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House by the  
Leader of the  
Majority Party  
on Wednesday

7<sup>th</sup> June 2017  
(Afternoon)

**REPORT**

**OF**

**THE AUDITOR-GENERAL**

**ON**

**THE FINANCIAL STATEMENTS OF  
COUNCIL OF GOVERNORS  
SECRETARIAT**

**FOR THE YEAR ENDED  
30 JUNE 2016**



COUNCIL OF GOVERNORS

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**COUNCIL OF GOVERNORS SECRETARIAT**

**REPORTS AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED  
JUNE 30, 2016**

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

**COUNCIL OF GOVERNORS SECRETARIAT**  
**Reports and Financial Statements**  
**For the year ended June 30, 2016 (Kshs)**

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**THE EXECUTIVE COMMITTEE**

**Chairman Council of Governors**



**H.E. Peter Munya**  
**Governor Meru County**

**Vice Chairman Council of Governors**



**H. E. John Mruttu**  
**Governor Taita Taveta County**

**Whip Council of Governors**



**H. E. Ukur Yatani**  
**Governor Marsabit County**



**THE MANAGEMENT TEAM**  
**CEO Council of Governors**



Jacqueline Mogeni  
*Masters International studies*

**Administrator**



Festus Omariba  
*Bachelor of Commerce*

**Director Programmes**



Judy Oduma  
*Master of Arts International Studies*

**Chief Accountant**



Julius Ndenge  
*CPA (K), BCOM, MBA (Finance)*

**Head of Finance**



Eunice Fedha  
*Bachelor of Commerce (Accounting)*



**I. KEY ENTITY INFORMATION AND MANAGEMENT**

**(a) Background information**

The Council of Governors was established under section 19 of the Intergovernmental Relations Act (2012) with the mandate to provide a mechanism for consultation amongst county governments, share information on performance of the counties in execution of their functions, facilitate capacity building for governors and consider reports from other intergovernmental forums on national and county interests amongst other functions

The Council of Governors has a governing body as provided for under Section 19 of the Intergovernmental Act consisting of the Chairman, Deputy Chairman, co-opted the position of whip and Eighteen Committees

**(b) Fiduciary Management**

The key management personnel who held office during the financial year ended 30<sup>th</sup> June 2016 and who had direct fiduciary responsibility were:

<b>No.</b>	<b>Designation</b>	<b>Name</b>
1.	Chief Executive Officer	Jacqueline Mogeni
2.	Administrator	Festus Morara
3.	Director of Programmes	Judy Oduma
4.	Head of Finance & Accounts	Eunice Daritsu Fedha

**(c) Fiduciary Oversight Arrangements**

The Council's day-to-day management is under the following key committees:

- i. Rules and Business Committee
- ii. Legal Affairs and Human Rights Committee,
- iii. Energy, Roads and Transport Committee,
- iv. Finance, Commerce and Economic Affairs Committee,
- v. Education and ICT Committee,
- vi. Human Resource, Labour and Social Welfare Committee,
- vii. Health,
- viii. Agriculture and Land Committee,
- ix. Foreign Affairs Committee,
- x. Security Committee,
- xi. Arid and Semi-Arid Lands Committee,
- xii. Water, Mining & Natural Resource Committee,
- xiii. Resource mobilization Committee,



- xiv. Youth, Sports, Gender and Culture Committee,
- xv. Media, Liaison and Communications,
- xvi. Trade and Investments,
- xvii. Urban Development Committee and
- xviii. Intergovernmental Relations Committee

**(d) Entity Headquarters**

P.O. Box 4040-00100  
Delta House - Westlands,  
Waiyaki way  
Nairobi, KENYA

**(e) Entity Contacts**

Telephone: (254) 20 221 4359  
E-mail: [info@cog.go.ke](mailto:info@cog.go.ke)  
Website: [www.cog.go.ke](http://www.cog.go.ke)

