,183)	4,120,495,638	3,117,591,618	1,002,904,020	76%
Compensation of Employees	880,000,000	(71,921,722)	808,078,278	807,129,963	948,315	100%
Use of goods and services	3,162,295,000	24,258,802	3,405,553,802	320,108,106	20,445,696	94%
Transfers to Other Government Units	2,242,000,000	-	2,242,000,000	1,276,000,000	966,000,000	57%
Social Security Benefits	-	9,625,180	9,625,180	9,618,531	6,649	100%
Acquisition of Assets	801,215,821	(80,977,443)	720,238,378	703,054,635	17,183,743	98%
Total Payments	4,239,510,821	(119,015,183)	4,120,495,638	3,115,911,235	1,004,584,403	76%
Surplus/Deficit	-	-	-	1,680,382	(1,680,383)	


Notes:

Underutilization of Proceeds from sale of Assets by 88% is due to lack of submission of AIA returns by National Construction Authority.
Underutilization of Transfers to other government entities by 33% is due to lack of submission of AIA returns by National Construction Authority.
The changes between the original and final budget are as a result of reduction in funding by Exchequer of KShs **119,015,183** and thus reallocation of the budget was necessary.

The State Department for Public Works financial statements were approved on 28th Dec 2022 and signed by:



Principal Secretary
Name: Joel Arumonyang



Deputy Accountant General
Samuel Kihara Kungu
ICPAK/M/No: 8836

State Department for Public Works
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11 A. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT FOR FY2021/22

Revenue/Expense Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilization Difference e=d-c	% of Utilisation Difference to Final Budget f=d/c %
RECEIPTS						
Exchequer releases	2,309,710,821	(39,015,183)	2,270,695,638	2,270,695,638	-	100%
Proceeds from Sale of Assets	802,000,000	20,000,000	822,000,000	24,381,170	797,618,830	3%
Total Receipts	3,111,710,821	(19,015,183)	3,092,695,638	2,295,076,808	797,618,830	74%
PAYMENTS						
Compensation of Employees	880,000,000	(71,921,722)	808,078,278	807,129,963	948,315	100%
Use of goods and services	156,295,000	43,758,802	200,053,802	185,579,870	14,473,932	93%
Transfers to Other Government Units	2,074,000,000	-	2,074,000,000	1,276,000,000	798,000,000	62%
Social Security Benefits	-	9,625,180	9,625,180	9,618,531	6,649	100%
Acquisition of Assets	1,415,821	(477,443)	938,378	238,926	699,453	25%
Grand Total	3,111,710,821	(19,015,183)	3,092,695,638	2,278,567,290	814,128,348	74%
Surplus/Deficit	-	-	-	16,509,518	(16,509,518)	

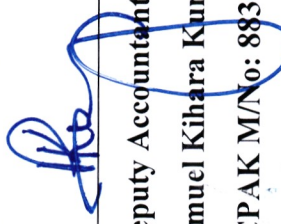
Notes

Underutilization of Proceeds from sale of Assets by 87% is due to lack of submission of AIA returns by National Construction Authority.
Underutilization of Transfers to other government entities by 28% is due to lack of submission of AIA returns by National Construction Authority.
Underutilization of Acquisition of Assets by 5% is due to change in the supplementary budget.
The changes between the original and final budget are as a result of reduction in funding by Exchequer of KShs 19,015,183 and thus reallocation of the budget was necessary.

The State Department for Public Works financial statements were approved on 28th DEC 2022 and signed by:


Principal Secretary

Name: Joel Arumonyang


Deputy Accountant General
Samuel Kihara Kungu
ICPAK M/No: 8836

State Department for Public Works
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11.B SUMMARY STATEMENT OF APPROPRIATION: DEVELOPMENT FOR FY2021/22

Revenue/Expense Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilisation Difference d-e-d	% of Utilisation f=d/c %
RECEIPTS						
Proceeds from Sales of Assets	168,000,000	-	168,000,000	-	168,000,000	0%
Exchequer releases	959,800,000	(100,000,000)	859,800,000	822,514,810	37,285,190	96%
Total Receipts	1,127,800,000	(100,000,000)	1,027,800,000	822,514,810	205,285,190	80%
Payments						
Use of goods and services	160,000,000	(19,500,000)	140,500,000	134,528,236	5,971,764	96%
Transfers to Other Government Units	168,000,000	-	168,000,000	-	168,000,000	0%
Acquisition of Assets	799,800,000	(80,500,000)	719,300,000	702,815,709	16,484,291	98%
Grand Total	1,127,800,000	(100,000,000)	1,027,800,000	837,343,945	190,456,055	81%
Surplus/Deficit	-	-	-	(14,829,135)	14,829,135	

Notes

Underutilization of Proceeds from sale of Assets by 90% is due to lack of submission of AIA returns by National Construction Authority.

Underutilization of Transfers to other government entities by 90% is due to lack of submission of AIA returns by National Construction Authority.

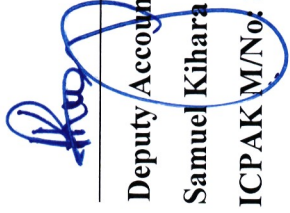
The changes between the original and final budget are as a result of reduction in funding by Exchequer of KShs **100,000,000** and thus reallocation of the budget was necessary.

The State Department for Public Works financial statements were approved on 20th Dec 2022 and signed by:



Principal Secretary

Name: Joel Arumonyang



Deputy Accountant General

Samuel Kihara Kungu

ICPAK M/No. 8836

State Department for Public Works
 Annual Reports and Financial Statements
 For the year ended June 30, 2022

11C.BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES FOR FY2021/22

Description	Approved Budget	Actual Payments	Variance
Government Buildings	1,023,545,629	1,011,816,217	11,729,412
Stalled and new Government buildings	1,023,545,629	1,011,816,217	11,729,412
Coastline Infrastructure Development and Pedestrian Access	351,449,454	340,588,770	10,860,684
Coastline Infrastructure Development	173,538,384	169,983,918	3,554,466
Pedestrian access that involves construction of footbridges across the	177,911,070	170,604,852	7,306,218
General Administration Planning and Support Services	360,308,502	351,175,606	9,132,896
Administration, Planning & Support Services	288,188,400	287,662,989	525,411
Procurement, Warehousing and Supply	72,120,102	63,512,617	8,607,485
Regulation and Development of Construction Industry	2,385,192,053	1,412,330,641	972,861,412
Regulation of Construction Industry	2,246,000,000	1,279,266,100	966,733,900
Research Services	63,950,066	64,179,997	(229,931)
Building Standards	75,241,987	68,884,544	6,357,443
Grand Total	4,120,495,638	3,115,911,234	1,004,584,404

12 NOTES TO THE FINANCIAL STATEMENT

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

1. Statement of Compliance and Basis of Preparation

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

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

2. Reporting State Department for Public Works

The financial statements are for the State Department for Public Works. The financial statements encompass the reporting State Department for Public Works as specified under Section 81 of the PFM Act 2012 and also comprise of the following development projects implemented by the State Department for Public Works:

3. Reporting Currency

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

SIGNIFICANT ACCOUNTING POLICIES (Continued)

4. Significant Accounting Policies

The accounting policies set out in this section have been consistently applied by State Department for Public Works for all the years presented.

a) Recognition of Receipts

The State Department for Public Works recognises all receipts from the various sources when the event occurs, and the related cash has been received by the State Department for Public Works.

