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ON THURSDAY 16TH
MARCH 2017

REPORT



OF

THE AUDITOR-GENERAL

ON

THE FINANCIAL STATEMENTS OF
COMMISSION FOR THE IMPLEMENTATION OF
THE CONSTITUTION

FOR THE EIGHT (8) MONTHS
PERIOD ENDED 26 FEBRUARY 2016



Commission for the Implementation of the Constitution

Utekelezaji wa katiba, jukumu la wote

COMMISSION FOR THE IMPLEMENTATION OF THE CONSTITUTION (CIC)

REPORTS AND FINANCIAL STATEMENTS

**FOR THE PERIOD OF 8 MONTHS ENDING
FEBRUARY 26, 2016**

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

COMMISSION FOR THE IMPLEMENTATION OF THE CONSTITUTION
Reports and Financial Statements
For the period of 8 months ending February 26, 2016 (Kshs)

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COMMISSION FOR THE IMPLEMENTATION OF THE CONSTITUTION
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for the period of 8 months ending February 26, 2016 (Kshs)

I. KEY INFORMATION AND MANAGEMENT

(a) Background information

The *Commission for the Implementation of the Constitution* was formed on 2010. (CIC) was established under Section 5 (6) of the Sixth Schedule of the Constitution and mandated to monitor, facilitate and oversee the development of legislation and administrative procedures required to implement the Constitution. At cabinet level, the *Commission* is represented by the Chairperson, who is responsible for the general policy and strategic direction of the Commission.

(b) Key Management

The day-to-day management is under the Chief Executive Officer.

(c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2015 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Accounting Officer	Joseph N.Kosure
2.	Director of Programmes	Esther Kodhek
3.	Director of Management Services	Rose Mghoi Macharia
4.	Senior Finance Officer	James Oundo
5.	Head of Accounts	Christine Ojode
6.	Head of Procurement	Kennedy Malinda
7.	Head of Human Resource	Howard Holume
8.	Head of Internal Audit	Margaret Akutekha

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(d) Commission for the Implementation of the Constitution Headquarters

Parklands Plaza
Chiromo Lane /Muthithi Road Junction
P O Box 40841 - 00100
Nairobi, Kenya

Entity Contacts

Telephone: (254) 020-2462374
E-mail: manager@cickenya.org
Website: www.cickenya.org

(e) Bankers

1. Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
Nairobi, Kenya
2. Kenya Commercial Bank
Sarit Centre Branch
P.O.Box 182
Westlands, Nairobi

(f) Independent Auditors

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

(g) Principal Legal Adviser

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

COMMISSION FOR THE IMPLEMENTATION OF THE CONSTITUTION

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II. REPORT OF THE CHIEF EXECUTIVE OFFICER

During the eight months under review, the Commission has been able to dispense with various bills, which Parliament has so far enacted into law. The medium term plan was to focus on bills with deadlines to facilitate implementation of the Constitution. The priority plan is on devolution and ensuring public participation on implementation by carrying out County visits to enlighten and seek opinion of the public on various bills to be enacted.

The Commission achieved its targets despite the challenge of not having adequate staff and other resources to carry out its functions. I wish to appreciate the assistance, both financial and technical that was extended to the Commission by the National during the reporting period. Furthermore, the Commission was able to put in place organized exit plan and process for successful winding up.

The Commission also appreciates the support it got from the sister Chapter 15 institutions and other arms of government in enabling it to carry out its mandate successfully especially during this period when it was winding up. We were able to meet our target during the period under review due to the support offered by these institutions.

In conclusion, it has been an eventful eight month period and we are grateful for what we have achieved so far.



DR. J. N. KOSURE
SECRETARY/CHIEF EXECUTIVE OFFICER

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III. PRINCIPAL ACTIVITIES

The mandate of the Commission is drawn from Article 249 and Section 5(6) of the 6th Schedule to the Constitution which provided however,

1. It was during this time that its life came to an end.
2. Co-ordinate with State Law Office and any other government agency to bring its life to an end.
3. Prepare minutes to cease its operations and handover its assets to the State Law Office and Department of Justice

RESULTS

The results of the commission for the year ended 26th February are set out on page 11.

COMMISSIONERS

The members of the Commission who were in office for the period under review are

- | | |
|---------------------------------|---------------|
| 1. Mr. Charles Nyachae | Chairman |
| 2. Dr. Elizabeth Muli | Vice Chairman |
| 3. Dr. Imaana Kibaaya Laibuta | Commissioner |
| 4. Professor Peter Wanyande | Commissioner |
| 5. Mr. Kamotho Waiganjo | Commissioner |
| 6. Ms. Catherine M. Mumma | Commissioner |
| 7. Dr. Ibrahim Ali | Commissioner |
| 8. Mr. Philemon Mwaisaka EBS,SS | Commissioner |
| 9. Dr. Florence Omosa | Commissioner |

COMMISSION FOR THE IMPLEMENTATION OF THE CONSTITUTION

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For the period of 8 months ending February 26, 2016 (Kshs)

**IV. STATEMENT OF COMMISSION FOR THE IMPLEMENTATION OF THE CONSTITUTION
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 Commission for the Implementation of the Constitution shall prepare financial statements in respect of that Commission for the Implementation of the Constitution. 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 *Commission* is responsible for the preparation and presentation of the *entity's* financial statements, which give a true and fair view of the state of affairs of the *Commission* for and as at the end of the financial year (period) ended for the period of 8 months ending February 26, 2016. 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 Commission for the Implementation of the Constitution; (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 *Commission*; (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 *Commission* accepts responsibility for the its 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 *Commission's* financial statements give a true and fair view of the state of its transactions during the financial year for the period of 8 months ending February 26, 2016, and of the *Commission's* financial position as at that date. The Accounting Officer in charge of the *Commission* further confirms the completeness of the accounting records maintained for the *Commission*, which have been relied upon in the preparation of its financial statements as well as the adequacy of the systems of internal financial control.