**(f) Entity Bankers**

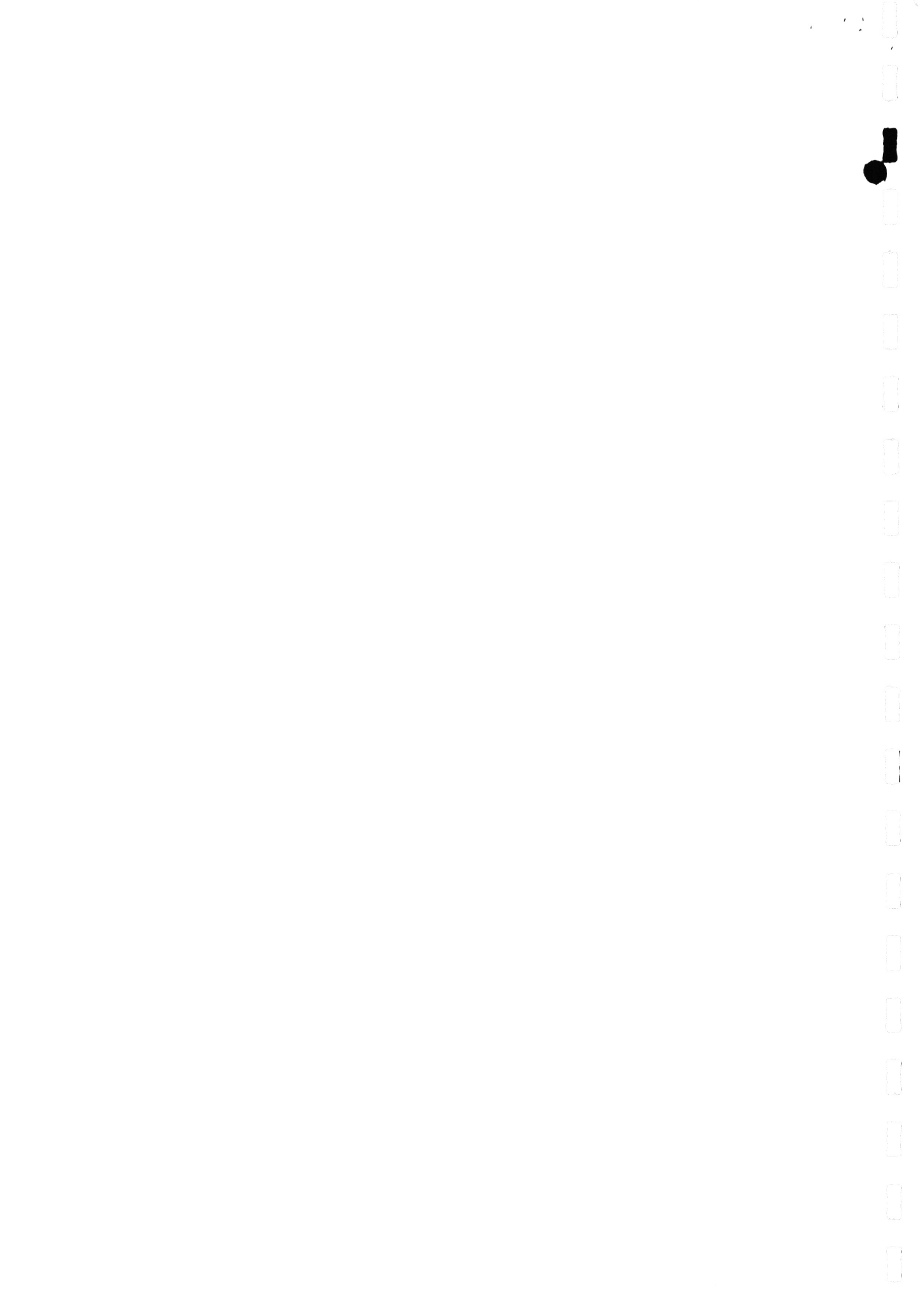
Co-operative Bank of Kenya  
Parliament road  
P.O. Box 5772  
City Square 00200  
Nairobi, Kenya

Kenya Commercial Bank Ltd  
Sarit Centre Branch  
P.O.Box 48400, 00100  
Nairobi, Kenya

National Bank of Kenya  
Westlands Branch  
P.O. Box 1613-00606  
Nairobi

**(g) Independent Auditors**

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



**FOREWORD BY THE CHAIRMAN**

The Intergovernmental Relations Act 2012 (IGRA) established institutions that would promote cooperation and mutual relations between the two levels of government. I am honored for the second year now being 2015/2016 to have chaired one of such bodies- the Council of Governors (the Council), a creation of Section 19 of the IGRA.

The transition period has provided an opportunity to translate the ideals and goals in the Constitution and laws into a reality. While there has been considerable progress with the implementation, varying factors have influenced the nature and pace of implementation of devolved governance. These include the previous political governance culture that is recalcitrant to the governance culture, the nascent capacities of national and county institutions, general inadequacy of resources, vagueness of legal and policy frameworks, among other factors.

The formal transition period to county governance came to an end in March 2016 and was marked with the exit of the Commission for the Implementation of the Constitution (CIC) and the Transition Authority (TA). Evidently, a majority of efforts and resources were over the last four years dedicated to animating devolution structures, institutions and processes in order to ensure that essential structures and systems are in place for the implementation of devolution. New institutions, structures and systems put in place to augment the devolved structure of government are gradually taking their place and role in the implementation of devolution. The early fruits of these are evidenced by the positive indicators of increase in the delivery of essential services across the sectors

Despite that, the Council of Governors has continued to celebrate its accomplishments in this third year. I am aware that the greatest of these is that the Council has contributed significantly to the progress of our transition to a fully devolved system. This could not be achieved without the support of all players in the devolution sector.



