



Enhancing Accountability

PARLIAMENT
OF KENYA
LIBRARY

REPORT	
THE NATIONAL ASSEMBLY PAPERS LAID	
DATE	DAY
OF 02 MAR 2021	TUESDAY
TABLED BY:	Chief Whip - Majority
CLERK-AT-THE-TABLE:	Moses Lemuna

THE AUDITOR-GENERAL

ON

NATIONAL INTELLIGENCE SERVICE

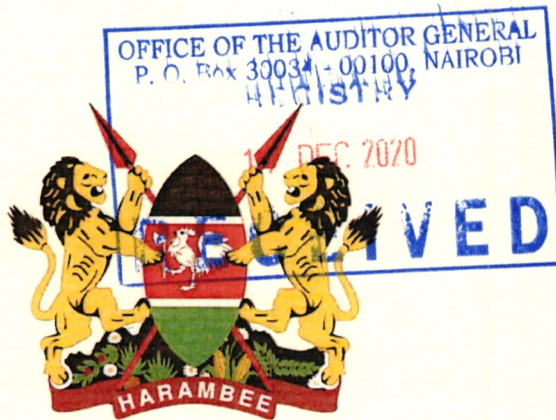
**FOR THE YEAR ENDED
30 JUNE, 2020**

1

2

3

4




NATIONAL INTELLIGENCE SERVICE

ANNUAL REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2020

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

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 02 MAR 2021	DAY. <input type="text"/>
TABLED BY:	<input type="text"/>
CLERK-AT THE-TABLE:	<input type="text"/>

NATIONAL INTELLIGENCE SERVICE

Reports and Financial Statements

For the year ended June 30, 2020

Table of Content	Page
I. KEY ENTITY INFORMATION AND MANAGEMENT	1
II. FOREWARD BY THE DIRECTOR GENERAL	4
III. STATEMENT OF PERFORMANCE AGAINST NATIONAL INTELLIGENCE SERVICE'S PREDETERMINED OBJECTIVES.....	6
IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORT	7
V. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES.....	9
VI. REPORT OF THE INDEPENDENT AUDITORS ON THE NATIONAL INTELLIGENCE SERVICE.....	10
VII. STATEMENT OF RECEIPTS AND PAYMENTS	11
VIII. STATEMENT OF ASSETS AND LIABILITIES	12
VII. STATEMENT OF CASH FLOWS	13
IX. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED	14
X. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT	15
XI. SUMMARY STATEMENT OF APPROPRIATION: DEVELOPMENT	13
XII. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES.....	18
XIII. SIGNIFICANT ACCOUNTING POLICIES	19
XIV. NOTES TO THE FINANCIAL STATEMENTS	21

NATIONAL INTELLIGENCE SERVICE

Reports and Financial Statements

For the year ended June 30, 2020

I. KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

The National Intelligence Service (NIS) was established under Article 242, Chapter 14 of the Constitution of Kenya, 2010. At the Cabinet level, the **National Intelligence Service** is represented by the Cabinet Secretary for Interior and Coordination of National Government. The National Intelligence Service Council (NISC) is responsible for the general policy and strategic direction of the Service.

Vision

To be a professional Intelligence Service comparable to none that shall ensure a prosperous and secure Kenya.

Mission

To safeguard the security of the Republic of Kenya against any threats emanating both from within and without.

Mandate

NIS is responsible for Security intelligence and Counter intelligence to enhance national security in accordance with the Constitution; and perform any other function as prescribed by national legislation.

Core Values

- Confidentiality
- Integrity
- Professionalism
- Discipline
- Meritocracy
- Respect for national diversity

Core Functions

According to the NIS Act 2012, the Service shall:-

- Gather, collect, analyze and transmit or share with the relevant State agencies, security intelligence and counter intelligence;
- Detect and identify threats or potential threats to national security;
- Advise the President and Government of any threat or potential threat to national security;
- Advise County governments on appropriate security and intelligence matters; and
- Obtain, in accordance with the Constitution, NIS Act or any other written law, intelligence about the activities of foreign interference and capabilities, intentions or activities of people or organizations outside Kenya;
- Support and aid law enforcement agencies in detecting and preventing serious crimes and other threats to national security;
- Carry out protective and preventive security functions and safeguard information systems and processes within State Departments, Agencies, Facilities and Diplomatic Missions.

NATIONAL INTELLIGENCE SERVICE

Reports and Financial Statements

For the year ended June 30, 2020

(b) Key Management

The day-to-day management of the **National Intelligence Service** is undertaken by:

- Director General,
- Directors.

