

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

PARLIAMENT
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REPORT

OF

THE AUDITOR-GENERAL

ON

**THE FINANCIAL STATEMENTS OF
OFFICE OF THE CONTROLLER OF
BUDGET**

**FOR THE YEAR ENDED
30 JUNE 2017**

*Paper Laid on the
Table of the
House by the
Majority Whip*

*[Hon. Benjamin
Washtali] on*

Thursday

21st June 2018

[Afternoon].



OFFICE OF THE CONTROLLER OF BUDGET

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

JUNE 30, 2017

ISSUED ON: SEPTEMBER 30, 2017(AUDITED)

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

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1 KEY OFFICE OF THE CONTROLLER OF BUDGET INFORMATION AND MANAGEMENT

1.1 Background information

The Office of the Controller of Budget (OCOB) was established by the Constitution of Kenya, 2010. Pursuant to Article 228 of the Constitution of Kenya 2010, the Office is mandated to authorize withdrawals from public funds, oversee the budget implementation of national and county governments, create openness and transparency in the budget implementation process, and to advise the Executive and Legislature on budget implementation.

The Office is headed by the Controller of Budget, FCPA Agnes Odhiambo, CBS who is responsible for the general policy and strategic direction of the entity.

As an independent office, OCOB has the following mandate: -

- To oversee implementation of the budgets of the National and County Governments. (Article 228 (4)) of the Constitution of Kenya, 2010.
- Authorize withdrawals from Public Funds including the Equalization Fund, the Consolidated Fund, and the County Revenue Fund under (Article 204 (9)), (Article 206 (4)), and (Article 207 (3)) respectively of the Constitution of Kenya, 2010 and when satisfied that such withdrawal is authorised by law (Article 228 (5)), of the Constitution of Kenya, 2010.
- Report, every four months to each house of Parliament on the implementation of the budgets on the national and county governments (Article 228(6)) of the Constitution of Kenya, 2010.
- Report after the end of each financial year, to the President, the National Assembly or Senate (Article 254(2) of the Constitution of Kenya, 2010.
- Report on a particular issue, as may be required by President, the National Assembly or the Senate (Article 254(2) of the Constitution of Kenya, 2010.
- Advise Parliament on the need to renew or not to approve the decision of the Cabinet Secretary in charge of finance to stop the transfer of funds to a State Organ or any other Public Entity (Article 225 (7) of the Constitution of Kenya, 2010.
- Conduct investigations based on its own motion or on a complaint made by a member of the public (Article 252 (1) (a) of the Constitution of Kenya, 2010.

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- Conduct alternative dispute resolution mechanisms including conciliation, mediation and negotiation to resolve budget implementation disputes (Article 252 (1)(b) of the Constitution of Kenya, 2010.;and
- Ensure the public has access to information on budget implementation both at the national and county levels(Article 35) section 39(8) of the Public Finance Management Act,2012

1.1 VISION

*TO BE THE LEADING INDEPENDENT OVERSIGHT INSTITUTION
IN PUBLIC FINANCIAL MANAGEMENT*

1.2 MISSION

*"TO GUARANTEE PRUDENCE IN PUBLIC FINANCE THROUGH
OVERSEEING THE IMPLEMENTATION OF GOVERNMENT BUDGETS
BY CONTROLLING AND MONITORING THE USE OF PUBLIC FUNDS
AND REPORTING ON BUDGET IMPLEMENTATION FOR THE
BENEFIT OF ALL KENYANS"*

1.3 CORE VALUES

*HONESTY, INTEGRITY, PROFESSIONALISM, ACCOUNTABILITY AND
TRANSPARENCY, INNOVATION AND CREATIVITY, TEAMWORK,
EFFICIENCY AND INDEPENDENCE*

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Honesty and Integrity: To enhance stakeholders' confidence in our services, we shall meet stakeholders' expectations by carrying out duties and responsibilities with honesty, fairness, and integrity.

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

Accountability and Transparency: We shall adopt a governance structure that promotes and supports accountability and transparency. We shall encourage our stakeholders to provide feedback and proposals on improvement of service delivery. We shall also provide to the public timely and accurate information.

Innovation and Creativity: We shall continue to promote innovation and creativity through research, regular brainstorming sessions and exchange of ideas at all levels so as to tap the full potential of our staff, partners and collaborators.

Teamwork: We shall collaborate with colleagues and stakeholders to achieve our goals and objectives through consultations, consensus building, participation, and consideration of diversity of opinion and experiences.

Efficiency: We shall endeavour to effectively meet set deadlines in all our activities as set out in the Kenyan Constitution and ensure prudent utilization of public funds for the satisfaction of the Kenyan people.

Independence: We shall ensure responsive, prompt, effective, impartial provision of services while firmly and courageously respecting the rule of law.

1.2 Strategic Plan (2013-2017)

A strategic plan is an important tool to an organization because it provides a sense of direction and outlines measurable goals. The Office has a strategic plan in place that guides policy formulation and day-to-day decision making process as well as evaluating progress towards meeting its constitutional mandate. This Strategic Plan (2013-2017) is currently under review to include changes in legislations and emerging issues in view of the full cycle of activities of devolution process. This will enable the Office to develop a new Strategic Plan for the period 2018-2022.

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1.3 Strategic Objectives

The Office identified strategic objectives, strategies and activities that would drive achievement results in its key mandate areas. The following are the strategic objectives.

- Enhance proper use of public funds by approval of withdrawals of funds within the law.
- Ensure efficient budget implementation by offering the requisite oversight and monitoring.
- Timely and accurate statutory reporting on budget implementation.
- To improve financial, planning and budgeting processes.
- To develop institutional capacity and enhance the work environment.
- To improve information sharing by leveraging on communication and technology.

1.4 Principal Activities.

The core mandate of the office of the Controller of Budget is to oversee the implementation of budgets of both National and County Governments, approve withdrawals from public funds and report to both Houses of Parliament on budget implementation every four months.

1.5 The roles and functions

The core functions of the office include:

- Oversight Role
- Controlling Role
- Reporting Role
- Advisory Role
- Investigation Role
- Arbitration/Mediation Role
- Public Participation

1.6 Key Strategic Priorities

During the period under review, the Office undertook implementation of the key strategic priorities:-

- Monitoring of budget implementation for both National and County Governments projects and programs.

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- Timely approval of withdrawals from public funds to both National Governments entities (MDAs) and the 47 Counties.
- Capacity building of both OCOB staff and county staff on skills to improve budget execution.
- Preparing quarterly budget implementation reports and special reports to both Houses of Parliament for the National and County governments.
- Reviewing budgets of the Counties to ensure compliance with the law.
- Providing budget information to the public through media and public participation forums.
- Public sensitization to build their capacity to effectively participate in the budget process and to hold public officials to account through social audit frameworks.
- Undertaking further research on key issues identified in the Quarterly Budget Implementation Review Report to advise both Parliament and the Executive.
- Providing advisory to Ministries, Departments and Agencies (MDAs) as well as the County Governments on budget implementation matters

1.7 Key Management

The Office day-to-day management is under the following key directorates/division:

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

S/NO.	DESIGNATION	NAME
1	Controller of Budget	FCPA Agnes Odhiambo, CBS
2	Deputy Controller of Budget	CPA Stephen Masha
3	Director Corporate Services	CPA Macklin Ogolla
4	Director Research and Planning	Mr. Joshua Musyimi
5	Director Legal Affairs	Ms. Selina Iseme
6	Chief Internal Auditor	CPA Joseph Tulula
7	Chief Fiscal Analyst-National Government	CPA Patrick Kamore
8	Chief Fiscal Analyst-County Governments	CPA Mark Kipkoech

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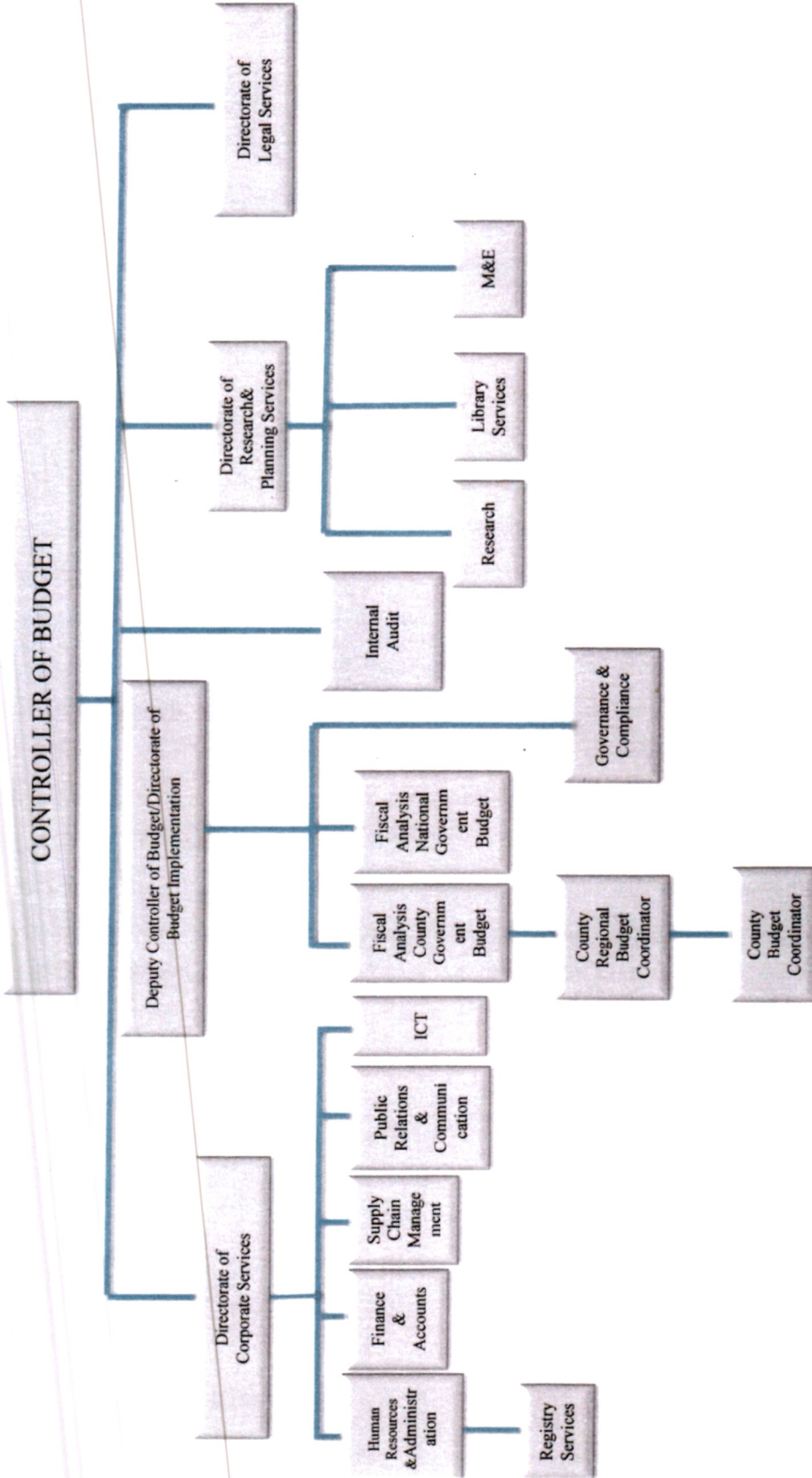
9	Chief Manager Public Relations & Communication	Mr. Stephen Wangaji
10	Chief Manager Human Resource & Administration	Ms. Irene Arimi
11	Chief Manager Information Communication and Technology	Ms. Judith Muli
12	Chief Manager Finance & Accounts	CPA Pamela Okatch
13	Chief Manager Supply Chain Management	Mr. Anthony Lusuli
14	Manager Legal Affairs	Mr. George Tuti
15	Manager Human Resource & Administration	Mr. Shadrack Chando
16	Principal Research and Planning Officer	Ms. Grace Kimitei
17	Personal Assistant to COB	Ms. Mary Owii
18	Senior Internal Auditor	CPA Sally Rono
19	Senior Internal Auditor	CPA David Ayimba
20	Senior Internal Auditor	CPA Joseph Marigi

1.8 Fiduciary Management.

The key management personnel who held Office during the financial year ended 30th June, 2017 and who had direct fiduciary responsibility were:

S/NO.	DESIGNATION	NAME
1	Controller of Budget	FCPA Agnes Odhiambo, CBS
2	Deputy Controller of Budget	CPA Stephen Masha
3	Director Corporate Services	CPA Macklin Ogolla
4	Director Research and Planning	Mr. Joshua Musyimi
5	Director Legal Affairs	Ms. Selina Iseme
6	Chief Internal Auditor	CPA Joseph Tulula
7	Chief Manager Finance & Accounts	CPA Pamela Okatch
8	Chief Manager Supply Chain Management	Mr. Anthony Lusuli

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FCPA Agnes Odhiambo, CBS
Controller of Budget

Mrs. Agnes Odhiambo was appointed the first Controller of Budget of the Republic of Kenya in August 2011. She holds a Master of Business Administration degree and a Bachelor of Commerce degree (Accounting Option) both from the University of Nairobi and is a Fellow of the Institute of Certified Public Accountants of Kenya (ICPAK). She is also a member of the Association of women Accountants of Kenya (AWAK) and a member of Women Corporate Directors (WCD). She is an accomplished finance professional with over 30 years progressive experience in roles of increasing responsibility having held various senior management positions in the private and public sectors. Mrs. Odhiambo joined the Public Sector on her appointment at Kenya Post Office Savings Bank (Postbank) as Director Finance & Administration where she successfully led the organization's financial reforms and later moved to the Constituencies Development Fund Board as the Chief Executive Officer where she spearheaded the formulation and implementation of its strategy. Prior to joining the Public Sector, Mrs. Odhiambo worked in the private sector in various local and multi-national companies where she rose from an Assistant Accountant to a Finance Director. Mrs. Odhiambo has attended several courses both locally and internationally in leadership, governance, finance, accounting, human resource management, information technology and supply chain management among others. She has also held several board positions both in the private and public sectors.

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CPA Stephen Masha
Deputy Controller of Budget

Mr. Masha holds a Master of Science in Finance from Leicester University, a bachelors degree in Education from Kenyatta University and is a Certified Public Accountant and a member of the Institute of Certified Public Accountants of Kenya (ICPAK). He is the convener of ICPAK's Public Finance Sub-committee, a member of the Devolution and Branches Work stream and the Public Policy and Governance Committee. Mr. Masha is a seasoned finance professional with over 15 years' experience having previously worked as the Regional Chief Fiscal Analyst at USAID, Audit Manager at Action Aid and as an Internal Auditor at Family Health Organisation of Kenya among other reputable institutions. He was the Director, County Fiscal Affairs at the Commission on Revenue Allocation prior to joining the Office of the Controller of Budget. He has attended several professional workshops both locally and overseas in leadership, financial analysis, program management, supervision, procurement, and training of trainers. Mr. Masha has performed several short-term assignments in a number of countries, including Tanzania, Uganda, Burundi, Rwanda, Eritrea, Ethiopia, Zambia and the United States of America.



CPA Macklin Ogolla
Director, Corporate Services

Mr. Ogolla is currently pursuing a National University of Singapore PhD program and holds a Master of Business Administration (MBA) in Finance from Moi University and a Bachelor of Science in Actuarial Mathematics from the University of Nairobi. He also holds a Post-graduate Diploma in Finance from Maastricht University. He is a member of the Institute of Certified Public Accountants of Kenya (ICPAK) and Institute of Certified Investment and Financial Analysts (ICIFA). Mr. Ogolla has had extensive training in Finance, Public policy, Administration and Information Technology, including ICT training at Oracle University and a World Bank Training in Fiscal Decentralization and International Public Sector Accounting Standards and debt sustainability analysis. He is a seasoned Finance Manager with extensive experience having previously worked in Projects at the World Bank and the National Treasury. Prior to joining OCOB, he served as Chief Finance Officer in the Ministry of Industrialization and Director, Kenya Industrial Estates. Currently, he is a member of Public Sector Accounting Standards Board (PSASB).



Mr. Joshua Musyimi
Director, Research and Planning

Mr. Musyimi holds a Master of Arts degree (Economics Policy Management) from University of Ghana, Legon and a Bachelor of Science degree in Statistics and Computer

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Science from Kenyatta University. He has had extensive training in Data Analysis, Census and Survey Processing. With over 18 years' experience, he has previously worked at the Kenya National Bureau of Statistics (formerly Central Bureau of Statistics) where he rose through the ranks to become the Manager Research and Planning. He also worked in the Ministry of State for Planning and National Development and Vision 2030 as Principal Economist/Statistician. He had a stint at the Policy and Strategy Unit, State House and was attached to the National Economic and Social Council (NESC) as part of the team that developed the Kenya Vision 2030. With a background in Social Research and Statistics, he was directly involved in the preparation of the "Vision 2030" particularly the Social and Political Pillars.



Ms. Selina Iseme
Director, Legal Affairs

Miss Selina Iseme holds a Bachelor of Laws degree from the University of Nairobi and a Master of Laws degree from the University of Leeds, United Kingdom. She is also a certified mediator having been accredited by the Center for Effective Dispute Resolution, the United Kingdom in the year 2015.

She has a wealth of experience gained both in the public and private sectors. Prior to joining OCOB she worked for the Public Service Commission where she joined as Principal Litigation Counsel and rose through the ranks to the position of Deputy Director Legal Services. While serving at the Public Service Commission she participated in national assignments including being appointed as joint secretary to the taskforce that developed the policy and Bill on the values and principles of public service contained in Article 232 of the Constitution. Prior to that, she had served as an associate advocate with the firm of Iseme, Kamau and Maema Advocates and as also a legal officer with Lion of Kenya Insurance.



CPA Joseph Tulula
Chief Internal Auditor

Mr. Tulula holds a Master of Arts in Economics and a Bachelor of Commerce (Accounting) degrees from the University of Nairobi. He is a member of Institute of Certified Public Accounts of Kenya (ICPAK) and Institute of Internal Auditors of Kenya (IIA). He has over 20 years' experience in Auditing, having previously worked for Kenya Institute of Curriculum Development as Chief Internal Auditor for five years, Kenya Bureau of Standards as Chief Accountant and Manager, Finance and Accounts for 10 years, Defense Forces Canteen Organization for 4 years as the Head of Internal Audit and the Ministry of Finance for 1 year.



CPA Patrick Kamore
Chief Fiscal Analyst- National Government

Mr. Kamore holds a Master in Business Administration (Finance) and Bachelors of Education (Economics) both from the University of Nairobi and is member of Institute of Certified Public Accounts of Kenya (ICPAK). He has extensive training and experience in finance and banking, institution operations, management and information technology. He has attended several workshops on change management, training of trainers, leadership skills, financial data analysis and reporting and successful leadership management. He has over 10 years working experience in the finance sector and he championed the conversion of Family

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Bank Ltd from a building society to a fully- fledged commercial bank. He worked as a Branch Manager prior to joining the Office of Controller of Budget.



CPA Mark Kipkoech
Chief Fiscal Analyst- County Governments

Mr Mark holds a Master of Economics from the University of Nairobi and Bachelor of Arts degree in Economics from Kenyatta University. He is a member of the Institute of Certified Public Accountants of Kenya (ICPAK) and the Institute of Certified Public Secretaries of Kenya (ICPSK). He is experienced in the finance industry having previously worked in the finance and accounting sections at Amana Capital Ltd, Lukenya Getaway Ltd, and at Trustmark Insurance Brokers Ltd. He has had intensive training in investment banking, management and administration of retirement pension schemes, accounting for the public and private entities, public finance, public procurement, data analysis and report writing, management and administration. Before joining OCOB, he was the Finance and Compliance Manager at Amana Capital Ltd and was the appointed Pension Administrator of the Amana Personal Pension Scheme and the Amana Umbrella Pension Scheme in line with the requirements of the Retirement Benefits Authority.



Mrs. Irene Arimi
Chief Manager HR and Administration

Mrs. Arimi is currently pursuing PhD program at the Jomo Kenyatta University of Agriculture and Technology and holds a Master of Business Administration (MBA) in HR from Kenya Methodist University (KeMU). She also holds a Bachelors degree in HR Management and Higher National Diploma in HR both from the University of South Africa (UNISA) as well as a Certificate in Executive Human Resource Management from the Institute of Human Resource Management. Previously she worked at the Kenya Methodist University as Administrative Officer – HR, at the William J. Clinton Foundation HIV/AIDS Initiative (CHAI) in Papua New Guinea as HR Coordinator, and at Marketing, Travel and Credit Consultancy (MTC), Botswana as Products and Services Manager. She has also worked with Deloitte, South Africa/Botswana as HR Management Assistant. She is a member of the Institute of Human Resources Management (IHRM).



Mr. Stephen Wangaji
Chief Manager Public Relations and Communication

Mr. Wangaji is a skilled Public Relations practitioner with over fifteen years' experience in Journalism and Public Relations in the Public, Private and Civil Society sectors in Kenya. He holds a Master in Business Administration (Marketing) degree from Egerton University, a Post-graduate Diploma in Mass Communication and a Bachelor of Arts, Economics and

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Geography both from the University of Nairobi. He is the immediate former president of the East Africa Public Relations Association (EAPRA), immediate former Vice Chairman of the Public Relations Society of Kenya (PRSK) and 2012 recipient of the PRSK Golden Honors Award for significant contribution to the PR industry in the region.



Ms. Judith Muli

Chief Manager Information Communication and Technology

Ms. Muli is currently pursuing a PhD in Information Technology (PhD IT) at Jomo Kenyatta University of Agriculture and Technology (JKUAT) and holds a Master of Science in Information Systems from the University of Nairobi, a Master of Business Administration (Strategic Management Option) from Moi University and Bachelor of Science in Mathematics with bias in computing from the University of Nairobi. She previously worked as a lecturer at Jomo Kenyatta University of Agriculture and Technology (JKUAT) and as an ICT Manager and consultant in both Public and Private sector. She has been involved with ICT research and has participated in diverse research at Research ICT Africa (RIA). She has also pursued several professional courses on ICT leadership and management. She is a member of Computer Society of Kenya (CSK), Internet Society (ISOC) and a Lister with Kenya ICT Action Network (KICTANet).



Mr. Anthony Lusuli
Chief Manager Supply Chain Management

Mr. Lusuli has many years' experience in Supply Chain and is currently pursuing a PhD in Procurement and Logistics. He holds a Master of Science Degree in Procurement and Logistics from Jomo Kenyatta University of Agriculture and Technology and a Bachelors Degree in Business Administration (Entrepreneurship) from the Kenya Methodist University. Previously, he worked as a Supply Chain Management Officer at the National Treasury. He is a member of the Kenya Institute of Supplies Management and Chartered Institute of Purchase and Supplies.