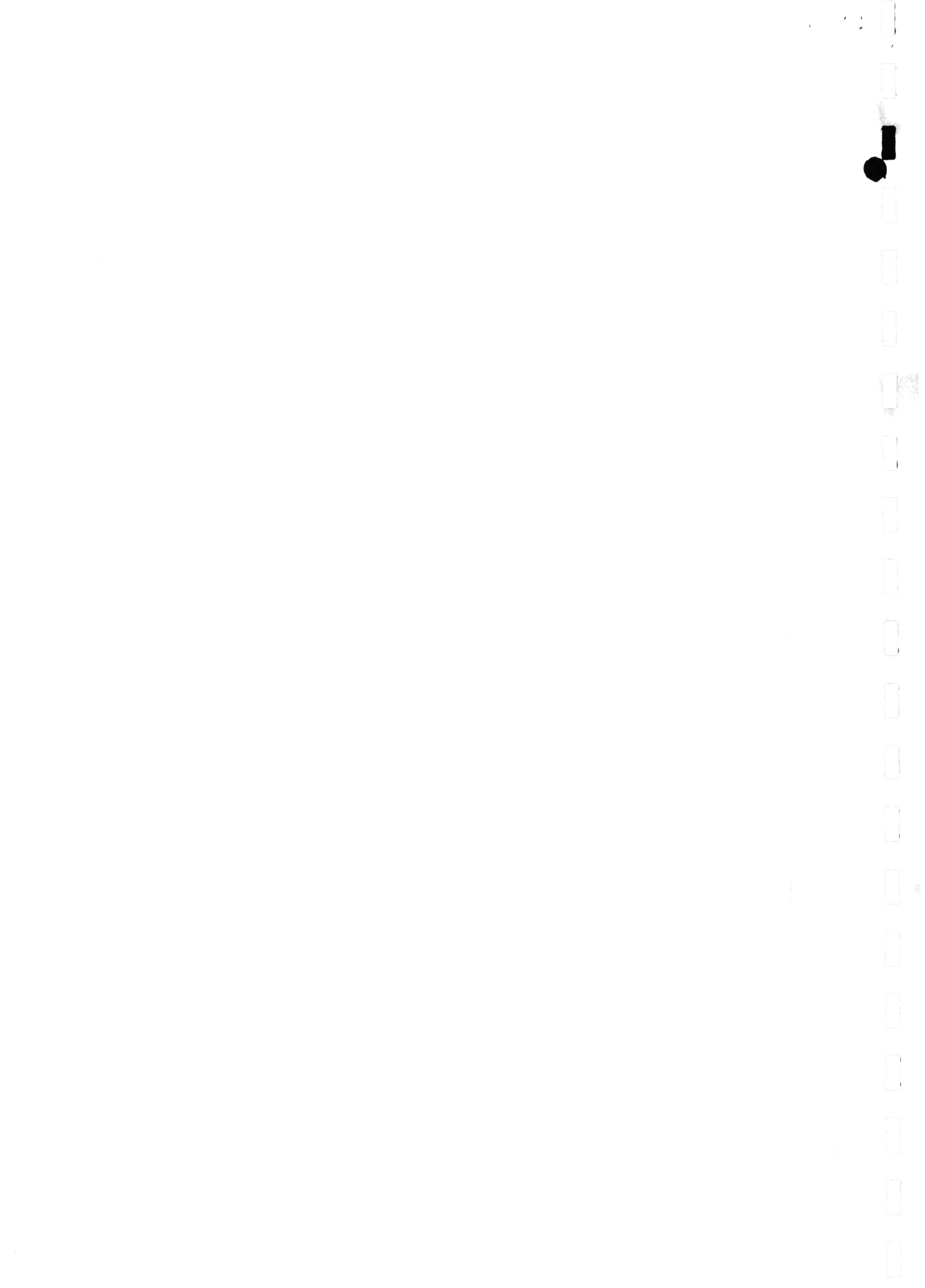
During the reporting period, the Council continued to play its key role of promoting intergovernmental relations by establishing beneficial and strategic linkages between County Governments and the National Government's ministries, departments and agencies, parliament and the private sector including civil society. This multifaceted approach has provided a platform for policy and legislative collaboration, and importantly, the Council has been able to step up confidently and assert itself as a leader and custodian of devolution.

The Council has managed to regularly bring together the Governors to discuss issues of mutual interest and find consensus on the same. The country has heard us speak in one voice on critical matters, including matters of health, human resource, and disbursement of funds to Counties, legislation of interest to County Governments and transfer of functions. Through our Committees, we have been able to share best practices, promote cohesiveness amongst Counties and address key service delivery concerns.

The Council managed to usher in a new Executive Committee, the Vice- Chairman. It is my hope that with the unwavering support of my fellow colleague Governors, the team will continue to steer the Council as the authoritative institution it has been known to be on all matters devolution. On partnerships, I would like to acknowledge the continued support of development partners to our work, both in the Counties and at our Secretariat. They have been valuable, offering both technical and operational assistance and in the year under review, they have consistently stood with us. The National Treasury and the Ministry of Devolution and Planning, State Department of Devolution have been of great support. I would like to thank the Counties that contributed faithfully to ensure the Council fulfills its mandate.