(i) Transfers from the Exchequer

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

(ii) External Assistance

External assistance is received through grants and loans from multilateral and bilateral development partners. Grants and loans shall be recognized in the books of accounts when cash is received. Cash is considered as received when a payment advice is received by the recipient State Department for Public Works or by the beneficiary. In case of grant/loan in kind, such grants are recorded upon receipt of the grant item and upon determination of the value. The date of the transaction is the value date indicated on the payment advice. A similar recognition criteria is applied for loans received in the form of a direct payment.

During the year ended 30th June 2022, there were no instances of non-compliance with terms and conditions which have resulted in cancellation of external assistance loans.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

(iii) Other receipts

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

b) Recognition of payments

The State Department for Public Works recognises all payments when the event occurs, and the related cash has been paid out by the State Department for Public Works.

i) Compensation of Employees

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

ii) 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.

iii) Interest on Borrowing

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

iv) Principal on borrowing

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

SIGNIFICANT ACCOUNTING POLICIES (Continued)

v) Acquisition of Fixed Assets

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

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

vi) In-kind contributions

In-kind contributions are donations that are made to the State Department for Public Works 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 State Department for Public Works 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.

vii) Third Party Payments

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

SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) 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.

A bank account register is maintained and a summary provided for purposes of consolidation. *This summary is disclosed as an annexure to the financial statements.*

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 2022, this amounted to Kshs 480,657,441 compared to Kshs 587,676,280 in prior period as indicated on note 10 There were no other restrictions on cash during the year.*

d) Imprests and advances

For the purposes of these financial statements, imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year are treated as receivables. This is in recognition of the government practice where the imprest payments are recognized as payments when fully accounted for by the imprest or Authority to Incur Expenditure (AIE) holders. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

e) Third party deposits and retention

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

f) 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. 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.

g) Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest and deposits and retentions, which are accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament in June 2021 for the period 1st July 2021 to 30th June 2022 as required by Law and there were two number of supplementary adjustments to the original budget during the year.

A comparison of the actual performance against the comparable budget for the financial year under review has been included in the financial statements. Government Development Projects are budgeted for under the MDAs but receive budgeted funds as transfers and account for them separately. These transfers are recognised as inter-State Department for Public Works transfers.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

h) Comparative Figures

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

i) 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 2022.

j) Prior Period Adjustment

During the year, errors that have been corrected are disclosed under note 13 explaining the nature and amounts.

k) Related Party Transactions

Related party means parties are related if one party has the ability to:

- a) Control the other party or
- b) Exercise significant influence over the other party in making financial and operational decisions, or if the related party State Department for Public Works and another State Department for Public Works are subject to common control.

Related party transaction is a transfer of resources or obligations between related parties regardless of whether a price is charged.

l) Contingent Liabilities

A contingent liability is:

- a) A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the State Department for Public Works; or
- b) A present obligation that arises from past events but is not recognised because:

State Department for Public Works
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- i) It is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or

SIGNIFICANT ACCOUNTING POLICIES (Continued)

- ii) The amount of the obligation cannot be measured with sufficient reliability.

Some of contingent liabilities may arise from: litigation in progress, guarantees, indemnities. Letters of comfort/ support, insurance, Public Private Partnerships, The State Department for Public Works does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements unless the possibility of an outflow of resources embodying economic benefits or service potential is remote. *Annex 7* of this financial statement is a register of the contingent liabilities in the year.

State Department for Public Works
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NOTES TO FINANCIAL STATEMENTS

1 Exchequer releases

Description	2021- 2022	2020- 2021
	Kshs	Kshs
Total Exchequer Releases for quarter 1	744,935,484	772,481,944
Total Exchequer Releases for quarter 2	1,009,599,718	836,903,598
Total Exchequer Releases for quarter 3	547,823,076	567,362,560
Total Exchequer Releases for quarter 4	790,852,170	747,364,244
TOTAL	3,093,210,448	2,924,112,346

(During the year the State Department was to receive KShs **3,130,495,638**, however, it received **3,093,210,448**, falling short by KShs **37,285,190**)

2 Proceeds from Sale of Assets

Description	2021- 2022	2020- 2021
	Kshs	Kshs
Receipts from Administrative Fees and Charges - Collected as AIA	24,381,170	3,946,500
Receipts from Sale of Incidental Goods	-	53,500
TOTAL	24,381,170	4,000,000

(Relates to sale of tenders during the procurement process and Rent Collected from various institutions)

3 Compensation to Employees

Compensation of employees comprise of remuneration paid to employees in return for the work done. It includes sound contributions made by the State Department on behalf of its employees

	2021- 2022	2020- 2021
	Kshs	Kshs
Basic salaries of permanent employees	559,816,589	552,247,098
Basic wages of temporary employees	10,680,285	10,536,529
Personal allowances paid as part of salary	236,633,089	225,039,963
TOTAL	807,129,963	787,823,589

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4 Use of Goods and Services

These comprise the total value of goods and services consumed during the year.

	2021- 2022	2020- 2021
	Kshs	Kshs
Utilities, Supplies and Services	6,814,371	8,111,525
Communication, Supplies and Services	633,118	346,930
Domestic Travel and Subsistence, and Other	14,420,635	8,495,725
Foreign Travel and Subsistence, and other	4,132,810	213,196
Printing , Advertising and Information Supplies and	431,640	152,784
Rentals of Produced Assets	71,757,378	62,594,514
Training Expenses	2,308,854	4,906,015
Hospitality Supplies and Servi	21,613,964	20,650,836
Specialised Materials and Supp	7,502,394	8,834,578
Office and General Supplies and Services	5,856,414	5,499,947
Fuel Oil and Lubricants	12,629,286	4,102,614
Other Operating Expenses	162,980,856	48,425,030
Routine Maintenance - Vehicles	4,558,047	1,301,286
Routine Maintenance - Other Assets	4,468,339	2,162,869
TOTAL	320,108,106	175,797,848

5 Grants and Transfers to Other Government Entities

Description	2021- 2022	2020- 2021
	Kshs	Kshs
Transfers to National Government entities (SCOA Codes 2630100, 2630200, 2640400, 2640500, 2649900, 2820100, 2820200, 2820300)	1,276,000,000	1,278,000,000
TOTAL	1,276,000,000	1,278,000,000

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5b: Transfers to self – reporting entities in the year

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

Description	Recurrent	Development	2021- 2022
	Kshs	Kshs	Kshs
Transfers to SAGAs and SCs			-
MINISTRY OF WORKS SPORTS CLUB	16,000,000	-	16,000,000
NATIONAL CONSTRUCTION AUTHORITY	1,260,000,000	-	1,260,000,000
TOTAL	1,276,000,000	-	1,276,000,000

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

6 Social Security Benefits

Description	2021- 2022	2020- 2021
	Kshs	Kshs
Government pension and retirement benefits	9,618,531	4,099,929
TOTAL	9,618,531	4,099,929

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7 Acquisition of Assets

These represent payments made to acquire property, plant and equipment during the year; which have been fully expended in the year of purchase in line with the accounting policies