CPA Pamela Okatch
Chief Manager Finance and Accounts

Pamela holds a Masters of Business Administration (Finance Option) and a Bachelor of Commerce degree (Finance option) from the University of Nairobi and Catholic University of Eastern Africa respectively. Previously, she worked for Kenya Institute of Special Education (KISE) as Head of Finance and Administration. She also worked for Jaribu Credit Traders Ltd as Senior Accountant. She is a member of the Institute of Certified Public Accountants of Kenya (ICPAK) and Association of Women Accountants of Kenya (AWAK) and currently pursuing Certified Public Secretaries (CPS) course.

She has vast experience in financial management gained at supervisory level in her career in the accounting and finance sector.

1.9 Fiduciary Oversight Arrangements

1.9.1 Executive Management Committee

The Controller of Budget in running the Office is assisted by various sub-committees with specific terms and reference in carrying out the activities and includes; the Executive Management Committee, Audit Committee, Budget Committee, Human Resource Management and Advisory/Training Committee, ICT Steering Committee and Integrity Committee .

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

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

In execution of its functions, the Management Committee has the power to appoint sub-committees to assist in discharging the mandate of the office.

In discharging their duties, Members of the Executive Management Committee are guided by:

- The organisation’s policies and procedures
- The organisation’s strategic plan and other legislations.

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Composition of the Sub-Committee Members

- The members of the various sub-committees are drawn from the departments and have a wide range of skills and experience and each contributes independently to the committee discussions
- On appointment each member is provided with the appointment letter outlining the responsibilities to be undertaken.

1.9.2 Audit Committee

Section 73(5) of the Public Finance Management Act, 2012 provides that every national government public entity shall establish an audit committee whose composition and functions shall be prescribed by the regulations. The PFM Act 2012, regulations for national government, Section 174(10) provides that the Public Sector Accounting Standards Board shall prescribe guidelines for the appointment of audit committees to be approved and gazetted by the Cabinet Secretary in charge of the National Treasury.

The OCOB established an Audit Committee whose main functions are as stated in PFM Act, 2012 regulations, section 175 to;

- Support the Accounting Officer with regard to responsibilities on issues of risk, control and governance and associated assurance but the responsibility over the management of risk, control and governance processes remains with the management; and
- Follow up on the implementation of the recommendations of internal and external auditors.

The Audit Committee has direct access to the External Auditors, and OCOB Internal Auditors. The Committee's membership comprises of 3 members with head of internal audit providing secretariat services to the committee, namely:

S/NO.	NAME	ROLE
1	Mr. Joshua Musyimi	• Chairperson
2	Ms. Judith Muli	• Member
3	CPA Pamela Okatch	• Members
4	CPA Joseph Tulula	• Secretary

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Attendance of the Audit Committee members

Committee Attendance For the Year Ended 30 th June 2017	Audit Committee Meeting	Total Attendance
	19/8/2016	
Mr. Joshua Musyimi	√	1
Ms. Judith Muli	√	1
CPA Pamela Okatch	√	1
CPA Joseph Tulula	√	1

√- Attended

X -Absent with apology

The key achievements during the year include the following:-

- The Audit Committee met and reviewed the Internal and External Audit's reports on various OCOB's functions

1.9.3 Budget Committee

This Committee is composed of the following members drawn from various departments:

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

This is a Sub-Committee of the Executive Management Committee set up to ensure the resources are utilised as per the OCOB budgetary allocation and work plan. The main responsibility of the Budget Committee is to assist the COB to discharge her responsibility in the following areas:

- Review the actual departmental expenditures to determine the absorption rate for the budgeted activities and identify the reasons behind non utilization of funds.

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- Advise the Accounting Officer on any problems related to budget implementation.
- Review and recommend re-allocations.
- Review the utilization of donor funds.
- Review the commitments including pending bills and recommend solutions

Attendance of Budget Committee members to meetings.

The following shows the number of budget committee meetings held during the year and the attendance of individuals

Committee Attendance For The Year Ended 30 th June 2017	Budget Committee Meeting			Total Attendance
	8/8/2016	16/8/2016	23/08/2016	
CPA Macklin Ogolla	√	x	√	2
Mr. Joshua Musyimi	√	x	x	1
Ms. Judith Muli	√	√	x	2
Ms. Irene Arimi	√	x	x	1
CPA Pamela Okatch	√	√	√	3
Mr. Anthony Lusuli	x	√	x	1
Mr. Shadrack Chando	√	√	√	3
CPA Hope Keah	√	√	√	3
CPA Antonette Kanani	√	√	√	3

√- Attended

X -Absent with apology

1.9.4 The Human Resource Management Advisory/Training Committee (HRMAC/T)

The Human Resource Management Advisory Committee (HRMAC) is a standing committee that advises the Controller of Budget on HR issues and staff development. The Committee holds meetings quarterly. However, the Committee may call special meetings when necessary. The functions of the committee include the following;

- Discuss and make recommendations to Controller of Budget on general staff welfare and motivation issues among others;
- To discuss, consider and recommend officers training requests to the Controller of Budget for approval purposes;

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- Investigate and make recommendations to the Controller of Budget on disciplinary matters;
- Discuss and make recommendations on existing HR regulations and policies to the Controller of Budget;

This Committee is composed of the following members drawn from various departments:

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

The Committee was instrumental in the process of setting up the OCOB Staff Retirement Benefits Scheme, which was operationalized on the 1st July, 2017. The Committee made recommendations on the formation of OCOB Staff Welfare Association. The aim of the association is to enable staff members support one another by providing financial support to members in case of bereavement, hospitalisation, wedding and new born babies. Members contribute Kshs. 500 monthly from their salary through check off to support the kitty.

The Committee organised the Annual General Meeting (AGM) for the Welfare Association that was held in December, 2016. During the AGM, staff welfare matters were discussed and also a detailed presentation of the welfare accounts was presented to the members.

An election was conducted to elect officials to oversee the running of the affairs of the Welfare Association.

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The Committee ensures continuous training and development for OCOB staff by making recommendations to the Controller of Budget. Major group trainings conducted in the last FY 2016/17 were; Monitoring and Evaluation, Leadership and Integrity and Risk Management. Each individual staff attended at least two trainings within the stated financial year.

Committee Attendance For The Year Ended 30 th June 2017	HRMAC/T Committee Meeting		Total Attendance
	26/9/2016	23/3/2017	
CPA Macklin Ogolla	√	√	2
Mr. Joshua Musyimi	√	√	2
CPA Mark Kipkoech	x	x	0
CPA Patrick Kamore	√	√	2
Ms. Judith Muli	√	√	2
Mr. Stephen Wangaji	√	√	2
CPA Pamela Okatch	x	x	0
Mr. Anthony Lusuli	x	x	0
Mr. Shadrack Chando	√	√	2
Mr. George W. Tuti	√	√	2
Ms. Irene Arimi	√	√	2

√- Attended

X -Absent with apology

1.9.5 ICT Steering Committee

The ICT Steering Committee provides advice to the Controller of Budget with regard to strategic decisions in Information and Communication Technology (ICT) with particular attention to risk management, compliance and change management. The Committee ensures that OCOB's ICT strategic objectives and their implementation remain aligned with the mandate and strategic objectives of the organization. ICT steering Committee plays one of the key ICT governance roles within the OCOB and is given appropriate strategic status within the organizational planning and management environment.

During the Fiscal Year 2016/2017 the ICT Steering Committee provided guidance and direction on various ICT Strategies and activities with a focus at ensuring efficiency, effectiveness, agility and innovation in the adoption and use of ICTs.

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The Committee has continued to steer and to strengthen ICT deliverables in the following strategic areas:

- ICT Strategy and Vision
 - ICT strategy formulation in line with OCOB strategy
 - Yearly review and operationalization of ICT policy's, work plans and guidelines
 - Efficient and effective ICT Project Management
 - Facilitating the exploration, development, and adoption of new tools and technologies that enhance deployment of efficient digital services for OCOB.
- Connectivity and technology infrastructure
 - Overseeing ICT equipment and resource Improvements
 - Maintenance and enhancement of the network infrastructure capacity at OCOB
 - Maintenance, servicing and support of ICT equipment and IP telephony services.
 - Improvements in ICT resource access and promoting information security.
 - User support and service excellence
- Systems and application development
 - Efficient and effective digital services
 - Implementation of management information systems (MIS) for OCOB
 - Superior support for IFMIS, Internet Banking, Payroll system and other legally prescribed integrated financial management Solutions in Kenya.
 - ICT risk management framework
 - ICT business continuity and disaster recovery plan
- Social and cultural environment
 - Assessment of the adequacy of ICT resources and existing systems
 - Training and development for an innovative and skilled working team.
- Stakeholder engagements
 - Maintenance of the OCOB website, mobile application and the Intranet in enhancing information sharing and collaboration.
 - Development of a road map for advanced and widely accessible ICT systems to broaden the development, and accessibility of OCOB products and services.

1.9.6 Integrity Committee

The Integrity Committee was constituted during 2016/17 financial period. The purpose of the formation of the Committee is to institutionalize the anti-corruption initiatives in the

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operations of the Office of the Controller of Budget. The mandate of the Committee includes;

- Coordinating formulation and implementation of Codes of Conduct and Ethics, Anti-Corruption Policy, Integrity Testing Programme, Whistle Blowers Protection Systems, Corruption Reporting Channels, Customer Service Charters for all Departments, Financial, Procurement, and Human Resource Manuals, Corruption Risk Assessment and Mitigation Plan and Performance Contracting Targets.
- Holding periodic meetings to deliberate on anti-corruption and other integrity issues
- Setting priorities in the prevention of corruption in functional areas
- Planning and coordinating corruption prevention strategies
- Integrating integrity in the institutional programs and activities
- Receiving and reviewing corruption reports and recommending action
- Planning staff training on integrity issues
- Spearheading anti-corruption public campaigns within their areas
- Monitoring the impact of corruption prevention initiatives
- Preparing and submitting regular progress reports to Ethics and Anti-Corruption Commission and other appropriate agencies
- Strengthening internal control systems

1.9.7 Procurement Activities

The Public Procurement and Asset Disposal Act that became operational on 7/1/2017 made a lot of changes in procurement procedures and did away with most procurement committee's i.e. Tender and Procurement Committees. Operational Committees that were anchored into the law are Evaluation Committee and, Inspection and Acceptance committee which may be formed.

The Office has implemented the Act of 2015 where professional opinions are prepared by the Head of Procurement and forwarded to the Accounting Officer for approval or otherwise. The Office has embraced use of E-procurement (IFMIS) where all our procurement processes for procure to pay are done online. The Office plans to introduce inventory module in E-procurement to facilitate management of inventories.

1.9.8 Parliamentary Committees Activities

Article 228 (6) of the Constitution requires the Controller of Budget to submit to each House of Parliament a report on budget implementation of the national and county governments

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

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

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

1.9.9 Development Partner Oversight Activities

The Office of the Controller of Budget collaborates with development partners, in particular, DANIDA, USAID and World Bank to build capacity for staff, county government staff including staff of county assemblies to facilitate efficient delivery of services and improve budget implementation. Some of the activities undertaken under DANIDA funds through Public Finance Management Reforms (PFMR) programme includes: procurement of computers to enhance reporting by the county budget coordinators, equip the county budget coordinators with fire proofs cabinets to safe guard data and records, revamping of the website for information dissemination on use of public funds, development of mobile application software, Adobe in Design training for staff, baseline survey on underperformance of revenue in collaboration with KIPPRA and holding of public participation forums on budget in a bid to enhance social accountability and project ownership by the public.

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1.9.10 Legal Activities

In the financial year 2016/17 the Controller of Budget was enjoined as party to ten (10) number of legal suits. Nine of the suits related to disputes touching on county governments and one related to payment of pension benefits to retired teachers.

The cases touching on county governments include three cases that arose from budget disputes in Bomet County and the Controller of Budget was enjoined in all of them. In one of the three suits, an application was filed seeking order to commit the Controller of Budget to civil jail allegedly for contempt of court. In the application, the County Assembly Service Board averred that the Controller of Budget had refused to release to it development funds which had been budgeted for construction of the County Assembly Chamber.

The Controller of Budget responded to the application and demonstrated to the court that she could only approve requests which had been presented to her; that all the requests for withdrawal of funds, which had been received from the County Executive Committee Member for Finance for Bomet County had been approved; and, that none of the requests received related to development funds for the County Assembly. The contempt application was consequently dismissed.

Another case related to the passage of Nyeri County Budget estimates. Some residents of Nyeri County went to court challenging the budget estimates passed by the County Assembly on grounds that there was no public participation.

Three suits related to disputes arising from the passage of the supplementary budgets for Nyamira, Muranga and Mandera. The petitioners sought to stop implementation of the supplementary budgets, none succeeded in stopping implementation of the supplementary budgets. In the Muranga case however, an interim order stopping the implementation of the Supplementary Appropriation Act was issued but the said order was later lifted. The case for Muranga County was later withdrawn by the petitioners.

One case relates to the Controller of Budget's refusal to authorize release of money for the Car and Mortgage Fund for Members of the County Assembly for Makueni. The Controller of Budget declined to release the funds because the Regulations setting up the Fund contravened the circular issued by the Salaries and Remuneration Commission. Whereas the Salaries and Remuneration Commission circular requires that the loan advanced to a Member

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of the County Assembly be repaid within the term of the member, the Regulations provide that the loan could be repaid over a period of eight years. The matter is yet to be heard.

The Controller of Budget was also enjoined in a constitutional reference filed in the Supreme Court by the Council of Governors. The Council of Governors seeks to have the Supreme Court to make a determination on the legality or otherwise contributions made by county governments to the Council of Governors. The matter is still pending.

Apart from court matters relating to county governments, the Controller of Budget was also summoned to court regarding delayed payment of additional Pension to teachers who retired from 1997. Although the Controller of Budget is not a party to this suit, which commenced way before the Office was established, misrepresentation was made in court to the effect that the reason for the delay in payment of the Pension for the teachers was that the Controller of Budget had refused to authorize the payment. The Court summoned the Controller of Budget to go and shed light on the matter. The Controller of Budget appeared in person in court in Nakuru before Lady Justice Janet Mulwa and demonstrated, to the satisfaction of the court, that the Controller of Budget was not the cause of the delay for payment of Pension.

1.9.11 Public Participation Activities

The Office has developed strategies and plans to engage with critical stakeholders by developing a Communication Policy that defines the criteria for engagement particularly with the citizens.

Through proactive media relations, the Office has managed to regularly publicize key issues contained in our quarterly Budget Implementation Review Reports through both print and electronic media and through other publicity materials.

To sensitize and actively engage citizens in budget preparation and implementation, the Office organized a public participation forum in Machakos that sensitized the public on the budgeting processes. Over 300 stakeholders drawn from Machakos, Kitui, Makeni, Kajiado and Nairobi counties came together to interact with and understand the mandate of the Office in order to assist in social audit and safeguard the principles of inclusivity, transparency and accountability in budget preparation and execution in the counties.

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This was to ensure that the public is informed on their roles in;

- public financial management at national and county level;
- monitoring and evaluation during budget making process and implementation;
- Social accountability audit and interaction between the public and the OCOB in order to address emerging issues concerning the Office and budget implementation.

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(j) Contacts

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(k) Bankers

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

(l) Independent Auditors

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

(m) Principal Legal Adviser

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

2 COMMENTARY BY THE CONTROLLER OF BUDGET



The Office is mandated to oversee the implementation of budget for both the National and County Governments by authorising withdrawals from the Public Funds. Pursuant to this role, the Office has continually published and publicized the quarterly Budget Implementation Review Reports (BIRRs) for both the National and County Governments and prepared other statutory reports as required by the Constitution of Kenya, 2010.

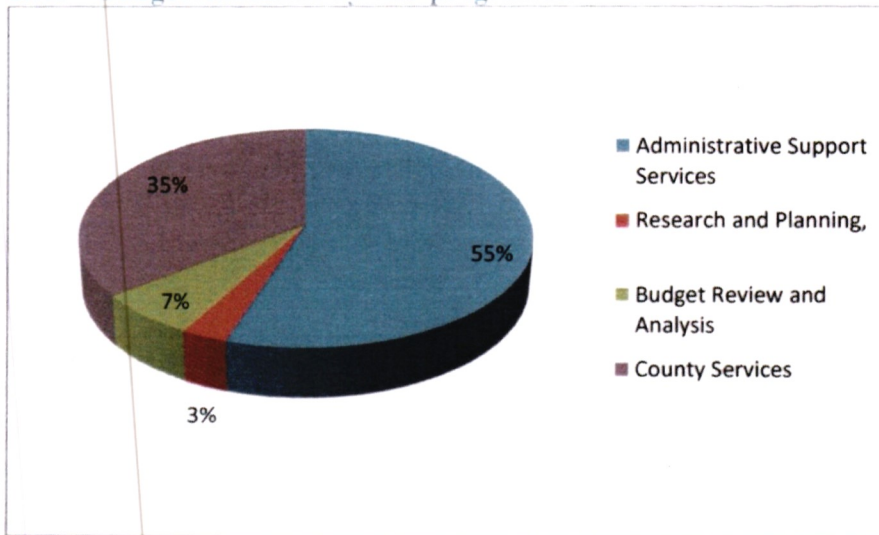
2.1 BUDGET ALLOCATION

In the FY 2016/17, the Office had a gross budget of **Kshs.561, 269,850** which was revised to **Kshs.521,174,791** in the Supplementary Estimates for recurrent vote. The Office was to expend the approved budget of **Kshs.521,174,791** under the following sub programmes.to cater for the main programme of *control and management of public finances* in four sub-programmes, namely;

- Authorisation of withdrawal from public funds (County Services),
- Budget Review and Analysis,
- Administrative Support Services and
- Research and Planning.

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2.1.1 Budget Allocation by Sub-programme



2.1.1.1 Sub-Programme 1: Authorisation of withdrawal from public funds (County Services)

The objective of this sub-programme is to ensure timely approval of withdrawals from the Consolidated Fund, County Revenue Fund and Equalization fund. This sub programme was allocated **Kshs. 185,143,528** representing 35% of the budget. A total of **Kshs. 175,249,733.70** was spent under this sub programme hence absorption rate of **95%**.

2.1.1.2 Sub-Programme 2: Budget Review and Analysis

The objective of this sub-programme is to oversee and regularly monitor the utilization of public funds released to spending units. This sub programme was allocated **Kshs. 34,287,546** representing 7% of the budget. A total of **Kshs. 33,434,863** was spent under this sub programme hence absorption rate of **98%**.

2.1.1.3 Sub-Programme 3: Administrative Support Services

The objective of this sub-programme is to enhance openness, accountability and public participation in prudent financial management. This sub programme was allocated **Kshs. 286,335,436** representing 55% of the budget. A total of **Kshs. 270,670,689** was spent under this sub programme hence absorption rate of **95%**.

2.1.1.4 Sub-Programme 4: Research and Planning

The objective of this sub-programme is to conduct research and analysis on budget implementation policy issues and advice on improvement with budget implementation. This sub programme was allocated **Kshs. 15,408,281** representing 3% of the budget. A total of **Kshs. 14,057,921** was spent under this sub programme hence absorption rate of **91%**.

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2.2 Key Performance Highlights

Below is an overview of the financial performance for the year ended 30th June 2017 as reported in the detailed financial statements together with the commentary and comparative analysis against budget and prior year for the key items in the financial statements

Financial Performance Summary:

Actual performance against budget for the year to 30th June 2017

Financial Performance	Printed Estimates Kshs	Actual Kshs	Variance Kshs	% Utilisation Variance
Total Receipts	521,174,791	510,000,000.00	(11,174,791)	(2%)
Total Payments	521,174,791	504,275,449.05	(16,899,342)	(3%)
Surplus for the year	-	5,724,550.95	5,724,551.00	

Actual receipts stood at 2% below budget while actual payments were 3% below budget. This is attributable to under receipts of exchequer and underutilization of budget allocation for programme.

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Budget Utilization

The office spent **Kshs. 504,275,449.05** against an approved budget of **KShs. 521,174,791.00** representing absorption of **97%**. Utilization of the budget was carried out through various activities (economic classifications) as shown in the chart below:

Economic Classification	Approved Budget Allocation	Actual Payments	Variance
Compensation of employees	242,737,490.00	240,286,212.80	2,451,277.20
Use of goods and services	202,483,506.00	181,361,198.00	21,122,308.00
Transfer to National Treasury	-	10,862,242.70	-
Social security benefits	62,273,500.00	62,146,709.55	126,790.45
Acquisition of non -financial assets	13,680,295.00	9,619,086.00	4,061,209.00
Total Payments	521,174,791.00	504,275,449.05	27,761,584.65

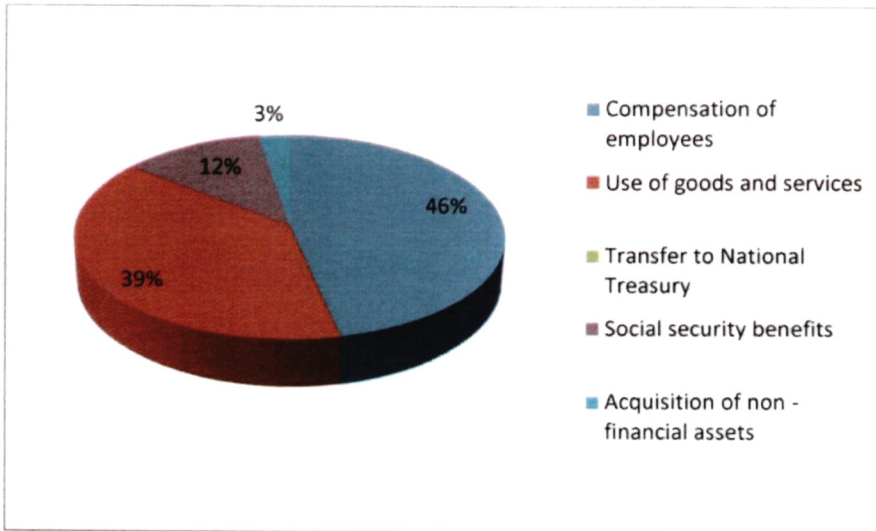
It is noted that 46% of the budget allocation was used in compensation of employees while 39%, 12% and 3% was utilized on use of goods and services, social security benefits and acquisition of non -financial assets respectively.