(c) Fiduciary Management

The key management personnel who held office during the period ended 30th June, 2020 and who had direct fiduciary responsibility were:-

No.	Designation	Name
1.	Accounting Officer	- Maj. Gen. (Rtd) Philip Kameru, MGH, CBS

(d) Fiduciary Oversight Arrangements

- ❖ **Office of the Auditor General (OAG) - Audit activities,**
- ❖ **Parliamentary Committee on Defence and Foreign Relations – Legislative and oversight functions.**

(e) NIS Headquarters

NIS Headquarters, Nairobi,
P.O. Box 30091 – 00100,
Nairobi,
KENYA

(f) NIS Contacts

Telephone: (254) 020-344252

(g) Bankers

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

NATIONAL INTELLIGENCE SERVICE

Reports and Financial Statements

For the year ended June 30, 2020

(h) Independent Auditors

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

(i) Principal Legal Adviser

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

NATIONAL INTELLIGENCE SERVICE

Reports and Financial Statements

For the year ended June 30, 2020

II. FOREWARD BY THE DIRECTOR GENERAL

As you are aware, the National Intelligence Service (NIS) has the Constitutional mandate to safeguard the Nation against internal and external threats.

The Service has endeavored to ensure Kenyans live in a secure and stable environment by continuously neutralizing threats to National Security. To be able to achieve this, the Service increasingly supported initiatives and collaborations with other Stakeholders to achieve the wider goal of a secure nation.

During the period ended 30th June 2020, the Service was able to align the available budgetary resources to its operational strategies for optimal achievement of its mandate.

Budget Performance

The total approved budget for the FY 2019-20 was **Kshs. 41,680,000,000.00**. The approved budget includes **Kshs. 20,000,000.00** as Appropriation in Aid (A-I-A). During the year, the Service received exchequer releases from the National Treasury amounting to **Kshs. 38,350,000,000.00**, leaving an exchequer under-issue of **Kshs. 3,310,000,000.00**.

The National Intelligence Service (NIS) optimized and prioritized the resources allocated during the financial year and implemented the National Security Intelligence programme, as envisaged in the Programme Based Budget (PBB) framework. The total Service expenditure for the period amounted to **Kshs. 38,307,377,092.00**.

Key achievements

To deliver on its mandate, the Service acted in accordance with the legal framework as guided by the Constitution and other enabling legislations. Specifically, the Service provided timely and actionable intelligence to the various stakeholders on national security threats, undertook counter intelligence operations, conducted vetting and undertook a wide range of research on security intelligence matters. These initiatives are targeted at value addition in decision making and guiding the national security policy formulation by the Government.

To respond to the ever evolving and dynamic threat environment, the Service enhanced human resource capacity, requisite technology and infrastructure. These initiatives enhanced the effectiveness and efficiency in the achievement of our performance targets.

NATIONAL INTELLIGENCE SERVICE

Reports and Financial Statements

For the year ended June 30, 2020

Implementation Challenges and Way Forward.

During the period under review the Service continued to face and tackle various challenges, which hampered the delivery of its mandate in an effective and efficient manner.

The Service recognizes the constrained fiscal environment as a result of under performance of the key Sectors of the economy due to Covid-19 pandemic. However, despite not receiving the entire budget for the year, the Service continued to ensure safety and well being of the citizenry by supporting the Government efforts in addressing threats facing the Nation.

The Service is focused on continuing to rationalize and prioritize its budget, with the resultant savings being utilized to address some of the expenditure areas affected by inadequate funding. The Service also instituted internal strategic initiatives on performance management and improvement. These are geared towards improved intelligence gathering, analysis and dissemination in a dynamic environment. Active support and participation by all the national security stakeholders in collaborative engagements within the multi-agency framework has been sustained in dealing with threats to national security.

Additionally, in order to address new trans-national threats, the Service will continue to incorporate novel ways of improving coordination and collaboration with other regional and global partners. The Service has also made significant investment in Research and Development (R&D) in order to develop more efficient solutions in tackling various security challenges that we continue to face as a nation.



Maj. Gen. (Rtd) Philip Kameru, MGH, CBS
Director General.

NATIONAL INTELLIGENCE SERVICE

Reports and Financial Statements

For the year ended June 30, 2020

III. STATEMENT OF PERFORMANCE AGAINST NATIONAL INTELLIGENCE SERVICE'S PREDETERMINED OBJECTIVES

Introduction

Section 81 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Accounting officer when preparing financial statements of **National Intelligence Service** in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board includes a statement of **National Intelligence Service's** performance against predetermined objectives.

The key development objectives of the MDA's 2019-2022 MTEF plan are to:

- a) Acquisition of modern security equipment, up-to-date technology, and ICT-based facilities necessary for effective intelligence operations to boost the Service technological capability.
- b) Investment in Research and Development (R&D) initiatives to provide innovative and cost-effective solutions to challenges faced by security/intelligence operations.
- c) Enhancement of operational capabilities of Specialized Service Units through equipping, developing, retention and sustenance of local capacity and expertise.
- d) Acquisition and development of Service infrastructural facilities and assets, including medical facility, residential houses for field and foreign offices/residences, taking into account the cost-benefit-analysis.
- e) Maintenance of the existing Service facilities, systems, machinery and equipment in order to sustain Service operations and technical capabilities.
- f) Application of best practices in human resource management to ensure optimal staffing levels and sustainable wage bill, through targeted recruitment, retention and deployment, all focused on creating the necessary capacity for intelligence operations.