The Accounting Officer in charge of the *Commission* confirms that the entity has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the Commission's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the *entity* 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 Commission for the Implementation of the Constitution's financial statements were approved and signed by the Accounting Officer on 20/12 2016.



Secretary/Chief Executive Officer



Head of Accounts

COMMISSION FOR THE IMPLEMENTATION OF THE CONSTITUTION
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V. REPORT OF THE INDEPENDENT AUDITORS ON THE COMMISSION FOR THE IMPLEMENTATION OF THE CONSTITUTION

We have audited the accompanying (consolidated) financial statements of *Commission for the Implementation of the Constitution for the period of 8 months ending February, 2016*, which comprise: (i) a statement of receipts and payments; (ii) a statement of financial assets and liabilities; (iii) a statement of comparative budget and actual amounts; (iv) a statement of pending bills as at February, 2016; and (v) a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

The *Commission's* Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Public Sector Accounting Standards, and for such internal control as the management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with the International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Commission for the Implementation of the Constitution as at February 26th, 2016, and its receipts and payments, as well as cash flows for the year then ended in accordance with International Public Sector Accounting Standards.

Auditor General

Date

REPUBLIC OF KENYA

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NAIROBI

OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON COMMISSION FOR THE IMPLEMENTATION OF THE CONSTITUTION FOR THE EIGHT (8) MONTHS PERIOD ENDED 26 FEBRUARY 2016

REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of the Commission for the Implementation of the Constitution set out on pages 7 to 42, which comprise the statement of financial assets and liabilities as at 26 February 2016, and the statement of receipts and payments, statement of cash flow and statement of comparison of budget and actual amounts for the period 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.

Management's Responsibility for the Financial Statements

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 such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor-General's Responsibility

My responsibility is to express an opinion on these financial statements based on the audit and report in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. The audit was conducted in accordance with International Standards of Supreme Audit Institutions. Those standards require compliance with ethical requirements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation

Report of the Auditor-General on the Financial Statements of Commission for the Implementation of the Constitution for the Eight (8) Months Period ended 26 February 2016

and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

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

Basis for Adverse Opinion

1. Presentation of Financial Statements

(i) Chairman's Statement

Review of the financial statements for the Commission for the Implementation of the Constitution (CIC) revealed that the Chairman's statement is missing from the financial statements contrary to the financial reporting template prescribed by the Public Sector Accounting Standards Board.

(ii) Contingent Liabilities

The financial statements do not disclose the potential liability that could arise from the following cases filed against the Commission:

Citation	Parties	Particulars	Liability (Kshs)
Chief Magistrate Court Case No.5766 of 2015	Muthoni Thiankolu vs. CIC	CIC sued for non-payment of legal consultancy services	1,131,974
Industrial Cause No.476 of 2013	Kenneth Aida Joseph vs.CIC	Wrongful dismissal	42,042
Industrial Cause No.477 of 2013	Sebastian Githaiga Mwangi vs. CIC	Wrongful dismissal	42,042
		Total	1,216,058

In view of the foregoing, the financial statements for the period ended 26 February 2016 do not comply with International Public Sector Accounting Standards (IPSAS).

2. Unapproved Over Expenditure

The summary statements of the appropriation account for the period under review indicate that the approved budget for the Commission was Kshs.312,040,000 while

the actual expenditure was Kshs.314,978,622 leading to an unapproved over-expenditure of Kshs.2,938,622.

Consequently, the Commission did not operate within its approved budget estimates.

3. Irregular Repair of Motor Vehicle (InterMotors Enterprises)

The Commission's vehicle VW Passat GK A 129Y was involved in an accident along Waiyaki way on 10 August 2012. After the incident, the vehicle was towed to the police station by Intermotors Enterprises.

The police carried out investigations and the driver was charged with careless driving offence and convicted in by the Court. It was noted that after Intermotors towed the car they repaired it without authority at a cost of Kshs.178,292.00 paid vide PV No. 1270 dated 29 December 2015.

In addition, the following anomalies were also noted:

- i. There were no quotations raised and hence it was not possible to confirm that the Commission received value-for-money on the repairs.
- ii. The Local Service Order (LSO) No. 1044616 was issued on 11 May 2015 despite the invoice having been received two years earlier on 24 July 2013.
- iii. There was no evidence of inspection done to confirm that the repairs were carried out.

As a result, the propriety of the expenditure totaling to Kshs.178,292 cannot be confirmed.

4. Outstanding Imprests

Outstanding imprest as at 31 December 2015 totalled to Kshs.10,468,016 out of which Kshs.9,872,048 were under investigation by the police. Further, seven officers left the Commission without surrendering imprest totaling to Kshs.525,168 at the close of the mandated period. Apparently, the Commission did not recover the imprests from the officers before they left employment, contrary to the Public Finance (National Government) Regulations, 2015.

5. Uncleared Pending Bills

Pending bills reported in the winding up committee report totaled to Kshs.4,816,734.40 while the financial statements reflected a balance of Kshs.3,505,451 thus resulting in an unexplained variance of Kshs.1,311,284. Further, it is not clear why the bills were not paid yet the Commission had sufficient cash to pay the balance.

In the circumstance, the accuracy and propriety of the pending bills balance of Kshs.3,505,451 cannot be ascertained.

6. Unaccounted for Assets

The Commission procured assets costing Kshs.1,332,481 towards the closure of the financial year. These included mobile phones, iPads and laptops. The items were categorized as office furniture and general equipment in the financial statements but the Commission did not provide explanations as to why they were procured with few days to the closure of the year. In addition, payment vouchers for the purchases were not made available for audit review.

Consequently, the location, safety, custody and valuation of the unaccounted for assets cannot be confirmed.