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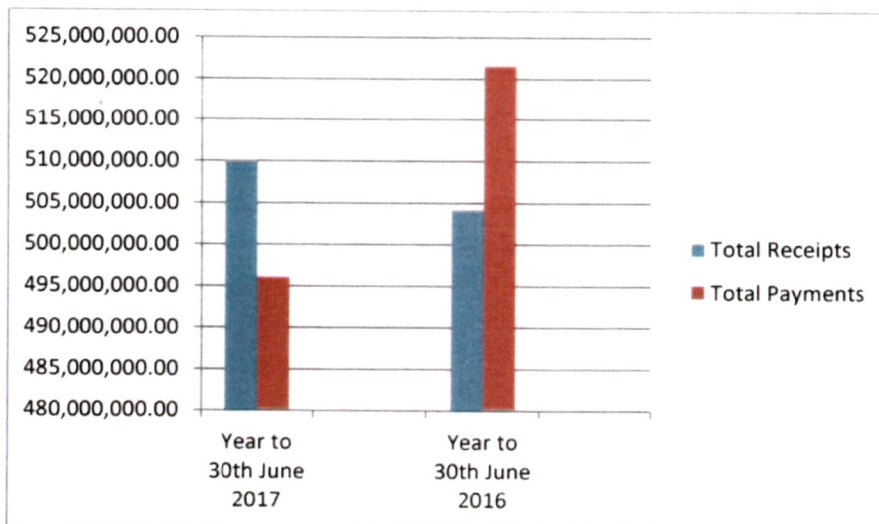
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Budget Utilization as per Economic items



Current Year Performance against Prior Year

Financial Performance	Year to 30th June 2017	Year to 30th June 2016	Change	%
Total Receipts	510,000,000.00	496,000,000.00	14,000,000.00	3%
Total Payments	504,275,449.05	521,532,015.95	(17,256,566.90)	(3%)
Surplus/(Deficit) for the year	5,724,550.95	(25,532,015.95)	31,256,566.90	(122%)



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Total receipts increased by 3% due to increase funding mainly through exchequer releases while there was an equivalent decrease of 3% in payments attributed to resignation of some staff and some two advertised positions were never taken up, non- purchase of Electronic Documents and Records Management Systems(EDRMS) due to challenges in the procurement process in terms of timelines and responses., some court cases were represented up by the Attorney General which led to non- payment of legal fees. There was also a savings on contracted professional services due to diligence and prudence on procurement for the consultancy.

Receipts

The office receipts mainly comprise of exchequer releases from the National Treasury. The total receipts for FY 2016/2017 stood at Kshs 510,000,000, representing a 3% increase from Kshs 496,000,000 for FY 2015/2016.

Total Receipts Breakdown

Receipts	Year to 30th June 2017	Year to 30th June 2016	Change	%
Exchequer	510,000,000	496,000,000	14,000,000.00	3%
Total Receipts	510,000,000	496,000,000	14,000,000.00	3%

The increase in total receipts is as a result of an increase in exchequer releases from the National Treasury by Kshs 14,000,000 due to increased planned activities carried out during the FY 2016/2017.

Payments

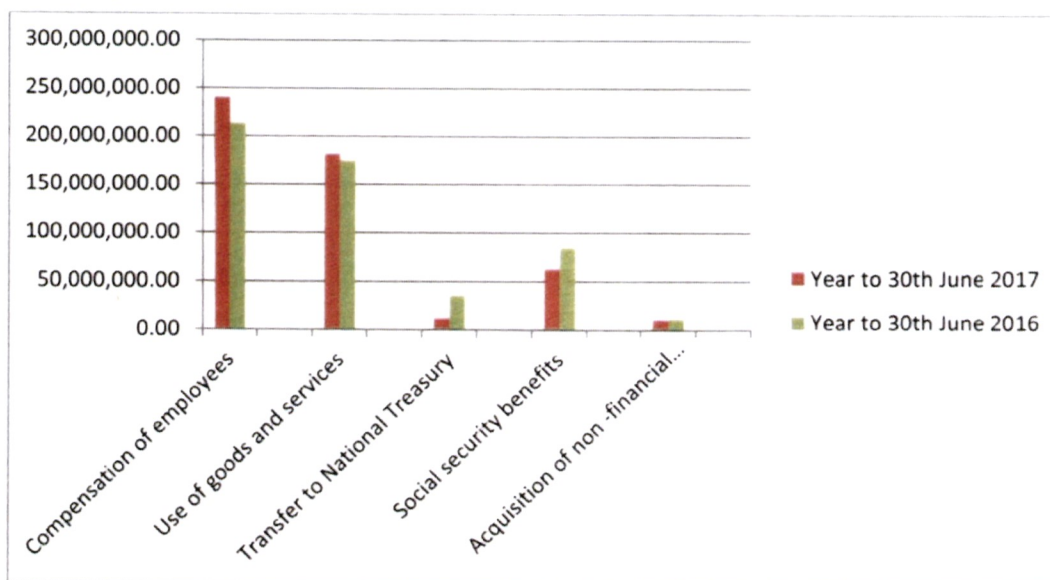
The payments mainly comprise of employee compensation, use of goods and services, social security benefits and acquisition of assets. The total payments for FY 2016/2017 stood at Kshs 504,275,449.05 representing a 3% decrease from Kshs 521,332,015.95 for FY 2015/16

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Total Payments Breakdown

Payments	Year to 30th June 2017	Year to 30th June 2016	Change	%
Compensation of employees	240,286,212.80	214,177,677.15	26,108,535.65	12
Use of goods and services	181,361,198.00	175,234,388.70	6,126,809.30	3
Transfer to National Treasury	10,862,242.70	35,668,574.65	(24,806,331.95)	(70)
Social security benefits	62,146,709.55	85,334,303.40	(23,187,593.85)	(27)
Acquisition of non - financial assets	9,619,086.00	11,117,072.05	(1,497,986.05)	(13)
Total Payments	504,275,449.05	521,532,015.95	(17,256,566.90)	(3)

Total Payments Breakdown



Total Payments Breakdown

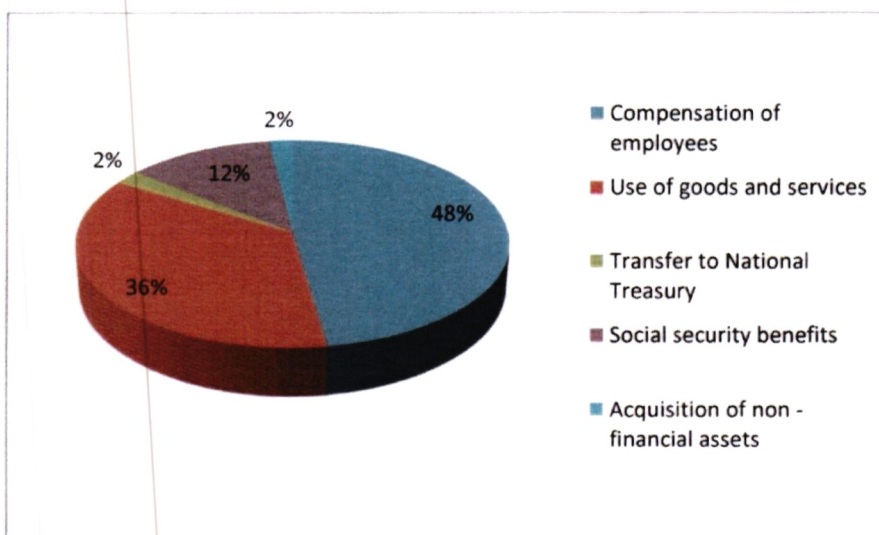
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The significant reduction (70%) in payments is attributed to a decrease in the unspent bank balance which was refunded to the National Treasury (exchequer account) during the year as per the Public Finance Management (PFM) Act, 2015, section 45(2). Reduction in the payment of the staff gratuity as only a few staff whose contracts were ending within the FY 2016/17 were paid. Non- purchase of Electronic Documents and Records Management Systems (EDRMS) due to challenges in the procurement process in terms of timelines and responses hence a reduction on acquisition of non -financial assets by 13%.

Total Payments



Financial Assets Summary

Financial Assets	As at 30 th June 2017	As at 30 th June 2016	Change	%
Bank Balances	19,559,844.40	12,990,537.05	6,569,307.35	51%
Cash Balances	342,137.00	377,255.00	(35,118.00)	(9%)
Accounts Receivables - Outstanding Imprest & Salary Advances	137,677.40	301,881.00	(164,203.60)	(54%)
Total Financial Assets	20,039,658.80	13,669,673.05	6,369,985.75	47%

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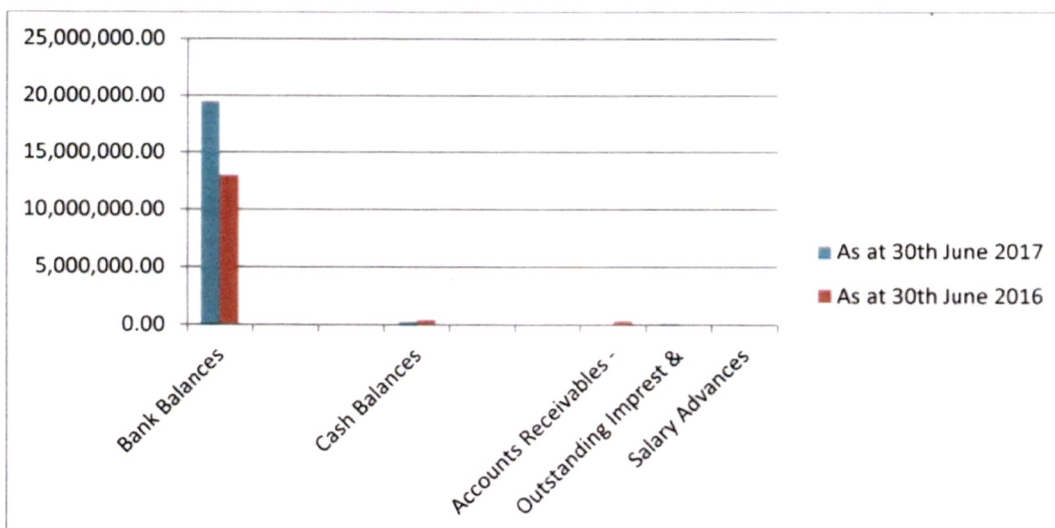
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Bank balances increased by 51% as a result of reduced spending towards year end.

Cash balances decreased by 9% due to decreased cash related transactions at the year-end.

There was also a decrease in accounts receivables by 54% as a result of advance training levy recoveries made by the office.



Cash Flows and Cash Position

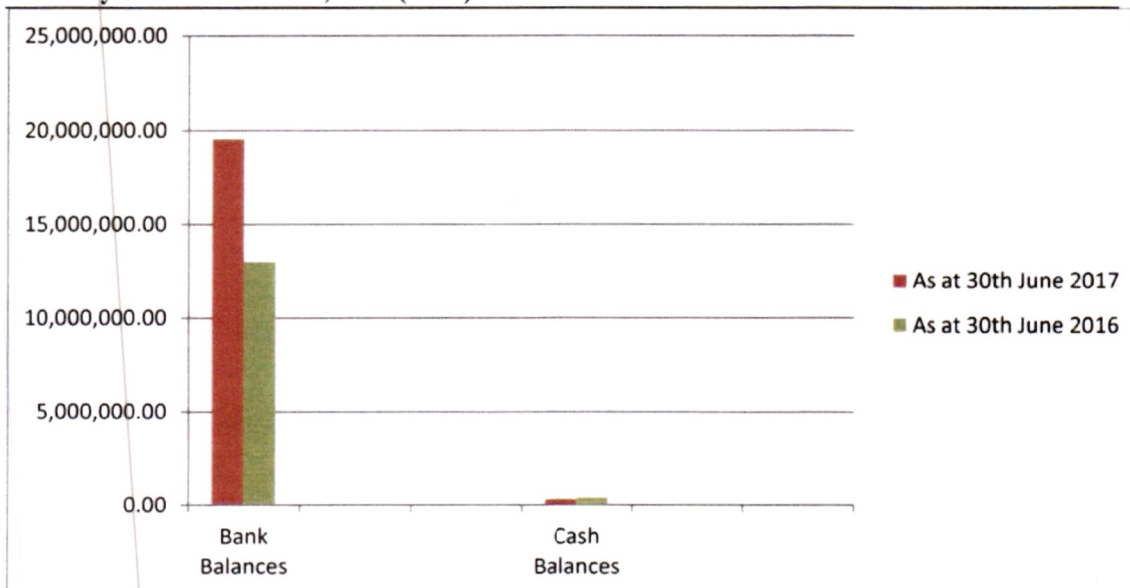
The cash and bank balances held as at 30th June 2017 was **Kshs 19,559,844.40** compared to **Kshs 12,990,537.05** held as at 30th June 2016. The breakdown of the cash and bank balances is as summarized in the table below.

Financial Assets	As at 30th June 2017	As at 30th June 2016	Change	%
Bank Balances	19,559,844.40	12,990,537.05	6,569,307.35	51%
Cash Balances	342,137.00	377,255.00	(35,118.00)	(9%)
Total Financial Assets	19,901,981.40	13,367,792.05	6,534,189.35	49%

Bank balances increased by 51% as a result of reduced spending towards year end.

Cash balances declined by 9% due to decrease cash related transactions at the year end

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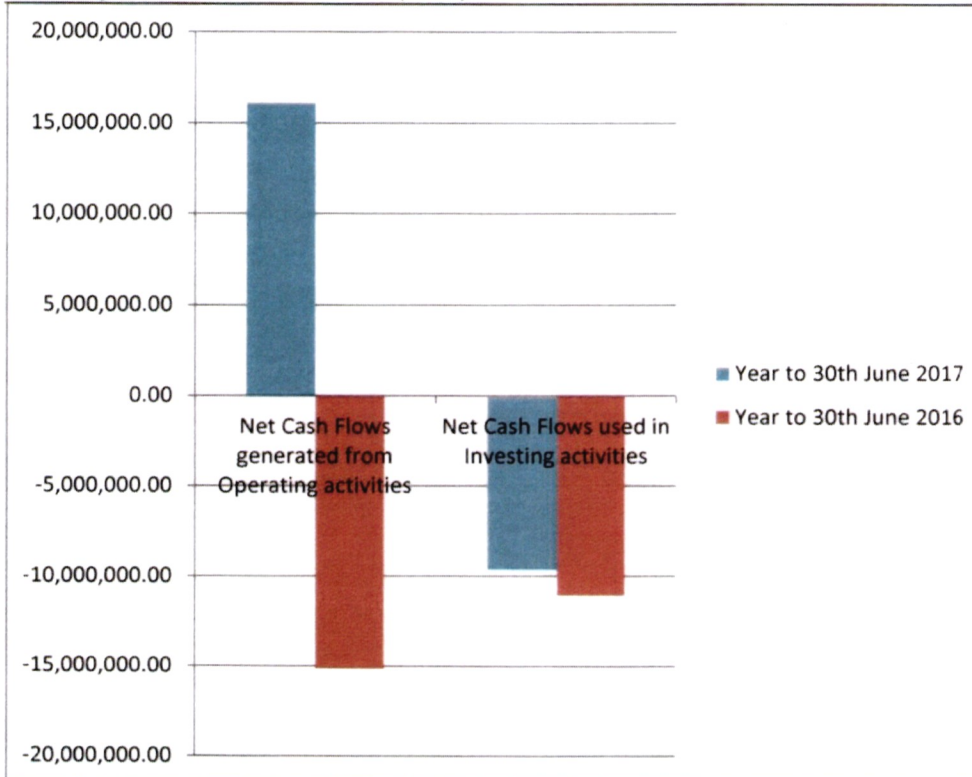


Cash Flow Activities

The table below summarizes cash flows generated and used from various activities.

Cash Flow Activities	Year to 30th June 2017	Year to 30th June 2016	Change	%
Net Cash Flows generated from Operating activities	16,153,275.35	(15,156,672.00)	29,911,747.35	(197)
Net Cash Flows used from Investing activities	(9,619,086.00)	(11,117,072.05)	1,497,986.05	(13)
Net Cash Flows generated from Financing activities	-	-	-	-
Net increase in Cash and Cash Equivalents	6,534,189.35	(26,273,744.05)	32,807,933.40	(124)
Cash and Cash Equivalents at 1 July	13,367,792.05	39,641,536.10	(26,273,744.05)	66
Cash and Cash Equivalents at 30 June	19,901,981.40	13,367,792.05	6,534,189.35	(49)

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Net cash flows in operating activities declined due to a decrease from Kshs.36million to 11million unspent bank balance which was refunded to the National Treasury (exchequer account) during the two financial years as per the Public Finance Management (PFM) Act, 2015, section 45(2).Reduction in the payment of the staff gratuity from Kshs 85 million to Kshs 62 million as only a few staff whose contracts were ending within the FY 2016/17 were paid gratuity.

Net cash flows utilized in investing activities decreased due non- purchase of Electronic Documents and Records Management Systems (EDRMS) due to challenges in the procurement process in terms of timelines and responses. The office doesn't have any financing activities.

2.3 Key Achievements in the FY 2016/17

To realise its strategic objectives, the Office relied on its strategic plan to guide activities, policy formulation and work plans and made the following progress and achievements towards its targeted objectives.

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

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2.3.1 Administrative Support Services

2.3.1.1 Institutional Capacity

The Office has steadily built its capacity over the years to be able to effectively deliver on its mandate. As a result, the Office has achieved the following:

- Operationalization of the office
 - a. Recruited staff using phased approach
 - b. Conducted training needs assessment
 - c. Trained and developed staff
 - d. Equipped and furnished the office
 - e. Established and operationalized county offices
- Established a staff pension scheme and welfare scheme
- Prepared both internal and external policies and procedures manuals
- The Office runs a Medical cover, Group Personal Accident cover (GPA)/Work Injury Benefit Act (WIBA) and Group cover for its staff. This is usually renewed every year to cater for medical expenses for the OCOB staff.

2.3.2 Information Communication & Technology

The OCOB developed an elaborate ICT infrastructure system to assist in delivery of information to stakeholders. Some of the key achievements in the adoption of ICT include:-

- Development of an elaborate ICT infrastructure
- Development and maintenance a robust network infrastructure (LAN, WAN and Network Segments)
- Development and maintenance an interactive website, intranet and efficient email system for communication
- Launched the Budget Yetu Application, a mobile application to enable the public access budget implementation information using their mobile phones;
- Development of a library management system to enhance access to budget implementation information

2.3.3 Legal Framework

The Controller of Budget Act came into force in August 2016. . The Office is now in the process of developing regulations to fully operationalize the Act. In the meantime the office has developed policies to guide operations and delivery of mandate, which include the Investigation, Complaints, Having Access to Information and Alternative Dispute Resolution Policies.

2.3.4 Partnership and Collaborative Ventures

The Office acknowledges the important role of collaborative ventures with other stakeholders as key to formulation of sound policy framework to guide operations and improve the quality of service to the public. To this end, the Office partnered with key stakeholders such as UN Women to ensure budgets are responsive to issues affecting women and the youth. In this respect, the Office together with other Public Finance Management institutions with support from UN Women undertook a benchmarking study visit to the Kingdom of Morocco to learn more on Gender Responsive Budgeting.

During the period under review, the Office also participated in several stakeholder forums with Parliamentary Committees; Ministries, Departments and Agencies (MDAs) and private sector with a view to foster a dynamic dialogue with all stakeholders on public finance matters. Such collaborative ventures are essential in enabling the Office deliver on its mandate effectively.

2.3.5 Collaboration with the UN Women on Gender Responsive Budgeting

The Office of the Controller of Budget in collaboration with the UN Women Kenya Office undertook a scoping analysis of the public finance processes, programmes and funding for Gender Responsive Budgeting (GRB) in Kenya. The objective of the study was to identify the entry points for deepening Gender Responsive Budgeting within the Public Finance Management Reforms (PFMR) in Kenya.

The study established that investment in gender equality priorities and women specific interventions is low in Kenya. A lot can be achieved if the available resources are equitably shared or distributed to ensure equity. The study recommended the need to build capacity of key players and oversight institutions including the Office of the Controller of Budget for GRB accountability.

Consequently, the Office together with other stakeholders in the public finance management including the National Treasury (Budget Department & Public Finance Management Reforms Secretariat), Ministry of Public Service, Youth and Gender Affairs (Department of Gender Affairs), Kenya School of Government, National Gender and Equality Commission, Council of Governors and; a Non-State Actor, the Institute of Economic Affairs participated in a benchmarking visit to Morocco for capacity building in GRB given the success the country has made in institutionalizing GRB. The team learnt that successful institutionalization of GRB requires key drivers of the process, mainstreaming gender in PFM policies, budget and programmes as well as building capacity of key players and oversight institutions.

As a result of the above initiative among others, the National Treasury included in the 2016/17 Budget Policy Statement a requirement that all budgets be prepared using Gender Responsive Budget framework and presentation of the targets, indicators and beneficiaries should reflect gender dis-aggregated data that will be achieved during the implementation of the budget. Consequently, the Office together with Council of Governors and with support from UN Women carried out training of County officials from all the 47 Counties and OCOB's County Budget Coordinators on Gender Responsive Budgeting.

2.4 Other Collaborations

The office has partnered and collaborated with key stakeholders on public finance matters. These include:

- Participation in the development and drafting of laws and regulations such as PFMA, 2012, PFMA regulations, Public Procurement and Disposal Act, (PPADA), COB Act, Judiciary Fund regulations, and various County legislations.
- Collaboration with stakeholders and bodies on matters of public finance such as gender responsive budgeting (UN Women), templates for financial reporting (PSASB), County baseline research on local revenue (KIPPRA) and caucus for the Constitutional offices and Commissions among others.
- Membership in multiagency taskforces e.g. IBEC, taskforce on anticorruption, Interagency Technical Team on County Assets and Liabilities, Committee on assumption of governor's office, among others.

2.5 Financial Reporting (FiRe) Awards

The Financial Reporting (FiRe) Award is an initiative of the Institute of Certified Public Accountants of Kenya (ICPAK), Public Sector Accounting Standards Board, the Capital Markets Authority (Kenya) and the Nairobi Securities Exchange (NSE). The initiative is aimed at promoting excellence in financial reporting, fostering sound corporate governance practices, and enhancing both corporate social responsibility and environmental reporting. The Public Sector Accounting Standards Board issued a directive that all public sector entities shall submit their annual reports and financial statements for the FiRe Award so as to benefit from feedback provided as a way of monitoring compliance as provided under section 194 (4) of the PFMA, 2012. To this end, the OCOB submitted its accounts for the financial year 2014-2015 for the FiRe Award during the financial year 2015/16. The Office was nominated in two categories namely the Ministries, Departments & Agencies and International Public Sector Accounting Standards (IPSAS) Cash Category. The Office won in both categories. The office has presented its accounts for financial year 2015/16 for the FiRe award and is expecting good results.