	2021- 2022	2020- 2021
	Kshs	Kshs
Construction of Buildings	383,050,844	308,435,245
Refurbishment of Buildings	27,605,137	7,484,944
Construction and Civil Works	182,174,281	204,139,344
Purchase of Vehicles and Other Transport Equipment	-	13,632,500
Purchase of Household Furniture and Institutional Equipment	102,820	60,000
Purchase of Office Furniture and General Equipment	363,502	27,928,400
Purchase of Specialised Plant, Equipment and Machinery	32,300	19,000
Research, Studies, Project Preparation, Design & Supervision	109,725,751	120,663,855
TOTAL	703,054,635	682,363,288

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Cash and Bank Accounts

8A: Bank Accounts

Name of Bank, Account No. & currency	Amount in bank account currency	Indicate whether recurrent, Development, deposit e.t.c	2021- 2022	2020- 2021
			Kshs	Kshs
Central Bank of Kenya, 87038023,KShs	ksh	Reccurent	981,866	3,450
Central Bank of Kenya, 87056980,KShs	ksh	Development	1,042	9,526
Central Bank of Kenya, 87134823,KShs	ksh	Deposit	480,657,441	587,676,280
Total			481,640,349	587,689,256

8B: Cash on hand

Description	2021- 2022	2020- 2021
	Kshs	Kshs
Cash in Hand – Held in domestic currency	74,981	14,716
TOTAL	74,981	14,716

Detailed Cash is as follows:

Description	2021- 2022	2020- 2021
	Kshs	Kshs
Public works Building	74,981	14,716
TOTAL	74,981	14,716

Board of survey certificates for each has been attached to the financial statements.

9 : Imprests and Advances

Description	2021- 2022	2020- 2021
	Kshs	Kshs
Government Imprests	637,210	-
TOTAL	637,210	-

Breakdown of the outstanding imprest has been provided as an annex to the financial statements.

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10 Third party deposits and retention

	2021- 2022	2020- 2021
Description	Kshs	Kshs
Retentions	480,657,441	587,676,280
Other Deposits	-	-
TOTAL	480,657,441	587,676,280

A breakdown analysis has been provided as an annex to the financial statements

11 . Fund Balance Brought Forward

	2021- 2022	2020- 2021
Description	Kshs	Kshs
Bank accounts	587,689,256	729,336,006
Cash in hand	14,716	-
Receivables - Outstanding Imprests	-	3,972,963
Payables - Deposits	(587,676,280)	(697,022,447)
TOTAL	27,692	36,286,522

12 Prior Year Adjustments

	Balance b/f FY 2020/2021 as per Financial statements	Adjustments	Adjusted Balance b/f FY 2020/2021
Description of the error	Kshs	Kshs	Kshs
Bank account Balances	587,689,256	(12,976)	587,676,280
Cash in hand	14,716	-	14,716
Accounts Payables	(587,676,280)	-	(587,676,280)
	27,692	(12,976)	-

The prior period adjustments relate to kshs. **3,450** relating to recurrent and kshs. **9,526** relating development swept to the exchequer account as a result of the provisions of the PFM Act.

The prior year adjustments result in a reduction of fund balance brought forward of the State Department for Public Works.

Bank statements extracts have been attached as annex to the financial statements to confirm the same.

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13 (Increase)/ Decrease in Advances and Imprests

Description of the error	2021- 2022	2020- 2021
	KShs	KShs
Receivables as at 1 st July 2021	-	3,972,963
Receivables as at 30th June 2022	637,210	-
Net changes in account receivables	(637,210)	3,972,963

(Receivable as at 1st July for FY 2021/22 should be the same as receivable as at 30th June for FY 2020/21)

14 Increase/ (Decrease) in Retention and Third-Party Deposits

Description of the error	2021- 2022	2020- 2021
	KShs	KShs
Payables as at 1 st July 2021	587,676,280	697,022,447
Payables as at 30th June 2022	480,657,441	587,676,280
Net changes in account Payables	(107,018,840)	(109,346,167)

15 Related Party Disclosures

Description	2021- 2022	2020- 2021
	Kshs	Kshs
Transfers to other State Corporations and Semi-Autonomous Government Agencies	1,276,000,000	1,258,399,999

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

The following comprise of related parties to the State Department for Public Works.

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

16 Other Important Disclosures

16.1 Related party transactions:

Description	2021-2022	2020-2021
	Kshs	Kshs
Transfers to Related Parties		
Transfers to other MDAs	1,276,000,000	1,278,000,000
Total Transfers to Related Parties	1,276,000,000	1,278,000,000
Transfers from Related Parties		
Transfers from the Exchequer	3,093,210,448	2,924,112,346
Total Transfers from Related Parties	4,369,210,448	4,202,112,346

16.2: Pending Accounts Payable (See Annex 1)

	Balance b/f FY 2020/2021	Additions for the period	Paid during the year	Balance c/f FY 2021/2022
Description	Kshs	Kshs	Kshs	Kshs
Construction of Buildings	490,641,895	554,273,219.8	357,608,479	687,306,635.75
Construction of Civil Works	224,302,217	19,236,380.67	208,512,305	35,026,297.67
Supply of Goods	13,264,199	0	2,600,982	10,663,217
Supply of Services	102,236,275	14,850,253	37,240,541.7	79,845,981.29
Total	830,444,586	588,359,853.4	605,962,307.7	812,842,131.71

Source of data

Pending bill status report as submitted to treasury for the F/Y ending 2021/2022 that has;

1. Recurrent Pending Bill Kshs. **90,506,203.00**
2. Development Pending Bill Kshs. **722,333,928.92**

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16.3: Pending Staff Payables (See Annex 2)

- No pending staff payable

16.4: Other Pending Payables (See Annex 3)

	Balance b/f FY/2021/2022	Additions for the period	Paid during the year	Balance c/f FY/2021/2022
Description	Kshs.	Kshs.	Kshs.	Kshs.
Amounts due to third party	587,676,280.35	63,020,652.65	(170,039,492.35)	480,657,440.65
Total	587,676,280.35	63,020,652.65	(170,039,492.35)	480,657,440.65

16.5 External Assistance

No external assistance existed during the year.

16.6 Contingent Liabilities

None

Notes to the Financial Statements (Continued)

16.7 Progress on follow up of Prior Years Auditor-General's recommendations

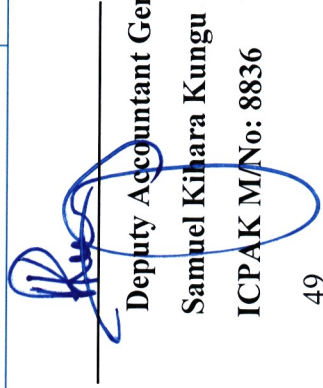
The following is the summary of issues raised by the Auditor-General during the prior year and management comments that were provided.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
795	Inaccuracies in the Financial Statements	IFMIS and Financial Statements figures were reconciled	Resolved	
796	Pending Bills	Pending bills were paid based budgetary provision	Resolved	
797	Construction Projects	Lack of budgetary provision is causing delays in completing projects	The National Treasury to avail more funds to complete the projects.	CFO to negotiate for additional funds
798	Irregular Contractors for Construction of bridges	Proper procurement procedures were followed	Resolved	
799	Competitive of service contractors	Proper procurement procedures were followed	Resolved	



Principal Secretary

Name: Joel Arumonyang



Deputy Accountant General

Samuel Kihara Kungu

ICPAK M/No: 8836

State Department for Public Works
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17 Annexes

Annex 1 - Analysis of Pending Accounts Payable

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2021/22	Outstanding Balance 2020/21	Comments
	A	B	c	d=a-c		
Construction of buildings						
1.						
Sub-Total						
Construction of civil works						
2.						
Sub-Total						
Supply of goods						
3.						
Sub-Total						
Supply of services						
4.						
5.						
Sub-Total						
Grand Total						

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Annex 2 - Analysis of Pending Staff Payables

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2021/22	Outstanding Balance 2020/21	Comments
		a	b	c	d=a-c		
Senior Management							
1.							
2.							
Sub-Total							
Middle Management							
3.							
4.							
Sub-Total							
Union Employees							
5.							
6.							
Sub-Total							
Others (specify)							
7.							
8.							