7. Un-disclosed Information in Winding Up Report

The Commissions winding up report revealed the following:

- a) The cash balance reported as banked by the Commission was Kshs.1,003,225 while the financial statements reflected a balance of Kshs.4,140,717. Further, Page 22 of the report indicates the amounts in various bank accounts operated by the Commission and handed over to the committee as totaling Kshs.3,443,282. No reconciliation has been provided for the three differing balances.
- b) There is no evidence that the Commission's assets were received and taken on charge by the State Law Office and Department of Justice as expected. The assets were instead taken over by the Inter-Governmental Relations Technical Committee (IGRTC) without a formal transfer from the Office of the Attorney-General and Department of Justice. The disorderly transfer exposed the assets to risk of loss without trace.

8. Unresolved previous year issues (2014/2015)

a) Unauthorized Excess Vote

The Commission's statement of receipts and payments for the year ended 30 June 2015 reflects expenditure totalling to Kshs.349,780,096 compared to an approved budget of Kshs.306,000,000. No evidence was availed to support the approval of the over-expenditure by National Assembly.

As a result, the Commission had incurred an unauthorized Excess Vote of Kshs.43,780,096.00 as at 30 June 2015.

b) Cash and Cash Equivalents

Examination of the bank statements and bank reconciliation statements revealed unexplained and unresolved long outstanding items as follows:

	Item	Central Bank of Kenya (Kshs)	KCB A/C (Kshs)
1.	Payments in cashbook not in bank	11,192,330	3,464,548
2.	Payments in Bank not in cashbook	4,609,233	2,423,137
3.	Receipts in cashbook not in bank	10,001,113	2,903,479

Consequently, the accuracy and validity cash and cash equivalents balance of Kshs.6,806,944, as at 30 June 2015 cannot be confirmed.

c) Outstanding Imprests and Advances

The statement of assets reflects outstanding imprest balance of Kshs.32,941,671 as at 30 June 2014. However, the Commissions imprest records reflected a balance of Kshs.11,235,309 as at 20 January 2015 which sum remained outstanding beyond the due dates.

No reason has been provided for the failure by the Commission to have the imprests recovered from the salaries of the imprest holders. Considering that the Commission's term ended by 31 December 2016, recovery of these imprests appears doubtful.

d) Fraudulent Procurement of Goods and Services

The statement of receipts and payments as at 30 June 2014 reflects expenditure totaling to Kshs.232,015,419 under use of goods and services which includes a balance of Kshs.44,170,578 in respect of printing, advertising and information supplies and services. During the previous year (2014/2015), the Commission paid Kshs.9,200,000 to a supplier vide payment voucher No.1104 dated 22 April 2014 (Kshs.6,000,000) and payment voucher No.1288 (Kshs.3,200,000) for purported newspaper supplements, video, photography and media mobilization. The payments were made despite the following irregularities:

- i. The Local service Order (L.S.O.) No.088968 that was used to pay the sum of Kshs.6,000,000 did not belong to the Commission.
- ii. There was no evidence of the method of procurement followed by the Commission or that of the tender committee in sanctioning the procurement process.
- iii. Payment voucher No.1288 and supporting documentation used to pay the sum of Kshs.3,200,000 were not presented for the audit review as the voucher was reported to be missing.

The Commission had however, indicated that the matter was reported to the Police Criminal Investigations Department (CID) (OB/43/12/2014) for further investigation and recovery of the monies. However, the total sum of Kshs.9,200,000 had not been recovered as at 30 June 2016.

Adverse Opinion

In my opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion paragraph, the financial statements do not present fairly, the financial position of Commission for the Implementation of the Constitution for the period ending 26 February 2016, and its financial performance and its cash flows for the period then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and do not comply with Commission for Implementation of the Constitution Act, 2010.



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

Nairobi

13 February 2017

COMMISSION FOR THE IMPLEMENTATION OF THE CONSTITUTION


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For the period of 8 months ending February 26, 2016 (Kshs)

VI. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2015-2016 Kshs	2014-2015 Kshs
RECEIPTS			
Tax Receipts	1	0	0
Social Security Contributions	2	0	0
Proceeds from Domestic and Foreign Grants	3		28,840,782
Exchequer releases	4	312,000,000	304,700,000
Transfers from Other Government Entities	5	0	0
Proceeds from Domestic Borrowings	6	0.	0.
Proceeds from Foreign Borrowings	7	0	0
Proceeds from Sale of Assets	8	0	0
Reimbursements and Refunds	9	0	0
Returns of Equity Holdings	10	0	0
Other Receipts	11	0	0
TOTAL RECEIPTS		312,000,000	333,540,782
PAYMENTS			
Compensation of Employees	12	205,554,239	168,313,131
Use of goods and services	13	108,091,902	150,215,028
Subsidies	14	0	0
Transfers to Other Government Units	15	0	0
Other grants and transfers	16	0	0
Social Security Benefits	17	0	0
Acquisition of Assets	18	1,332,481	2,411,155
Finance Costs, including Loan Interest	19	0	0
Repayment of principal on Domestic and Foreign borrowing	20	0	0
Other Payments	21	0	28,840,782
TOTAL PAYMENTS		314,978,622	349,780,096
SURPLUS/DEFICIT		(2,978,622)	(16,239,314)

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Commission for the Implementation of the Constitution financial statements were approved on 20/12 2016 and signed by:



Secretary/Chief Executive Officer



Head of Accounts

COMMISSION FOR THE IMPLEMENTATION OF THE CONSTITUTION
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VII. STATEMENT OF ASSETS

	Note	2015-2016 Kshs	2014-2015 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	22A	4,140,717	6,806,944
Cash Balances	22B	0	0
Total Cash and cash equivalent		4,140,717	6,806,944
Accounts receivables – Outstanding Imprests	23	10,468,016	10,860,412
TOTAL FINANCIAL ASSETS		14,608,733	17,667,356
FINANCIAL LIABILITIES			
Accounts Payables – Deposits and retentions	24	0	0
NET FINANCIAL ASSETS		14,608,733	17,667,356
REPRESENTED BY			
Fund balance b/fwd	25	17,667,355	56,247,156
Surplus/Deficit for the year		(2,978,622)	(16,239,314)
Prior Year Adjustments	28	(80,000)	(22,340,486)
NET FINANCIAL POSITION		14,608,733	17,667,356