2.6 Compliance

In ensuring compliance with the Constitution of Kenya, 2010, Public Finance Management Act, 2012 and other relevant legislations, the Office undertook the following initiatives:

- In compliance with Article 228 (5) of the COK, the office developed procedure manual to guide authorization of withdrawals from Public Funds
- Reviewed and analyzed planning documents such as SDGs, MTPs, CIDP, BROP, ADPs, DMSP, CBROP, BPS, and CFSP to ensure both national and county government budgets conform to the PFM Act, 2012.
- In compliance with other relevant public sector legislations and policies, the office developed the following:
 - a. Human resource Management procedures manual
 - b. ICT policy
 - c. Finance Management policy
 - d. Internal audit manual
- Reviewed and analyzed laws, regulations and policies relating to public finance

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- Complied with the 30 per cent rule reservation for women, youth and persons with disabilities with regard to procurement contracts.
- Developed an interactive websites and held several public sensitization fora in compliance with public information sharing requirement.
- Trained staff in compliance with Leadership and Integrity Act, 2012, and Public Officer Ethics Act, 2003.
- To fully operationalize the Office a COB Bill was developed and has been enacted as COB Act, 2016

However the office is in the process of finalizing following documents:

- Regulations to COB Act, 2016
- OCOB service charter
- Communication policy
- Investigation policy
- Complaints handling manual
- Develop a scheme of service
- Succession policy
- Reward and sanction policy for staff
- Talent management policy to ensure staff retention

2.7 Monitoring and Reporting on Budget Implementation

2.7.1 Quarterly Budget Implementation Review Reports

The Controller of Budget has a preventive function of overseeing spending as it happens and ensuring that money is spent only in accordance with the law. In order to achieve this, the OCOB has consistently prepared the quarterly Budget Implementation Review Reports (BIRRs) pursuant to Article 228 (4) and 228(6) of the Constitution and the Controller of Budget Act, 2016 which requires the Controller of Budget to submit to each House of Parliament a report on the implementation of the budgets of the National and County Governments every four months. These Quarterly Budget Implementation Review Reports are one of the instruments used by oversight institutions to monitor in-year execution of the

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budgets of the MDAs and Counties. For the FY 2016/17, a total of eight BIRRS were published by the OCOB. These reports were submitted to Parliament and widely publicized, and consisted of four quarterly reports for the National Government and the County Governments. In these reports, the OCOB has highlighted the following challenges which hindered effective budget implementation;-

National Government:-

- Delay in Release of development funds.
- Delay in submission of the expenditure reports(Financial and non-financial reports)
- Low levels of expenditure
- Delay in Uploading Budgets and Annual Procurement Plans into IFMIS
- Accounting for expenditure on Capital and Recurrent Transfers

County Governments:-

- Low uptake of developments funds.
- Underperformance in local revenue collection.
- Delay by some of the entities in submission of financial reports affecting timely production of quarterly budget implementation review reports.(both financial and non-financial performance)
- Huge expenditure on Personnel Emoluments
- Lack of regulations to operationalize established County Public Funds
- Inadequate Administration and Reporting on Public Funds Established by the Counties.
- Delay in approval of key budget legislations
- High pending bills
- Delays in establishing an Internal Audit Committees
- IFMIS Connectivity Challenges and Frequent Downtown
- Delays in disbursement of equitable share of revenue raised Nationally in line with the CARA,2016 Disbursement Schedule by the National Treasury
- Establishment and operationalization of County Budget and Economic Forums(CBEF)

These reports provide information on the usage of public funds by spending entities at both levels of the government. The publication of these reports also inculcates a culture of transparency and accountability in the usage of public funds

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2.7.2 Special Reports

The Office produced special reports on the request of the legislature or on own volition on issues of national interest in compliance of Article 252(1) (a). During the period under review the office prepared special reports for the Parliamentary oversight committees on various issues and on matters of policy to address budget implementation challenges and achievements and chart the way forward. The office has also prepared other reports such annual, financial statement reports, investigative reports, monitoring reports, and reports on achievement of national values espoused in Article 232 of the COK.

2.7.3 Advice to Government and Stakeholders

The Office held various meetings with the committees of Parliament and County Assemblies to discuss issues raised in Budget Implementation Review Reports (BIRR) and provided advice on the way forward. The Office also provided advice to the Executive on budget implementation through quarterly reports. Similarly, the Office reviewed county legislations to check for compliance with existing laws and advised accordingly. The office also reviewed draft National and County Governments Budget Estimates and provided advice on areas that need to be addressed.

2.7.4 Monitoring and Evaluation Framework

The Office has developed a Monitoring and Evaluation (M&E) framework to enable monitoring implementation of budget of the National and County Governments effectively and efficiently. The framework will enable the Office to effectively advice both Executive and the Legislature on budget implementation matters.

The Office has also undertaken a scoping analysis of the public finance process, programmes and funding for Gender Responsive Budgeting (GRB) in Kenya to determine the entry points for the deepening of gender related budgets within the Public Financial Management Reform in collaboration with UN Women and other key stakeholders.

The Office has further developed a framework to partner with key stakeholders including UNICEF to ensure budgets are responsive to issues affecting women and children.

The OCOB recommends the need for counties to link planning to budget to ensure enhanced implementation of projects and programmes. The National and County Governments should embrace Programme Based Budgeting (PBB) which lay more emphasis on outputs and outcomes for increased benefits to the public. Further, the governments should enhance their

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internal M&E functions to continuously monitor their project implementation and address issues arising as the projects are being implemented with corrective actions being taken in real time. Monitoring and evaluation should be an integral part of the operations of both national and county governments and must be used as a management tool if governments are to achieve their aspirations.

2.8 Control of Withdrawals from Public Funds

2.8.1 Exchequer Releases and Budget Absorption

Article 228 (4) of the Constitution states that;

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

In line with this mandate, the Office has continued to approve withdrawals from public funds in a timely manner in order to facilitate budget execution by both levels of government. Further, in FY 2016/17, the Office issued a Circular to enhance financial controls and exchequer issues (Reference COB Circular No.16/2017 dated 30th May, 2017) which provided clarity on the exchequer processes, documentations and timelines.

2.8.2 Exchequer Releases to National Government

In the year, a total of Kshs. 1,712.2 billion to finance national government programmes was approved for withdrawal by the Office, and represented 94.7 per cent of the revised net estimates of Kshs. 1,808.6 billion.

Table 2.1 shows the summary of exchequer issues to national government in FY 2016/17.

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Table 2.1: Exchequer Issues to National Government in FY 2016/17

Types of expenditure	Revised Gross Estimates (Ksh Billion)	Revised Net Estimates (Ksh Billion)	Exchequer Issues (Ksh Billion)	Actual Expenditure (Ksh Billion)	% of Exchequer Issues to Net Estimates	Absorption rate (Ratio of Actual expenditure to Gross Estimates)
Recurrent	927.5	840.6	819.9	858.3	97.5	92.5
Development	861.2	441.8	394.2	602.3	89.2	69.9
Consolidated Fund Services	526.2	526.2	498.1	499.0	94.7	94.8
Total	2,314.9	1,808.6	1,712.2	1,959.6	94.7	84.7

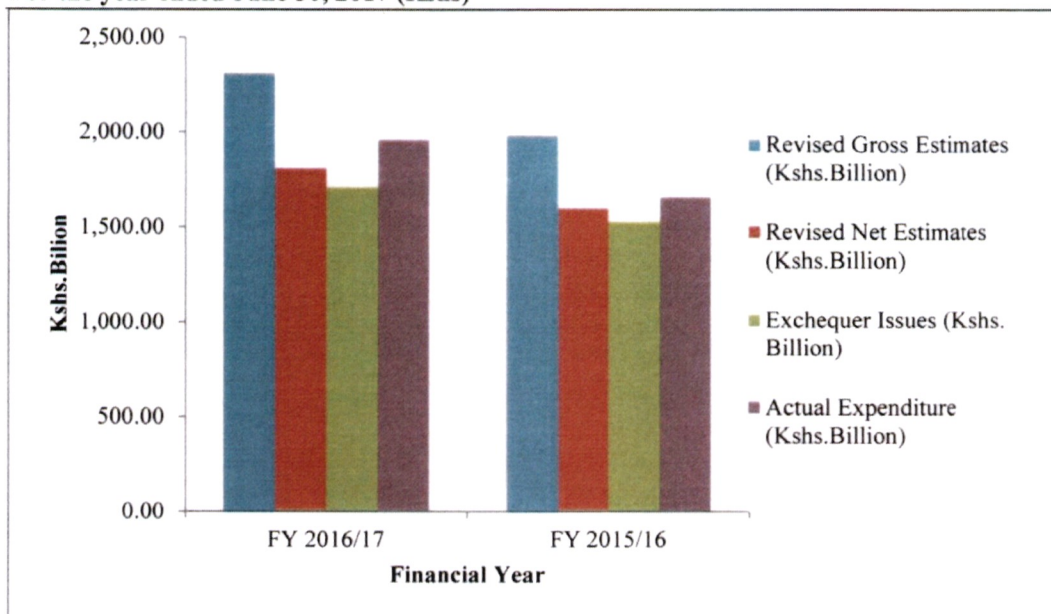
Source: OCOB

In FY 2016/17, the overall absorption rate was 84.7 per cent as total actual expenditure amounted to Kshs. 1,959.6 billion against the revised gross estimates of Kshs.2,314.9 billion.

Table 2.2: Exchequer Issues to National Government in FY 2015/16

Type of Expenditure	Revised Gross Estimates (Kshs. Billion)	Net Estimates (Kshs. Billion)	Exchequer Issues Released (Kshs. Billion)	Actual Expenditure (Kshs. Billion)	% Exchequer Issues Released To Net Estimates	Absorption (% of Actual Expnd. To Revised Gross Estimates)
Recurrent	811.55	734.51	720.28	735.43	98.1 %	90.62 %
Development	681.95	369.66	333.17	448.8	90.1 %	65.81 %
Consolidated Fund Services	494.68	494.68	476.25	474.54	96.3 %	95.93 %
Total	1,988.18	1598.85	1529.7	1658.72	95.7 %	83.43 %

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2.8.3 Exchequer Releases to County Governments

The COB authorised withdrawals of Kshs.328.24 billion from the County Revenue Funds to County Operational Accounts of the County Governments. The transfers comprised of Kshs.219.95 billion (67 per cent) for recurrent expenditure and Kshs.108.3 billion (33 per cent) for development expenditure. Table 2.3 shows the summary of exchequer releases to the forty seven county governments in FY 2016/17.

Table 2.3: Exchequer Releases from CRF to County Operations Accounts, FY 2016/17 (Ksh. Million)

County	Budget Estimates (Ksh. Million)			Exchequer Issues (Ksh. Million)			Expenditure (Ksh. Million)			Overall Absorption Rate J=I/C* 100
	Dev	Dev	Dev	Rec (Kshs)	Dev (Kshs)	Total	Rec (Kshs)	Dev (Kshs)	Total	
	A	B	C=A+B	D	E	F=D+E	G	H	I=G+H	
Baringo	3,901.72	2,609.72	6,511.44	3,871.65	1,521.50	5,393.15	3,748.09	1,466.30	5,214.39	80.1
Bomet	3,911.94	1,671.01	5,582.95	3,828.38	1,706.96	5,535.35	3,322.59	1,491.95	4,814.54	86.2
Bungoma	6,685.75	3,784.24	10,469.99	6,374.08	2,904.40	9,278.48	6,147.99	1,844.19	7,992.18	76.3
Busia	4,471.32	3,074.32	7,545.63	4,120.73	2,645.38	6,766.10	3,917.79	1,963.61	5,881.40	77.9
Elgeyo/Marakwet	2,886.76	1,852.41	4,739.17	2,815.90	1,234.47	4,050.37	2,797.01	1,167.67	3,964.68	83.7
Embu	4,145.77	2,579.70	6,725.47	3,990.78	1,940.47	5,931.25	3,660.08	2,099.16	5,759.24	85.6
Garissa	4,764.56	2,805.96	7,570.52	4,681.63	2,442.06	7,123.69	4,681.63	2,442.06	7,123.69	94.1
Homa Bay	4,633.84	2,098.07	6,731.91	4,916.00	1,593.00	6,509.00	4,319.67	1,417.52	5,737.18	85.2

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County	Budget Estimates (Ksh. Million)			Exchequer Issues (Ksh. Million)			Expenditure (Ksh. Million)			Overall Absorption Rate J=I/C* 100
	Dev	Dev	Dev	Rec (Kshs)	Dev (Kshs)	Total	Rec (Kshs)	Dev (Kshs)	Total	
	A	B	C=A+B	D	E	F=D+E	G	H	I=G+H	
Isiolo	2,316.97	1,429.46	3,746.42	2,303.63	1,202.02	3,505.65	2,200.22	1,266.24	3,466.45	92.5
Kajiado	4,354.48	2,655.90	7,010.38	4,217.88	1,177.48	5,395.35	3,811.52	1,250.40	5,061.92	72.2
Kakamega	6,044.61	6,325.15	12,369.76	6,042.44	5,052.50	11,094.94	5,636.36	5,208.76	10,845.12	87.7
Kericho	3,854.29	2,444.66	6,298.95	3,723.32	2,089.18	5,812.49	3,578.22	2,022.50	5,600.72	88.9
Kiambu	8,806.63	3,592.52	12,399.15	8,794.63	2,553.69	11,348.32	8,301.08	2,510.49	10,811.57	87.2
Kilifi	6,502.05	6,830.75	13,332.80	5,659.92	3,571.06	9,230.98	5,711.10	4,473.13	10,184.22	76.4
Kirinyaga	3,369.02	1,875.84	5,244.86	3,334.02	1,123.12	4,457.14	3,163.04	1,083.54	4,246.58	81.0
Kisii	6,361.32	3,709.21	10,070.53	5,982.06	2,040.60	8,022.66	5,970.72	2,014.89	7,985.61	79.3
Kisumu	6,230.62	3,164.60	9,395.21	6,160.55	1,908.38	8,068.93	4,855.29	1,982.57	6,837.85	72.8
Kitui	5,750.30	5,220.10	10,970.41	5,302.46	3,958.48	9,260.94	4,625.95	3,688.65	8,314.60	75.8
Kwale	4,326.16	3,622.35	7,948.51	3,727.79	2,301.29	6,029.08	3,803.95	2,056.69	5,860.63	73.7
Laikipia	3,500.27	2,466.22	5,966.49	3,381.19	1,379.19	4,760.38	3,163.58	1,547.09	4,710.67	79.0
Lamu	1,991.54	1,219.72	3,211.26	1,902.25	1,049.93	2,952.17	1,526.22	467.34	1,993.56	62.1
Machakos	7,508.05	3,373.91	10,881.96	6,904.36	2,771.08	9,675.44	5,805.22	3,343.57	9,148.79	84.1
Makueni	5,154.66	5,497.78	10,652.44	4,887.07	4,504.60	9,391.66	4,885.98	4,036.53	8,922.50	83.8
Mandera	4,789.97	7,238.82	12,028.79	4,336.71	5,858.90	10,195.62	4,365.46	5,831.48	10,196.94	84.8
Marsabit	3,609.18	3,210.00	6,819.18	3,386.48	2,979.28	6,365.76	3,349.74	2,791.75	6,141.49	90.1
Meru	6,924.21	3,216.89	10,141.10	6,317.46	2,431.56	8,749.02	6,105.03	2,238.99	8,344.02	82.3
Migori	4,749.07	2,981.63	7,730.69	4,756.22	2,330.00	7,086.22	3,949.18	1,869.61	5,818.79	75.3
Mombasa	7,657.84	3,989.86	11,647.70	6,166.02	2,611.49	8,777.52	6,390.49	2,743.15	9,133.63	78.4
Murang'a	4,707.53	3,505.29	8,212.82	4,162	2,547	6,709	4,394.89	2,037.43	6,432.31	78.3
Nairobi City	23,460.81	11,324.05	34,784.86	15,447.49	94	15,541.49	21,078.91	3,779.73	24,858.64	71.5
Nakuru	9,251.15	5,839.40	15,090.55	8,034.40	3,238.34	11,272.74	8,613.38	2,049.83	10,663.21	70.7
Nandi	4,377.21	2,526.11	6,903.32	3,534.23	1,703.40	5,237.63	3,497.04	1,803.76	5,300.80	76.8
Narok	5,682.88	3,396.67	9,079.55	5,323.59	2,150.83	7,474.42	5,323.29	2,150.67	7,473.96	82.3
Nyamira	3,938.16	1,670.90	5,609.06	3,757.01	958.41	4,715.42	3,522.39	979.21	4,501.60	80.3
Nyandarua	3,722.63	1,945.50	5,668.12	3,429.65	1,726.66	5,156.31	3,320.30	1,642.72	4,963.02	87.6
Nyeri	4,977.49	2,304.91	7,282.40	4,661.06	1,261.16	5,922.22	4,464.40	1,220.70	5,685.09	78.1

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	Dev	Dev	Dev	Rec (Kshs)	Dev (Kshs)	Total	Rec (Kshs)	Dev (Kshs)	Total	
	A	B	C=A+B	D	E	F=D+E	G	H	I=G+H	
Samburu	3,206.18	1,462.13	4,668.31	3,045.70	1,233.04	4,278.73	2,903.56	1,263.84	4,167.40	89.3
Siaya	3,917.08	3,153.25	7,070.33	3,883.00	2,500.00	6,383	3,646.81	1,983.35	5,630.16	79.6
Taita/Taveta	3,240.52	1,415.92	4,656.44	2,922.26	971.56	3,893.83	2,979.38	405.65	3,385.03	72.7
Tana River	2,227.56	2,357.66	4,585.21	2,204.50	2,297.06	4,501.56	1,767.24	1,779.13	3,546.37	77.3
Tharaka – Nithi	2,686.75	1,273.16	3,959.90	2,577.24	982.66	3,559.90	2,227.13	546.72	2,773.84	70.0
Trans Nzoia	4,224.48	2,650.52	6,875.00	4,224.48	1,980.24	6,204.72	4,293.25	1,711.19	6,004.44	87.3
Turkana	5,487.83	8,878.12	14,365.95	5,162.65	7,633.29	12,795.94	5,031.50	6,159.91	11,191.41	77.9
Uasin Gishu	5,042.94	2,676.15	7,719.09	4,591.59	1,861.52	6,453.12	4,134.22	1,460.35	5,594.56	72.5
Vihiga	3,529.59	1,511.05	5,040.64	3,289.32	1,023.73	4,313.06	2,925.55	793.12	3,718.68	73.8
Wajir	4,588.44	4,093.50	8,681.95	4,553.08	3,549.04	8,102.12	4,559.41	3,688.78	8,248.19	95.0
West Pokot	3,414.26	1,832.13	5,246.39	3,258.60	1,701.52	4,960.12	3,238.44	1,565.65	4,804.09	91.6
Total	240,886.37	158,357.2	399,243.57	219,947	108,296	328,243	215,714.26	103,341.53	319,055.8	79.9

Source: OCOB

The total expenditure by County governments in FY 2016/17 was Kshs.319.06 billion representing an absorption rate of 79.9 per cent of the total annual County Government's Budgets of Kshs.399.24 billion.

2.9 County Services and Enabling Activities

2.9.1 Review of County Government Budgets for FY 2016/17

The Office received the Approved Budget and planning documents for the FY 2016/17 for all the forty seven County Governments, which were reviewed these for conformity with the Public Financial Management Framework. Our review identified the areas of non-conformity with law and best practice, which were shared with the County Governments for action. Some of the areas identified were:-

- Budget conformity with the County Allocation of Revenue Act (CARA), 2017 in terms of revenue allocation and ceilings for the County Executive and County Assembly.
- Conformity of the budgets to the Programme Based Budgeting (PBB) Requirement as provided under Section 12 of the Second Schedule of the Public Finance Management (PFM) Act, 2012.

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- Whether the Set Local Revenue Target is realistic and achievable based on available data.
- Development Budget compliance with Section 107 (2(b)) of the PFM Act, 2012 which requires a County Government to allocate at least 30 per cent of the total budget to development expenditure.
- Presence of unclear budget allocation contrary to Article 201 of the Constitution which calls for openness and accountability in public financial matters.
- Link between Budgeting and the Planning Framework as provided in Section 104 (1) of the County Government Act, 2012 which stipulates that a County Government shall plan for the County and no public funds shall be appropriated outside an approved planning framework.
- Personnel Emoluments compliance with Regulation 25 (1) (b) of the Public Finance Management (County Governments) Regulations, 2015 which sets a ceiling on County Government expenditure on wages and benefits at 35 per cent of the County's total revenue.
- Budgeting for Pending Bills which should be a first charge on the budget as provided under Regulation 55 (2) b of the Public Finance Management (County Governments) Regulations, 2015.
- Comparison of the Approved Budget with the County Fiscal Strategy Paper (CFSP) ceilings to ascertain conformity with Regulation 32 (d) of the PFM (County Governments) Regulations, 2015.
- Adequacy for budget allocation for Emergencies as provided in Section 110, 112 & 113 of the PFM Act, 2012 which allows Counties to establish an Emergency Fund of up to 2 per cent of its last audited revenue in a single year to cater for any unforeseen occurrences.
- Conformity of budget allocation to established County Funds as provided for under Section 116 of the PFM Act, 2012.

2.9.2 *Advisories to County Governments*

The office also facilitated the analysis of county budgets and provided the necessary advice to various county governments on the need to reduce unrealistic revenue projections and provisions on non-core items. Further, the Office has ensured that the county government budgets comply with the legislation.

2.9.3 County Visits

The Office has continuously carried out county visits to sensitise the county governments on the mandate of the Office and to capacity build on effective budget implementation. During the visits, the Office identified the various challenges being faced by the county governments, such as inadequate systems for budget implementation, especially with regard to revenue collection; skills gaps for budget preparation and execution among the county staff; inadequate staffing; and lack of internal audit function and audit committees. The visits also revealed that the exchequer records were not properly maintained due to capacity challenges.

2.10 Mediation

The Office under Article 252(1) (b) of the Constitution has powers for conciliation, mediation and negotiation. The office mediated several county conflicts on budgeting and ceilings enforcement issues e.g. Makueni, Nyeri, Lamu, Turkana Nyeri among others.

OCOB has developed a policy for mediation conciliation and negotiation to be used in dispute resolution.

2.11 Public Information Sharing

The office collaborates with research, professional and academic institutions through sharing of budget implementation data. The office also disseminates budget implementation review reports to the publics through Huduma Centers and County information dissemination centers.

In order to inform the public about their role in the budget process, the office has been conducting public sensitization fora. To this end, the office conducted five regional fora to enlighten the members of public on their role in public financial management at national and county level during the budget making process as well as in monitoring the budget implementation.

