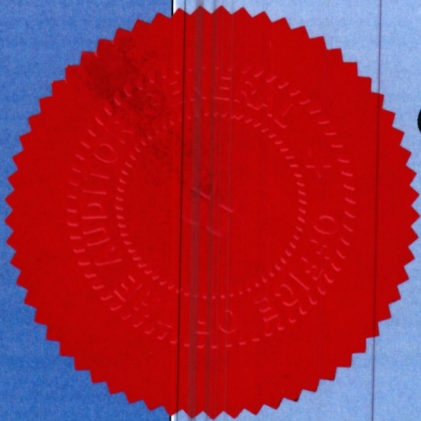
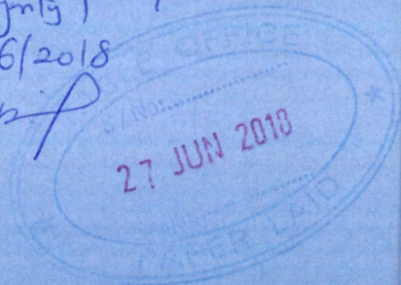


Paper laid by the
Leader of majority party
REPUBLIC OF KENYA

27/6/2018

m.p.f



OFFICE OF THE AUDITOR-GENERAL

PARLIAMENT
OF KENYA
LIBRARY

REPORT

OF

THE AUDITOR-GENERAL

ON

**THE FINANCIAL STATEMENTS OF
STATE DEPARTMENT OF TRADE
(VOTE 1174)**

**FOR THE YEAR ENDED
30 JUNE 2017**

Financial Statements for State Department for Trade



**MINISTRY INDUSTRY, TRADE AND COOPERATIVES
STATE DEPARTMENT FOR TRADE**

REPORTS AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2017**

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

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I. KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background Information

The Ministry of Industry, Trade and Cooperatives was formed through Presidential Executive Order No. 1 of May 2016.

The Ministry is headed by the Cabinet Secretary Mr. Adan Mohamed, EGH who is responsible for the general policy and strategic direction of the Ministry.

The Ministry further consists of three State Departments each administered by a Principal Secretary.

The State Departments under Ministry Industry, Trade and Cooperatives are outlined below;

- (i) The State Department for Industry and Investment administered by Mr. Patrick N. Mwangi, CBS
- (ii) The State Department for Cooperatives administered by Mr. Ali Noor Ismael, CBS
- (iii) The State Department for Trade administered by Dr. Chris Kiptoo, CBS

The accompanying financial statements constitute the financial statements for the State Department for Trade.

The vision, mission, core values and core function of the **State Department for Trade** under **Ministry Industry, Trade and Cooperatives** include:

1.1 Vision

To be a global leader in promoting trade, investment and private sector development

1.2 Mission

To facilitate trade and investment by championing an enabling environment for domestic and export trade to thrive.

1.3 Core Values

- a. **Integrity and Transparency:** The State Department shall be accountable and devoid of corrupt practices in service delivery.
- b. **Team work and productive partnership:** The State Department shall encourage team spirit, collaboration and consultation as a way of maximizing the synergy of working together. This includes fostering collaboration with Focal Points, stakeholders and partners in order to effectively play a central role coordinating Kenya's participation in Trade.
- c. **Innovativeness and Creativity:** The State Department shall be open and proactive in seeking better and more efficient methods of service delivery.
- d. **Professionalism, Commitment and Customer focus:** The State Department shall maintain high professionalism through continuous skills development, training and accountability to enhance customer satisfaction.

- e. **Equity, Fairness and Inclusion:** The State Department shall mainstream gender, youth and special groups' issues in its programmes.
- f. **Sustainability:** The State Department shall adopt global best standards for sustainable Trade practices that uphold ecological integrity, social justice, promote economic development, and respect local cultural values of the people of Kenya.