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Commission for the Implementation of the Constitution financial statements were approved on 20/12 2016 and signed by:



 Secretary/Chief Executive Officer



 Head of Accounts

COMMISSION FOR THE IMPLEMENTATION OF THE CONSTITUTION

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For the period of 8 months ending February 26, 2016 (Kshs)

VIII. STATEMENT OF CASHFLOW

		2015 - 2016 Kshs	2014 - 2015 Kshs
Receipts for operating income			
Tax Revenues	1	0	0
Social Security Contributions	2	0	0
Proceeds from Domestic and Foreign Grants	3		28,840,782
Exchequer Releases	4	312,000,000	304,700,000
Transfers from Other Government Entities	5	0	0
Reimbursements and Refunds	9	0	0
Returns of Equity Holdings	10	0	0
Other Revenues	11	0	0
Payments for operating expenses			
Compensation of Employees	12	(205,554,239)	(168,313,131)
Use of goods and services	13	(108,091,902)	(150,215,028)
Interest payments			
Subsidies	14	0	0
Transfers to Other Government Units	15	0	0
Other grants and transfers	16	0	0
Social Security Benefits	17	0	0
Finance Costs, including Loan Interest	19	0	0
Other Expenses	21	0	(28,840,782)
Adjusted for:			
Adjustments during the year			
Imprest		96,800	(22,376,855)
Salary Advance		295,596	(2,942,633)
Prior Year Adjustment		(80,000)	(22,340,486)
Net cash flow from operating activities		(1,333,745)	(10,849,157)
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	8	0	0
Acquisition of Assets	18	(1,332,481)	(2,411,155)
Net cash flows from Investing Activities		(1,332,481)	(2,411,155)
CASHFLOW FROM BORROWING ACTIVITIES			
Proceeds from Domestic Borrowings	6	0	0
Proceeds from Foreign Borrowings	7	0	0
Repayment of principal on Domestic and Foreign borrowing	20	0	0
Net cash flow from financing activities		0	0
NET INCREASE IN CASH AND CASH EQUIVALENT		(2,666,226)	(13,260,312)

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Cash and cash equivalent at BEGINNING of the year	6,806,943	20,067,256
Cash and cash equivalent at END of the eight months	25 4,140,717	6,806,943

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Commission for the Implementation of the Constitution financial statements were approved on 20/12 2016 and signed by:



Secretary/Chief Executive Officer



Head of Accounts

Reports and Financial Statements
For the period of 8 months ending February 26, 2016 (Kshs)

IX. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

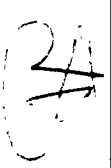
Receipt/Expense Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual Comparable Basis d	Budget Utilisation Difference e=c-d	% of Utilisation f=d/c %
RECEIPTS						
Tax Receipts						
Social Security Contributions						
Proceeds from Domestic and Foreign Grants						
Exchequer releases	312,040,000		312,040,000	312,000,000	40,000	100%
Transfers from Other Government Entities						0
Proceeds from Domestic Borrowings						0
Proceeds from Foreign Borrowings						0
Proceeds from Sale of Assets						0
Reimbursements and Refunds	0	0	0	0		0
Returns of Equity Holdings						0
Other Receipts	0	0	0			0
TOTALS	312,040,000	0	312,040,000	312,000,000	40,000	100%
PAYMENTS						
Compensation of Employees	209,839,730	0	209,839,730	205,554,240	4,285,491	97.96%
Use of goods and services	100,867,789	0	100,867,789	108,091,902	(7,224,114)	107.16%
Interest payments						
Subsidies						
Transfers to Other Government Units						
Other grants and transfers						

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Receipt/Expense Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual Comparable Basis d	Budget Utilisation Difference e=c-d	% of Utilisation f=d/c %
Social Security Benefits				0	0	0
Acquisition of Assets	1,332,481		1,332,481	1,332,481	0	100%
Finance Costs, including Loan Interest						0
Repayment of principal on Domestic and Foreign borrowing						0
Other Payments						0
TOTALS	312,040,000	0	312,040,000	314,978,622	(2,938,622)	100.94%

The Commission for the Implementation of the Constitution financial statements were approved on 20/12/ 2016 and signed by:



Secretary/Chief Executive Officer



Head of Accounts

**Reports and Financial Statements
For the period of 8 months ending February 26, 2016 (Kshs)**

X. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT

Receipt/Expense Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual Comparable Basis d	Budget Utilisation Difference e=c-d	% of Utilisation f=d/c %
RECEIPTS						
Tax Receipts						
Social Security Contributions						
Proceeds from Domestic and Foreign Grants						
Exchequer releases	312,040,000		312,040,000	312,000,000	40,000	100%
Transfers from Other Government Entities						0
Proceeds from Domestic Borrowings						0
Proceeds from Foreign Borrowings						0
Proceeds from Sale of Assets						0
Reimbursements and Refunds	0	0	0	0		0
Returns of Equity Holdings						0
Other Receipts	0	0	0			0
TOTALS	312,040,000	0	312,040,000	312,000,000	40,000	100%
PAYMENTS						
Compensation of Employees	209,839,730	0	209,839,730	205,554,240	4,285,491	97.96%
Use of goods and services	100,867,789	0	100,867,789	108,091,902	(7,224,114)	107.16%
Interest payments						
Subsidies						
Transfers to Other Government Units						
Other grants and transfers						
Social Security Benefits				0	0	0

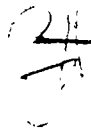
COMMISSION FOR THE IMPLEMENTATION OF THE CONSTITUTION

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Receipt/Expense Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual Comparable Basis d	Budget Utilisation Difference e=c-d	% of Utilisation f=d/c %
Acquisit on of Assets	1,332,481		1,332,481	1,332,481	0	100%
Finance Costs, including Loan Interest						0
Repayment of principal on Domestic and Foreign borrowing						0
Other Payments						0
TOTALS	312,040,000	0	312,040,000	314,978,622	(2,938,622)	100.94%