Progress on attainment of Strategic Objectives

The National Intelligence Service (NIS) ensured that the Strategic Objectives set were achieved as follows:

NIS Programme	Objective	Outcome	Indicator	Performance
National Security Intelligence	To provide Timely and actionable Intelligence	Secured and protected Nation	The actionable intelligence reports disseminated	Actionable Intelligence disseminated on time
(Security Intelligence and Counter intelligence)	To provide Timely and effective Counter Intelligence	Secured and protected Nation	The Counter intelligence Operations undertaken	Effective Counter Intelligence Operations undertaken

IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORT

The National Intelligence Service (NIS) has the Constitutional mandate to safeguard the Nation against internal and external threats. The overall objective of the Service is to achieve a secure and protected Nation where the citizens can live, work and prosper. Our core values are Confidentiality, Integrity, Professionalism, Discipline, Meritocracy and Respect for national diversity.

1. Sustainability strategy

The Service has endeavored to safeguard the national interest and ensure that Kenyans live in a safe environment. The Service provides timely and actionable intelligence to the various agencies for ensuring that the sovereignty and national interests are protected. The Service together with other national security organs has continued to ensure existence of a secure and conducive environment for socio-economical development. The Service is also undertaking Research and Development (R&D) on tools and systems to ensure that its operations are carried out in a sustainable manner.

2. Environmental performance

The Service has endeavored to maintain a friendly ecosystem by protecting forest at its headquarters where the natural environment has been sustained. In addition, the entity has continued to put in place measures to ensure proper waste management and disposal and that its operations don't adversely affect the environment. Additionally, the Service has adopted clean energy and installed solar systems in offices and operation units.

3. Employee welfare

The Service is an equal opportunity employer. Any employment opportunity is advertised through a portal or a medium that has a nationwide circulation. The Service recruitment is guided by the Public Service Commission guidelines and ensures that any recruitment is geared towards attaining the constitutional gender threshold.

To improve employee skills, the Service conducts training need assessment to identify skills gap. To improve skills, the Service undertakes training and capacity building designed to address employee skills gap. The Service has a clear career and promotion guidelines which has institutionalized succession management in the organization.

The appraisal and reward systems are transparent and evidence based with clear performance management system in place. An appeal mechanism has been provided for employees who feel unfairly rated.

NATIONAL INTELLIGENCE SERVICE

Reports and Financial Statements

For the year ended June 30, 2020

The Service also provides a group and personal accident cover to employees who are injured in the course of their duty. To mitigate accidents, the service has maintained a clean and conducive environment and also ensures employees are trained on safety protocols and procedures. The Service has medical facilities that cater for employees health needs including medical emergencies with a provision of ambulance services.

4. Market place practices

As an entity, the National Intelligence Service ensures competitive bidding in the tendering processes where the most competitive bidders are awarded the contracts with focus on value for money. The entity does not enter into contractual obligations without a budget provision. This has enabled the Service to honor and settle payments timely. The Service ensures that there are no pending bills at closure of every financial year.

The National Intelligence Service is non political entity and remains rooted in professionalism when executing its mandate. The Service has continued to operate in a multi-agency framework where different government agencies operate jointly to create synergies and avoid duplication of efforts and funding for the benefit of socio-economic development.

5. Community Engagements

The Service is covertly involved in various initiatives that support neighboring communities in its area of operations through provision of health and water services.

NATIONAL INTELLIGENCE SERVICE

Reports and Financial Statements

For the year ended June 30, 2020

V. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES

The Accounting Officer for a National Government Entity shall prepare financial statements at the end of the financial year in respect of that entity. Under the Public Finance Management (PFM) Act, 2012, Section 83 (1), the financial statements so prepared must be in a form that complies with relevant accounting standards as prescribed by the Public Sector Accounting Standards Board of Kenya from time to time.

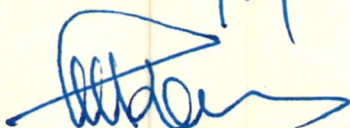
The Accounting Officer in charge of the **National Intelligence Service** is responsible for the preparation and presentation of the **Service** financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the period ended on June 30, 2020. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the **Service**; (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 **National Intelligence Service** accepts responsibility for the **Service** 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 **Service** financial statements give a true and fair view of the state of entity's transactions during the period ended June 30, 2020, and of the entity's financial position as at that date. The Accounting Officer in charge of the **National Intelligence Service** further confirms the completeness of the accounting records maintained for the **Service**, which have been relied upon in the preparation of the **Service** financial statements as well as the adequacy of the systems of internal financial control.

The Accounting Officer in charge of the **National Intelligence Service** confirms that the entity has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the **Service** 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 **National Intelligence Service** financial statements were approved and signed by the Accounting Officer on 29/9/ 2020.



Maj. Gen. (Rtd) Philip Kameru, MGH, CBS
Director General.



Nyamasyo Ndola, OGW
Head of Accounting Unit.