1.4 Core Functions

The core functions of the State Department for Trade include:

- a. Trade Policy
- b. Buy Kenya Policy
- c. Promotion of Retail and Wholesale Markets
- d. Exports promotion
- e. Fair Trade Practices
- f. Coordination of Regional Trade matters – COMESA, AGOA, IOR – ARC & IGAD
- g. Trade Negotiations and Advisory Services
- h. Enforcement of International Trade Laws, Registrations and Agreements

(b) Key Management

The State Department's day –to-day management is under the following key organs:

State Department for Trade

- i) General Administration, Planning and Support Services
- ii) Department of Internal Trade
- iii) Department of International Trade
- iv) Department of Weights and Measures
- v) Department of Trade Research and Policy
- vi) Kenya Institute of Business Training

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For the year ended June 30, 2017

I. KEY ENTITY INFORMATION AND MANAGEMENT (CONTINUED)

(c) Fiduciary Management

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

No.	Designation	Name
1.	Cabinet Secretary, Ministry of Industry, Trade and Cooperatives	Mr. Adan Mohamed, EGH
2.	Principal Secretary, State Department for Trade	Dr. Chris Kiptoo, CBS
3.	Director, Internal trade	Mrs. Joyce Ongudo
4.	Senior Deputy Secretary, Administration	Mr. Samson Wangusi
5.	Director, Weights and Measures	Mr. Michael Onyancha
6.	Director, Research and Trade Policy	Mr. Eric Ronge
7.	Director, Kenya Institute of Business Training	Mr. Stephen Kirui
8.	Director, Human Resource Management and Development	Mrs. Mary Kariuki
9.	Acting Director, International Trade	Mr. Josiah Rotich
10.	Chief Accountant, Accounts Unit	Ms. Margaret Ngangu
11.	Deputy Chief Finance Officer, Finance Unit	Mr. Ambrose Ongango
12.	Principal Auditor, Audit Unit	Mrs. Rose Kanyuku

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STATE DEPARTMENT FOR TRADE
Reports and Financial Statements
For the year ended June 30, 2017**

**I. KEY ENTITY INFORMATION AND MANAGEMENT (CONTINUED)
Senior Management – State Department for Trade**



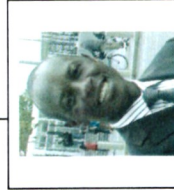
Mr. Adan Mohamed, EGH
Cabinet Secretary, Ministry Industry, Trade and
Cooperatives



Dr. Chris Kiptoo, CBS
Principal Secretary, State Department for Trade



Mrs. Joyce Ogundo,
Director, Internal Trade



Mr. Samson Wangusi,
Senior Deputy Secretary



Mr. Ambrose Ogango
Chief Finance Officer



Mr. Michael Onyancha,
Director, Weights &
Measures



Mr. Stephen Kirui
Director, Kenya Institute of
Business Training (KIBT)



Ms. Margaret V. M. Ngangu,
Chief Accountant.



Mr. Eric Ronge
Director, Research
& Trade Policy



Mr. Joseah Rotich
Ag. Director,
International Trade



Rose Kanyuku
Principal Internal Auditor



Mrs. Mary Kariuki,
Director, Human
Resource Management &
Development

MINISTRY INDUSTRY, TRADE AND COOPERATIVES
STATE DEPARTMENT FOR TRADE
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I. KEY ENTITY INFORMATION AND MANAGEMENT (CONTINUED)