The Commission for the Implementation of the Constitution financial statements were approved on 20/12/ 2016 and signed by:



Secretary/Chief Executive Officer



Head of Accounts

**Reports and Financial Statements
For the period of 8 months ending February 26, 2016 (Kshs)**

XI. SUMMARY STATEMENT OF APPROPRIATION: DEVELOPMENT

Receipt/Expense Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilisation Difference e=c-d	% of Utilisation f=d/c %
RECEIPTS						
Tax Receipts						
Social Security Contributions						
Proceeds from Domestic and Foreign Grants						
Exchequer releases						
Transfers from Other Government Entities						
Proceeds from Domestic Borrowings						
Proceeds from Foreign Borrowings						
Proceeds from Sale of Assets						
Reimbursements and Refunds						
Returns of Equity Holdings						
Other Receipts						
PAYMENTS						
Compensation of Employees						
Use of goods and services						
Interest payments						
Subsidies						
Transfers to Other Government Units						
Other grants and transfers						
Social Security Benefits						
Acquisition of Assets						
Finance Costs, including Loan Interest						
Repayment of principal on Domestic and Foreign borrowing						

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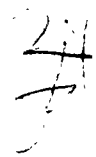
For the period of 8 months ending February 26, 2016 (Kshs)

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
Other Payments						
TOTALS						

(a) [For the revenue items, indicate whether they form part of the ALA by inserting the "ALA" alongside the revenue category.]

(b) [Provide below a commentary on significant underutilization (below 50% of utilization) and any overutilization]

The Commission for the Implementation of the Constitution financial statements were approved on 20/12 2016 and signed by:



 Secretary/Chief Executive Officer



 Head of Accounts

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 for the period of 8 months ending February 26, 2016 (Kshs)

XII. SUMMARY STATEMENT OF PROVISIONINGS

[The provisioning summary statement is required for entities that have a vote in the National Budget.]

- Details of General Accounts On Vote

	2015 - 2016 Kshs	2014 - 2015 Kshs
GAV Provisioning account balance (Annex 5)	(2,938,622)	5,127,942
Total	(2,938,622)	5,127,942

- Details of Exchequer Provisioning

	2015 - 2016 Kshs	2014 - 2015 Kshs
Approved Estimate	312,040,000	306,000,000
Less :Actual Received	312,000,000	304,700,000
Exchequer Provisioning account balance	<u>40,000</u>	<u>1,300,000</u>



Secretary/Chief Executive Officer



Head of Accounts

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XIII. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of compliance and basis of preparation

The financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS) with particular emphasis on Cash Basis Financial Reporting under the Cash Basis of Accounting and applicable government legislations and regulations. The financial statements comply with and conform to the form of presentation prescribed by the Public Sector Accounting Standards Board of Kenya.

The financial statements are presented in Kenya Shillings, which is the functional and reporting currency of the *Commission* and all values are rounded to the nearest thousand (Kshs'000). The accounting policies adopted have been consistently applied to all the years presented.

The financial statements have been prepared on the cash basis following the Government's standard chart of accounts.

2. Recognition of revenue and expenses

The *Commission for the Implementation of the Constitution* recognises all revenues from the various sources when the event occurs and the related cash has actually been received by the *Commission*. In addition, the *Commission* recognises all expenses when the event occurs and the related cash has actually been paid out by the *entity*.

3. In-kind contributions

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

4. 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.

5. Accounts Receivable

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

6. Accounts Payable

For the purposes of these financial statements, deposits and retentions held on behalf of third parties has been recognized as accounts payables. This is in recognition of the government practice of retaining a portion of

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contracted services and works pending fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. This is an enhancement to the cash accounting policy adopted by National Government Ministries and agencies. Other liabilities including pending bills are disclosed in the financial statements.

7. **Non-current assets**

Non-current assets are expensed at the time of acquisition while disposal proceeds are recognized as receipts at the time of disposal. However, the acquisitions and disposals are reflected in the Commission for the Implementation of the Constitution fixed asset register a summary of which is provided as a memorandum to these financial statements.

8. **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 are recorded as 'memorandum' or 'off-balance' items to provide a sense of the overall net cash position of the *Commission for the Implementation of the Constitution* at the end of the year. Pending bill form a first charge to the subsequent year budget and when they are finally settled, such payments are included in the statement of receipts and payments in the year in which the payments are made.

9. **Budget**

The budget is developed on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The *Commission for the Implementation of the Constitution's* budget was approved as required by Law and as detailed in the Government of Kenya Budget Printed Estimates. A high-level assessment of the *Commission's* actual performance against the comparable budget for the financial year under review has been included in an annex to these financial statements.

10. **Comparative figures**

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

11. **Subsequent events**

Events subsequent to submission of the financial year end financial statements to the National Treasury and other stakeholders with a significant impact on the financial statements may be adjusted with the concurrence of National Treasury.

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XIV. NOTES TO THE FINANCIAL STATEMENTS

1 TAX REVENUES

	2015 - 2016	2014 - 2015
	Kshs	Kshs
Taxes on Income, Profits and Capital Gains	0	0
Taxes on Property	0	0
Taxes on Goods and Services	0	0
Taxes on International Trade and Transactions	0	0
Other Taxes (not elsewhere classified)	0	0
Total	0	0

2 SOCIAL SECURITY CONTRIBUTIONS

	2015 - 2016	2014 - 2015
	Kshs	Kshs
Receipts for Health Insurance Contribution	0	0
Receipts to NHIF for Health Insurance Contributions	0	0
Receipts from Govt Employees to Social & Welfare Schemes in Govt	0	0
Total	0	0

3 PROCEEDS FROM DOMESTIC AND FOREIGN GRANTS

Name of Donor	Date received	Amount in foreign currency	2015 - 2016	2014 - 2015
			Kshs	Kshs
Grants Received from Bilateral Donors (Foreign Governments)				
(Insert name of donor)				
Grants Received from Multilateral Donors (International Organisations)				
United Nations Development program (UNDP- Kenya)	2015/ 2016	-	0	28,840,782
TOTAL			0	28,840,782