**H. E. Peter Munya**  
**Chairman, Council of Governors**



## **FOREWORD BY THE CHIEF EXECUTIVE OFFICER**

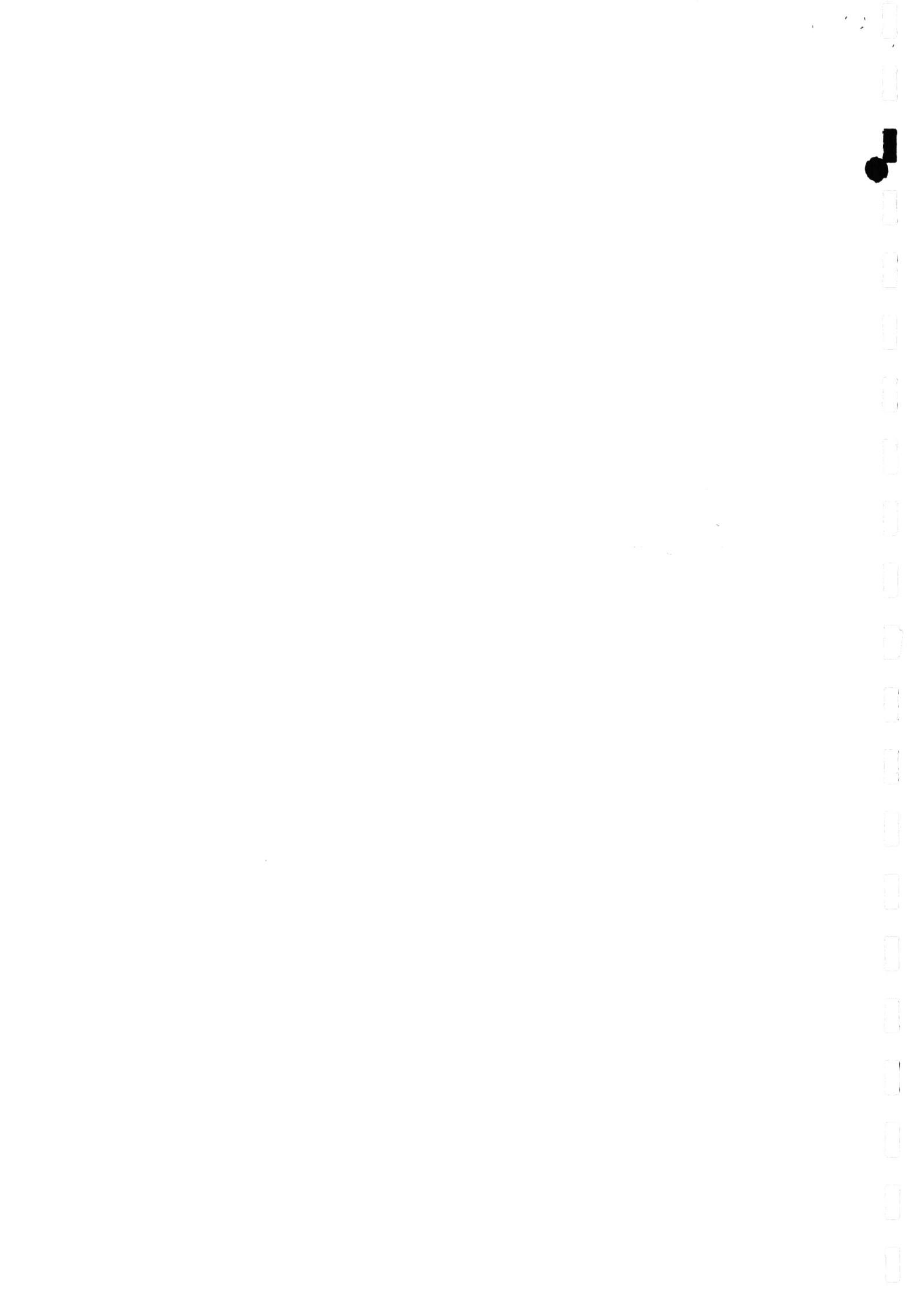
The Council of Governors (CoG) continues to grow in an effort to fulfil its constitutional and statutory mandate. The period under review, (July 2015-June 2016) has been both challenging and productive for the Council of Governors. This report gives a picture of the efforts made and results achieved by the CoG against these challenges during the transition period.

The financial report provides a short historical overview of the financial year 2015/2016 and also sets out the key activities undertaken by the Council of Governors in supporting the 47 Governors achieve their collective mandate. The progress reported here is, therefore, a culmination of the efforts of many individuals and stakeholders who provided their expertise and capacity in support of the work of the Council.

During the 2015/2016 Financial Year, the Council did receive an allocation of Ksh.30.5M and a further KSh.77M from the supplementary budget of 2015/2016 out of which the Council of Governors received a transfer of Ksh.64M from the State Department of Devolution, the balance of KSh.13M has not been made as the year closed.

Some of the key achievements included;

- a. Facilitation of mutual exchange fora on other devolved governments and organizations-Colombia (ORU FOGAR), USA (National Governor Association), Nigeria (Nigeria Governors Forum), Indonesia, Ethiopia among others, has led to learning of applicable practices on Devolution.
- b. Establishment of the Maarifa Centre - knowledge and learning centre leading to sharing of best practices on devolution and information sharing among counties.
- c. The holding of Quarterly Sectoral Meetings among the County Executive Committee members and high level meetings involving Governors.
- d. Drafting of County Model Bills.
- e. The devolution conference has been held for three successive years in Kwale County in 2014, Kisumu County in 2015 and Meru County in 2016 leading to



**COUNCIL OF GOVERNORS SECRETARIAT**  
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adoption of resolutions which have led to elaborate engagement with key stakeholders in Devolution and enhanced intergovernmental relations.