Senior Management – State Department of Trade

 <p>Hon Adan Mohamed, EGH CS Industry, Trade and Cooperatives</p>	<p>Hon. Adan Mohamed is the Cabinet Secretary for Ministry of Industry, Trade and Co-operatives. Prior to this appointment, he was the Chief Administrative Officer for Barclays Africa, with responsibility for ten (10) Barclay’s Bank subsidiaries in Africa. In addition, he was responsible for Brand & Marketing, Corporate Communications and Citizenship across Barclays Africa businesses.</p> <p>Hon. Adan Mohamed is an MBA graduate from Harvard Business School and an alumni of the University of Nairobi, Kenya where he graduated with a First Class Honours degree in Commerce (Accounting option). He is also a Member of the Institute of Chartered Accountants in England and Wales (ICAEW).</p>
 <p>Dr. Chris Kiptoo, CBS Principal Secretary for Trade</p>	<p>Dr Chris Kiptoo is the Principal Secretary for the State Department of Trade in the Ministry of Industry, Trade and Co-operatives.</p> <p>Before his current appointment, Dr Kiptoo worked for three years at TradeMark East Africa’s (TMEA) as the Kenya Country Director. He was appointed to this position beginning December 2012. His main responsibility is to manage and monitor TMEA’s Kenya country programme including; strategy, planning and delivery of expected results in the fields of regional trade, infrastructure development, modern customs systems, and institutional development of Government institutions. Dr Kiptoo is widely credited for having competently grown the Kenya Country Program at TMEA especially the Mombasa Port infrastructure capacity and efficiency improvement</p> <p>Dr Kiptoo holds several qualifications including a Doctor of Philosophy Degree (PhD) - International Macroeconomics Finance Specialization - from the University of Nairobi. He is also an Accredited Fellow of the Macroeconomic & Financial Management Institute of Eastern & Southern Africa (MEFMI), in the field of macroeconomic management. He is also an Associate of Kenya Chartered Institute of Bankers (A.K.I.B).</p>
 <p>Joyce Ogundo Director Internal Trade</p>	<p>Joyce Ogundo is the Director for Internal Trade, a post she has held since October, 2009. She holds Master of Science in Entrepreneurship, from Jomo Kenyatta University of Agriculture and Technology. She is involved in interpretation of Trade policies to draw projects/ activities for promotion and development of trade. She has specifically focused on planning, developing and implementation of trade and investment development and promotion strategies and facilitated implementation of capacity development programmes for Micro, Small and Medium Enterprise sector.</p>

MINISTRY INDUSTRY, TRADE AND COOPERATIVES
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Mr. Samson Wangusi,
 Director of
 Administration.

Mr. Wangusi was employed in 1991 as an Assistant Secretary in the then Ministry of Commerce and Industry. He has worked in various stations as a District Officer rising through the ranks to senior DO1 in Nyeri District. He later transferred to the Central Government where he served as a Senior Assistant Secretary, Ministry of Immigration and Registration of Persons, Undersecretary and later Deputy Secretary in the Ministry of Special Programmes. Mr. Wangusi joined the State Department of Trade in October 2016 as Ag. Director of Administration. The officer has 26 years of experience in Public Service, highly trained both locally and overseas in matters pertaining to Public Administration. He holds a Bachelor's Degree in Arts from the University of Nairobi as well as a Master's Degree in Public Administration from Moi University.



Mary Wanjiru Kariuki,
 Director Human Resource
 Management and
 Development

Mary Wanjiru Kariuki is the Director Human Resource Management and Development. She holds a Masters degree from Esami/Maastricht, a Bachelor of Arts degree from University of Nairobi, post graduate Diploma in Personnel Management from Kenya Polytechnic and a Diploma in Psychological Counselling from Embul bul Counselling and Educational Centre.

She has attended several short Courses, Seminars and Workshops. Has over thirty [30] years experience in Human Resource having started as a Personnel Officer and has climbed the ladder to the current posting. She was instrumental in the implementation of the District Personnel Office in Nyahururu under the District Focus. She has served in various stations and Ministries and among them, Defence, Police, Environment, Agriculture, Commerce and Tourism and Office of the President.



Mr. Michael
 Onyancha, Director
 Weights and measures

Mr. Michael Onyancha currently is, the Director of Weights and Measures Ministry of Industry, Trade and Cooperatives State Department of Trade. He joined Public Service in 1984 as Inspector Trainee in the Ministry of Commerce and Industry rising through ranks to the current position. He holds Bachelor of Education (Hons) Degree in (Mathematics) and Masters of Business Administration Degree from the University of Nairobi. Mr Onyancha is the Country Representative to the International Organization of Legal Metrology (OIML) and a Member of the International Legal Metrology Committee (CIML). He is a Board Member of East Africa Standard Committee and a member of the Institute of Trade Standard Administration, Kenya (ITSA).