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 EXCHQUER RELEASES

	2015 - 2016	2014 - 2015
	Kshs	Kshs
Total Exchequer Releases for quarter 1	98,000,000	101,700,000
Total Exchequer Releases for quarter 2	214,000,000	65,000,000
Total Exchequer Releases for quarter 3		50,000,000
Total Exchequer Releases for quarter 4		88,000,000
Advance Exchequer		
Total	312,000,000	304,700,000

5 TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description	2015 - 2016 Kshs	2014 - 2015 Kshs
Transfers from Central government entities		
(insert name of budget agency)	0	0
(insert name of budget agency)	0	0
Transfers from Counties	0	0
(insert name of budget agency)	0	0
(insert name of budget agency)	0	0
TOTAL	0	0

6 PROCEEDS FROM DOMESTIC BORROWINGS

	2015 - 2016 Kshs	2014 - 2015 Kshs
Borrowing within General Government	0	0
Borrowing from Monetary Authorities (Central Bank)	0	0
Other Domestic Depository Corporations (Commercial Banks)	0	0
Borrowing from Other Domestic Financial Institutions	0	0
Borrowing from Other Domestic Creditors	0	0
Total	0	0

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

7 PROCEEDS FROM FOREIGN BORROWINGS

	2015 - 2016	2014 - 2015
	Kshs	Kshs
Foreign Borrowing – Draw-downs Through Exchequer	0	0
Foreign Borrowing - Direct Payments	0	0
Foreign Currency and Foreign Deposits	0	0
Total	0	0

8 PROCEEDS FROM SALE OF ASSETS

	2015 - 2016	2014 - 2015
	Kshs	Kshs
Receipts from the Sale of Buildings	0	0
Receipts from the Sale of Vehicles and Transport Equipment	0	0
Receipts from the Sale Plant Machinery and Equipment	0	0
Receipts from Sale of Certified Seeds and Breeding Stock	0	0
Receipts from the Sale of Strategic Reserves Stocks	0	0
Receipts from the Sale of Inventories, Stocks and Commodities	0	0
Disposal and Sales of Non-Produced Assets	0	0
Receipts from the Sale of Strategic Reserves Stocks	0	0
Total	0	0

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14 SUBSIDIES

Description	2015 - 2016	2014 - 2015
	Kshs	Kshs
Subsidies to Public Corporations <i>See list attached</i>	0	0
(insert name)	0	0
Subsidies to Private Enterprises <i>See list attached,</i>	0	0
(insert name)	0	0
TOTAL	0	0

NOTES TO THE FINANCIAL STATEMENTS (Continued)

15 GRANTS AND TRANSFERS TO OTHER GOVERNMENT ENTITIES

Description	2015 - 2016	2014 - 2015
	Kshs	Kshs
Transfers to National Government entities (SCOA Codes 2630100, 2630200, 2640400, 2640500, 2649900, 2820100, 2820200, 2820300) <i>See attached list</i>	0	0
	0	0
Transfers to other levels of Government - Counties	0	0
(insert name of County)	0	0
(insert name of County)	0	0
	0	0
TOTAL	0	0

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16 OTHER GRANTS AND TRANSFERS

	2015 - 2016	2014 - 2015
	Kshs	Kshs
Membership dues and subscriptions to international organizations	0	0
Scholarships and other educational benefits	0	0
Emergency relief and refugee assistance	0	0
Grants to small businesses, cooperatives, and self employed	0	0
Grants to foreign government	0	0
	0	0
Total	0	0

17 SOCIAL SECURITY BENEFITS

	2015 - 2016	2014 - 2015
	Kshs	Kshs
Government pension and retirement benefits	0	0
Social security benefits in cash and in kind	0	0
Employer Social Benefits in cash and in kind	0	0
	0	0
Total	0	0

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

18 ACQUISITION OF ASSETS

Non Financial Assets

	2015 - 2016	2014 - 2015
	Kshs	Kshs
Purchase of Buildings	0	0
Construction of Buildings	0	0
Refurbishment of Buildings	0	0
Construction of Roads	0	0
Construction and Civil Works	0	0
Overhaul and Refurbishment of Construction and Civil Works	0	0
Purchase of Vehicles and Other Transport Equipment	0	0
Overhaul of Vehicles and Other Transport Equipment	0	0
Purchase of Household Furniture and Institutional Equipment	0	0
Purchase of Office Furniture and General Equipment	1,332,481	2,411,155
Purchase of ICT Equipment, Software and Other ICT Assets	0	0
Purchase of Specialised Plant, Equipment and Machinery	0	0
Rehabilitation and Renovation of Plant, Machinery and Equip.	0	0
Purchase of Certified Seeds, Breeding Stock and Live Animals	0	0
Research, Studies, Project Preparation, Design & Supervision	0	0
Rehabilitation of Civil Works	0	0
Acquisition of Strategic Stocks and commodities	0	0
Acquisition of Land	0	0
Acquisition of Intangible Assets	0	0
<u>Financial Assets</u>		
Domestic Public Non-Financial Enterprises	0	0
Domestic Public Financial Institutions	0	0
Foreign financial Institutions operating Abroad	0	0
Other Foreign Enterprises	0	0
Foreign Payables - From Previous Years	0	0
Total	1,332,481	2,411,155

19 FINANCE COSTS, INCLUDING LOAN INTEREST

	2015 - 2016	2014 - 2015
	Kshs	Kshs
Interest Payments on Foreign Borrowings	0	0
Interest Payments on Guaranteed Debt Taken over by Govt	0	0
Interest on Domestic Borrowings (Non-Govt)	0	0
Interest on Borrowings from Other Government Units	0	0
Total	0	0

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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20 REPAYMENT OF PRINCIPAL ON DOMESTIC LENDING AND ON-LENDING