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Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2021/22	Outstanding Balance 2020/21	Comments
Sub-Total							
Grand Total							

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 Annex 3 - Analysis of Other Pending Payables

Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2022	Outstanding Balance 2021	Comments
		a	b	c	d=a-c		
Amounts due to National Govt Entities							
1.							
2.							
Sub-Total							
Amounts due to County Govt Entities							
3.							
4.							
Sub-Total							
Amounts due to Third Parties							
5.							
6.							
Sub-Total							
Others (specify)							
7.							
8.							
Sub-Total							
Grand Total							

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Annex 4 – Summary of Fixed Asset Register

Asset class	Historical Cost b/f (Kshs)	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost e/f (Kshs)
Buildings and structures	640,723,388	702,556,013	-	1,343,279,401
Office equipment, furniture and fittings	41,620,900	466,322	-	42,087,222
Other Machinery and Equipment	19,000	32,300	-	51,300.00
Total	682,363,288	703,054,635	-	1,385,417,923

(NB: Additions during the year should tie to note 7 on acquisition of assets during the year. complete fixed asset register is separately prepared as per circular number 5/2020 and follow up reminder of circular No.23/2020 of The National Treasury)

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Annex 5 – List of Projects implemented by State Department for Public Works**

None

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Annex 6 – List of SCs, Sagas and Public Funds Under State Department for Public Works

Ref	SC, SAGA or Public Fund's name	Principal activity of State Department for Public Works	Accounting Officer	Amount transferred during the year	Inter- State Department for Public Works reconciliations done?(yes/no)
1	Ministry of works Sports Club	-	Solomon Kitungu, CBS	16,000,000	yes
2	National Construction Authority	-	Solomon Kitungu, CBS	1,260,000,000	yes

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Annex 7 – Contingent Liabilities Register

None

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Annex 8: Reporting of Climate Relevant Expenditures
None

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Annex 9: Disaster Expenditure Reporting Template
None

Annex 10- Reports Generated from IFMIS

The following financial reports generated from IFMIS should be attached as appendices to these financial statements.

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

ATTNEX 5A: PENDING BILL		Financial year (2019,20,21 &22)							
Vote	Item Description	Approved allocation for contract	Total cumulative payment to date	Unpaid balance to date	Interes t/Pena lites	Total Outstanding Amount of the pending bill to date	Reasons for incurring the pending bill-		
RECURRENT									
	Jema Auto Garage & services	Motor vehicle repair	257,092.000	257,092.000		257,092.000	Lack of budgetary provision		
	Ms. Burch Resort	conference facility	444,500.000	444,500.000		444,500.000	Lack of budgetary provision		
	Machakos University	conference facility	354,000.000	354,000.000		354,000.000	Lack of budgetary provision		
	Tom Auto Garage	Motor vehicle repair	498,000.000	498,000.000		498,000.000	Lack of budgetary provision		
	Rockey Africa Ltd	supply of tyres	275,002.500	275,002.500		275,002.500	Lack of budgetary provision		
	Rockey Africa Ltd	supply of tyres	141,200.000	141,200.000		141,200.000	Lack of budgetary provision		
	Rockey Africa Ltd	supply of tyres	192,800.000	192,800.000		192,800.000	Lack of budgetary provision		
	Rockey Africa Ltd	supply of tyres	122,310.000	122,310.000		122,310.000	Lack of budgetary provision		
	Silver Africa	provision of air tickets	7,979,074.000	7,979,074.000		7,979,074.000	Lack of budgetary provision		
	Mow Sports club	conference facility	450,000.000	450,000.000		450,000.000	Lack of budgetary provision		
	Machakos University	conference facility	450,000.000	450,000.000		450,000.000	Lack of budgetary provision		
	Intermass stationeries & printers	supply of tonners	2,922,850.000	2,922,850.000		2,922,850.000	Lack of budgetary provision		
	Credible Printers and Stationers	supply of tonners	1,015,500.000	1,015,500.000		1,015,500.000	Lack of budgetary provision		
	Ella Bella Agencies	provision of air tickets	2,511,045.000	2,511,045.000		2,511,045.000	Lack of budgetary provision		
	Pago Airways	provision of air tickets	805,745.000	805,745.000		805,745.000	Lack of budgetary provision		
	Masada Hotel	conference facility	1,160,000.000	1,160,000.000		1,160,000.000	Lack of budgetary provision		
	Kyaka Hotel	conference facility	208,000.000	208,000.000		208,000.000	Lack of budgetary provision		
	Silver Africa Tours	conference facility	192,000.000	192,000.000		192,000.000	Lack of budgetary provision		
	Lastra Agencies	provision of air tickets	193,150.000	193,150.000		193,150.000	Lack of budgetary provision		
	Astorian Grand Hotel	supply of uniforms	1,040,920.000	1,040,920.000		1,040,920.000	Lack of budgetary provision		
	Astorian Grand Hotel	conference facility	176,400.000	176,400.000		176,400.000	Lack of budgetary provision		
	Angaza Networks(A)	conference facility	53,200.000	53,200.000		53,200.000	Lack of budgetary provision		
	Moopa Investment Uniform	conference facility	700,000.000	700,000.000		700,000.000	Lack of budgetary provision		
	Atlantis Business systems ltd	supply of uniforms	552,900.000	552,900.000		552,900.000	Lack of budgetary provision		
	Yakyn International	supply of photocopiers	335,000.000	335,000.000		335,000.000	Lack of budgetary provision		
	Chafra Communications	supply of assorted stationaries	500,000.000	500,000.000		500,000.000	Lack of budgetary provision		
	Tamia Limited	supply of laptop	464,000.000	464,000.000		464,000.000	Lack of budgetary provision		
	MFI Document Solutions	provision of cleaning services	234,900.000	234,900.000		234,900.000	Lack of budgetary provision		
	Pacific stationers (K) Ltd	servicing of photocopiers	214,862.000	214,862.000		214,862.000	Lack of budgetary provision		
	Fapeha Limited	supply of printing papers	467,000.000	467,000.000		467,000.000	Lack of budgetary provision		
	Exco Company Ltd	supply of printing papers	238,000.000	238,000.000		238,000.000	Lack of budgetary provision		
	The Benms Company Ltd	supply of digital camera	120,320.000	120,320.000		120,320.000	Lack of budgetary provision		
	Semunyamo General store	supply of assorted toners	80,000.000	80,000.000		80,000.000	Lack of budgetary provision		
	eta trading company	supply of digital camera	345,000.000	345,000.000		345,000.000	Lack of budgetary provision		
	eta trading company	supply of tonners	180,000.000	180,000.000		180,000.000	Lack of budgetary provision		