2.12 Emerging Issues/Challenges

2.12.1 Emerging Issues

With regard to budget implementation, the Office has identified a number of emerging issues and challenges which may impact on its operations. The emerging issues include:

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- Inadequate Legal Framework: The COB Act, 2016 is inconsistent with the Constitution of Kenya on reporting on recent macroeconomic developments including economic development and outlook, revenue, grants and loans forecasts and receipt.
- Emerging activities e.g. authorization of pension payments and organization structural changes.
- Lack of an effective communication strategy and dealing with first cycle of devolution challenges
- Delay in submission of expenditure returns and incomplete financial statements by MDAs. This is due to lack of legislation for sanctioning late submission of financial reports by MDAs and counties
- There is lack of clear understanding on the mandate of the Controller of Budget by the stakeholders.
- The office of the Controller of Budget has held various meetings with the committees of parliament to discuss the issues raised in Quarterly Budget Implementation Review reports and provided advice. The Office has also continually provided advice to the Executive on budget implementation.

2.12.2 Incomplete/Credibility of the data submitted to the office

- Inadequate data on AIA generated by MDAs/counties
- Inadequate information on projects implemented by the National and county governments
- Gaps exist in IFMIS system to generate Programme based expenditure report
- Unbundled financial data from SAGAs
- Credibility of the accuracy of data submitted by MDAs/counties

2.13 Challenges

The challenges encountered by the office include:

2.13.1 IFMIS Procurement module

There are no regulations to operationalize the new Public Procurement and Assets Disposal Act, 2015. Consequently, the Office relies on the old regulations which were to expire in December 2016. Many suppliers are not conversant with IFMIS procurement module hence

OFFICE OF THE CONTROLLER OF BUDGET

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For the year ended June 30, 2017 (Kshs)

experience difficulties in submitting bids on-line. This has affected timely procurement of goods and services by the Office.

2.13.2 Inadequate Office Space

The Office does not have adequate space to accommodate its staff. Its current location in Bima house is strategic in its operations due to its proximity to the National Treasury with whom the Office works hand in to execute its mandate. However, most of the Office space in Bima house had been occupied by other government departments before OCOB was established.

Legal challenges; There is a lot of passage of legislation which breaches the Constitutional and the law by the county government particularly the principle of separation of powers

2.13.3 Inadequate staff capacity

- There is no enough staff in various departments to enable the office to carry its mandate effectively e.g. There is only one staff per county, the M&E unit has only one person to coordinate monitoring exercise for both National and Counties
- The pension unit (a newly added function for OCOB) is also understaffed to be able to effectively process pension files for payment
- Some of the positions envisioned to be filled in various departments remain vacant
- Conflict of interest as some audit staff work in Pension audit

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2.13.4 Challenges in monitoring development projects

- Poor recording of project files
- Poor planning in terms of time, frequency, scope of work, and resources
- Inadequate monitoring and evaluation framework including the reporting format
- Inadequate framework for dissemination of monitoring report to stakeholders
- Inadequate technical staff to undertake monitoring of projects at both county and national government

2.13.5 System challenges (IFMIS, E-promise, CDRMS, Audit system)

- IFMIS- high downtime, Inactive modules (i.e. revenue module, non-capture of some expenditure items (AIA),
- E-promise- projects are not updated on regular basis
- The office lacks a Central Data Management Retrieval System (CDMRS)
- Audit System –The office has a manual audit system which is inadequate

2.13.6 Records management

- Lack of an automated registry system to facilitate storage of office documents
- The office has not digitalized the existing accountable documents for ease of access and retrieval
- Records Management policy that guides operations in the registry unit has not been adopted
- Inadequate staffing and storage space in the registry unit
- Accountable documents are not well secured
- Lack of archival system
- Lack of proper records management at the county offices

2.14 Strategic plan 2018-2022

This Strategic Plan lays the foundation for OCOB priorities for a five year period. Specifically, the plan will guide the OCOB in enhancing its performance and service delivery, stimulating strategic thinking, providing a basis for resource mobilization, and allocation as well as contributing to the attainment of the Kenya Vision 2030 and the Third Medium Term Plan.

OFFICE OF THE CONTROLLER OF BUDGET

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For the year ended June 30, 2017 (Kshs)

To effectively fulfil OCOB's mandate of overseeing budget implementation and specifically monitoring, evaluating, reporting and advising MDAs, OCOB is reviewing the 2013-2017 strategic plan. The review shall be guided by the Constitution and other existing and emerging legislations such as the CoB Act, 2016, Public Service Commission Act, 2017, Public Procurement and Asset Disposal Act, 2015, Access to Information Act, 2015, Public Service Values and Principles Act 2015 and Fair Administrative Actions Act, 2015. This defines the OCOB universe in the new operational environment and charts the implementation path for projects and programmes within the next five year period.

To achieve above stated objectives, the office has proposed strategies to be pursued to ensure the goals and the overall mandate of the office is adequately executed. These strategies entail strategic budgeting to ensure activities are funded adequately during the plan period. The office will also restructure the internal risk and assurance unit to improve internal operations; and develop a monitoring and evaluation systems to track the progress of implementation of the strategic plan so that corrective actions can be taken appropriately.

The office will pursue collaborations, partnerships and linkages with other external stakeholders to ensure that strategies are regular in all aspects and implemented smoothly. Annual work plans for different departments will be aligned to the strategic plan to ensure that strategic plan is implemented along the fiscal years. The annual work plans will be further broken down into individual work plans and captured in annual targets. Key indicators that will inform management decision making will be identified and the frequency of reporting on these indicators will be determined.



FCPA, Agnes Odhiambo, CBS

CONTROLLER OF BUDGET



DATE

3 STATEMENT OF THE OFFICE OF THE CONTROLLER OF BUDGET
MANAGEMENT RESPONSIBILITIES

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

Controller of Budget is responsible for the preparation and presentation of the financial statements, which give a true and fair view of the state of affairs of the office for and as at the end of the financial year (period) ended on June 30, 2017. 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 office; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

Controller of Budget accepts responsibility for the 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 financial statements give a true and fair view of the state of transactions during the financial year ended June 30, 2017, and of the financial position as at that date. Controller of Budget further confirms the completeness of the accounting records maintained for the office which have been relied upon in the preparation of the financial statements as well as the adequacy of the systems of internal financial control.

Controller of Budget confirms that the Office 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, Controller of Budget confirms that the financial statements have been prepared in a format that complies with

OFFICE OF THE CONTROLLER OF BUDGET

Reports and Financial Statements


For the year ended June 30, 2017 (Kshs)

relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the financial statements

The Office of the Controller of Budget financial statements were approved and signed by

Controller of Budget on 28 - 9 - 2017.



FCPA Agnes Odhiambo CBS

CONTROLLER OF BUDGET

REPUBLIC OF KENYA

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Fax: +254-20-311482
E-mail: oag@oagkenya.go.ke
Website: www.kenao.go.ke



P.O. Box 30084-00100
NAIROBI

OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON OFFICE OF THE CONTROLLER OF BUDGET FOR THE YEAR ENDED 30 JUNE 2017 - THE NATIONAL TREASURY

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of the Office of the Controller of Budget set out on pages 62 to 82, which comprise the statement of assets and liabilities as at 30 June 2017, and the statement of receipts and payments, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of Office of the Controller of Budget as at 30 June, 2017, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012.

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

Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of Office of the Controller of Budget in accordance with ISSAI 30 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 judgement, 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 of the Auditor-General on the Financial Statements of Office of the Controller of Budget for the year ended 30 June 2017

Responsibilities of Management and Those Charged with Governance 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.

In preparing the financial statements, management is responsible for assessing the Office of the Controller of Budget's ability to continue to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless the management either intends to cease operations, or have no realistic alternative but to do so.

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.

Those charged with governance are responsible for overseeing the Office of the Controller of Budget's financial reporting process.

Auditor-General's Responsibilities for the Audit of the Financial Statements

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.

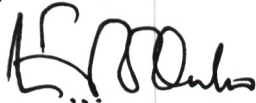
As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- 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.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances and for the purpose of giving an assurance on the effectiveness of the Office of the Controller of Budget's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Office of the Controller of Budget's ability to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Office of the Controller of Budget to cease to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Office of the Controller of Budget 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.



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


Nairobi

24 April 2018

OFFICE OF THE CONTROLLER OF BUDGET
Reports and Financial Statements
For the year ended June 30, 2017 (Kshs)

5 STATEMENT OF RECEIPTS AND PAYMENTS			
	Note	2016-2017	2015-2016
		Kshs	Kshs
RECEIPTS			
Exchequer releases	1	510,000,000.00	496,000,000.00
TOTAL RECEIPTS		510,000,000.00	496,000,000.00
PAYMENTS			
Compensation of Employees	2	240,286,212.80	214,177,677.15
Use of goods and Services	3	181,361,198.00	175,234,388.70
Transfer to other Government Units	4	10,862,242.70	35,668,574.65
Social Security Benefits	5	62,146,709.55	85,334,303.40
Acquisition of Assets	6	9,619,086.00	11,117,072.05
TOTAL PAYMENTS		504,275,449.05	521,532,015.95
SURPLUS/DEFICIT		5,724,550.95	-25,532,015.95


The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 28th September 2017 and signed by:



Controller of Budget
 Name: FCPA Agnes Odhiambo, CBS
 ICPAK Member Number: 1123



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

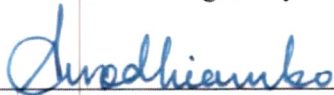


Director Corporate Services
 Name: CPA Macklin Ogolla
 ICPAK Member: 4077

OFFICE OF THE CONTROLLER OF BUDGET
 Reports and Financial Statements
 For the year ended June 30, 2017 (Kshs)

6 STATEMENT OF ASSETS AND LIABILITIES			
	Note	2016-2017	2015-2016
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	7	19,559,844.40	12,990,537.05
Cash Balances	8	342,137.00	377,255.00
Total Cash And Cash Equivalents		19,901,981.40	13,367,792.05
Accounts Receivables - Outstanding Imprest	9	137,677.40	301,881.00
TOTAL FINANCIAL ASSETS		20,039,658.80	13,669,673.05
Financial Liabilities			
Accounts Payables- Deposit and Retentions	10	3,733,984.15	3,088,549.35
NET FINANCIAL ASSETS		16,305,674.65	10,581,123.70
REPRESENTED BY			
Fund Balance b/fwd	11	10,581,123.70	36,113,139.65
Surplus/Deficit for the Year		5,724,550.95	-25,532,015.95
NET FINANCIAL POSITION		16,305,674.65	10,581,123.70

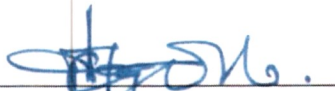
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Director Corporate Services
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OFFICE OF THE CONTROLLER OF BUDGET
Reports and Financial Statements
For the year ended June 30, 2017 (Kshs)

7 STATEMENT OF CASH FLOW			
	Note	2016-2017	2015-2016
		Kshs	Kshs
Receipts and operating income			
Exchequer releases	1	510,000,000.00	496,000,000.00
Payments for Operating Expenses			
Compensation of Employees	2	-240,286,212.80	-214,177,677.15
Use of goods and Services	3	-181,361,198.00	-175,234,388.70
Transfer to other Government Units	4	-10,862,242.70	-35,668,574.65
Social Security Benefits	5	-62,146,709.55	-85,334,303.40
Adjusted for :			
Changes in Receivables	12	164,203.60	167,944.00
Changes in Payables	13	645,434.80	-909,672.10
Net Cash From Operating Activities(A)		16,153,275.35	-15,156,672.00
Cash Flow From Investing Activities			
Acquisition of Assets	6	-9,619,086.00	-11,117,072.05
Net Cash Flow From Investing Activities(B)		-9,619,086.00	-11,117,072.05
Cash Flow From Borrowing Activities			
Net Cash Flow From Financing Activities(C)			-
NET INCREASE IN CASH AND CASH EQUIVALENT(A+B+C)		6,534,189.35	-26,273,744.05
Cash and Cash Equivalent at BEGINNING of The Year		13,367,792.05	39,641,536.10
Cash and Cash Equivalent at END of The Year	7+8	19,901,981.40	13,367,792.05

OFFICE OF THE CONTROLLER OF BUDGET
Reports and Financial Statements
For the year ended June 30, 2017 (Kshs)

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 28th September 2017 and signed by:



Controller of Budget

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ICPAK Member Number: 1123



Chief Manager Finance and Accounts

Name: CPA Pamela Okatch

ICPAK Member Number: 7884



Director Corporate Services

Name: CPA Macklin Ogolla

ICPAK Member: 4077

OFFICE OF THE CONTROLLER OF BUDGET
Reports and Financial Statements
For the year ended June 30, 2017 (Kshs)

8 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
	Kshs	Kshs	Kshs	Kshs	Kshs	%
	a	b	c=a+b	d	e=c-d	f=d/c
RECEIPTS						
Exchequer releases	561,269,850	-40,095,059	521,174,791	510,000,000.00	11,174,791.00	98
PAYMENTS						
Compensation of Employees	276,579,850	-33,842,360	242,737,490	-240,286,212.80	2,451,277.20	99
Use of goods and services	215,755,486	-13,271,980	202,483,506	-181,361,198.00	21,122,308.00	90
Social Security Benefits	48,832,114	13,441,386	62,273,500	-62,146,709.55	126,790.45	100
Acquisition of Assets	20,102,400	-6,422,105	13,680,295	-9,619,086.00	4,061,209.00	70
TOTALS	561,269,850	-40,095,059	521,174,791	-493,413,206.35	27,761,584.65	95
Transfers to Other Government Entities- <i>Refer to Note 4</i>		-	-	-10,862,242.70	-	
TOTALS	561,269,850	-40,095,059	521,174,791	5,724,550.95	-16,586,793.65	95

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 28th September 2017 and signed by:

OFFICE OF THE CONTROLLER OF BUDGET
Reports and Financial Statements
For the year ended June 30, 2017 (Kshs)

Notes

Underutilisation in acquisition of assets of 70% was as a result;

- Cancellation for the procurement of ICT Asset-Electronic Documents and Records Management System (EDRMS) due to challenges in the procurement process in terms of timelines and responses.
- The changes between the original and final budget are as a result of a reduction in funding by exchequer of Kshs. 40,095,059 during the supplementary I and II .The office adopted a phased approach in the acquisition of human resources as need arise and workload increase. This approach, in addition to staff exits and delays in reporting of newly recruited officers resulted into some savings in personnel emoluments.

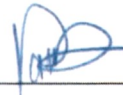
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Controller of Budget

Name: FCPA Agnes Odhiambo, CBS

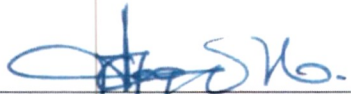
ICPAK Member Number: 1123



Chief Manager Finance and Accounts

Name: CPA Pamela Okatch

ICPAK Member Number: 7884



Director Corporate Services

Name: CPA Macklin Ogolla

ICPAK Member: 4077

OFFICE OF THE CONTROLLER OF BUDGET
Reports and Financial Statements
For the year ended June 30, 2017 (Kshs)

9 SUMMARY STATEMENT OF APPROPRIATION: RECURRENT						
Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	%
	a	b	c=a+b	d	e=c-d	f=d/c
RECEIPTS						
Exchequer releases	561,269,850	-40,095,059	521,174,791	510,000,000	11,174,791	98
PAYMENTS						
Compensation of Employees	276,579,850	-33,842,360	242,737,490	-240,286,212.80	2,451,277.20	99
Use of goods and services	215,755,486	-13,271,980	202,483,506	-181,361,198.00	21,122,308.00	90
Social Security Benefits	48,832,114	13,441,386	62,273,500	-62,146,709.55	126,790.45	100
Acquisition of Assets	20,102,400	-6,422,105	13,680,295	-9,619,086.00	4,061,209.00	70
TOTALS	561,269,850	- 40,095,059	521,174,791	-493,413,206.35	27,761,584.65	95
Transfers to Other Government Entities- <i>Refer to Note 4</i>				-10,862,242.70		
TOTALS	561,269,850	-40,095,059	521,174,791	5,724,550.95	-16,586,793.65	95

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 28th September 2017 and signed by:

OFFICE OF THE CONTROLLER OF BUDGET
Reports and Financial Statements
For the year ended June 30, 2017 (Kshs)

Notes

- Underutilization in acquisition of assets of 70% was due to cancellation for the procurement of ICT Asset-Electronic Documents and Records Management System (EDRMS) due to challenges in the procurement process in terms of timelines and responses
- The changes between the original and final budget are as a result of a reduction in funding by exchequer of Kshs. 40,095,059 during the supplementary I and II. The office adopted a phased approach in the acquisition of human resources as need arise and workload increase. This approach, in addition to staff exits and delays in reporting of newly recruited officers resulted into some savings in personnel emoluments.

SUMMARY STATEMENT OF APPROPRIATION: DEVELOPMENT

The Office does not have any development budget hence there is no summary statement of development appropriation.


The entity financial statements were approved on 28th September 2017 and signed by:



Controller of Budget

Name: FCPA Agnes Odhiambo, CBS


ICPAK Member Number: 1123



Chief Manager Finance and Accounts

Name: CPA Pamela Okatch

ICPAK Member Number: 7884



Director Corporate Services

Name: CPA Macklin Ogolla

ICPAK Member: 4077

OFFICE OF THE CONTROLLER OF BUDGET
Reports and Financial Statements
For the year ended June 30, 2017 (Kshs)

10 BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES							
Head	Programme/Sub-Programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilisation
		Kshs	Kshs	Kshs	Kshs	Kshs	
2121000100	Control and Management of Public finances	300,015,724	(13,680,288)	286,335,436	270,670,688.65	29,345,035.35	
	Sub-Programme 1: Administration Support Services	300,015,724	(13,680,288)	286,335,436	270,670,688.65	29,345,035.35	95%
2121000200	Control and Management of Public finances	15,593,634	(185,353)	15,408,281	14,057,921.00	1,535,713.00	
	Sub-Programme 2: Research and Planning	15,593,634	(185,353)	15,408,281	14,057,921.00	1,535,713.00	91%
2121000300	Control and Management of Public finances	41,633,736	(7,346,190)	34,287,546	33,434,863.00	8,198,873.00	
	Sub-Programme 3: Budget Review and Analysis	41,633,736	(7,346,190)	34,287,546	33,434,863.00	8,198,873.00	98%
2121000400	Control and Management of Public finances	204,026,756	(18,883,228)	185,143,528	175,249,733.70	28,777,022.30	
	Sub-Programme 4: County Services	204,026,756	(18,883,228)	185,143,528	175,249,733.70	28,777,022.30	95%

OFFICE OF THE CONTROLLER OF BUDGET

Reports and Financial Statements

For the year ended June 30, 2017 (Kshs)

2121000100	Control and Management of Public finances	-	-	-	-	10,862,242.70	-	
	Sub-Programme 1: Administration Support Services	-	-	-	-	10,862,242.70	-	
	TOTAL	561,269,850	(40,095,059)	521,174,791	504,275,449.05	67,856,643.65	95%	

11 SIGNIFICANT ACCOUNTING POLICIES

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

11.1 Going Concern Principle

The Office is an independent office established under Article 228 of the Constitution of Kenya, 2010 to oversee the implementation of budgets of both the National and County Governments by authorizing withdrawal from public funds.

The financial statements are prepared on assumption that the Office is a going concern and will continue in operation and meets its statutory obligations for the foreseeable future.

11.2 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. 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 Office. 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.

11.3 Recognition of revenue and expenses

The office of the controller of budget recognises all revenues from the various sources when the event occurs and the related cash has actually been received. In addition, the Office *recognises* all expenses when the event occurs and the related cash has actually been paid out.

OFFICE OF THE CONTROLLER OF BUDGET

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For the year ended June 30, 2017 (Kshs)

11.4 In-kind contributions

In-kind contributions are donations that are made to the Office *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 Office 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. During the period under review, the Office did not have any in-kind contributions.

11.5 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 at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

11.6 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 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.

11.7 Accounts Payable

For the purposes of these financial statements, deposits and retentions held on behalf of third parties have been recognized as accounts payables. This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. This is an enhancement to the cash accounting policy adopted by National Government Ministries and agencies. Included in the accounts payable is an amount of Kshs. 417,600 payable to Kenya

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Institute of Management as the initial payment was returned to drawer (RD) due to wrong account details

11.8 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 entity fixed asset register a summary of which is provided as a memorandum to these financial statements. The office of the controller of budget recognises the fixed assets at cost value.

11.9 Pending bills

Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years. As pending bills do not involve the payment of cash in the reporting period, they recorded as 'memorandum' or 'off-balance' items to provide a sense of the overall net cash position of the Office at the end of the year. When the pending bills are finally settled, such payments are included in the statement of receipts and payments in the year in which the payments are made. During the period under review, the Office had no pending bill.

11.10 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 office of the controller of budget'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 Office's actual performance against the comparable budget for the financial year under review has been included in an annex to these financial statements.

11.11 Comparative figures

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

11.12 Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2017

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12 NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM NATIONAL TREASURY

The following are the amounts transferred from the exchequer to the office on a quarterly basis:

Item Description	Item Code	2016-2017	2015-2016
		Kshs	Kshs
Total Exchequer Releases for quarter 1	9910201	80,000,000	45,000,000
Total Exchequer Releases for quarter 2	9910201	100,000,000	112,000,000
Total Exchequer Releases for quarter 3	9910201	100,000,000	169,000,000
Total Exchequer Releases for quarter 4	9910201	230,000,000	170,000,000
TOTAL		510,000,000.00	496,000,000.00

During the year ,the office was to receive Kshs.521,174,791.However,it received Kshs.510,000,000 falling short by Kshs 11,174,791

2. COMPENSATION OF EMPLOYEES

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

Item Description	Item Code	2016-2017	2015-2016
		Kshs	Kshs
Basic Salaries - Permanent Employees	2110100	168,309,526.20	148,691,616.55
Basic Salaries - Temporary Employees	2110200	72,163.00	-
Personal Allowances paid as part of Salary	2110300	71,675,323.60	65,266,060.60
Employer Contributions to Compulsory National Social Security Schemes	2120100	229,200.00	220,000.00
TOTAL		240,286,212.80	214,177,677.15

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There was an increase in compensation of employees as result annual salary increment and increase of staff

3. USE OF GOODS AND SERVICES

These comprise the total value of goods and services consumed.

Item Description	Item Code	2016-2017	2015-2016
		Kshs	Kshs
Utilities, Supplies and Services	2210100	10,460.00	454,828.80
Communication, Supplies and Services	2210200	10,277,745.20	9,174,535.20
Domestic Travel and Subsistence, and Other Transportation Costs	2210300	14,886,718.00	19,397,714.40
Foreign Travel and Subsistence, and other transportation costs	2210400	3,722,775.00	2,478,888.00
Printing , Advertising and Information Supplies and Services	2210500	62,128,980.25	56,452,800.00
Rentals of Produced Assets	2210600	1,850,340.00	1,833,600.00
Training Expenses	2210700	15,898,038.40	15,401,888.00
Hospitality Supplies and Services	2210800	12,807,349.00	9,833,460.25
Insurance Costs	2210900	34,849,059.65	32,058,760.80
Specialized Materials and Supplies	2211000	1,711,681.00	1,050,894.00
Office and General Supplies and Services	2211100	7,764,750.60	8,432,644.40
Fuel Oil and Lubricants	2211200	3,629,465.00	3,683,741.00
Other Operating Expenses	2211300	5,704,065.00	9,081,543.80
Routine Maintenance - Vehicles	2220100	4,551,963.00	4,253,800.05
Routine Maintenance - Other Assets	2220200	1,567,807.90	1,645,290.00
TOTAL		181,361,198.00	175,234,388.70

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There was an increase in use of goods and services as a result of increase in the number of copies of the Budget Implementation Review Reports (BIRR) printed and publicized.