- f. In the same period, the CoG Secretariat obtained development partners' support from the following institutions for technical staff through donor partners; UNDP, AHADI, IDLO, DAI and other seconded staff from County Governments and National Government leading to efficient coordination of the CoG activities.

As a secretariat, we are committed to ensuring that the CoG continues to undertake its mandate. We appreciate the support from all Counties in ensuring that the secretariat is functional and able to provide the much needed support to fulfil its legal mandate as elaborated in Section 20 of the Intergovernmental Relations Act.

Signed:



**Chief Executive Officer**



**I. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES**

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

The Accounting Officer in charge of the Council of Governors Secretariat 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 Council of Governors secretariat for and as at the end of the financial year ended on June 30, 2016.

This responsibility includes:

- (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period;
- (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the 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 Council of Governors secretariat
- (v) Selecting and applying appropriate accounting policies; and
- (vi) Making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the Council of Governors Secretariat 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 Council of Governors secretariat's financial statements give a true and fair view of the state of secretariat's transactions during the financial year ended June 30, 2016, and of the financial position as at that date. The Accounting Officer in charge of the



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**COUNCIL OF GOVERNORS SECRETARIAT**  
**Reports and Financial Statements**  
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Council of Governors Secretariat further confirms the completeness of the accounting records maintained for the Council of Governors secretariat, which have been relied upon in the preparation of the Council of Governors secretariat financial statements as well as the adequacy of the systems of internal financial control.

The Accounting Officer in charge of the Council of Governors Secretariat confirms that the entity has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the Council of Governors secretariat financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

**Approval of the financial statements**

The Council of Governors secretariat financial statements were approved and signed by the Accounting Officer on 30<sup>th</sup> September 2016.



Chief Executive Officer



Chief Accountant

# REPUBLIC OF KENYA

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P.O. Box 30084-00100  
NAIROBI

## OFFICE OF THE AUDITOR-GENERAL

### REPORT OF THE AUDITOR-GENERAL ON COUNCIL OF GOVERNORS SECRETARIAT FOR THE YEAR ENDED 30 JUNE 2016

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#### REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of the Council of Governors Secretariat set out on pages 1 to 14, which comprise the statement of assets as at 30 June 2016, and the statement of receipts and payments, statement of comparative budget and actual amounts and statement of cash flows 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.

#### **Management's Responsibility for the Financial Statements**

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

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

#### **Auditor-General's Responsibility**

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

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

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*Report of the Auditor-General on the Financial Statements of Council of Governor Secretariat for the year ended 30 June 2016*

are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Secretariat's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

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

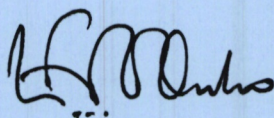
### **Basis for Qualified Opinion**

#### **Compensation of Employees**

As reflected in the statement of financial performance and disclosed under Note 3, the Council of Governors Secretariat staff were paid an amount of Kshs.29,422,841 in respect of salaries, wages and personal allowances for the year ended 30 June 2016. The payments were based on salaries and remuneration structure approved by the Council of Governors but without advice of Salaries and Remuneration Commission contrary to the provisions of Article 230(4)(b) of the Constitution of Kenya. Consequently, I cannot confirm that the amount of Kshs.29,422,841 was applied lawfully as required under Article 229(6) of the Constitution.

#### **Qualified Opinion**

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Council of Governors Secretariat as at 30 June 2016, and of its financial performance and its cash flows for the year then ended, in accordance with the International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012.



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

**Nairobi**

**05 May 2017**

**COUNCIL OF GOVERNORS SECRETARIAT**  
**Reports and Financial Statements**  
**For the year ended June 30, 2016 (Kshs')**

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**STATEMENT OF RECEIPTS AND PAYMENTS**

	Note	2015-2016 Kshs	2014-2015 kshs
<b>RECEIPTS</b>			
Transfer from Government entities	2	587,212,435	588,354,372
Proceeds From domestic and foreign grants	1	41,459,691	56,414,769
Grant from Ministry of Devolution	2	94,728,686	122,500,000
Grants for SymbioCity Project		111,127,457	
Donations In-kind	8	67,093,870	
<b>TOTAL RECEIPTS</b>		<b>901,622,139</b>	<b>767,269,141</b>
<b>PAYMENTS</b>			
Compensation of Employees	3	29,422,841	22,910,226
Use of goods and services	4	587,427,855	581,351,554
Acquisition of non-Financial assets	5	50,187,929	88,508,640
Payments In-kind		67,093,870	
<b>TOTAL PAYMENTS</b>		<b>734,132,495</b>	<b>692,770,420</b>
<b>SURPLUS/DEFICIT</b>		<b>167,489,644</b>	<b>74,498,721</b>

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 30<sup>th</sup> September, 2016 and signed by:



Chief Executive Officer



Chief Accountant



**COUNCIL OF GOVERNORS SECRETARIAT**  
**Reports and Financial Statements**  
**For the year ended June 30, 2016 (Kshs')**