Rockey Africa Ltd	supply of tyres	3,269,799.350	3,269,799.350	3,269,799.350	3,269,799.350	lack of budgetary provision
Furniture Elegance ltd	supply of office furnitures	1,038,800.000	1,038,800.000	1,038,800.000	1,038,800.000	lack of budgetary provision
Furniture Elegance ltd	supply of office furnitures	710,000.000	710,000.000	710,000.000	710,000.000	lack of budgetary provision
Furniture Elegance ltd	supply of office furnitures	907,100.000	907,100.000	907,100.000	907,100.000	lack of budgetary provision
Front ours Company	supply f assorted stationaries	102,000.000	102,000.000	102,000.000	102,000.000	lack of budgetary provision
Compton Limited	supply of assorted stationaries	450,080.000	450,080.000	450,080.000	450,080.000	lack of budgetary provision
Kawagoe Agencies	supply of ICT equipments	1,129,200.000	1,129,200.000	1,129,200.000	1,129,200.000	lack of budgetary provision
Legal Claim	supply of ICT equipments	18,512,302.440	18,512,302.440	18,512,302.440	18,512,302.440	lack of budgetary provision
Fuel, Oil & Other Items for Transport	supply of fuel	18,073,198.000	18,073,198.000	18,073,198.000	18,073,198.000	lack of budgetary provision
BORAQS May 2018	Training	600,000.000	600,000.000	600,000.000	600,000.000	lack of budgetary provision
BORAQS Sept 2017	Training	600,000.000	600,000.000	600,000.000	600,000.000	lack of budgetary provision
BORAQS July 2019	Training	600,000.000	600,000.000	600,000.000	600,000.000	lack of budgetary provision
Membership Fees, Dues and Subscriptions	Membership Fees, Dues and Subscriptions	450,000.000	450,000.000	450,000.000	450,000.000	lack of budgetary provision
JN Kibs Enterprises	Routine Maintenance- Motor Vehicles and other transport Equipment	299,100.000	299,100.000	299,100.000	299,100.000	lack of budgetary provision
Tom Auto Garage	Routine Maintenance- Motor Vehicles and other transport Equipment	497,800.000	497,800.000	497,800.000	497,800.000	lack of budgetary provision
Mike Enterprise	Routine Maintenance- Motor Vehicles and other transport Equipment	398,500.000	398,500.000	398,500.000	398,500.000	lack of budgetary provision
Janico Auto Garage	Routine Maintenance- Motor Vehicles and other transport Equipment	296,300.000	296,300.000	296,300.000	296,300.000	lack of budgetary provision
BizLink	Routine Maintenance- Motor Vehicles and other transport Equipment	1,500,000.000	1,500,000.000	1,500,000.000	1,500,000.000	lack of budgetary provision
Fortune supplies	Fumigation services	800,000.000	800,000.000	800,000.000	800,000.000	lack of budgetary provision
Toyota Kenya	Payment for service and maintenance of GK B 467S as per attached documents	89,439.000	89,439.000	89,439.000	89,439.000	lackof exchequer
pride Inn paradise Beach Resort	Full day conference package for 3 days as per attached document	120,000.000	120,000.000	120,000.000	120,000.000	lackof exchequer
Mow Sports club	conference facility	23,450.000	23,450.000	23,450.000	23,450.000	lackof exchequer
State Dprt for broadcasting & Telecommunication	Advertisement for tender notice in the local daily Newspapers on the 1 st as per attached documents	205,045.000	205,045.000	205,045.000	205,045.000	lackof exchequer
Mow Sports club	conference facility	54,000.000	54,000.000	54,000.000	54,000.000	lackof exchequer
Machakos University	conference facility	159,000.000	159,000.000	159,000.000	159,000.000	lackof exchequer
Machakos University	conference facility	144,000.000	144,000.000	144,000.000	144,000.000	lackof exchequer
Palm Motors	Repair and service of GK A 168 Vas per the estimates and attached performance	304,546.000	304,546.000	304,546.000	304,546.000	lackof exchequer
Elevonic Lifts Services	Maintenance of lifts at state department of public works as per attached documents	261,000.000	261,000.000	261,000.000	261,000.000	lackof exchequer
Elevonic Lifts Services	Maintenance of lifts at state department of public works as per attached documents	261,000.000	261,000.000	261,000.000	261,000.000	lackof exchequer

Brinks security	provision of security services	6,467,340.000		6,467,340.000		6,467,340.000	Lack of exchequer
Golden Years	provision of cleaning services	6,761,433.000		6,761,433.000		6,761,433.000	Lack of exchequer
TOTAL						90,509,203.000	
DEVELOPMENT							
M/s Lexis International	Proposed isolation works Mbagathi hospital	1,500,000.000		1,500,000.000		1,500,000.000	Lack of budgetary provision
M/S Diadem ltd	Kericho Ardhi House 17th F	621,788.850		621,788.850		621,788.850	Lack of budgetary provision
M/S F.M. Project consultant	Mathare nyayo hospital 3rd C pay	5,136,040.140		5,136,040.140		5,136,040.140	Lack of budgetary provision
M/S Kenneth wyne mutuma	NYS college Gilgiji 14th G pay	112,900.000		112,900.000		112,900.000	Lack of budgetary provision
M/S Kenneth wyne mutuma	Respondent fee	10,140.000		10,140.000		10,140.000	Lack of budgetary provision
M/S Kenneth wyne mutuma	NYS college Gilgiji 14th G pay	177,600.000		177,600.000		177,600.000	Lack of budgetary provision
M/S Kenneth wyne mutuma	Respondent fee	17,100.000		17,100.000		17,100.000	Lack of budgetary provision
M/S Kenneth wyne mutuma	NYS college Gilgiji 14th G pay	558,771.000		558,771.000		558,771.000	Lack of budgetary provision
M/S High point agencies	Respondent fee	3,120,126.290		3,120,126.290		3,120,126.290	Lack of budgetary provision
M/S High point agencies	NYS college Gilgiji 14th G pay	2,716,389.120		2,716,389.120		2,716,389.120	Lack of budgetary provision
M/S High point agencies	Respondent fee	2,980,729.900		2,980,729.900		2,980,729.900	Lack of budgetary provision
M/S Xenocoon consulting Engineers ltd	KTBT Hqs 5th civil/ structural consultancy services	3,769,557.770		3,769,557.770		3,769,557.770	Lack of budgetary provision
M/S Ongata works ltd	Mithani house phase V 51st pay	11,826,999.780		11,826,999.780		11,826,999.780	Lack of budgetary provision
M/S Italbuid imports ltd	GSU Base camp Ruiru phase VI 35th pay	22,617,495.590		22,617,495.590		22,617,495.590	Lack of budgetary provision
M/S Samima Investment ltd	Kagema Muranga West 8th pay	3,745,682.000		3,745,682.000		3,745,682.000	Lack of budgetary provision
Otieno Odongo & Partners	Proposed completion of Mithani House	2,990,289.500		2,990,289.500		2,990,289.500	Lack of budgetary provision
Ms F. M. Project Consultant	Proposed Completion of Mathare Nyayo	4,498,466.000		4,498,466.000		4,498,466.000	Lack of budgetary provision
Ms Appalan Marine and General Contractors Co. Ltd	Reconstruction of Bombi- Kisiki Footbridge in Kilifi County (part 8b)	10,377,244.000		10,377,244.000		10,377,244.000	Lack of budgetary provision
Ms Appalan Marine and General Contractors Co. Ltd	Reconstruction of Shakahala - Haweanje Footbridge in Kilifi County (part 7b) Part 2						