	2015 - 2016 Kshs	2014 - 2015 Kshs
Principal repayments on domestic loans	0	0
Principal repayments on Guaranteed Debt taken over by Government	0	0
Repayments on borrowings from other domestic creditors	0	0
Repayment of Principal from Foreign Lending & On - Lending	0	0
Total	0	0

21 OTHER EXPENSES

	2015 - 2016 Kshs	2014 - 2015 Kshs
Budget Reserves	0	0
Civil Contingency Reserves	0	0
Other expenses	0	28,840,782
	0	28,840,782

22A: Bank Accounts

Name of Bank, Account No. & currency	Amount in bank account currency	Indicate whether recurrent, Development, deposit e.t.c	Exc rate (if in foreign currency)	2015 - 2016 Kshs	2014 - 2015 Kshs
Kenya Commercial Bank, Account No.1127030248, Kenya Shillings	Ksh	Recurrent	0	812	2,184,810.11
Central Bank Of Kenya, Account No. 1000181656, Kenya Shilling	KSh	Recurrent	0	3,022,905	4,622,133.51
Total				4,140,717	6,806,943.62

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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22B: CASH IN HAND

	2015 - 2016	2014 - 2015
	Kshs	Kshs
Cash in Hand – Held in domestic currency	0	0
Cash in Hand – Held in foreign currency	0	0
Total	0	0

Cash in hand should also be analysed as follows:

	2015 - 2016	2014 - 2015
	Kshs	Kshs
Location 1	0	0
Location 2	0	0
Location 3	0	0
Other Locations (<i>specify</i>)	0	0
Total	0	0

[Provide cash count certificates for each]

23: ACCOUNTS RECEIVABLE - OUTSTANDING IMPRESTS

<i>Description</i>	2015 - 2016	2014 - 2015
	Kshs	Kshs
Government Imprests	10,468,016	10,564,816
Clearance accounts	0	0
Salary Advance	0	295,596
Total	10,468,016	10,860,412

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[Include a breakdown of the outstanding imprest below or as an annex to the notes if the list is longer than 1 page.]

<i>Name of Officer or Institution</i>	<i>Date Imprest Taken</i>	<i>Amount Taken</i>	<i>Amount Surrendered</i>	<i>Balance</i>
		<i>Kshs</i>	<i>Kshs</i>	<i>Kshs</i>
Christine Karimi	2013/2014	408,980	0	408,980
Ruth Munanie	2013/2014	45,000	30,000	15,000
Herman Bingu	2013/2014	88,000	0	88,000
George Chege	2013/2014	5,073	0	5,073
Sebastian Githaiga	2013/2014	45,000	0	45,000
David Kariuki.	2013/2014	50,000	50,000	0
John Koross	2013/2014	33,915	0	33,915
Catherine Muia	2013/2014	3,215,216	0	3,215,216
Felix Ongaga	2013/2014	5,817,803	0	5,817,803
Harun Papa	2013/2014	839,029	0	839,029
Priscah Andeyo	2014/2015	16,800	16,800	0
<i>Total</i>				10,468,016

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24. ACCOUNTS PAYABLE

	2015 - 2016 Kshs	2014 - 2015 Kshs
Deposits	0	0
Total	<u>0</u>	<u>0</u>

[Provide short appropriate explanations as necessary]

25. FUND BALANCE BROUGHT FORWARD

	2015 - 2016 Kshs	2014 - 2015 Kshs
Bank accounts	4,140,717	6,806,944
Cash in hand	0	0
Accounts Receivables	10,468,016	10,860,412
Total	14,608,733	17,667,356

26. OTHER IMPORTANT DISCLOSURES

26.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

	Kshs	Kshs
Construction of buildings	0	0
Construction of civil works	0	0
Supply of goods	0	1,790,075
Supply of services	779,702	19,078,084
	<u>779,702</u>	<u>20,868,159</u>

26.2: PENDING STAFF PAYABLES (See Annex 2)

	Kshs	Kshs
Senior management	2,686,296	0
Middle management	0	0
Unionisable employees	0	0
Others (<i>specify</i>)	39,453	0
	<u>2,725,749</u>	<u>0</u>

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26.3: OTHER PENDING PAYABLES (See Annex 3)

	Kshs	Kshs
Amounts due to National Government entities	0	0
Amounts due to County Government entities	0	0
Amounts due to third parties	0	0
Others (<i>specify</i>)	0	0
	0	0

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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27 PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

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)
1.	Outstanding imprests and advances/The statement of assets reflects outstanding imprest balance of Ksh 32,941,671 as at 30 th June 2014 however records as at 20 th January 2015 reflect a balance of Ksh 11,235,309 which remain outstanding beyond due dates. No reason has been provided for the failure by the Commission to have the imprests recovered from the salaries of imprest holders. Considering the Commission's term comes to an end on 29 th December 2015, these imprests may prove difficult to recover within the remaining period	This is noted. CIC however wishes to inform you that the Commission has since complied with the PFM ACT 2012 on issuance of advances .The only imprest now outstanding are ones for Ksh 3,215,216 Ksh 5,817,803 and Ksh 839,029 .These outstanding issues were reported to the Police and are still under police investigations. The Commission came to an end on 29 th December, 2015 and the matter will be handed over to the Attorney General for follow-up.	Not Resolved	Still under police investigations Forwarded to Attorney General's office

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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)
2.	<p>Fraudulent procurement of goods and services/The statement of statement receipts as at 30th June 2014 reflects expenditure of Ksh 232,015,419 under the use of goods and services which includes expenditure of Kshs 44,170,570.00 in respect of printing, advertising and information supplies and services.The audit revealed that during the year under review,the Commission paid Ksh 9,200,000.00 to a supplier vide payment voucher no.1104 dated 22 April 2014 of Ksh 6,000,000.00 and payment voucher no.1288 for purported newspaper supplements,video, photography and media mobilisation.These payments were made despite the following noted irregularities;</p> <p>i.LSO no 088968 that was used to pay Ksh 6,000,000 did not belong to the Commission.</p> <p>ii.There was no evidence of the method of procurement followed by the Commission or that of the tender committee sanctioning the procurement process.</p> <p>iii.The payment voucher no.1288 and supporting documentation that were used to pay Ksh 3,200,000 were not availed for audit review as the voucher was reported to be missing.</p>	<p>The matter was reported to the Parklands police Criminal Investigation Department (CID) for investigations and recovery of Ksh 9,200,000 vide OB/43/9/12/2014.The suspected officers involved in the fraudulent activities were dismissed from the service of CIC. This will also be forwarded to the Attorney General for follow-up.</p>	<p>Not Resolved. Police investigations on-going</p>	<p>At the police discretion</p>

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Guidance Notes:

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

28. PRIOR YEAR ADJUSTMENTS

Prior year adjustments were the imprests issued in the year 2012/2013, 2013/2014 being accounted for the financial year 2015/2016.