**II. STATEMENT OF ASSETS**

	Note	2015-2016 Kshs	2014-2015 Ksh
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances	6	407,350,354	239,746,095
Cash Balances	7	384,637	499,252
<b>TOTAL FINANCIAL ASSETS</b>		<u>407,734,991</u>	<u>240,245,347</u>
<b>REPRESENTED BY</b>			
Fund balance b/fwd.		240,245,347	165,746,626
Surplus/Deficit for the year		167,489,644	74,498,721
Prior year adjustments			
<b>NET FINANCIAL POSITION</b>		<u>407,734,991</u>	<u>240,245,347</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 30<sup>th</sup> September, 2016 and signed by:

Chief Executive Officer

Chief Accountant



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**III. STATEMENT OF CASHFLOW**

	2015-2016		2014-2015
	Notes	ksh	Ksh
<b>Receipts for operating income</b>			
Transfer From County Governments	2	587,212,435	588,354,372
Proceeds From domestic & foreign grants	1	41,459,691	56,414,769
Grant from Ministry of Devolution		94,728,686	122,500,000
SymbioCity Project		111,127,457	
<b>Payments for operating expenses</b>			
Compensation of Employees		(29,422,841)	(22,910,226)
Use of goods and services	4	(587,427,855)	(581,351,554)
<b>Adjusted for:</b>			
Adjustments during the year			
<b>Net cash flow from operating activities</b>		<b>217,677,573</b>	<b>163,007,362</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Assets		-	
Acquisition of Assets	3	50,187,929	88,508,640
<b>Net cash flows from Investing Activities</b>		<b>50,187,929</b>	<b>88,508,640</b>
<b>CASHFLOW FROM BORROWING ACTIVITIES</b>			
Proceeds from Domestic Borrowings		-	
Domestic Currency and Domestic Deposits		-	
<b>Net cash flow from financing activities</b>			
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>		<b>167,489,644</b>	<b>74,498,721</b>
Cash and cash equivalent at BEGINNING of the year		240,245,347	165,746,626
Cash and cash equivalent at END of the year		407,734,991	240,245,347

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 30<sup>th</sup> September, 2016 and signed by:

Chief Executive Officer

Chief Accountant



**COUNCIL OF GOVERNORS SECRETARIAT**  
**Reports and Financial Statements**  
**For the year ended June 30, 2016 (Kshs')**

**1. STATEMENT OF COMPARATIVE BUDGET AND ACTUAL AMOUNTS**

Receipts/Payments Item	Original Budget	Final Budget	Actual on Comparable Basis	Variance	% of Variance
	a	c=a+b	D	e=d-c	f=e/c %
<b>Receipts</b>					
Transfer from Government entities	587,500,000	587,500,000	587,212,435	287,565	0%
Proceeds from domestic and foreign grants			41,459,691	(41,459,691)	100%
Grants from Ministry of Devolution	378,188,749	378,188,749	205,856,143	172,332,606	46%
<b>Total Receipts</b>	<b>965,688,749</b>	<b>965,688,749</b>	<b>834,412,569</b>	<b>131,160,480</b>	<b>11%</b>
<b>Payments</b>					
Compensation of employees	102,303,600	102,303,600	29,422,841	72,880,759	71%
Purchase of goods and services	781,508,149	781,508,149	587,427,855	194,080,294	30%
Social security benefits					
Acquisition of non-financial assets	81,877,000	81,877,000	50,187,929	31,689,071	40%
Transfers to other government entities					
Other payments					
<b>Total Payments</b>	<b>965,688,749</b>	<b>965,688,749</b>	<b>667,038,625</b>	<b>298,650,124</b>	

Explanations to the statement of comparative budget and actual amount is provided in Annex 1

  
 Chief Executive Officer

  
 Chief Accountant



#### **IV. SIGNIFICANT ACCOUNTING POLICIES**

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

##### **1. Statement of compliance and basis of preparation**

The financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS) with particular emphasis on Cash Basis Financial Reporting under the Cash Basis of Accounting. 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 Council of Governors secretariat. 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. The cash basis of accounting recognises transactions and events only when cash is received or paid by the Council of Governors secretariat.

##### **2. Recognition of revenue and expenses**

The Council of Governors secretariat recognises all revenues from the various sources when the event occurs and the related cash has actually been received by the Council of Governors secretariat. In addition, the Council of Governors secretariat recognises all expenses when the event occurs and the related cash has actually been paid out by the Council of Governors secretariat.

##### **3. In-kind contributions**

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

##### **4. Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and cash at bank. Bank account balances include amounts held at various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprest and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

**5. 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 Council of Governors secretariat budget was approved as required by Law and as detailed in the Government of Kenya Budget Printed Estimates. A high-level assessment of the Council of Governors secretariat actual performance against the comparable budget for the financial year under review has been included in an annex to these financial statements.