4. TRANSFER TO OTHER GOVERNMENT UNITS

These amounts was transferred to National Treasury(Exchequer Account)

Item Description	Item Code	2016-2017	2015-2016
		Kshs	Kshs
Exchequer Provisions-FY 2015/16 Recurrent Bank opening Balance Transferred to The National Treasury	9910200	10,484,987.70	35,659,643.65
Exchequer Provisions - FY 2015/16 Recurrent Additional Cash opening Balance Transferred to The National Treasury	9910200	377,255.00	8,931.00
TOTAL		10,862,242.70	35,668,574.65

The amount transferred as opening balance FY 2016/17 which relates to the unspent bank and cash balance for the FY 2015/16

5. SOCIAL SECURITY BENEFITS

Item Description	Item Code	2016-2017	2015-2016
		Kshs	Kshs
Government Pension and Retirement Benefits	2710100	62,146,709.55	85,334,303.40
TOTAL		62,146,709.55	85,334,303.40

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

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6. ACQUISITION OF ASSETS

These represent payments made for the purchase general office equipment during the year which have been fully expensed in the year of purchase in line with the accounting policies.

Item Description	Item Code	2016-2017	2015-2016
		Kshs	Kshs
Refurbishment of Buildings	3110300	328,200.00	1,999,800.00
Purchase of Office Furniture and General Equipment	3111000	4,996,694.80	7,032,499.00
Purchase of Specialized Plant, Equipment and Machinery	3111100	4,294,191.20	2,084,773.05
TOTAL		9,619,086.00	11,117,072.05

7. BANK ACCOUNTS

Name of Bank, Account Number & Currency	Amount in Bank account currency	Account Type	Item Code	2016-2017	2015-2016
	Kshs			Kshs	Kshs
Central Bank of Kenya Bank, A/C 1000181338,Kshs	16,243,460.25	Recurrent	6530000	16,243,460.25	9,901,987.70
Central Bank of Kenya Bank ,A/C 1000182369,Kshs	3,316,384.15	Deposit	6550000	3,316,384.15	3,088,549.35
TOTAL	19,559,844.40			19,559,844.40	12,990,537.05

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8. CASH IN HAND

Item Description	Item Code	2016-2017	2015-2016
		Kshs	Kshs
Cash in Hand-Held in domestic currency Headquarters, Bima House Building, 12 th floor cash office	6580000	342,137.00	377,255.00
TOTAL		342,137.00	377,255.00

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

9. ACCOUNTS RECEIVABLES - OUTSTANDING IMPREST

Item Description	Item Code	2016-2017	2015-2016
Government Imprests-Temporary	6760000	-	20,000.00
Other Debtors & Pre-payments	6740000	93,937.00	281,881.00
Other Debtors & Pre-payments		43,740.40	-
TOTAL		137,677.40	301,881.00

Below is the detailed listing of the outstanding receivables.

Name of the Officer or Institution	Date Taken	Amount Taken	Amount Surrendered	Balance
	Kshs	Kshs	Kshs	Kshs
Other Debtors & Pre-payments: Dennis Okungu	1/7/2016	281,881.00	187,944.00	93,937.00
Kenya Revenue Authority-PAYE	30/6/2017	43,740.40	-	43,740.40
TOTAL		325,621.40	187,944.00	137,677.40

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10. ACCOUNTS PAYABLE

Item Description	Item Code	Bank Account Type	2016-2017	2015-2016
			Kshs	Kshs
Deposits	7320000	Deposit	2,560,061.55	2,560,061.55
Other Liabilities	7310000	Deposit	756,322.60	528,487.80
Kenya Institute of Management	7310000	Recurrent	417,600.00	-
TOTAL			3,733,984.15	3,088,549.35

The deposits relates to retention money of 10% retained by the office on behalf of 3rd parties, while other liabilities relates to the payroll commissions received by the Office from the insurance companies on behalf of staff.

The Kenya Institute of Management related to return to drawer (RD) due to wrong account details.

11. FUND BALANCES BROUGHT FORWARD

Item Description	Item Code	2016-2017	2015-2016
		Kshs	Kshs
Opening Balance Bank- Recurrent	9990100	12,990,537.05	39,271,391.10
Opening Balance Cash	9990200	377,255.00	370,145.00
Opening Balance Receivables - Imprest and Clearance Accounts	9990300	301,881.00	469,825.00
Opening Balance Bank – Deposit	9990100	-3,088,549.35	-3,998,221.45
TOTAL		10,581,123.70	36,113,139.65

These are the fund balance that was brought forward from 2015/16. The bank and cash balances were however were swept back to the exchequer as shown in note.

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12. CHANGES IN RECEIVABLES

Item Description	Item Code	2016-2017	2015-2016
		Kshs	Kshs
Receivables at the beginning of the Year- Dennis Okungu	6740000	281,881.00	469,825.00
Changes during the Year -Dennis Okungu	6740000	-187,944.00	- 187,944.00
Receivables at the end of the Year- Temporary Imprests	6760000	-	20,000.00
Other Debtors & Prepayments-KRA	6740000	43,740.40	-
TOTAL		137,677.40	301,881.00

13. CHANGES IN PAYABLES

Item Description	Item Code	2016-2017	2015-2016
		Kshs	Kshs
Payables at the beginning of the Year	7320000	3,088,549.35	3,998,221.45
Changes during the Year	7320000	645,434.80	-909,672.10
TOTAL		3,733,984.15	3,088,549.35

14. RELATED PARTY DISCLOSURES

The office had no related parties as the compensation for the Accounting Officer is made direct from the Consolidated Fund Services.


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15. OTHER IMPORTANT DISCLOSURES
PENDING ACCOUNTS PAYABLE (See Annex 1)


Item Description	Item Code	2016-2017	2015-2016
		Kshs	Kshs
Amount due to National Government entity(National Treasury)	7310100	297,382.80	72,047.80
Amount due to Office	7310100	456,440.00	310,940.00
Amount due to third parties	7320200	2,562,561.55	2,705,561.55
TOTAL		3,316,384.15	3,088,549.35

16. PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

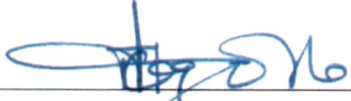
Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
During the previous audit of the Office, there were no issues raised by the External Auditor.					



 Controller of Budget
 Name: FCPA Agnes Odhiambo, CBS
 ICPAK Member Number: 1123



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



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

OFFICE OF THE CONTROLLER OF BUDGET

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ANNEX 1- ANALYSIS OF PENDING ACCOUNTS PAYABLE (DEPOSIT ACCOUNT)

Item Description	Item Code	2016-2017	2015-2016
		Kshs	Kshs
Retention -Fine Tops Enterprises	7320200	229,511.80	229,511.80
Retention -Specicom Technologies Ltd	7320200	497,000.00	497,000.00
Retention -Africa Management Solutions Ltd	7320200	132,600.00	132,600.00
Retention -Pong Agencies	7320200	1,256.50	1,256.50
Tender Bond-Real Insurance	7320200	200,000.00	200,000.00
Commissions(payload)	7310100	72,162.70	52,017.50
Insurance Refund	7310100	310,940.00	310,940.00
Staff Recoveries	7310100	225,219.90	-
Retention-Pekals Ltd	7320200	1,499,693.25	1,499,693.25
Tender Bond-Losagi Insurance	7310100	145,500.00	145,500.00
AIA-Joel Muema	7310100	-	11,099.30
	7310100	-	8,931.00
KCB Leadership Centre	7310100	2,500	-
TOTAL		3,316,384.15	3,088,549.35

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ANNEX 2-SUMMARY OF FIXED ASSET REGISTER

Asset class	Item Code	Historical Cost b/f (Kshs)	Additions during the year (Kshs)	Disposals during the year Kshs.	Historical Cost b/f (Kshs)
Refurbishment of buildings	3110300	1,999,800.00	328,200.00	-	2,328,000.00
Vehicles and Other Transport Equipment	3110700	26,799,000.00	-	-	26,799,000
Office Furniture and General Equipment	3111000	64,289,144.00	4,996,694.80	-	69,285,838.80
Specialised Plant, Equipment and Machinery	3111100	12,840,619.35	4,294,191.20	-	17,134,810.55
Total		105,928,563.40	9,619,086.00	-	115,547,649.35

The balance as at the end of the year is the cumulative cost of all assets bought by the office. Additions during the year amounting to Kshs.9, 619,086 are assets acquired during the year (see note 6). There were no disposals during the year.

ANNEX 3-LIST OF PROJECTS IMPLEMENTED BY THE OFFICE

Project Name	Principal activity of the project	Accounting Officer	Project consolidated in these financial statements(yes/no)
The Office does not have any projects			

OFFICE OF THE CONTROLLER OF BUDGET
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ANNEX 4- REPORTS GENERATED FROM IFMIS

The following financial Reports Generated from IFMIS should be generated and attached as appendices to these financial statements.

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





Trial Balance

Entity: 2121-Controller of Budget

Current Period: JUL-16 To JUN-17

Compare With: JUL-15 To JUN-16

Account No and Description	Current Period		Previous period	
	Debit Kshs	Credit Kshs	Debit Kshs	Credit Kshs
1420601 Sale of Tender Documents	0.00	0.00	0.00	0.00
1420600 Receipts from Sale of Incidental Goods	0.00	0.00	0.00	0.00
1420000 Sales of Goods and Services	0.00	0.00	0.00	0.00
2110101 Basic Salaries - Civil Service	0.00	0.00	148,691,616.55	0.00
2110106 Basic Salaries - Commissioners	168,309,526.20	0.00	0.00	0.00
2110100 Basic Salaries - Permanent Employees	168,309,526.00	0.00	148,691,616.55	0.00
2110202 Casual Labour - Others	72,163.00	0.00	0.00	0.00
2110200 Basic Wages - Temporary Employees	72,163.00	0.00	0.00	0.00
2110301 House Allowance	35,038,785.00	0.00	23,041,931.30	0.00
2110303 Acting Allowance	55,073.05	0.00	0.00	0.00
2110307 Hardship Allowance	1,737,740.00	0.00	940,500.00	0.00
2110311 Transfer Allowance	0.00	0.00	366,963.00	0.00
2110313 Entertainment Allowance	1,080,000.00	0.00	840,000.00	0.00
2110314 Transport Allowance	11,046,477.45	0.00	10,291,443.00	0.00
2110315 Extraneous Allowance	20,623,620.45	0.00	19,396,580.55	0.00
2110317 Domestic Servant Allowance	1,085,709.70	0.00	936,000.00	0.00
2110319 Top-up House Allowance	0.00	0.00	8,553,543.45	0.00
2110320 Leave Allowance	1,007,917.95	0.00	899,099.30	0.00
2110300 Personal Allowances paid as part of Salary	71,675,323.60	0.00	65,266,060.60	0.00
2110000 Wages and Salary Contributions	240,057,013.00	0.00	213,957,677.15	0.00
2120101 Employer Contributions to National Social Security Fund	229,200.00	0.00	220,000.00	0.00
2120100 Employer Contributions to Compulsory National Social Security Schemes	229,200.00	0.00	220,000.00	0.00
2120000 Social Contributions	229,200.00	0.00	220,000.00	0.00
2210101 Electricity	10,460.00	0.00	11,271.80	0.00
2210102 Water and Sewerage Charges	0.00	0.00	443,557.00	0.00
2210100 Utilities, Supplies and Services	10,460.00	0.00	454,828.80	0.00
2210201 Telephone, Telex, Facsimile and Mobile Phone Services	5,244,253.40	0.00	4,810,031.00	0.00
2210202 Internet Connections	3,003,002.80	0.00	2,841,378.20	0.00
2210203 Courier & Postal Services	2,030,489.00	0.00	1,523,126.00	0.00
2210200 Communication, Supplies and Services	10,277,745.20	0.00	9,174,535.20	0.00
2210301 Travel Costs (airlines, bus, railway, mileage allowances, etc.)	3,338,048.00	0.00	3,995,034.40	0.00
2210302 Accommodation - Domestic Travel	10,609,300.00	0.00	14,341,200.00	0.00
2210304 Sundry Items (e.g. airport tax, taxis, etc?)	836,770.00	0.00	1,061,480.00	0.00
2210305 Shipment of Personal and Household Effects	102,600.00	0.00	0.00	0.00
2210300 Domestic Travel and Subsistence, and Other Transportation Costs	14,886,718.00	0.00	19,397,714.40	0.00
2210401 Travel Costs (airlines, bus, railway, etc.)	1,859,359.00	0.00	988,112.00	0.00
2210403 Daily Subsistence Allowance	1,849,356.00	0.00	1,467,445.00	0.00
2210404 Sundry Items (e.g. airport tax, taxis, etc?)	14,060.00	0.00	23,331.00	0.00
2210400 Foreign Travel and Subsistence, and other transportation costs	3,722,775.00	0.00	2,478,888.00	0.00
2210502 Publishing & Printing Services	60,257,000.00	0.00	54,868,700.00	0.00
2210503 Subscriptions to Newspapers, Magazines and Periodicals	1,871,980.25	0.00	1,584,100.00	0.00
2210504 Advertising, Awareness and Publicity Campaigns	0.00	0.00	0.00	0.00
2210500 Printing, Advertising and Information Supplies and Services	62,128,980.30	0.00	56,452,800.00	0.00
2210603 Rents and Rates -	1,850,340.00	0.00	1,833,600.00	0.00



Account No and Description	Current Period		Previous period	
	Debit	Credit	Debit	Credit
Non-Residential				
2210600 Rentals of Produced Assets	1,850,340.00	0.00	1,833,600.00	0.00
2210701 Travel Allowance	485,260.00	0.00	681,624.00	0.00
2210702 Remuneration of Instructors and Contract Based Training Services	7,613,172.40	0.00	7,878,728.00	0.00
2210704 Hire of Training Facilities and Equipment	4,586,586.00	0.00	4,154,846.00	0.00
2210710 Accommodation Allowance	2,724,900.00	0.00	2,376,130.00	0.00
2210711 Tuition Fees Allowance	488,120.00	0.00	310,560.00	0.00
2210700 Training Expenses	15,898,038.40	0.00	15,401,888.00	0.00
2210801 Catering Services (receptions), Accommodation, Gifts, Food and Drinks	8,432,542.00	0.00	7,761,059.00	0.00
2210802 Boards, Committees, Conferences and Seminars	4,374,807.00	0.00	2,072,401.25	0.00
2210800 Hospitality Supplies and Servi	12,807,349.00	0.00	9,833,460.25	0.00
2210901 Group Personal Insurance	1,425,422.75	0.00	2,005,793.55	0.00
2210903 Plant, Equipment and Machinery Insurance	365,716.00	0.00	0.00	0.00
2210904 Motor Vehicle Insurance	2,557,921.00	0.00	2,866,662.00	0.00
2210910 Medical Insurance	30,499,999.90	0.00	27,186,305.25	0.00
2210900 Insurance Costs	34,849,059.70	0.00	32,058,760.80	0.00
2211009 Education and Library Supplies	1,141,481.00	0.00	487,894.00	0.00
2211016 Purchase of Uniforms and Clothing - Staff	570,200.00	0.00	563,000.00	0.00
2211000 Specialised Materials and Supp	1,711,681.00	0.00	1,050,894.00	0.00
2211101 General Office Supplies (papers, pencils, forms, small office equipment etc)	3,867,933.00	0.00	3,692,971.00	0.00
2211102 Supplies and Accessories for Computers and Printers	3,471,735.60	0.00	4,323,155.40	0.00
2211103 Sanitary and Cleaning Materials, Supplies and Services	425,082.00	0.00	416,518.00	0.00
2211100 Office and General Supplies and Services	7,764,750.60	0.00	8,432,644.40	0.00
2211201 Refined Fuels and Lubricants for Transport	3,629,465.00	0.00	3,683,741.00	0.00
2211200 Fuel Oil and Lubricants	3,629,465.00	0.00	3,683,741.00	0.00
2211301 Bank Service Commission and Charges	58,600.00	0.00	67,420.00	0.00
2211305 Contracted Guards and Cleaning Services	3,389,050.00	0.00	3,660,483.00	0.00
2211306 Membership Fees, Dues and Subscriptions to Professional and Trade Bodies	753,915.00	0.00	1,151,340.80	0.00
2211308 Legal Dues/fees, Arbitration and Compensation Payments	2,000.00	0.00	702,100.00	0.00
2211310 Contracted Professional Services	1,500,500.00	0.00	3,500,200.00	0.00
2211300 Other Operating Expenses	5,704,065.00	0.00	9,081,543.80	0.00
2210000 Goods and Services	175,241,427.00	0.00	169,335,298.65	0.00
2220101 Maintenance Expenses - Motor Vehicles	4,551,963.00	0.00	4,253,800.05	0.00
2220100 Routine Maintenance - Vehicles	4,551,963.00	0.00	4,253,800.05	0.00
2220201 Maintenance of Plant, Machinery and Equipment (including lifts)	235,400.00	0.00	130,920.00	0.00
2220202 Maintenance of Office Furniture and Equipment	547,099.00	0.00	193,400.00	0.00
2220205 Maintenance of Buildings and Stations -- Non-Residential	216,150.00	0.00	299,070.00	0.00
2220210 Maintenance of Computers, Software, and Networks	569,158.90	0.00	1,021,900.00	0.00
2220200 Routine Maintenance - Other Assets	1,567,807.90	0.00	1,645,290.00	0.00
2220000 Routine Maintenance	6,119,770.90	0.00	5,899,090.05	0.00
2710102 Gratuity - Civil Servants	57,803,201.15	0.00	82,242,802.75	0.00
2710107 Monthly Pension - Civil Servants	4,343,508.40	0.00	3,091,500.65	0.00
2710100 Government Pension and Retirement Benefits	62,146,709.60	0.00	85,334,303.40	0.00
2710000 Social Security Benefits	62,146,709.60	0.00	85,334,303.40	0.00
3110302 Refurbishment of Non-Residential Buildings	328,200.00	0.00	1,999,800.00	0.00
3110300 Refurbishment of Buildings	328,200.00	0.00	1,999,800.00	0.00
3111001 Purchase of Office Furniture and Fittings	1,576,250.00	0.00	2,707,750.00	0.00
3111002 Purchase of Computers, Printers and other IT Equipment	2,727,814.80	0.00	2,499,300.00	0.00
3111009 Purchase of other Office	692,630.00	0.00	1,825,449.00	0.00



Account No and Description	Current Period		Previous period	
	Debit	Credit	Debit	Credit
Equipment				
3111000 Purchase of Office Furniture and General Equipment	4,996,694.80	0.00	7,032,499.00	0.00
3111111 Purchase of ICT Networking and Communication Equipment	3,497,041.20	0.00	816,720.00	0.00
3111112 Purchase of Software	797,150.00	0.00	1,268,053.05	0.00
3111100 Purchase of Specialised Plant, Equipment and Machinery	4,294,191.20	0.00	2,084,773.05	0.00
3110000 Acquisition of Fixed Capital Assets	9,619,086.00	0.00	11,117,072.05	0.00
6520101 Exchequer Account/CRF Account	0.00	0.00	0.00	0.00
6520100 Treasury Bank Accounts	0.00	0.00	0.00	0.00
6520000 Treasury Bank Accounts (Exchequer and CRF Accounts)	0.00	0.00	0.00	0.00
6530101 Ministry HQ Recurrent Bank A/C	16,243,460.25	0.00	9,901,987.70	0.00
6530100 Recurrent Bank Accounts	16,243,460.30	0.00	9,901,987.70	0.00
6530000 Recurrent Bank Accounts	16,243,460.30	0.00	9,901,987.70	0.00
6550101 Ministry HQ Deposit Bank A/C	3,316,384.15	0.00	3,088,549.35	0.00
6550100 Deposit Bank Accounts	3,316,384.15	0.00	3,088,549.35	0.00
6550000 Deposit Bank Account	3,316,384.15	0.00	3,088,549.35	0.00
6580101 Cash	342,137.00	0.00	377,255.00	0.00
6580104 Cash in Transit	0.00	0.00	0.00	0.00
6580100 Cash in Hand	342,137.00	0.00	377,255.00	0.00
6580000 Cash in Hand	342,137.00	0.00	377,255.00	0.00
6710103 Salary advance	0.00	0.00	0.00	0.00
6710100 Debtors & Advances - Employees	0.00	0.00	0.00	0.00
6710000 Domestic Debtors & Advances	0.00	0.00	0.00	0.00
6740101 Prepayment	137,677.40	0.00	281,881.00	0.00
6740102 R/D Cheques	0.00	417,600.00	0.00	0.00
6740103 Loss of Cash	0.00	0.00	0.00	0.00
6740100 Other Debtors & Pre-payments	137,677.40	417,600.00	281,881.00	0.00
6740000 Other Debtors & Pre-payments	137,677.40	417,600.00	281,881.00	0.00
6760101 Standing Imprests	0.00	0.00	0.00	0.00
6760103 Temporary Imprests	337,600.00	0.00	20,000.00	0.00
6760100 Imprests	337,600.00	0.00	20,000.00	0.00
6760000 Government Imprests	337,600.00	0.00	20,000.00	0.00
6790102 Receiving Inventory A/C	0.00	0.00	0.00	0.00
6790100 Other Current System A/cs	0.00	0.00	0.00	0.00
6790000 Other Current Assets (System r	0.00	0.00	0.00	0.00
7310111 Miscellaneous Deposits (Surve	0.00	756,322.60	0.00	528,487.80
7310100 General Deposits Items	0.00	756,322.60	0.00	528,487.80
7310000 Deposits	0.00	756,322.60	0.00	528,487.80
7320001 PAYE	0.00	0.00	0.00	0.00
7320002 NHIF	0.00	0.00	0.00	0.00
7320003 House Rent	0.00	0.00	0.00	0.00
7320006 NSSF	0.00	0.00	0.00	0.00
7320007 Co-operatives	0.00	0.00	0.00	0.00
7320008 Insurances	0.00	0.00	0.00	0.00
7320012 Staff Welfare Associations	0.00	0.00	0.00	0.00
7320013 HELB Deductions	0.00	0.00	0.00	0.00
7320017 Govt. Liability Attachments	0.00	0.00	0.00	0.00
7320018 Salary Control Account	0.00	0.00	0.00	0.00
7320000 Other Liabilities	0.00	0.00	0.00	0.00
7320101 PAYE	0.00	0.00	0.00	0.00
7320102 NHIF	0.00	0.00	0.00	0.00
7320103 House Rent	0.00	0.00	0.00	0.00
7320106 NSSF	0.00	0.00	0.00	0.00
7320107 Co-operatives	0.00	0.00	0.00	0.00
7320108 Insurances	0.00	0.00	0.00	0.00
7320112 Staff Welfare Associations	0.00	0.00	0.00	0.00
7320113 HELB Deductions	0.00	0.00	0.00	0.00
7320115 Save As You Earn (SAYE)	0.00	0.00	0.00	0.00
7320116 Mortgages / Bank Loans	0.00	0.00	0.00	0.00
7320118 Provident Fund	0.00	0.00	0.00	0.00
7320123 Civil Service Housing Fund	0.00	0.00	0.00	0.00
7320199 Salary Control Account	0.00	0.00	0.00	0.00
7320100 Salary Deductions	0.00	0.00	0.00	0.00
7320201 Contractors Retention Money	0.00	2,560,061.55	0.00	2,560,061.55
7320200 Other General Liabilities	0.00	2,560,061.55	0.00	2,560,061.55
7320000 Other Liabilities	0.00	2,560,061.55	0.00	2,560,061.55
7380101 General Withholding Tax	0.00	0.00	0.00	0.00
7380102 VAT Withholding	0.00	0.00	0.00	0.00
7380100	0.00	0.00	0.00	0.00