NATIONAL INTELLIGENCE SERVICE

Reports and Financial Statements

For the year ended June 30, 2020

VI. REPORT OF THE INDEPENDENT AUDITORS ON THE NATIONAL INTELLIGENCE SERVICE

We have audited the accompanying financial statements of **National Intelligence Service** for the year ended June 30, 2019, 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 June 30, 2019; and (v) a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

The **National Intelligence Service** 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 **National Intelligence Service** 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 entity'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 entity as at June 30, 2019, 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

(NB: This report should be removed once a certificate is received from the Auditor General)

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
E-mail: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



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

REPORT OF THE AUDITOR-GENERAL ON NATIONAL INTELLIGENCE SERVICE FOR THE YEAR ENDED 30 JUNE, 2020

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of National Intelligence Service set out on pages 11 to 26, which comprise of the statement of assets and liabilities as at 30 June, 2020, and the statement of receipts and payments, statement of cash flows and summary statements of appropriation - recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit

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

Basis for Opinion

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

Key Audit Matters

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities that govern them.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal control, risk management and governance were maintained 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 National Intelligence Service 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 National Intelligence Service 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 manner.

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

Auditor-General's Responsibilities for the Audit

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the

Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the 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 ability of National Intelligence Service 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 National Intelligence Service to cease 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 National Intelligence Service to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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



Nancy Gathungu
AUDITOR-GENERAL

Nairobi

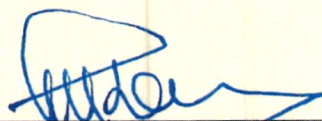
22 February, 2021

NATIONAL INTELLIGENCE SERVICE
Reports and Financial Statements
For the year ended June 30, 2020

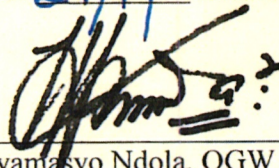
VII. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2019-2020	2018-2019
		Kshs	Kshs
RECEIPTS			
Exchequer releases	1	38,350,000,000	33,753,327,795
Proceeds from Sale of Assets	2	11,594,841	5,300
Other Receipts	3	4,744,389	10,040,732
TOTAL RECEIPTS		38,366,339,230	33,763,373,827
PAYMENTS			
Transfers to Other Government Units	4	-	46,032
Expenditure	5	38,307,377,092	33,729,614,719
TOTAL PAYMENTS		38,307,377,092	33,729,660,750
SURPLUS/DEFICIT		58,962,138	33,713,076

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 29/9/2020 and signed by:



Maj. Gen. (Rtd) Philip Kameru, MGH, CBS
 Director General.



Nyamasyo Ndola, OGW
 Head of Accounting Unit.

NATIONAL INTELLIGENCE SERVICE

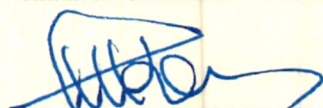
Reports and Financial Statements

For the year ended June 30, 2020

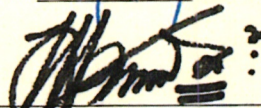
VIII. STATEMENT OF ASSETS AND LIABILITIES

	Note	2019-2020	2018-2019
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	6	142,868,195	131,057,342
Cash Balances	7	4,256	3,160
Total Cash and cash equivalent		142,872,451	131,060,501
Accounts receivables – Outstanding Imprests	8	57,349,699	32,893,587
TOTAL FINANCIAL ASSETS		200,222,149	163,954,088
FINANCIAL LIABILITIES			
Accounts Payables – Deposits and retentions	9	141,260,011	130,241,012
NET FINANCIAL ASSETS		58,962,138	33,713,076
REPRESENTED BY			
Fund balance b/fwd	10	33,713,076	42,586,480
Prior year adjustment	11	-33,713,076	-42,586,480
Surplus/Deficit for the year		58,962,138	33,713,076
NET FINANCIAL POSITION		<u>58,962,138</u>	<u>33,713,076</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 29/9 2020 and signed by:



Maj. Gen. (Rtd) Philip Kameru, MGH, CBS
Director General.



Nyamasyo Ndola, OGW
Head of Accounting Unit.

NATIONAL INTELLIGENCE SERVICE

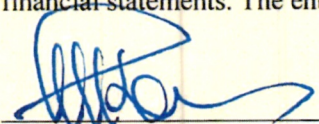
Reports and Financial Statements

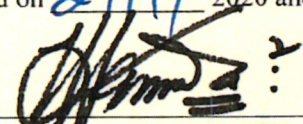
For the year ended June 30, 2020

IX. STATEMENT OF CASH FLOWS

	Note	2019-2020	2018-2019
		Kshs	Kshs
Receipts for operating income			
Exchequer Releases	1	38,350,000,000	33,753,327,795
Other Revenues	3	4,744,389	10,040,732
		38,354,744,389	33,763,368,527
Payments for operating expenses			
Transfers to Other Government Units	4	-	46,032
Other current transfer, grants (Expenditure)	5	38,307,377,092	33,729,614,719
		38,307,377,092	33,729,660,750
Adjusted for:			
Changes in receivables	8	-24,456,112	9,190,793
Changes in payables	9	11,018,999	-13,024,164
Adjustments during the year	11	-33,713,076	-42,586,480
Net cashflow from operating activities		217,109	-12,712,075
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	11,594,841	5,300
Net cash flows from Investing Activities		11,594,841	5,300
CASHFLOW FROM BORROWING ACTIVITIES			
Net cash flow from financing activities			
NET INCREASE IN CASH AND CASH EQUIVALENT			
		11,811,950	-12,706,775
Cash and cash equivalent at BEGINNING of the year	6 & 7	131,060,501	143,767,276
Cash and cash equivalent at END of the year	6 & 7	142,872,451	131,060,501

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 29/9/2020 and signed by:


 Maj. Gen. (Rtd) Philip Kameru, MGH, CBS
 Director General.