**6. Comparative figures**

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

**7. 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, 2016.



**V. NOTES TO THE FINANCIAL STATEMENTS**

**1 PROCEEDS FROM DOMESTIC AND FOREIGN GRANTS**

Name of Donor	2015 – 2016	2014-2015
	Kshs	Kshs
<b>Grants Received from other Donors</b>		
Kenya Power		26,000,000.00
Devolution Conference Registration and Others	21,171,791	13,838,054.05
Lap Trust	120,000	6,776,715.00
World Vision Africa		5,000,000.00
Transition Authority		1,800,000.00
Delloitte	1,500,000	1,000,000.00
Kenya Revenue Authority		1,000,000.00
Water Board Services		1,000,000.00
Co-operative Bank of Kenya	500,000	
UN-Women-UNDP	8,831,700	
Price Waterhouse	700,000	
Netherland Development Organization	150,000	
SALAR	361,200	
Controller of Budget	180,000	
CRA	50,000	
IDLO	305,000	
UNCEF	1,200,000	
National Bank of Kenya	5,000,000	
Telkom	130,000	
D.T.Dobie	510,000	
UNFPA	500,000	
<b>Jay Letoya</b>	<b>250,000</b>	
<b>Total</b>	<b>41,459,691</b>	<b>56,414,769.05</b>

**2 TRANSFERS FROM OTHER GOVERNMENT ENTITIES**

Description	2015 – 2016	2014 – 2015
	Kshs	Kshs
Grants From Ministry of Devolution	94,728,686	122,500,000
SymbioCity Project	111,127,457	
Transfers from Counties (Annex 2)	587,212,435	588,354,372
<b>TOTAL</b>	<b>793,068,578</b>	<b>710,854,372</b>

**3 COMPENSATION OF EMPLOYEES**

	2015-2016	2014- 2015
	Kshs	Kshs
Basic salaries of permanent employees		
Basic wages of temporary employees	-	
Personal allowances paid as part of salary	29,422,841	22,910,226
Personal allowances paid as reimbursements	-	
<b>Total</b>	<b><u>29,422,841</u></b>	<b><u>22,910,226</u></b>

**4 USE OF GOODS AND SERVICES**

	2015 - 2016	2014-2015
	Kshs	kshs
Rental, Proceeds, Utilities and services	143,973,640.15	137,862,441
Communication, supplies and services	3,661,589.85	5,650,763
Domestic travel and subsistence	52,282,621.35	34,502,340
Foreign travel and subsistence	25,870,623.65	15,971,338
Printing, advertising and information supplies & services	40,097,634.20	69,938,032
Training, Conferences and workshops expenses	144,106,512	89,252,162
Hospitality supplies and services	12,187,917.30	10,152,585
Insurances	2,804,287.40	2,754,213
Specialized materials and services		17,400
Office and general supplies and services		3,308,110
Routine maintenance-vehicles and other transport equipment	5,573,927	2,987,016
Routine maintenance-other assets (Partitioning)	24,493,300.30	109,536,528
Cluster meeting expenses		4,307,431
Donations	1,116,661.10	7,957,295
Legal Fees	131,259,140	87,153,900
<b>Total</b>	<b><u>587,427,855</u></b>	<b><u>581,351,554</u></b>

**5. ACQUISITION OF NON-FINANCIAL ASSETS**

	2015 -2016	2014-2015
	Kshs	
Purchase of vehicles & other transport equipment	23,098,086	17,294,532
Overhaul of vehicles & other transport equipment	-	-
Purchase of computers and Equipment	6,096,085	17,587,758
Purchase of office furniture & general equipment	20,993,758	53,626,350
	<u>50,187,929</u>	<u>88,508,640</u>

**6. Bank Accounts**

Name of Bank, Account No. & currency	Amount in bank account currency	2015 - 2016	2014 - 2015
		Kshs	Kshs
Co-operative Bank of Kenya, Ac No. 0114320133800 (Ksh)	-	169,920,469	123,017,081.45
Co-operative Bank of Kenya, Ac No. 0113420133800 (Ksh)		22,129,219	12,151,778.95
Kenya Commercial Bank Ac. No.01164902318		39,944,523	12,577,234.80
National Bank AC No. 01001113869200		111,127,457	
Cash in Transit		64,228,686	92,000,000
<b>Total</b>		<b>407,350,354</b>	<b>239,746,095</b>

**7. CASH IN HAND**

	2015 - 2016 Kshs	2014-2015 Kshs
Head office	384,637	499,252
<b>Total</b>	<u>384,637</u>	<u>499,252</u>

**8. Donations in Kind**

IN-KIND DONATIONS FROM DEVELOPMENT PARTNERS		
NAME OF INSTITUTION	TYPE OF ASSISTANCE	AMOUNTS
UNDP	The Integrated Programme to Support Devolution is designed to support the implementation of Devolution to achieve improved good governance and socio-economic development in Kenya	39,000,000
IDLO	Support specifically to strengthen the COG capacity for effective implementation of its mandate and generally as part of IDLO's technical assistance to the Constitutional implementation process.	5,240,000
USAID/ AHADI	Improving County Government performance management systems through consultation and technical assistance, strengthen COG's institutional capacity and support the Annual Devolution Conference	22,253,870
Intra Health	Provide Technical Support to the Health Committee of the Council of Governors.	600,000
	Total	<b>67,093,870</b>

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**ANNEX 1 - VARIANCE EXPLANATIONS - COMPARATIVE  
 BUDGET AND ACTUAL AMOUNTS**