Account No and Description	Current Period		Previous period	
	Debit	Credit	Debit	Credit
7380000 Withholding Taxes	0.00	0.00	0.00	0.00
7390101 Inventory AP Accrual	0.00	0.00	0.00	0.00
7390103 AP Liabilities	0.00	337,600.00	0.00	0.00
7390100 System Required Liabilities	0.00	337,600.00	0.00	0.00
7399999 Cash Clearing A/c	0.00	0.00	0.00	0.00
7399900	0.00	0.00	0.00	0.00
7390000 System Required Liabilities A/c's	0.00	337,600.00	0.00	0.00
9910101 Provision for Encumbrance	0.00	0.00	0.00	0.00
9910100 General Provisions	0.00	0.00	0.00	0.00
9910201 Exchequer Releases/ Provisioning Account	0.00	951,537,260.00	0.00	441,537,260.00
9910209 Remittances to Exchequer Miscellaneous Revenue	46,530,817.35	0.00	35,668,574.65	0.00
9910200 Exchequer Provisions	46,530,817.40	951,537,260.00	35,668,574.65	441,537,260.00
9910000 Provisions	46,530,817.40	951,537,260.00	35,668,574.65	441,537,260.00
9990101 Opening Balance Bank	0.00	64,872,141.05	0.00	64,872,141.05
9990100 Opening Balance Bank	0.00	64,872,141.10	0.00	64,872,141.05
9990201 Opening Balance Cash	0.00	392,236.00	0.00	392,236.00
9990200 Opening Balance Cash	0.00	392,236.00	0.00	392,236.00
9990301 Opening Balance Receivables - Imprest and Clearance Accounts	0.00	657,769.00	0.00	657,769.00
9990300 Opening Balance Receivables - Imprest and Clearance Accounts	0.00	657,769.00	0.00	657,769.00
9990401 Opening Balance - Deposits	2,493,091.70	0.00	2,493,091.70	0.00
9990400 Opening Balance - Deposits	2,493,091.70	0.00	2,493,091.70	0.00
9999998 Vote Control Account	0.00	395,962,740.00	0.00	395,962,740.00
9999999 Consolidated Fund	854,679,356.00	0.00	368,815,914.70	0.00
9999900	854,679,356.00	395,962,740.00	368,815,914.70	395,962,740.00
9990000 Opening Balance Reserves	857,172,448.00	461,884,886.00	371,309,006.40	461,884,886.05
Total	1,417,493,730.20	1,417,493,730.20	906,510,695.40	906,510,695.40

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

Prepared By: _____ Date: _____
Reviewed By: _____ Date: _____
Approved By: _____ Date: _____





Trial Balance

Entity: 2121-Controller of Budget
 Current Period: JUL-16 To JUN-17
 Compare With: JUL-15 To JUN-16

Account No and Description	Current Period		Previous period	
	Debit Kshs	Credit Kshs	Debit Kshs	Credit Kshs
1420600 Receipts from Sale of Incidental Goods	0.00	0.00	0.00	0.00
1420000 Sales of Goods and Services	0.00	0.00	0.00	0.00
2110100 Basic Salaries - Permanent Employees	168,309,526.00	0.00	148,691,616.55	0.00
2110200 Basic Wages - Temporary Employees	72,163.00	0.00	0.00	0.00
2110300 Personal Allowances paid as part of Salary	71,675,323.60	0.00	65,266,060.60	0.00
2110000 Wages and Salary Contributions	240,057,013.00	0.00	213,957,677.15	0.00
2120100 Employer Contributions to Compulsory National Social Security Schemes	229,200.00	0.00	220,000.00	0.00
2120000 Social Contributions	229,200.00	0.00	220,000.00	0.00
2210100 Utilities, Supplies and Services	10,460.00	0.00	454,828.80	0.00
2210200 Communication, Supplies and Services	10,277,745.20	0.00	9,174,535.20	0.00
2210300 Domestic Travel and Subsistence, and Other Transportation Costs	14,886,718.00	0.00	19,397,714.40	0.00
2210400 Foreign Travel and Subsistence, and other transportation costs	3,722,775.00	0.00	2,478,888.00	0.00
2210500 Printing, Advertising and Information Supplies and Services	62,128,980.30	0.00	56,452,800.00	0.00
2210600 Rentals of Produced Assets	1,850,340.00	0.00	1,833,600.00	0.00
2210700 Training Expenses	15,898,038.40	0.00	15,401,888.00	0.00
2210800 Hospitality Supplies and Services	12,807,349.00	0.00	9,833,460.25	0.00
2210900 Insurance Costs	34,849,059.70	0.00	32,058,760.80	0.00
2211000 Specialised Materials and Supplies	1,711,681.00	0.00	1,050,894.00	0.00
2211100 Office and General Supplies and Services	7,764,750.60	0.00	8,432,644.40	0.00
2211200 Fuel Oil and Lubricants	3,629,465.00	0.00	3,683,741.00	0.00
2211300 Other Operating Expenses	5,704,065.00	0.00	9,081,543.80	0.00
2210000 Goods and Services	175,241,427.00	0.00	169,335,298.65	0.00
2220100 Routine Maintenance - Vehicles	4,551,963.00	0.00	4,253,800.05	0.00
2220200 Routine Maintenance - Other Assets	1,567,807.90	0.00	1,645,290.00	0.00
2220000 Routine Maintenance	6,119,770.90	0.00	5,899,090.05	0.00
2710100 Government Pension and Retirement Benefits	62,146,709.60	0.00	85,334,303.40	0.00
2710000 Social Security Benefits	62,146,709.60	0.00	85,334,303.40	0.00
3110300 Refurbishment of Buildings	328,200.00	0.00	1,999,800.00	0.00
3111000 Purchase of Office Furniture and General Equipment	4,996,694.80	0.00	7,032,499.00	0.00
3111100 Purchase of Specialised Plant, Equipment and Machinery	4,294,191.20	0.00	2,084,773.05	0.00
3110000 Acquisition of Fixed Capital Assets	9,619,086.00	0.00	11,117,072.05	0.00
6520100 Treasury Bank Accounts	0.00	0.00	0.00	0.00
6520000 Treasury Bank Accounts (Exchequer and CRF Accounts)	0.00	0.00	0.00	0.00
6530100 Recurrent Bank Accounts	16,243,460.30	0.00	9,901,987.70	0.00
6530000 Recurrent Bank Accounts	16,243,460.30	0.00	9,901,987.70	0.00
6550100 Deposit Bank Accounts	3,316,384.15	0.00	3,088,549.35	0.00
6550000 Deposit Bank Account	3,316,384.15	0.00	3,088,549.35	0.00
6580100 Cash in Hand	342,137.00	0.00	377,255.00	0.00
6580000 Cash in Hand	342,137.00	0.00	377,255.00	0.00
6710100 Debtors & Advances - Employees	0.00	0.00	0.00	0.00
6710000 Domestic Debtors & Advances	0.00	0.00	0.00	0.00
6740100 Other Debtors & Pre-payments	137,677.40	417,600.00	281,881.00	0.00
6740000 Other Debtors &	137,677.40	417,600.00	281,881.00	0.00



Account No and Description	Current Period		Previous period	
	Debit	Credit	Debit	Credit
Pre-payments				
6760100 Imprests	337,600.00	0.00	20,000.00	0.00
6760000 Government Imprests	337,600.00	0.00	20,000.00	0.00
6790100 Other Current System A/cs	0.00	0.00	0.00	0.00
6790000 Other Current Assets (System r	0.00	0.00	0.00	0.00
7310100 General Deposits Items	0.00	756,322.60	0.00	528,487.80
7310000 Deposits	0.00	756,322.60	0.00	528,487.80
7320000 Other Liabilities	0.00	0.00	0.00	0.00
7320100 Salary Deductions	0.00	0.00	0.00	0.00
7320200 Other General Liabilities	0.00	2,560,061.55	0.00	2,560,061.55
7320000 Other Liabilities	0.00	2,560,061.55	0.00	2,560,061.55
7380100	0.00	0.00	0.00	0.00
7380000 Withholding Taxes	0.00	0.00	0.00	0.00
7390100 System Required Liabilities	0.00	337,600.00	0.00	0.00
7399900	0.00	0.00	0.00	0.00
7390000 System Required Liabilities A/cs	0.00	337,600.00	0.00	0.00
9910100 General Provisions	0.00	0.00	0.00	0.00
9910200 Exchequer Provisions	46,530,817.40	951,537,260.00	35,668,574.65	441,537,260.00
9910000 Provisions	46,530,817.40	951,537,260.00	35,668,574.65	441,537,260.00
9990100 Opening Balance Bank	0.00	64,872,141.10	0.00	64,872,141.05
9990200 Opening Balance Cash	0.00	392,236.00	0.00	392,236.00
9990300 Opening Balance Receivables - Imprest and Clearance Accounts	0.00	657,769.00	0.00	657,769.00
9990400 Opening Balance - Deposits	2,493,091.70	0.00	2,493,091.70	0.00
9999900	854,679,356.00	395,962,740.00	368,815,914.70	395,962,740.00
9990000 Opening Balance Reserves	857,172,448.00	461,884,886.00	371,309,006.40	461,884,886.05
Total	500,300,113.70	500,300,113.70	1,370,825,235.45	1,370,825,235.45

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

Prepared By: _____ Date: _____
Reviewed By: _____ Date: _____
Approved By: _____ Date: _____



**Trial Balance**

Entity: 2121-Controller of Budget

Current Period: JUL-16 To JUN-17

Compare With: JUL-15 To JUN-16

Account No and Description	Current Period		Previous period	
	Debit Kshs	Credit Kshs	Debit Kshs	Credit Kshs
1420000 Sales of Goods and Services	0.00	0.00	0.00	0.00
2110000 Wages and Salary Contributions	240,057,013.00	0.00	213,957,677.15	0.00
2120000 Social Contributions	229,200.00	0.00	220,000.00	0.00
2210000 Goods and Services	175,241,427.00	0.00	169,335,298.65	0.00
2220000 Routine Maintenance	6,119,770.90	0.00	5,899,090.05	0.00
2710000 Social Security Benefits	62,146,709.60	0.00	85,334,303.40	0.00
3110000 Acquisition of Fixed Capital Assets	9,619,086.00	0.00	11,117,072.05	0.00
6520000 Treasury Bank Accounts (Exchequer and CRF Accounts)	0.00	0.00	0.00	0.00
6530000 Recurrent Bank Accounts	16,243,460.30	0.00	9,901,987.70	0.00
6550000 Deposit Bank Account	3,316,384.15	0.00	3,088,549.35	0.00
6580000 Cash in Hand	342,137.00	0.00	377,255.00	0.00
6710000 Domestic Debtors & Advances	0.00	0.00	0.00	0.00
6740000 Other Debtors & Pre-payments	137,677.40	417,600.00	281,881.00	0.00
6760000 Government Imprests	337,600.00	0.00	20,000.00	0.00
6790000 Other Current Assets (System r	0.00	0.00	0.00	0.00
7310000 Deposits	0.00	756,322.60	0.00	528,487.80
7320000 Other Liabilities	0.00	2,560,061.55	0.00	2,560,061.55
7380000 Withholding Taxes	0.00	0.00	0.00	0.00
7390000 System Required Liabilities A/cs	0.00	337,600.00	0.00	0.00
9910000 Provisions	46,530,817.40	951,537,260.00	35,668,574.65	441,537,260.00
9990000 Opening Balance Reserves	857,172,448.00	461,884,886.00	371,309,006.40	461,884,886.05
Total	500,300,113.70	500,300,113.70	1,370,825,235.45	1,370,825,235.45

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

Prepared By: _____

Date: _____

Reviewed By: _____

Date: _____

Approved By: _____

Date: _____



**STATEMENT OF RECEIPTS AND PAYMENTS**

Entity: 2121-Controller of Budget

Current Period: JUL-16 To JUN-17

Compare With: JUL-15 To JUN-16

	Note	Current Period	Previous Period
RECEIPTS			
Tax Receipts	1	0.00	0.00
Social Security Contribution	2	0.00	0.00
Proceeds from Domestic and Foreign Grants	3	0.00	0.00
Exchequer releases	4	510,000,000.00	496,000,000.00
Transfers from Other Government Entities	5	0.00	0.00
Proceeds from Domestic Borrowings	6	0.00	0.00
Proceeds from Foreign Borrowings	7	0.00	0.00
Proceeds from Sales of Assets	8	0.00	0.00
Reimbursements and Refunds	9	0.00	0.00
Returns of Equity Holdings	10	0.00	0.00
Other Receipts	11	0.00	0.00
TOTAL RECEIPTS		510,000,000.00	496,000,000.00
PAYMENTS			
Compensation of Employees	12	240,286,212.80	214,177,677.15
Use of goods and Services	13	181,361,198.00	175,234,388.70
Subsidies	14	0.00	0.00
Transfers to Other Government Units	15	10,862,242.70	35,668,574.65
Other Grants and Transfers	16	0.00	0.00
Social Security Benefits	17	62,146,709.55	85,334,303.40
Acquisition of Assets	18	9,619,086.00	11,117,072.05
Finance Costs, including Loan Interest	19	0.00	0.00
Repayment of Principal on Domestic and Foreign Borrowing	20	0.00	0.00
Other payments	21	0.00	0.00
TOTAL PAYMENTS		504,275,449.05	521,532,015.95
SURPLUS/DEFICIT		5,724,550.95	(25,532,015.95)

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

Prepared By: _____

Date: _____

Reviewed By: _____

Date: _____

Approved By: _____

Date: _____





Statement of Financial Position
Entity: 2124 Controller of Budget
Current Period: JUL-16 To JUN-17
Compare With: JUL-15 To JUN-16

	Note	Current Period	Previous Period
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	22A	19,559,844.40	12,990,537.05
Cash Balances	22B	342,137.00	377,255.00
Total Cash And Cash Equivalents		19,901,981.40	13,367,792.05
Accounts Receivables - Outstanding Imprest and Clearence Accounts	23	57,677.40	301,881.00
TOTAL FINANCIAL ASSETS		19,959,658.80	13,669,673.05
Financial Liabilities			
Accounts Payables - Deposits	24	3,653,984.15	3,088,549.35
NET FINANCIAL ASSETS		16,305,674.65	10,581,123.70
REPRESENTED BY			
Fund Balance b/fwd	25	10,581,123.70	36,113,139.65
Surplus/Deficit for the Year		5,724,550.95	(25,532,015.95)
NET FINANCIAL POSITION		16,305,674.65	10,581,123.70

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

Prepared By: _____	Date: _____
Reviewed By: _____	Date: _____
Approved By: _____	Date: _____





STATEMENT OF CASH FLOW
 Entity: 2121 Controller of Budget
 Current Period: JUL-15 TO JUN-17
 Compare With: JUL-15 TO JUN-15

	Note	Current Period Kshs	Previous Period Kshs
Receipts and operating income			
Tax Receipts	1	0.00	0.00
Social Security Contribution	2	0.00	0.00
Proceeds from Domestic and Foreign Grants	3	0.00	0.00
Exchequer releases	4	510,000,000.00	496,000,000.00
Transfers from Other Government Entities	5	0.00	0.00
Reimbursements and Refunds	9	0.00	0.00
Returns of Equity Holdings	10	0.00	0.00
Other Receipts	11	0.00	0.00
Payments for Operating Expenses			
Compensation of Employees	12	240,286,212.80	214,177,677.15
Use of goods and Services	13	181,361,198.00	175,234,388.70
Subsidies	14	0.00	0.00
Transfers to Other Government Units	15	10,862,242.70	35,668,574.65
Other Grants and Transfers	16	0.00	0.00
Social Security Benefits	17	62,146,709.55	85,334,303.40
Finance Costs, including Loan Interest	19	0.00	0.00
Other payments	21	0.00	0.00
Adjusted for:			
Adjustments during the year		500,638.40	(7,1728.10)
Net Cash From Operating Activities	A	16,153,275.35	(15,156,672.00)
Cash Flow From Investing Activities			
Proceeds from Sales of Assets	8	0.00	0.00
Acquisition of Assets	18	9,619,086.00	11,117,072.05
Net Cash Flow From Investing Activities	B	(9,619,086.00)	(11,117,072.05)
Cash Flow From Borrowing Activities			
Proceeds from Domestic Borrowings	6	0.00	0.00
Proceeds from Foreign Borrowings	7	0.00	0.00
Repayment of Principal on Domestic and Foreign Borrowing	20	0.00	0.00
Net Cash Flow From Financing Activities	C	0.00	0.00
NET INCREASE IN CASH AND CASH EQUIVALENT	A+B+C	6,534,189.35	(26,273,744.05)
Cash and Cash Equivalent at BEGINNING of The Year		13,367,792.05	39,641,536.10
Cash and Cash Equivalent at END of The Year	22A+22B	19,901,981.40	13,367,792.05

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

Prepared By: _____

Date: _____

Reviewed By: _____

Date: _____

Approved By: _____

Date: _____



**NOTES TO THE FINANCIAL STATEMENTS**

Entity: 2121-Controller of Budget

Current Period: JUL-16 To JUN-17

Compare With: JUL-15 To JUN-16

1 Tax Receipts

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

2 Social Security Contribution

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

3 Proceeds from Domestic and Foreign Grants

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

4 Exchequer releases

Item Description	Item Code	Current Period	Previous Period
		Kshs	Kshs
Exchequer Releases/ Provisioning Account	9910201	510,000,000.00	496,000,000.00
TOTAL		510,000,000.00	496,000,000.00

5 Transfers from Other Government Entities

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

6 Proceeds from Domestic Borrowings

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

7 Proceeds from Foreign Borrowings



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

8 Proceeds from Sales of Assets

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

9 Reimbursements and Refunds

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



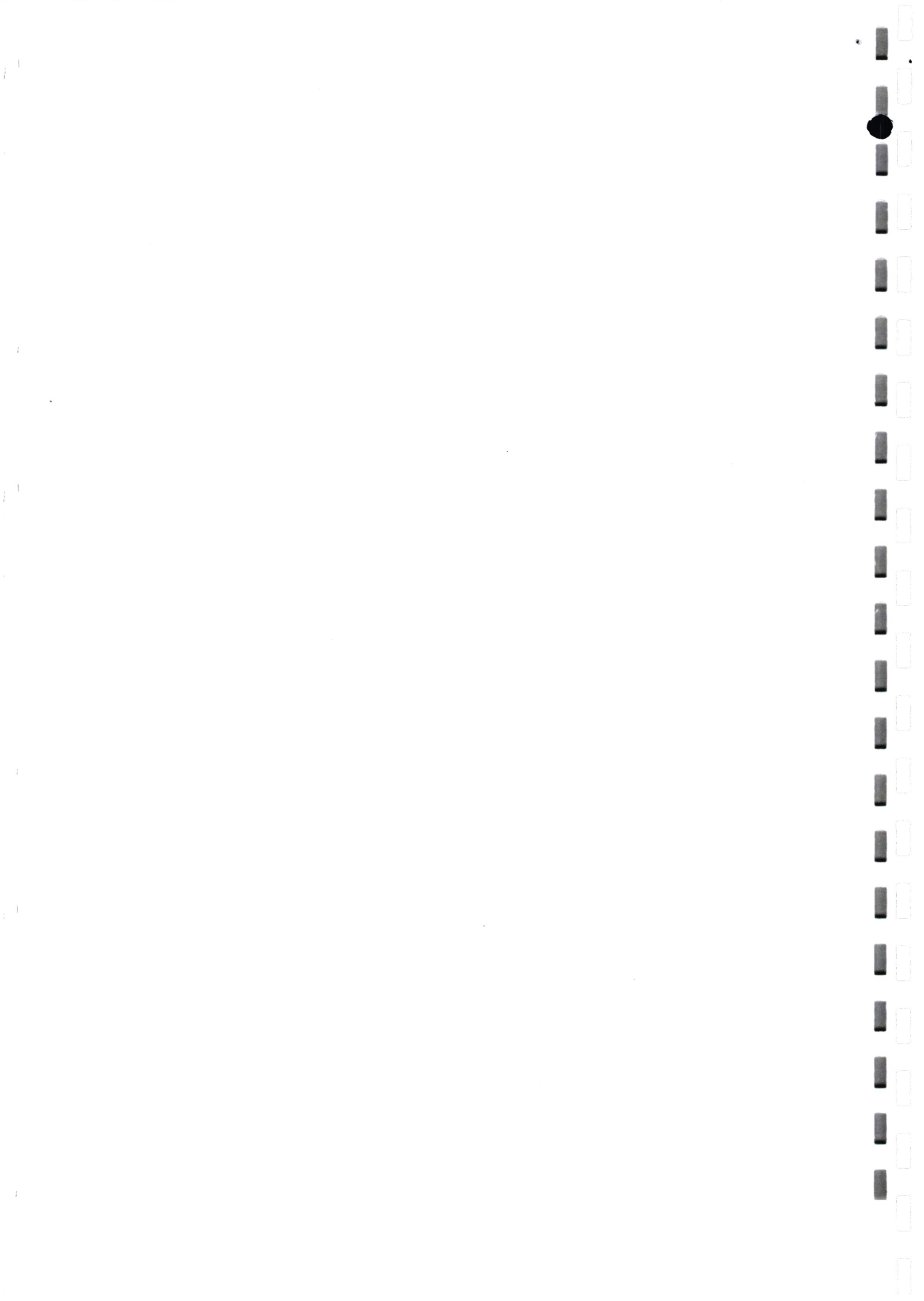
Item Description	Item Code	Current Period	Previous Period
Reimbursement from Local Government Authorities	4540106	0.00	0.00
Reimbursement from Statutory Organizations	4540107	0.00	0.00
Reimbursement within Central Government	4540108	0.00	0.00
Reimbursement Using Bonds	4540109	0.00	0.00
Reimbursements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