M/S Centurion Engineers & Builders Ltd	Naivasha perimeter wall	30,296,211.000		30,296,211.000		30,296,211.000	Lack of budgetary provision
M/S Bomco building Contr.	Kitui TT College 36th pay	6,903,147.250		6,903,147.250		6,903,147.250	Lack of budgetary provision
M/S Bomco building Contr.	Kitui TT College 38th pay	31,295,189.360		31,295,189.360		31,295,189.360	Lack of budgetary provision
M/S Gibb Africa	Completion of Kibish police	2,637,258.550		2,637,258.550		2,637,258.550	Lack of budgetary provision
M/S Nawal General Construction & supplies Ltd.	Construction of footbridge at Skeedik-Garissa Town	914,202.400		914,202.400		914,202.400	Lack of budgetary provision
Landmark Holding Limited	Completion of Kibish Police Lines GUS Base Camp and AP Lines	259,927,020.700		259,927,020.700		259,927,020.700	Lack of budgetary provision
Aven Premier	Rehabilitation of Mtangawanda Jetty WP item no d109/co/lam/1801	7,974,790.000		7,974,790.000		7,974,790.000	lack of exchequer
Vaghiyani Enterprises	proposed completion of Nyamira district hospital	26,855,869.600		26,855,869.600		26,855,869.600	Lack of budgetary provision
Ms. Terracraft(K) Limited	Proposed Completion of Migori District Headquarters (41 st and final certificate)	39,980,183.240		39,980,183.240		39,980,183.240	Lack of budgetary provision
Ms Quanticonsult Limited	Completion Works at Migori District Headquarters	6,835,357.700		6,835,357.700		6,835,357.700	Lack of budgetary provision
Ms. K& M Archplans Limited	Proposed Completion of Migori District Headquarters	3,281,827.220		3,281,827.220		3,281,827.220	Lack of budgetary provision
Ms. Tectura International Ltd	Proposed Construction of papal Dais at the University of Nairobi Grounds	5,000,000.000		5,000,000.000		5,000,000.000	Lack of budgetary provision
Geoissa Eng Ltd	1 st Payment for Material testing services for assessment of safety of existing buildings.	4,638,840.000		4,638,840.000		4,638,840.000	Lack of budgetary provision
Solitare Construction Ltd	proposed completion of Nyandarua county hddtrs	26,330,013.680		26,330,013.680		26,330,013.680	Lack of exchequer
Ms. NK Brothers Limited	Proposed Completion of Kenya Institute of Business Training HQ- Ojilo Road Parklands	145,193,438.650		145,193,438.650		145,193,438.650	Lack of budgetary provision
Maitheri & Associated	Completion of Makueni District Headquarters Electrical and Mechanical Services Installations	9,065,955.000		9,065,955.000		9,065,955.000	Lack of budgetary provision
Masigee Contractor	Proposed 48m Span Gurar footbridge in Wajir North Constituency -Wajir County	3,515,714.000		3,515,714.000		3,515,714.000	Lack of budgetary provision
simis Eng. And Contractor Ltd	Proposed 48m Span Derkale footbridge in Banisa Constituency-Mandera County	2,758,876.670		2,758,876.670		2,758,876.670	Lack of budgetary provision
Masigee Contractor	Proposed 48m span Bute footbridge in Wajir North Constituency -Wajir County	2,487,050.000		2,487,050.000		2,487,050.000	Lack of budgetary provision

Gaals Agencies	Proposed Construction of 42m Span Lorruko- Barrier footbridge in Laisamis Constituency- Marsabit County (Certificate 2b)	2,499,950,000		2,499,950,000		2,499,950,000	Lack of budgetary provision
University of Nairobi	County (Certificate 2b) Consultancy Services to undertake investigation into local production as per attached invoice	4,030,700,000		4,030,700,000		4,030,700,000	Lackof exchequer
Muji Devraj	Proposed Completion Works at Voi Pool Housing Project (Certificate 17 th b)	3,880,717,600		3,880,717,600		3,880,717,600	Lackof exchequer
Muji Devraj	Proposed Completion Works at Voi Pool Housing (19 th certificate)	13,621,176,000		13,621,176,000		13,621,176,000	Lackof exchequer
Monard Agencies	Proposed completion of kanyanye District	5,632,120,360		5,632,120,360		5,632,120,360	Lack of budgetary provision
TOTAL						722,332,928,920	
GRAND TOTAL						812,842,131,920	

NOTES TO THE FINANCIAL STATEMENTS

Entity: 1095-State Department for Public Works

Current Period: JUL-21 To JUN-22

Compare With: JUL-20 To JUN-21

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 for Q1	9910201	744,935,484.05	482,191,317.90
Exchequer Releases/ Provisioning Account for Q2	9910201	1,045,661,157.65	1,127,194,224.20
Exchequer Releases/ Provisioning Account for Q3	9910201	511,761,636.60	567,362,560.00

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 of 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	24,381,170.00	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
Repayments from Domestic Loans to Individuals and Households	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

Item Description	Item Code	Current Period	Previous Period
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
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
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	3,946,500.00
Sales of Market Establishment	1415000	0.00	0.00
Administrative Fees and Charges	1420100	0.00	0.00
Administrative Fees and Charges collected as AIA	1420200	0.00	0.00
Incidental Sales by Non-Market Establishments	1420300	0.00	0.00
Incidental Sales by Non-Market Establishments Collected as AIA	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	53,500.00
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

Item Description	Item Code	Current Period	Previous Period
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	4,000,000.00

12 Compensation of Employees

Item Description	Item Code	Current Period	Previous Period
		Kshs	Kshs
Basic Salaries - Permanent Employees	2110100	565,316,588.80	552,247,097.90
Basic Wages - Temporary Employees	2110200	5,180,285.40	10,536,528.60
Personal Allowances paid as part of Salary	2110300	236,633,089.15	225,039,962.70
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	0.00	0.00
Employer Contributions to Compulsory Health Insurance Schemes	2120200	0.00	0.00
Social Benefit Schemes Outside Government	2120300	0.00	0.00
TOTAL		807,129,963.35	787,823,589.20

13 Use of goods and Services

Item Description	Item Code	Current Period	Previous Period
		Kshs	Kshs
Utilities, Supplies and Services	2210100	6,814,371.00	8,111,524.60
Communication, Supplies and Services	2210200	633,118.20	346,930.00
Domestic Travel and Subsistence, and Other Transportation Costs	2210300	14,420,634.65	8,495,725.00
Foreign Travel and Subsistence, and other transportation costs	2210400	4,132,809.50	213,196.00
Printing, Advertising and Information Supplies and Services	2210500	431,640.20	152,784.15
Rentals of Produced Assets	2210600	71,757,377.80	62,594,514.35
Training Expenses	2210700	2,308,854.00	4,906,015.00
Hospitality Supplies and Servi	2210800	21,613,964.00	20,650,836.00
Insurance Costs	2210900	0	0.00
Specialised Materials and Supp	2211000	7,502,394.40	8,834,578.35
Office and General Supplies and Services	2211100	5,856,413.90	5,499,946.70
Fuel Oil and Lubricants	2211200	12,629,286.05	4,102,613.55
Other Operating Expenses	9911300	162,980,855.65	48,425,029.70