	Final Budget	Actual on Comparable Basis	Budget Utilization Variance	% of Utilization on Variance to Final Budget	Comments on Variance
	a	b	c=a-b	d=c/a %	
Transfer from County Governments	587,500,000	587,212,435	287,565	0%	This is attributed to outstanding contributions from counties
Proceeds from domestic and foreign grants		41,459,691	(41,459,691)	100%	This were resources received specifically to support devolution conference
Grants from Ministry of Devolution	378,188,749	94,728,686	283,460,063	30%	National Government allocation did not match the COG proposed budget presented
<b>Payments</b>					
Compensation of employees	102,303,600	29,422,841	72,880,759	30%	Most of the staffs are on secondment from GOK, Counties and Development partners. Gratuity for contract staff not paid.
Purchase of goods and services	781,508,149	587,427,855	194,080,294	30%	Due to liquidity COG was not able to carry out all the planned activities on time
Acquisition of non-financial assets	81,877,000	50,187,929	31,689,071	40%	There was a pending approval for purchase on motor vehicle.

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<b>ANNEX 2. CONTRIBUTIONS FROM COUNTY GOVERNMENTS</b>			
	<b>COUNTIES</b>	<b>2015-2016</b>	<b>2014-2015</b>
1	Baringo County Government	18,117,595.00	10,750,000.00
2	Bomet County Government	20,414,334.00	18,402,522.95
3	Bungoma County Government	12,653,259.00	4,255,630.00
4	Busia County Government	11,750,000.00	1,800,000.00
5	Elgeyo Marakwet County Government	3,405,931.00	6,761,000.00
6	Embu County Government	4,853,723.00	18,500,000.00
7	Garissa County Government	8,000,000.00	12,931,109.00
8	Homa-Bay County Government	9,750,000.00	13,190,000.00
9	Isiolo County Government	5,750,000.00	1,540,000.00
10	Kajiado County Government	9,875,000.00	8,008,680.00
11	Kakamega County Government	16,332,254.00	25,090,000.00
12	Kericho County Government	9,046,578.00	14,034,575.00
13	Kiambu County Government	1,750,000.00	8,422,600.00
14	Kilifi County Government	6,750,000.00	6,807,100.00
15	Kirinyaga County Government	11,590,800.00	8,577,740.00
16	Kisii County Government	9,641,762.00	14,757,222.00
17	Kisumu County Government	34,125,143.00	11,073,289.00
18	Kitui County Government	18,967,320.00	28,960,538.65
19	Kwale County Government	5,398,289.00	18,040,000.00
20	Laikipia County Government	10,800,000.00	1,006,500.00
21	Lamu County Government	16,343,156.00	1,480,275.00
22	Machakos County Government	1,750,000.00	40,000.00
23	Makueni County Government	36,234,171.10	13,280,191.40
24	Mandera County Government	14,596,561.00	15,556,495.00
25	Marsabit County Government	20,163,635.00	19,267,650.00
26	Meru County Government	19,264,616.40	27,214,643.00
27	Migori County Government	23,586,000.00	5,372,857.00
28	Mombasa County Government	6,235,550.00	28,506,828.00
29	Murang'a County Government	6,750,000.00	2,090,000.00
30	Nairobi County	6,750,000.00	90,000.00
31	Nakuru County Government	10,520,825.00	23,032,252.00
32	Nandi County Government	2,300,000.00	5,977,854.00
33	Narok County Government	8,327,511.00	8,789,936.00
34	Nyamira County Government	4,280,167.00	14,679,844.00
35	Nyandarua County Government	3,419,700.00	7,141,184.00



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36	Nyeri Ciounty Government	19,483,527.00	17,556,495.00
37	Samburu County Government	7,847,217.00	2,742,307.00
38	Siaya County Government	4,023,288.00	6,690,275.00
39	Taita-Taveta County Government	14,576,358.00	7,139,394.00
40	Tana River County Government	10,241,770.00	29,012,896.00
41	Tharaka Nithi County Government	11,546,578.00	13,640,000.00
42	Trans-Nzoia County Government	36,983,392.00	11,800,000.00
43	Turkana County Government	16,698,378.00	39,709,409.80
44	Uasin Gishu County Government	1,750,000.00	8,230,605.00
45	Vihiga County Government	23,553,820.00	20,650,880.00
46	Wajir County Government	22,764,227.00	13,750,000.00
47	West Pokot County Government	8,250,000.00	7,690,000.00
	Others		4,313,594.15
	<b>TOTALS</b>	<b>587,212,435</b>	<b>588,354,371.95</b>



**COUNCIL OF GOVERNORS SECRETARIAT**  
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**ANNEX 3 – SUMMARY OF FIXED ASSET REGISTER**

Asset class	Historical Cost (Kshs)	
	2015/16	2014/2015
Land		
Buildings and structures		
Transport equipment	23,098,086	17,294,532
Office equipment, furniture and fittings	20,993,758	53,626,350
ICT Equipment, Software and Other ICT Assets	6,096,085	17,587,758
Other Machinery and Equipment		
Heritage and cultural assets		
Intangible assets		
<b>Total</b>	<b>50,187,929</b>	<b>88,508,640</b>

17. 1914  
18. 1915  
19. 1916  
20. 1917

1917