10 Returns of Equity Holdings

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

11 Other Receipts

Item Description	Item Code	Current Period	Previous Period
		Kshs	Kshs
Interest Received	1410100	0.00	0.00
Profits and Dividends	1410200	0.00	0.00
Withdrawals from Income of Quasi-corporations	1410300	0.00	0.00
Rents on land, houses and buildings	1410400	0.00	0.00
Other Property Income collected as AIA	1410500	0.00	0.00
Sales of Market Establishment	1420100	0.00	0.00
Administrative Fees and Charges	1420200	0.00	0.00
Administrative Fees and Charges collected as AIA	1420300	0.00	0.00
Incidental Sales by Non-Market Establishments	1420400	0.00	0.00
Incidental Sales by Non-Market Establishments Collected as AIA	1420500	0.00	0.00
Receipts from Sale of Incidental Goods	1420600	0.00	0.00
Fines, Penalties, Forfeitures and other Charges	1430100	0.00	0.00
Current Grants from International NGOs paid through Exchequer	1440100	0.00	0.00
Capital Grants from International NGOs paid through Exchequer	1440200	0.00	0.00
Current Grants from International NGOs collected as AIA	1440300	0.00	0.00
Capital Grants from International NGOs collected as AIA	1440400	0.00	0.00
Other Voluntary Transfers for Current purposes	1440500	0.00	0.00
Other Voluntary Transfers for Capital purposes	1440600	0.00	0.00
Paid to Exchequer	1450100	0.00	0.00
Receipts Not Classified Elsewhere	1450200	0.00	0.00
	1510200	0.00	0.00
	1510300	0.00	0.00
	1520100	0.00	0.00
Business Permits	1520200	0.00	0.00
Cesses	1520300	0.00	0.00
Poll Rates	1520400	0.00	0.00
Plot Rents	1520500	0.00	0.00
Other Local Levies	1520600	0.00	0.00
Administrative Services Fees	1530100	0.00	0.00
Various Fees	1530200	0.00	0.00
Council'S Natural Resources Exploitation	1530300	0.00	0.00
Sales Of Council Assets	1530400	0.00	0.00
Lease / Rental Of Council'S Infrastructure Assets	1530500	0.00	0.00
Other Miscellaneous Revenues	1530600	0.00	0.00
Other Miscellaneous Revenues	1540100	0.00	0.00
Insurance Claims Recovery	1540200	0.00	0.00
Medium Term Loans (1-3 Yr Repayment)	1540300	0.00	0.00
Long Term Loans (Over 3 Yr Rpayment)	1540400	0.00	0.00
Transfers From Reserve Funds	1540500	0.00	0.00
Donations	1540600	0.00	0.00
Fund Raising Events	1540700	0.00	0.00
Other Revenues From Financial Assets Loan	1540800	0.00	0.00
	1541000	0.00	0.00
Market/Trade Centre Fee	1550100	0.00	0.00
Vehicle Parking Fees	1550200	0.00	0.00
Housing	1560100	0.00	0.00
Social Premises Use Charges	1560200	0.00	0.00
School Fees	1570100	0.00	0.00
Other Education-Related Fees	1570200	0.00	0.00
Other Education Revenues	1570300	0.00	0.00
Public Health Services	1580100	0.00	0.00
Public Health Facilities Operations	1580200	0.00	0.00



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

12 Compensation of Employees

Item Description	Item Code	Current Period	Previous Period
		Kshs	Kshs
Basic Salaries - Permanent Employees	2110100	168,309,526.20	148,691,616.55
Basic Wages - Temporary Employees	2110200	72,163.00	0.00
Personal Allowances paid as part of Salary	2110300	71,675,323.60	65,266,060.60
Personal Allowances paid as Reimbursements	2110400	0.00	0.00
Personal Allowances provided in Kind	2110500	0.00	0.00
Employer Contributions to Compulsory National Social Security Schemes	2120100	229,200.00	220,000.00
Employer Contributions to Compulsory Health Insurance Schemes	2120200	0.00	0.00
USE OF GOODS AND SERVICES	2120300	0.00	0.00
TOTAL		240,286,212.80	214,177,677.15

13 Use of goods and Services

Item Description	Item Code	Current Period	Previous Period
		Kshs	Kshs
Utilities, Supplies and Services	2210100	10,460.00	454,828.80
Communication, Supplies and Services	2210200	10,277,745.20	9,174,535.20
Domestic Travel and Subsistence, and Other Transportation Costs	2210300	14,886,718.00	19,397,714.40
Foreign Travel and Subsistence, and other transportation costs	2210400	3,722,775.00	2,478,888.00
Printing, Advertising and Information Supplies and Services	2210500	62,128,980.25	56,452,800.00
Rentals of Produced Assets	2210600	1,850,340.00	1,833,600.00
Training Expenses	2210700	15,898,038.40	15,401,888.00
Hospitality Supplies and Servi	2210800	12,807,349.00	9,833,460.25
Insurance Costs	2210900	34,849,059.65	32,058,760.80
Specialised Materials and Supp	2211000	1,711,681.00	1,050,894.00
Office and General Supplies and Services	2211100	7,764,750.60	8,432,644.40
Fuel Oil and Lubricants	2211200	3,629,465.00	3,683,741.00
Other Operating Expenses	2211300	5,704,065.00	9,081,543.80
Routine Maintenance - Vehicles	2220100	4,551,963.00	4,253,800.05
Routine Maintenance - Other Assets	2220200	1,567,807.90	1,645,290.00
Exchange Rate Losses	2230100	0.00	0.00
TOTAL		181,361,198.00	175,234,388.70

14 Subsidies

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

15 Transfers to Other Government Units

Item Description	Item Code	Current Period	Previous Period
		Kshs	Kshs
Current Grants to Government Agencies and other Levels of Government	2630100	0.00	0.00
Capital Grants to Government Agencies and other Levels of Government	2630200	0.00	0.00
Other Current Transfers, Grants and Subsidies	2640400	0.00	0.00
Other Capital Grants and Trans	2640500	0.00	0.00
Exchequer Provisions	9910200	10,862,242.70	35,668,574.65
County Transfers	9910300	0.00	0.00
TOTAL		10,862,242.70	35,668,574.65



16 Other Grants and Transfers

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

17 Social Security Benefits

Item Description	Item Code	Current Period	Previous Period
		Kshs	Kshs
Government Pension and Retirement Benefits	2710100	62,146,709.55	85,334,303.40
Social Security Benefits	2710200	0.00	0.00
Employer Social Benefits	2710300	0.00	0.00
Refund of Pension to UK Government	2720100	0.00	0.00
	2720200	0.00	0.00
TOTAL		62,146,709.55	85,334,303.40

18 Acquisition of Assets

Item Description	Item Code	Current Period	Previous Period
		Kshs	Kshs
Purchase of Buildings	3110100	0.00	0.00
Construction of Building	3110200	0.00	0.00
Refurbishment of Buildings	3110300	328,200.00	1,999,800.00
Construction of Roads	3110400	0.00	0.00
Construction and Civil Works	3110500	0.00	0.00
Overhaul and Refurbishment of Construction and Civil Works	3110600	0.00	0.00
Purchase of Vehicles and Other Transport Equipment	3110700	0.00	0.00
Overhaul of Vehicles and Other Transport Equipment	3110800	0.00	0.00
Purchase of Household Furniture and Institutional Equipment	3110900	0.00	0.00
Purchase of Office Furniture and General Equipment	3111000	4,996,694.80	7,032,499.00
Purchase of Specialised Plant, Equipment and Machinery	3111100	4,294,191.20	2,084,773.05
Rehabilitation and Renovation of Plant, Machinery and Equipment	3111200	0.00	0.00
Purchase of Certified Seeds, Breeding Stock and Live Animals	3111300	0.00	0.00
Research, Feasibility Studies, Project Preparation and Design, Project Supervision	3111400	0.00	0.00
Rehabilitation of Civil Works	3111500	0.00	0.00
Purchase of Specialised Plant	3112200	0.00	0.00
Acquisition of Strategic Stocks	3120100	0.00	0.00
Acquisition of Other Inventori	3120200	0.00	0.00
Acquisition of Land	3130100	0.00	0.00
Acquisition of Other Intangible Assets	3130200	0.00	0.00
Domestic Lending and On-lending	4110000	0.00	0.00
Domestic Equity Participation	4120000	0.00	0.00
Other Domestic Accounts Receivable	4130000	0.00	0.00
Foreign Lending and On- Lending	4140000	0.00	0.00
Foreign Equity Participation	4150000	0.00	0.00
Other Foreign Accounts Receivable	4160000	0.00	0.00
TOTAL		9,619,086.00	11,117,072.05

19 Finance Costs, including Loan Interest

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

20 Repayment of Principal on Domestic and Foreign Borrowing



Item Description	Item Code	Current Period	Previous Period
		Kshs	Kshs
Repayments on Borrowings from Domestic	5510000	0.00	0.00
Repayments on Borrowings from General Government	5510100	0.00	0.00
Repayments on Borrowings from Monetary Authorities (Central Bank)	5510200	0.00	0.00
Repayments on Borrowings from Other Domestic Depository Corporations (Commercial Banks)	5510300	0.00	0.00
Repayments on Borrowings from Other Domestic Financial Institutions	5510400	0.00	0.00
Repayments on Borrowings from Other Domestic Creditors	5510500	0.00	0.00
Principal Repayments on Foreign Borrowing	5510600	0.00	0.00
Principal Repayments on Guaranteed Debt Taken over by Government	5520000	0.00	0.00
Principal Repayments on Guaranteed Domestic Debt Taken over by Government	5520100	0.00	0.00
Principal Repayments on Guaranteed Foreign Debt Taken over by Government	5520200	0.00	0.00
Repayments on Borrowings from Other Domestic Creditors	5610000	0.00	0.00
Repayments on Borrowings from Other Domestic Creditors - Private Enterprises	5610500	0.00	0.00
	5620000	0.00	0.00
Repayments on Borrowings from Other Domestic Creditors - Public Enterprises	5620100	0.00	0.00
TOTAL		0.00	0.00

21 Other payments

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

22A Bank Balances

Item Description	Item Code	Current Period	Previous Period
		Kshs	Kshs
Special Accounts	6510000	0.00	0.00
Treasury Bank Accounts (Exchequer and CRF Accounts)	6520000	0.00	0.00
Recurrent Bank Accounts	6530000	16,243,460.25	9,901,987.70
Development Bank Accounts	6540000	0.00	0.00
Deposit Bank Account	6550000	3,316,384.15	3,088,549.35
Project Specific Bank Accounts	6570000	0.00	0.00
Foreign Currency and Foreign D	6590101	0.00	0.00
TOTAL		19,559,844.40	12,990,537.05

22B Cash Balances

Item Description	Item Code	Current Period	Previous Period
		Kshs	Kshs
Cash in Hand	6580000	342,137.00	377,255.00
Foreign Currency and Foreign D	6590201	0.00	0.00
TOTAL		342,137.00	377,255.00

23 Accounts Receivables - Outstanding Imprest and Clearance Accounts

Item Description	Item Code	Current Period	Previous Period
		Kshs	Kshs
Domestic Debtors & Advances	6710000	0.00	0.00
Debtors & Advances - Govt Owne	6720000	0.00	0.00
Foreign Debtors & Advances	6730000	0.00	0.00
Other Debtors & Pre-payments	6740000	(279,922.60)	281,881.00
Government Imprests	6760000	337,600.00	20,000.00
Agency Accounts	6770000	0.00	0.00



Item Description	Item Code	Current Period	Previous Period
Suspense & Clearance Account	6780000	0.00	0.00
Other Current Assets (System r	6790000	0.00	0.00
TOTAL		57,677.40	301,881.00

24. ACCOUNTS PAYABLE

Item Description	Item code	Current Period	Previous Period
		Kshs	Kshs
Other Liabilities	7320000	2,560,061.55	2,560,061.55
Deposits	7310000	756,322.60	528,487.80
Withholding Taxes	7380000	0.00	0.00
System Required Liabilities A/cs	7390000	337,600.00	0.00
TOTAL		3,653,984.15	3,088,549.35

25. FUND BALANCES BROUGHT FORWARD

Item Description	Item Code	Current Period	Previous Period
		Kshs	Kshs
Opening Balance Bank	22A	12,990,537.05	39,271,391.10
Opening Balance Cash	22B	377,255.00	370,145.00
Opening Balance Receivables - Imprest and Clearance Accounts	23	301,881.00	469,825.00
Opening Balance - Deposits	24	(3,088,549.35)	(3,998,221.45)
TOTAL		10,581,123.70	36,113,139.65



REPUBLIC OF KENYA
BANK RECONCILIATION

From Date : 01-JUL-16 To : 30-JUN-17

CBK165-CONTROLLER OF BUDGET

Bank : Central Bank of Kenya , Branch : Haile Selassie , Account Number : 1000182628

Balance as per bank certificate	
Less --	
1. Payment in Cash Book not yet recorded in Bank Statement (Unpresented Cheques)	
2. Receipts in Bank Statement not yet recorded in Cash Book	
Add --	
3. Payment in Bank Statement not yet recorded in Cash Book	
4. Receipts in Cash Book not yet Recorded in Bank Statement	
Bank Balance as per Cash Book	0.00

Reconciled by: Signature: Date:

Reviewed by : Signature: Date:

Approved by: Signature: Date:

REPUBLIC OF KENYA
BANK RECONCILIATION

From Date : 01-JUL-16 To : 30-JUN-17

CBK165-CONTROLLER OF BUDGET

Bank : Central Bank of Kenya , Branch : Haile Selassie , Account Number : 1000182628

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

REPUBLIC OF KENYA
BANK RECONCILIATION
CONTROLLER OF BUDGET

From Date : 01-JUL-16 To : 01-JUN-17

DEP-CONTROLLER OF BUDGET

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

Balance as per bank certificate 3,316,384.15

Less --

1. Payment in Cash Book not yet recorded in Bank Statement
(Unpresented Cheques)

2. Receipts in Bank Statement not yet recorded in Cash Book

Add --

3. Payment in Bank Statement not yet recorded in Cash Book

4. Receipts in Cash Book not yet Recorded in Bank Statement

Bank Balance as per Cash Book 3,316,384.15

Reconciled by: Signature: Date:

Reviewed by : Signature: Date:

Approved by: Signature: Date:

F.O. 30

BANK RECONCILIATION
 CONTROLLER OF BUDGET

From Date : 01-JUL-16 To : 01-JUN-17

DEP-CONTROLLER OF BUDGET

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

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

F.O. 30

REPUBLIC OF KENYA
BANK RECONCILIATION
CONTROLLER OF BUDGET

From Date : 01-JUL-16 To : 30-JUN-17

REC-CONTROLLER OF BUDGET

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

Balance as per bank certificate	16,243,460.25
Less --	
1. Payment in Cash Book not yet recorded in Bank Statement (Unpresented Cheques)	
2. Receipts in Bank Statement not yet recorded in Cash Book	
Add --	
3. Payment in Bank Statement not yet recorded in Cash Book	52,140.40
4. Receipts in Cash Book not yet Recorded in Bank Statement	
Bank Balance as per Cash Book	16,295,600.65

Reconciled by: Signature: Date:

Reviewed by : Signature: Date:

Approved by: Signature: Date:

F.O. 30

BANK RECONCILIATION
CONTROLLER OF BUDGET

From Date : 01-JUL-16 To : 30-JUN-17

REC-CONTROLLER OF BUDGET

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

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

Cheque		Payee	Amount
No	Date		
			Total

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

Receipts		Amount
No	Date	
		Total

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

Cheque		Amount
No	Date	
1010069	30-JUN-17	8,400.00
1009947	30-JUN-17	43,740.40
		Total

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

Receipts		Amount
No	Date	
FT17118RJ4DC	28-APR-17	
		Total



Statement of Budget Execution
 Entity: 2121-Controller of Budget
 Current Period: JUL-16 To JUN-17

	Note	Printed Estimate a	Reallocation / Transfer b	Supplementary Estimates c	Final Approved Estimate (Net) D=a+b+c	Actual e	Budget Utilization Differences f=d-e	% of Utilization g=e/d%
RECEIPTS								
Tax Receipts	1	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
Social Security Contribution	2	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
Proceeds from Domestic and Foreign Grants	3	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
Exchequer releases	4	0.00	0.00	0.00	0.00	510,000,000.00	(510,000,000.00)	0.00%
Transfers from Other Government Entities	5	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
Proceeds from Domestic Borrowings	6	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
Proceeds from Foreign Borrowings	7	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
Proceeds from Sales of Assets	8	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
Reimbursements and Refunds	9	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
Returns of Equity Holdings	10	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
Other Receipts	11	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
Total		0.00	0.00	0.00	0.00	510,000,000.00	(510,000,000.00)	0.00%
PAYMENTS								
Compensation of Employees	12	276,579,850.00	0.00	(33,842,360.00)	242,737,490.00	240,286,212.80	2,451,277.20	98.99%
Use of goods and Services	13	215,755,486.00	0.00	(13,271,980.00)	202,483,506.00	181,361,198.00	21,122,308.00	89.57%
Subsidies	14	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
Transfers to Other Government Units	15	0.00	0.00	0.00	0.00	10,862,242.70	(10,862,242.70)	0.00%
Other Grants and Transfers	16	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
Social Security Benefits	17	48,832,114.00	0.00	13,441,386.00	62,273,500.00	62,146,709.55	126,790.45	99.80%
Acquisition of Assets	18	20,102,400.00	0.00	(6,422,105.00)	13,680,295.00	9,619,086.00	4,061,209.00	70.31%
Finance Costs, including Loan Interest	19	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
Repayment of Principal on Domestic and Foreign Borrowing	20	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
Other payments	21	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
Total		561,269,850.00	0.00	(40,095,059.00)	521,174,791.00	504,275,449.05	56,994,400.95	89.85%





Statement of Budget Execution
Entity: 2121-Controller of Budget
Current Period: JUL-16 To JUN-17

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

Prepared By:

Date:

Reviewed By:

Date:

Approved By:

Date:







Budget Execution By Programmes and Sub-Programmes

Entity: 2121-Controller of Budget

Period: JUL-16 To JUN-17

Program	Sub Program	Description	Approved Budget	Actual Payments	Variance
000000000		Default - Non Programmatic	0.00	0.00	0.00
	000000000	Default - Non Programmatic	0.00	0.00	0.00
073000000		Control and Management of Public finances	521,174,791.00	493,413,206.35	27,761,584.65
	0730010000	Authorization of withdrawal from public Funds	185,143,528.00	175,249,733.70	9,893,794.30
	0730020000	Budget implementation and Monitoring	34,287,546.00	33,434,863.00	852,683.00
	0730030000	General Administration Planning and Support Services	286,335,436.00	270,670,888.65	15,664,747.35
	0730040000	Research & Development.	15,408,281.00	14,057,921.00	1,350,360.00
T000000			521,174,791.00	493,413,206.35	27,761,584.65
	T0000		521,174,791.00	493,413,206.35	27,761,584.65
		Grand Total	1,042,349,582.00	986,826,412.70	55,523,169.30

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

Prepared By: _____

Date: _____

Reviewed By: _____

Date: _____

Approved By: _____

Date: _____





Budget Execution by Programme and Economic Classification

Entity: 2121-Controller of Budget

Period: JUL-16 To JUN-17

Program	Item	Description	Approved Budget	Actual Payments	Variance
0000000000		Default - Non Programmatic	0.00	0.00	0.00
	2990000	System Required Expense A/cs	0.00	0.00	0.00
0730000000		Control and Management of Public finances	521,174,791.00	493,413,206.35	27,761,584.65
	2110000	Wages and Salary Contributions	242,451,490.00	240,057,012.80	2,394,477.20
	2120000	Social Contributions	286,000.00	229,200.00	56,800.00
	2210000	Goods and Services	194,147,768.00	175,241,427.10	18,906,340.90
	2220000	Routine Maintenance	8,335,738.00	6,119,770.90	2,215,967.10
	2710000	Social Security Benefits	62,273,500.00	62,146,709.55	126,790.45
	3110000	Acquisition of Fixed Capital Assets	13,680,295.00	9,619,086.00	4,061,209.00
T000000			521,174,791.00	493,413,206.35	27,761,584.65
	2110000	Wages and Salary Contributions	242,451,490.00	240,057,012.80	2,394,477.20
	2120000	Social Contributions	286,000.00	229,200.00	56,800.00
	2210000	Goods and Services	194,147,768.00	175,241,427.10	18,906,340.90
	2220000	Routine Maintenance	8,335,738.00	6,119,770.90	2,215,967.10
	2710000	Social Security Benefits	62,273,500.00	62,146,709.55	126,790.45
	2990000	System Required Expense A/cs	0.00	0.00	0.00
	3110000	Acquisition of Fixed Capital Assets	13,680,295.00	9,619,086.00	4,061,209.00
		Grand Total	1,042,349,582.00	986,826,412.70	55,523,169.30

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

Prepared By: _____

Date: _____

Reviewed By: _____

Date: _____

Approved By: _____

Date: _____





Budget Execution by Heads and Programmes

Entity: 2121-Controller of Budget

Period: JUL-16 To JUN-17

Head	Program	Description	Approved Budget	Actual Payments	Variance
0000000000		Default Value (Non-Departmental)	0.00	0.00	0.00
	0000000000	Default - Non Programmatic	0.00	0.00	0.00
2121000100		Administration Support Services	286,335,436.00	270,670,688.65	15,664,747.35
	0730000000	Control and Management of Public finances	286,335,436.00	270,670,688.65	15,664,747.35
2121000200		Research and Planning	15,408,281.00	14,057,921.00	1,350,360.00
	0730000000	Control and Management of Public finances	15,408,281.00	14,057,921.00	1,350,360.00
2121000300		Budget Review and Analysis	34,287,546.00	33,434,863.00	852,683.00
	0730000000	Control and Management of Public finances	34,287,546.00	33,434,863.00	852,683.00
2121000400		County Services	185,143,528.00	175,249,733.70	9,893,794.30
	0730000000	Control and Management of Public finances	185,143,528.00	175,249,733.70	9,893,794.30
Grand Total			521,174,791.00	493,413,206.35	27,761,584.65

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

Prepared By: _____

Date: _____

Reviewed By: _____

Date: _____

Approved By: _____

Date: _____