29. WINDING UP

The Commission was constitutionally wound up on 29th December, 2015. A winding up committee was legally formed to oversee the transition of the winding up process. There were transactions that took place during the transition period which ended on 26th February 2016. The cash balances were transferred to the Attorney General’s Office which is the parent Ministry. An additional allocation of Ksh 7,764,260 was approved via the National Treasury’s letter dated 22nd December 2015. This was to be approved by Parliament. But since this could not happen before 29th December 2015, the time when the Commission was wound up, the allocation was forwarded to Attorney General’s office to cater for the pending bills.

30. FUNDING

UNDP funded the Commission’s activities an amount totalling Ksh 82,368,227.



Secretary/Chief Executive Officer



Head of Accounts

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ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2016	Outstanding Balance 2015	Comments
	a	b	c	d=a-c		
Construction of buildings						
1.	0	0	0	0	0	
2.	0	0	0	0	0	
3.	0	0	0	0	0	
Sub-Total	0	0	0	0	0	
Construction of civil works						
4.	0	0	0	0	0	
5.	0	0	0	0	0	
6.	0	0	0	0	0	
Sub-Total	0	0	0	0	0	
Supply of goods						

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ANNEX II - PENDING STAFF PAYABLES

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2016	Outstanding Balance 2015	Comments
		A	B	c	d=a-c		
Senior Management							
SAMUEL ABUTA NYABUTO					130,718.00		JAN 2016 SALARY-FORWARDED TO AG
JAMES BARASA OUNDO					203,343.00		JAN 2016 SALARY-FORWARDED TO AG
CHRISTINE AKUMU OJODE					221,578.00		JAN 2016 SALARY-FORWARDED TO AG
FREDRICK ARTHUR OROMO					221,578.00		JAN 2016 SALARY-FORWARDED TO AG
TIMOTHY KANYUA KARIUKI					221,718.00		JAN 2016 SALARY-FORWARDED TO AG
HOWARD OLUME					285,270.00		JAN 2016 SALARY-FORWARDED TO AG
MARGARET LUNYOLO AKUTEKHA					285,276.00		JAN 2016 SALARY-FORWARDED TO AG
JOSEPH NYONJE KOSURE					475,402.00		JAN 2016 SALARY-FORWARDED TO AG
NHIF					28,700.00		JAN 2016 REMITTANCE
NSSF					5,600.00		JAN 2016 -EMPLOYER & EMPLOYEE
CHRISTINE AKUMU OJODE					310,500.00		FEB 2016 SALARY-FORWARDED TO AG
HASSAN ABDI					39,000.00		FEB 2016 SALARY-FORWARDED TO AG
FELIX OGANGA					140,233.00		Under police investigation at Criminal Investigation Department
CATHERINE MUIA					90,008.00		Under police investigation at Criminal Investigation Department
HARUN PAPA					27,372.00		Under police investigation at Criminal Investigation Department
Sub-Total					2,686,296.0		

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Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2016	Outstanding Balance 2015	Comments
					0		
Middle Management							
16.							
17							
18							
Sub-Total							
Unionisable Employees							
19							
20							
Sub-Total							
Others (specify)							
21. MICHAEL THIONGO					39,453		JAN 2016 SALARY- FORWARDED TO AG
Sub-Total					39,453		
Grand Total					2,725,749.00		

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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 2016	Outstanding Balance 2015	Comments
		a	B	c	d=a-c		
Amounts due to National Govt Entities							
1.							
2.							
3.							
Sub-Total							
Amounts due to County Govt Entities							
4.							
5.							
6.							
Sub-Total							
Amounts due to Third Parties							
7. Postal Corporation of Kenya	Postal services				155,859.00		
8. Africabs Tours	Car hire				103,646.00		
9. DT DOBIE	Repairs of vehicles				92,882.60		
10. CMC MOTORS	Repairs of vehicle				258,743.90		
11. PARKLANDS PLAZA	Electricity bill for Dec 2015				168,570.30		
Sub-Total					779,701.80		
Others (specify)							
9.							
10.							

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Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2016	Outstanding Balance 2015	Comments
11.							
Sub-Total					3,505,450.80		
Grand Total							

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ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost (Kshs) 2015/16	Historical Cost (Kshs) 2014/15
Land	0	0
Buildings and structures	1,692,626	1,692,626
Transport equipment	64,085,000	64,085,000
Office equipment, furniture and fittings	31,886,150	30,553,669
ICT Equipment, Software and Other ICT Assets	6,504,990	6,504,990
Other Machinery and Equipment	4,758,500	4,758,500
Heritage and cultural assets	0	0
Intangible assets	0	0
Total	108,927,266	107,594,785

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ANNEX 5 – GAV PROVISIONING ACCOUNT BALANCE.

GAV Provisioning account balance	2015 - 2016		2014 - 2015	
Total Budget		312,040,000		306,000,000.00
Less Total Expenditure		314,978,622	329,712,840.00	
Less Expenditure funded by UNDP			28,840,782.00	
Other receipts				
GOK Expenditure				300,872,058.00
Balance		(2,938,622)		5,127,942.00
Total expenditure			349,780,096.00	
Less cash b/f			20,067,256.00	
Expenditure for the year 2015/2016			329,712,840.00	