 Nyamasyo Ndola, OGW
 Head of Accounting Unit.

NATIONAL INTELLIGENCE SERVICE

Reports and Financial Statements

For the year ended June 30, 2020

X. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

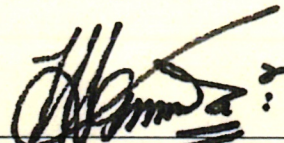
Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Exchequer releases	37,660,000,000	4,000,000,000	41,660,000,000	38,350,000,000	3,310,000,000	92%
Other Receipts - AIA	-	20,000,000	20,000,000	16,339,230	3,660,770	82%
Total receipts	37,660,000,000	4,020,000,000	41,680,000,000	38,366,339,230	3,313,660,770	92%
PAYMENTS						
Other current transfer, grants (Expenditure)	37,660,000,000	4,020,000,000	41,680,000,000	38,307,377,092	3,372,622,908	92%
Total Payments	37,660,000,000	4,020,000,000	41,680,000,000	38,307,377,092	3,372,622,908	92%
Surplus/ Deficit	-	-	-	58,962,138	58,962,138	

The adjustments in column **b** are as a result of additional funding through supplementary budget and revenue received as AIA

The entity financial statements were approved on 29/9/ 2020 and signed by:-



Maj. Gen. (Rtd) Philip Kameru, MGH, CBS
Director General.



Nyamasyo Ndola, OGW
Head of Accounting Unit.

NATIONAL INTELLIGENCE SERVICE

Reports and Financial Statements

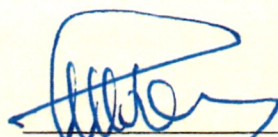
For the year ended June 30, 2020

XI. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT

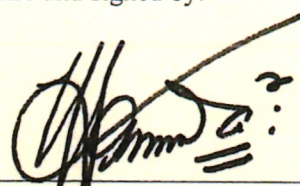
Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Exchequer releases	37,660,000,000	4,000,000,000	41,660,000,000	38,350,000,000	3,310,000,000	92%
Other Receipts - AIA	-	20,000,000	20,000,000	16,339,230	3,660,770	82%
Total receipts	37,660,000,000	4,020,000,000	41,680,000,000	38,366,339,230	3,313,660,770	92%
PAYMENTS						
Other current transfer, grants (Expenditure)	37,660,000,000	4,020,000,000	41,680,000,000	38,307,377,092	3,372,622,908	92%
Total Payments	37,660,000,000	4,020,000,000	41,680,000,000	38,307,377,092	3,372,622,908	92%
Surplus/ Deficit	-	-	-	58,962,138	58,962,138	

The adjustments in column **b** are as a result of additional funding through supplementary budget and revenue received as AIA

The entity financial statements were approved on 29/9/ 2020 and signed by:



Maj. Gen. (Rtd) Philip Kameru, MGH, CBS
Director General.



Nyama yo Ndola, OGW
Head of Accounting Unit.

NATIONAL INTELLIGENCE SERVICE

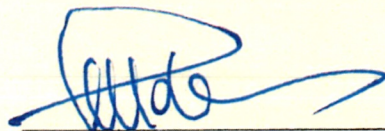
Reports and Financial Statements

For the year ended June 30, 2020

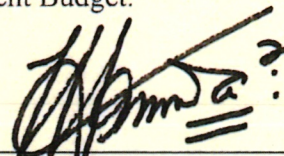
XII. SUMMARY STATEMENT OF APPROPRIATION: DEVELOPMENT

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS	-	-	-	-	-	-
Exchequer releases	-	-	-	-	-	-
Other Receipts - AIA	-	-	-	-	-	-
Total receipts	-	-	-	-	-	-
	-	-	-	-	-	-
PAYMENTS	-	-	-	-	-	-
Transfers to Other Government Units	-	-	-	-	-	-
Other current transfer, grants (Expenditure)	-	-	-	-	-	-
Total Payments	-	-	-	-	-	-
Surplus/ Deficit	-	-	-	-	-	-

The National Intelligence Service does not have a Development Budget:



Maj. Gen. (Rtd) Philip Kameru, MGH, CBS
Director General.



Nyamaayo Ndola, OGW
Head of Accounting Unit.