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
TOTAL	2649900	0.00	0.00

17 Social Security Benefits

Item Description	Item Code	Current Period	Previous Period
		Kshs	Kshs
Government Pension and Retirement Benefits	2710100	9,618,530.75	4,099,929.15
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		9,618,530.75	4,099,929.15

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	383,050,844.30	308,435,244.70
Refurbishment of Buildings	3110300	27,605,136.80	7,484,944.00
Construction of Roads	3110400	0.00	0.00
Construction and Civil Works	3110500	182,174,281.30	204,139,343.95
Overhaul and Refurbishment of Construction and Civil Works	3110600	0.00	0.00
Purchase of Vehicles and Other Transport Equipment	3110700	0.00	13,632,500.00
Overhaul of Vehicles and Other Transport Equipment	3110800	0.00	0.00
Purchase of Household Furniture and Institutional Equipment	3110900	102,820.00	60,000.00
Purchase of Office Furniture and General Equipment	3111000	363,501.50	27,928,400.00
Purchase of Specialised Plant, Equipment and Machinery	3111100	32,300.00	19,000.00
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

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
Repayments on Borrowings from Other Domestic Creditors - Public Enterprises	5620000	0.00	0.00
	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
Treasurer Bank Accounts /Evyhanuar and CRF	6520000	0.00	0.00

Item Description	Item Code	Current Period	Previous Period
TOTAL		637,210.00	0.00

24. ACCOUNTS PAYABLE

Item Description	Item code	Current Period	Previous Period
		Kshs	Kshs
Deposits	7310000	480,657,440.65	587,078,339.25
Withholding Taxes	7380000	0.00	0.00
System Required Liabilities A/cs	7390000	0.00	0.00
Other Liabilities	7320000	0.00	597,941.10
TOTAL		480,657,440.65	587,676,280.35

25. FUND BALANCES BROUGHT FORWARD

Item Description	Item Code	Current Period	Previous Period
		Kshs	Kshs
Opening Balance Bank	22A	587,689,255.60	729,336,006.20
Opening Balance Cash	22B	14,716.00	0.00
Opening Balance Receivables - Imprest and Clearance Accounts	23	0.00	3,972,963.00
Opening Balance - Deposits	24	(587,676,280.35)	(697,022,447.00)
TOTAL		27,691.25	36,286,522.20

26. PRIOR YEAR ADJUSTMENTS

Item Description	Item Code	Current Period	Previous Period
		Kshs	Kshs
Exchequer Provisions	9910200	12,976.00	36,286,522.05
County Transfers	9910300	0.00	0.00
TOTAL		12,976.00	36,286,522.10

Trial Balance Comparison Report
 Entity: 1095-State Department for Public Works
 Current Period: JUL-21 To JUN-22
 Compare With: JUL-20 To ADJ2-21

Account No and Description	Current Period		Previous period	
	Debit Balance Kshs	Credit Balance Kshs	Debit Balance Kshs	Credit Balance Kshs
1410501 Rent of Land & Buildings	0.00	0.00	0.00	3,946,500.00
1410500 Other Property Income collected as AIA	0.00	0.00	0.00	3,946,500.00
1410000 Property Income	0.00	0.00	0.00	3,946,500.00
1420601 Sale of Tender Documents	0.00	0.00	0.00	53,500.00
1420600 Receipts from Sale of Incidental Goods	0.00	0.00	0.00	53,500.00
1420000 Sales of Goods and Services	0.00	0.00	0.00	53,500.00
2110101 Basic Salaries - Civil Service	565,316,588.80	0.00	552,247,097.90	0.00
2110100 Basic Salaries - Permanent Employees	565,316,588.80	0.00	552,247,097.90	0.00
2110202 Casual Labour - Others	5,180,285.40	0.00	10,536,528.60	0.00
2110200 Basic Wages - Temporary Employees	5,180,285.40	0.00	10,536,528.60	0.00
2110301 House Allowance	187,718,519.20	0.00	183,580,107.85	0.00
2110309 Special Duty Allowance	553,902.50	0.00	966,782.00	0.00
2110311 Transfer Allowance	77,250.00	0.00	126,250.00	0.00
2110312 Responsibility Allowance	374,277.30	0.00	704,550.00	0.00
2110313 Entertainment Allowance	1,133,421.00	0.00	1,231,764.00	0.00
2110314 Transport Allowance	34,992,974.50	0.00	29,297,037.85	0.00
2110315 Extreme Allowance	2,192,909.00	0.00	505,405.00	0.00
2110317 Domestic Servant Allowance	2,042,337.10	0.00	1,092,400.00	0.00
2110320 Leave Allowance	7,547,498.55	0.00	7,535,666.00	0.00
2110336 Car Purchase Allowance	0.00	0.00	0.00	0.00
2110300 Personal Allowances paid as part of Salary	236,633,089.15	0.00	225,039,962.70	0.00
2110000 Wages and Salary Contributions	807,129,963.35	0.00	787,823,589.20	0.00
2210101 Electricity	3,439,916.00	0.00	4,405,820.00	0.00
2210102 Water and Sewerage Charges	3,374,455.00	0.00	3,705,704.60	0.00
2210100 Utilities, Supplies and Services	6,814,371.00	0.00	8,111,524.60	0.00
2210201 Telephone, Telex, Facsimile and Mobile Phone Services	431,739.80	0.00	284,330.00	0.00
2210202 Internet Connections	138,378.40	0.00	23,600.00	0.00
2210203 Courier & Postal Services	63,000.00	0.00	39,000.00	0.00
2210200 Communication, Supplies and Services	633,118.20	0.00	346,930.00	0.00
2211 Travel Costs (airlines, bus, railway, mileage allowances, etc.)	5,187,253.65	0.00	1,284,966.00	0.00
2210302 Accommodation - Domestic Travel	6,129,117.00	0.00	3,701,835.00	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	35,000.00	0.00	34,743.00	0.00
2210706 Book Allowance	72,500.00	0.00	75,000.00	0.00
2210707 Project Allowance	85,010.00	0.00	104,100.00	0.00
2210708 Trainer Allowance	0.00	0.00	0.00	0.00
2210710 Accommodation Allowance	95,000.00	0.00	96,685.00	0.00
2210711 Tuition Fees Allowance	1,605,464.00	0.00	4,151,831.00	0.00
2210799 Training Expenses - Other (Bud	20,000.00	0.00	30,000.00	0.00
2210700 Training Expenses	2,308,854.00	0.00	4,906,015.00	0.00
2210801 Catering Services (receptions), Accommodation, Gifts, Food and Drinks	963,987.00	0.00	574,822.00	0.00
2210802 Boards, Committees, Conferences and Seminars	19,810,641.00	0.00	1,112,250.00	0.00
2210805 National Celebrations	52,500.00	0.00	21,340.00	0.00
2210808 Purchase of Coffins	48,250.00	0.00	16,871.00	0.00
2210809 Board Allowance	738,586.00	0.00	18,901,553.00	0.00
2210899 Hospitality Supplies - other (0.00	0.00	24,000.00	0.00
2210800 Hospitality Supplies and Servi	21,613,964.00	0.00	20,650,836.00	0.00
2211001 Medical Drugs	150,000.00	0.00	150,000.00	0.00
2211002 Dressings and Other	108,000.00	0.00	50,000.00	0.00
Non-Pharmaceutical Medical Items				
2211004 Fungicides, Insecticides and Sprays	360,000.00	0.00	467,350.00	0.00
2211006 Purchase of Workshop Tools, Spares and Small Equipment	1,555,750.00	0.00	1,059,085.00	0.00
2211009 Education and Library Supplies	618,039.90	0.00	697,462.10	0.00
2211011 Purchase/Production of Photographic and Audio-Visual Materials	157,100.00	0.00	111,700.00	0.00
2211015 Foods and Rations	500,000.00	0.00	370,700.00	0.00
2211016 Purchase of Uniforms and Clothing - Staff	1,659,254.50	0.00	1,000,425.00	0.00
2211023 Supplies for Production	2,148,605.00	0.00	4,662,156.25	0.00
2211031 Specialised Materials - Other	245,645.00	0.00	265,700.00	0.00
2211000 Specialised Materials and Supp	7,502,394.40	0.00	8,834,578.35	0.00
2211101 General Office Supplies (papers, pencils, forms, small office equipment etc)	4,110,240.70	0.00	3,979,042.00	0.00
2211102 Supplies and Accessories for Computers and Printers	940,412.20	0.00	768,345.00	0.00
2211103 Sanitary and Cleaning Materials, Supplies and Services	805,761.00	0.00	752,559.70	0.00
2211100 Office and General Supplies and Services	5,856,413.90	0.00	5,499,946.70	0.00
2211201 Refined Fuels and Lubricants for Transport	12,629,286.05	0.00	4,102,613.55	0.00
2211 Fuel Oil and Lubricants	12,629,286.05	0.00	4,102,613.55	0.00
2211 Medical Expenses	500,000.00	0.00	500,000.00	0.00
2211305 Contracted Guards and Cleaning	40,002,795.00	0.00	359,847.40	0.00