NATIONAL INTELLIGENCE SERVICE

Reports and Financial Statements

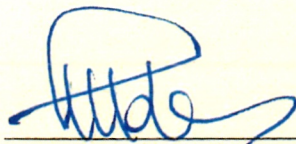
For the year ended June 30, 2020

Reasons for material differences between Approved Estimates and Actual Expenditure:-

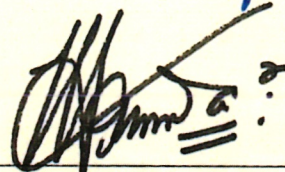
The balance on **Current Grants to Government Agencies and other Levels of Government** for the year ended 30th June 2020 was Three billion, three hundred and seventy two million, six hundred and twenty two thousand, nine hundred and eight shillings cents twenty only (**Kshs. 3,372,622,908.20**). This arose as a result of various accounts having outstanding balances as shown below: -

- (a) The Agency Account, relating to funds remitted to foreign stations through the Ministry of Foreign Affairs and International Trade, had a balance of **Kshs. 56,211,869.15**
- (b) The District Advances Account, relating to funds remitted to Counties, had an outstanding balance of **Kshs. 457,329.35**
- (c) The Imprest Account had an outstanding balance of **Kshs. 680,500.00**
- (d) The total balance for Cash at Hand and Bank was **Kshs. 1,612,439.35**
- (e) The Exchequer-Under-Issue amounts to **Kshs. 3,310,000,000.00**.
- (f) The unrealized approved A-I-A **Ksh. 3,660,770.35**

The National Intelligence Service financial statements were approved on 29/9/ 2020 and signed by:



Maj. Gen. (Rtd) Philip Kameru, MGH, CBS
Director General.



Nyamasyo Ndola, OGW
Head of Accounting Unit.

NATIONAL INTELLIGENCE SERVICE

Reports and Financial Statements

For the year ended June 30, 2020

XIII. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

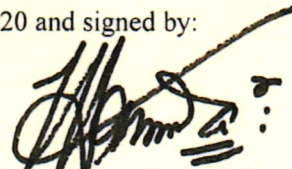
Programme:	Original Budget	Adjustments	Approved A-I-A	Final Budget	Actual on comparable basis	Budget utilization difference
National Security Intelligence	2019/20	2019/20	2019/20	2019/20	30/06/2020	2019/20
Sub-Programme:	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Security Intelligence and Counter Intelligence	37,660,000,000	4,000,000,000	20,000,000	41,680,000,000	38,307,377,092	3,372,622,908

NB: This statement is a disclosure statement indicating the utilization in the same format at the Entity's budgets which are programme based.

The entity financial statements were approved on 29/9/ 2020 and signed by:



Maj. Gen. (Rtd) Philip Kameru, MGH, CBS
Director General.



Nyamasyo Ndola, OGW
Head of Accounting Unit.

NATIONAL INTELLIGENCE SERVICE

Reports and Financial Statements

For the year ended June 30, 2020

XIV. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of compliance and basis of preparation

The financial statements have been prepared in accordance with Cash-basis IPSAS financial reporting under the cash basis of Accounting, as prescribed by the PSASB and set out in the accounting policy notes 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 receivables and payables are disclosed in the Statement of Assets and Liabilities. The Statement of Assets and Liabilities is not mandatory statement under the IPSAS Cash basis but is encouraged in order to disclose information on assets and liabilities.

The financial statements are presented in Kenya Shillings, which is the functional and reporting currency of the **National Intelligence Service** all values are rounded to the nearest Kenya Shilling. The accounting policies adopted have been consistently applied to all the years presented.

The financial statements comply with and conform to the form of presentation prescribed by the PSASB.

2. Recognition of receipts and payments

a) Recognition of receipts

The **National Intelligence Service** recognises all receipts from the various sources when the event occurs and the related cash has actually been received by the **Service**.

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

In addition, the **National Intelligence Service** recognizes all expenses when the event occurs and the related cash has actually been paid out by the **Service**.

3. Transfers from the Exchequer

Transfer from Exchequer is 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 **Service**.

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

NATIONAL INTELLIGENCE SERVICE

Reports and Financial Statements

For the year ended June 30, 2020

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 are treated as receivables. This is in recognition of the government practice where the imprest payments are recognized as payments when fully accounted for by the imprest or AIE holders. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

6. Restriction on cash

Amounts maintained in deposit bank accounts are restricted for use in refunding third party deposits. As at 30th June 2020, this amounted to **Kshs. 141,260,011.20** compared to **Kshs. 130,241,012.00** in prior period as indicated on note 9.

There were no other restrictions on cash during the year.

NATIONAL INTELLIGENCE SERVICE

Reports and Financial Statements

For the year ended June 30, 2020

XV. NOTES TO THE FINANCIAL STATEMENTS

1. EXCHEQUER RELEASES

Description	2019-2020	2018-2019
	Kshs	Kshs
Total Exchequer Releases for quarter 1	9,400,000,000.00	7,144,433,895
Total Exchequer Releases for quarter 2	10,500,000,000.00	7,243,331,400
Total Exchequer Releases for quarter 3	8,400,000,000.00	8,307,448,000
Total Exchequer Releases for quarter 4	10,050,000,000.00	11,058,114,500
Total	38,350,000,000.00	33,753,327,795.00

The budgeted exchequer for the FY 2019-20 was **Kshs. 41,660,000,000.00** against exchequer releases of **Kshs. 38,350,000.00**, leaving an exchequer under-issue of **Kshs. 3,310,000,000.00**.

2. PROCEEDS FROM SALE OF ASSETS

	2019-2020	2018-2019
	Kshs	Kshs
Receipts from the Sale of Vehicles and Transport Equipment	10,800,529	-
Receipts from sale of inventories, stocks & Commodities	794,312	5,300
Total	11,594,841	5,300

3. OTHER REVENUES

	2019-2020	2018-2019
	Kshs	Kshs
Receipts from Administrative Fees and Charges - Collected as AIA	2,441,293	7,801,127
Fines Penalties and Forfeitures	2,303,096	2,239,605
Total	4,744,389	10,040,732

NATIONAL INTELLIGENCE SERVICE**Reports and Financial Statements****For the year ended June 30, 2020****4. GRANTS AND TRANSFERS TO OTHER GOVERNMENT ENTITIES**

Description	2019-2020	2018-2019
	Kshs	Kshs
Transfers to National Treasury - The Exchequer Account No. 1000003987 (A-I-A)	-	46,032.00
TOTAL	-	46,032.00

The above transfers relate to excess AIA realized during the financial year, which was surrendered to the National Treasury.

5. OTHER GRANTS AND TRANSFERS

Explanation	2019-2020	2018-2019
	Kshs	Kshs
Other current transfer, grants (Expenditure)	38,307,377,092	33,729,614,719
Total	38,307,377,092	33,729,614,719

Other current transfer, grants (Expenditure) relate to the total spending for NIS during the financial year.

6. 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)	2019-2020	2018-2019
				Kshs	Kshs
<i>Central Bank of Kenya, 1000181095, Kshs - NIS</i>	Kshs	Recurrent	1	1,608,184	816,330
<i>Central Bank of Kenya, 1000181168, Kshs - NIS</i>	Kshs	Deposit	1	141,260,011	130,241,012
Total				142,868,195	131,057,342

NATIONAL INTELLIGENCE SERVICE

Reports and Financial Statements

For the year ended June 30, 2020

7. CASH IN HAND

	2019-2020	2018-2019
	Kshs	Kshs
Cash in Hand – Held in domestic currency	4,256	3,160
Total	4,256	3,160

Cash in hand above is analysed as follows:

	2019-2020	2018-2019
	Kshs	Kshs
Headquarters, Cash office - Recurrent	4,256	3,160
Total	4,256	3,160

8. ACCOUNTS RECEIVABLE - OUTSTANDING IMPRESTS , DISTRICT SUSPENSE & CLEARANCE

Description	2019-2020	2018-2019
	Kshs	Kshs
Government Imprests	680,500	8,394,311
District suspense	457,329	87,280
Clearance accounts - Agency Account	56,211,869	24,411,996
Total	57,349,699	32,893,587

Listings of the specific accounts receivables above are available. The Agency account relates to unspent balances arising from AIEs remitted to Foreign Stations abroad. The listings are confidential due to the nature of operations by the Service. The schedules are available for scrutiny by relevant authorities.

9. ACCOUNTS PAYABLE

Description	2019-2020	2018-2019
	Kshs	Kshs
Deposits	141,260,011	130,241,012
Total	141,260,011	130,241,012

The deposits include amounts held as insurance benefits, retention money from contractors and tender deposits. The listings are confidential due to the nature of operations by the Service. The schedules are available for scrutiny by relevant authorities.

NATIONAL INTELLIGENCE SERVICE
Reports and Financial Statements
For the year ended June 30, 2020

10. FUND BALANCE BROUGHT FORWARD

Description	2019-2020	2018-2019
	Kshs	Kshs
Bank accounts	131,057,342	143,489,173
Cash in hand	3,160	278,103
Accounts Receivables	32,893,587	42,084,380
Accounts Payables	-130,241,012	-143,265,176
Total	33,713,076	42,586,480

11. PRIOR YEAR ADJUSTMENTS

Description of the Adjustment	2019-2020	2018-2019
	Kshs	Kshs
Adjustments on bank account balances	-816,330	-223,997
Adjustments on cash in hand	-3,160	-278,103
Adjustments on receivables	-32,893,587	-42,084,380
Total	-33,713,076	-42,586,480

The total of **Kshs. 33,713,076.00** relate to FY 2018/19 closing balances, which were recovered and remitted to the National Treasury or surrendered and accounted for during the FY 2019/20.

12. RELATED PARTY TRANSACTIONS

Description	2019-2020	2018-2019
	Kshs	Kshs
Transfers from Central government entities		
Transfers from Ministry of Interior	4,077,938,809	3,163,168,098
Transfers from Presidency	935,000,000	500,000,000
State Department of Regional and Northern Corridor Development	-	248,550
Ministry of Energy and Petroleum	-	1,149,566
State Department for Public Services	-	1,422,080
Transfer from State Department for Gender	486,970	-
Ministry Of Lands And Physical Planning	1,085,370,000	-

NATIONAL INTELLIGENCE SERVICE
Reports and Financial Statements
For the year ended June 30, 2020

State Department for Immigration and Citizen Services	172,406,000	-
State Department for Information Communication and Technology	220,000,000	-
Kenya Airports Authority	120,654,092	-
Ministry of Health	300,000,000	-
State Department for Housing and Urban Development	100,000,000	-
Ministry of Foreign Affairs and International trade	3,417,243	-
TOTAL	7,015,273,114	3,665,988,294

During the FY 2019/20, NIS received Inter-Agency transfers amounting to **Kshs. 7,015,273,114.00**.