Account No and Description	Current Period		Previous period	
	Debit Balance	Credit Balance	Debit Balance	Credit Balance
2220000 Routine Maintenance	9,026,386.40	0.00	3,464,155.00	0.00
2630101 Current Grants to Semi-Autonomous Government Agencies	1,276,000,000.00	0.00	1,278,000,000.00	0.00
2630100 Current Grants to Government Agencies and other Levels of Government	1,276,000,000.00	0.00	1,278,000,000.00	0.00
2630201 Capital Grants to Semi-Autonomous Government Agencies	0.00	0.00	0.00	0.00
2630200 Capital Grants to Government Agencies and other Levels of Government	0.00	0.00	0.00	0.00
2630000 Grants & Transfer To Other Govt. Units	1,276,000,000.00	0.00	1,278,000,000.00	0.00
2710102 Gratuity - Civil Servants	9,618,530.75	0.00	4,099,929.15	0.00
2710100 Government Pension and Retirement Benefits	9,618,530.75	0.00	4,099,929.15	0.00
2710000 Social Security Benefits	9,618,530.75	0.00	4,099,929.15	0.00
3110201 Residential Buildings (including hostels)	116,244,727.30	0.00	54,303,045.60	0.00
3110202 Non-Residential Buildings (offices, schools, hospitals, etc..)	266,806,117.00	0.00	254,132,199.10	0.00
3110200 Construction of Building	383,050,844.30	0.00	308,435,244.70	0.00
3110302 Refurbishment of Non-Residential Buildings	27,605,136.80	0.00	7,484,944.00	0.00
3110300 Refurbishment of Buildings	27,605,136.80	0.00	7,484,944.00	0.00
3110501 Bridges	168,672,141.70	0.00	175,578,630.00	0.00
3110504 Other Infrastructure and Civil Works	0	0.00	6,790,412.35	0.00
3110505 Sea Walls and Jeties	12,299,988.60	0.00	21,770,301.60	0.00
3110500 Construction and Civil Works	182,174,281.30	0.00	204,139,343.95	0.00
3110701 Purchase of Motor Vehicles	0.00	0.00	13,632,500.00	0.00
3110700 Purchase of Vehicles and Other Transport Equipment	0.00	0.00	13,632,500.00	0.00
3110901 Purchase of Household and Institutional Furniture and Fittings	87,820.00	0.00	60,000.00	0.00
3110902 Purchase of Household and Institutional Appliances	15,000.00	0.00	0.00	0.00
3110900 Purchase of Household Furniture and Institutional Equipment	102,820.00	0.00	60,000.00	0.00
3111001 Purchase of Office Furniture and Fittings	23,395.00	0.00	27,928,400.00	0.00
3111002 Purchase of Computers, Printers and other IT Equipment	320,105.50	0.00	0.00	0.00
3111009 Purchase of other Office Equipment	20,001.00	0.00	0.00	0.00
3111000 Purchase of Office Furniture and General Equipment	363,501.50	0.00	27,928,400.00	0.00
3111000 Purchase of Instrumentation and Callb	0.00	0.00	0.00	0.00
3111109 Purchase of Educational Aids and Related Frurniture	32,300.00	0.00	19,000.00	0.00

Account No and Description	Current Period		Previous period	
	Debit Balance	Credit Balance	Debit Balance	Credit Balance
6580101 Cash	74,981.00	0.00	14,716.00	0.00
6580104 Cash in Transit	0.00	0.00	0.00	0.00
6580100 Cash in Hand	74,981.00	0.00	14,716.00	0.00
6580000 Cash in Hand	74,981.00	0.00	14,716.00	0.00
6710103 Salary advance	0.00	0.00	0.00	0.00
6710100 Debtors & Advances - Employees	0.00	0.00	0.00	0.00
6710000 Domestic Debtors & Advances	0.00	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	637,210.00	0.00	0.00	0.00
6760100 Imprests	637,210.00	0.00	0.00	0.00
6760000 Government Imprests	637,210.00	0.00	0.00	0.00
6770101 Inter-Ministerial Agency A/C	0.00	0.00	0.00	0.00
6770100 Ministerial Agency Accounts	0.00	0.00	0.00	0.00
6770000 Agency Accounts	0.00	0.00	0.00	0.00
6790102 Receiving Inventory A/C	0.00	0.00	0.00	0.00
6790100 Other Current System A/c's	0.00	0.00	0.00	0.00
6790000 Other Current Assets (System r	0.00	0.00	0.00	0.00
7310101 General Deposits	0.00	0.00	0.00	0.00
7310107 10% Retention Money	0.00	480,657,440.65	0.00	587,078,339.25
7310100 General Deposits Items	0.00	480,657,440.65	0.00	587,078,339.25
7310000 Deposits	0.00	480,657,440.65	0.00	587,078,339.25
7320002 NHIF	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
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	0.25	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	0.25	0.00	0.00	0.00
7320109 Hire Purchases	0.00	0.00	0.00	0.00
7320110 Court Attachments	0.00	0.00	0.00	0.00
7320111 WCPS	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
7321 Union Dues	0.00	0.00	0.00	0.00
7320117 Mortgages / Bank Loans	0.00	0.00	0.00	0.00
7320117 Govt. Liability Attachments	0.00	0.00	0.00	0.00

Account No and Description	Current Period		Previous period	
	Debit Balance	Credit Balance	Debit Balance	Credit Balance
Total	18,452,092,361.15	18,452,092,361.15	12,333,247,523.45	12,333,247,523.45

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

Prepared By: _____ Date: _____

Reviewed By: _____ Date: _____

Approved By: _____ Date: _____