OTHER IMPORTANT DISCLOSURES

13. ACCOUNTS PAYABLE (See Annex 1)

Description	2019-2020	2018-2019
Deposits:-	Kshs	Kshs
Insurance	59,002,494	46,074,144
Retention	77,572,043	77,083,653
Other Deposits – Disposal of M/vehicle, Equip, Stores etc	4,685,474	7,083,214
Total	141,260,011	130,241,012

NB:-The Service did not have pending bills/payables from the recurrent account as at the end of the 2019/2020 financial year.

NATIONAL INTELLIGENCE SERVICE

Reports and Financial Statements

For the year ended June 30, 2020

14. PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

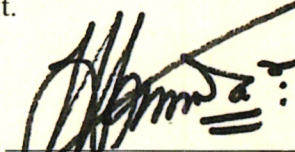
The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
None	None	None	None	None	None

The Service received an **Unqualified Audit Opinion** for the financial statements for the year ended 30th June, 2018. The service has not received the Auditors Report for the financial year 2018-2019; however, no issues were raised during the Audit.



Maj. Gen. (Rtd) Philip Kameru, MGH, CBS
Director General.



Nyamaayo Ndola, OGW
Head of Accounting Unit.

NATIONAL INTELLIGENCE SERVICE**Reports and Financial Statements****For the year ended June 30, 2020****ANNEX 1 - ANALYSIS ACCOUNTS PAYABLE**

Supplier of Goods or Services	Outstanding Balance 2020	Outstanding Balance 2019	Comments
	Kshs	Kshs	
Insurance			Being Life insurance compensation to nominated
			family members following the death of a
			Service officer.
Sub-Total	59,002,494.45	46,074,144.45	
Retention			Being retention money withheld from payments
			to various contractors pending successful
			Completion of the projects being implemented.
Sub-Total	77,572,042.60	77,083,653.40	
Other Deposit - Disposal of MV, Equip. etc			Being general deposits paid to secure the
			purchase of old motor vehicles, equipment and
			obsolete stores, etc.
Sub-Total	4,685,474.15	7,083,214.15	
GRAND TOTAL	141,260,011.20	130,241,012.00	

NATIONAL INTELLIGENCE SERVICE

Reports and Financial Statements

For the year ended June 30, 2020

ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2020	Outstanding Balance 2019	Comments
		a	b	c	d=a-c		
Senior Management	N/A						The Service does not have
							Pending bills from previous
							years
Sub-Total							
Middle Management	N/A						
Sub-Total							
Unionisable Employees	N/A						
Sub-Total							
Others (specify)	N/A						

NATIONAL INTELLIGENCE SERVICE

Reports and Financial Statements

For the year ended June 30, 2020

ANNEX 3 - ANALYSIS OF OTHER PENDING PAYABLES

Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2020	Outstanding Balance 2019	Comments
		a	b	c	d=a-c		
Amounts due to National Govt Entities	N/A						The Service does not have
							Pending bills from
							previous years
Sub-Total							
Amounts due to County Govt Entities	N/A						
Sub-Total							
Amounts due to Third Parties	N/A						
Sub-Total							
Others (specify)	N/A						
Sub-Total							
Grand Total							

NATIONAL INTELLIGENCE SERVICE

Reports and Financial Statements

For the year ended June 30, 2020

ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2019/2020	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 2019/2020
Land	N/A			
Buildings and structures	N/A			
Transport equipment	N/A			
Office equipment, furniture and fittings	N/A			
ICT Equipment, Software and Other ICT Assets	N/A			
Other Machinery and Equipment	N/A			
Heritage and cultural assets	N/A			
Intangible assets	N/A			
Total				

NB: The information required in this section is limited due to the disclosure requirement thresholds, in line with the nature of security operations.

NATIONAL INTELLIGENCE SERVICE

Reports and Financial Statements

For the year ended June 30, 2020

ANNEX 5 – LIST OF PROJECTS IMPLEMENTED BY NATIONAL INTELLIGENCE SERVICE

Ref	Project Name	Principal activity of the project	Accounting Officer	Project consolidated in these financial statements(yes/no)
1	N/A	N/A	N/A	N/A

ANNEX 6 – LIST OF SCs, SAGAs AND PUBLIC FUNDS UNDER THE ENTITY

None

ANNEX 7- OTHER REPORTS

The following financial Reports are attached as appendices to these financial statements.

- i. Board of Survey
- ii. FO30 (Bank reconciliations) for all bank accounts
- iii. Register of bank accounts
- iv. Cash book extract
- v. Confirmation of Inter-Agency transfers

Handwritten text, possibly a signature or date, located in the upper left quadrant of the page.

1938