MINISTRY INDUSTRY, TRADE AND COOPERATIVES
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Mr. Stephen Kirui,
Director KIBT

Mr. Stephen Kones Kirui was employed as a lecturer III at the Kenya Institute of Business Training (KIBT) in 1990 and rose through the ranks to Acting Deputy Principal in 2001. Mr. Kirui is currently the Director, Kenya Institute of Business Training, Ministry of Industry, Trade and Cooperatives. He holds a Master's in Business administration and a Bachelor's degree in Commerce from the University of Rajasthan, India.



Mr. Eric Ronge,
Director Research and
Trade Policy

Mr. Eric Ronge joined the State Department of Trade in February 2016 and in May 2016 was appointed the Founding Director of the Department of Research and Trade Policy Analysis. Prior to that, he worked in the Department of Intergovernmental Fiscal Affairs, National Treasury and in the Former Department of External Trade as the Director to which he was appointed in July 2007 from The Kenya Institute of Public Policy Research and Analysis. Mr. Ronge holds a Master's in economics and two degrees from the University of Nairobi. He also holds three other postgraduates qualifications from universities abroad in specialized areas of Economics. He has an MSc in Economics and Finance from Loughborough University, MA (DES) in International and Development Economics from University of Mamur and Professional Certificate in International Trade from University of Adelaide



Mr Joseah Rotich,
Director Regional Trade

Mr Joseah Rotich joined the then Ministry of Trade and Industry in 1994 as Trade Development Officer. He is currently the head of International Trade. He is currently involved in regional Trade and international negotiations including EAC-EU-EPA, Continental Free Trade Area (CFTA), COMESA-EAC-SADC Tripartite Free Trade Area (TFTA) and EAC integration process. He has earlier work at the Kenyan Mission to Belgium and the EU in Brussels as Commercial Councillor in charge of trade and investment. Rotich holds a post graduate degree in International Economic Law from University of Brussels (ULB), and a Degree in Economics from Moi University, Eldoret.



Ms Margaret V.M.
Ngangu,
Chief Accountant.

Ms. Margaret Ngangu joined Civil service as a Clerical Officer in 1984 and has worked in various ministries, departments and projects in different capacities. She joined the Department for Trade in July 2016 as the Head of Accounting Unit. She is in charge of accounting and financial reporting as well as designing, implementing and monitoring internal controls relevant to the preparation and fair presentation of Financial Statements. She is a Certified Public Accountant and member of Institute of Certificate Public Accountants of Kenya (ICPAK)

**MINISTRY INDUSTRY, TRADE AND COOPERATIVES
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For the year ended June 30, 2017



Ambrose Ogango
Chief Finance Officer

Mr. Ambrose Ogango assumed the position of Chief Finance Officer In December 2015. He is in charge of monitoring the planning and execution of budgets so as to ensure efficient utilization of funds in implementing the programmes and sub-programmes within the state department. He holds a Masters of Arts (Economics) degree and a Bachelor's degree in Economics from Kenyatta University.



Rose Kanyuku
Principal Internal Auditor

Rose Kanyuku is the Principal Internal Auditor in the State Department for Trade as head of Internal Audit in August, 2016. She is a member of the Institute of Internal Auditors. She is incharge of evaluating the effectiveness of Internal controls, reviewing compliance with stipulated laws, regulations policies and procedures. She has work in various Ministries including Ministry of Finance, Energy and Petroleum and Ministry of Cooperatives and Development. She holds a B.com from Osmania University and is a member of Institute of Internal Auditors – Kenya.

**MINISTRY INDUSTRY, TRADE AND COOPERATIVES
STATE DEPARTMENT FOR TRADE
Reports and Financial Statements
For the year ended June 30, 2017**

I. KEY ENTITY INFORMATION AND MANAGEMENT (CONTINUED)

(d) Fiduciary Oversight Arrangements

i. Audit and Finance Committee Activities

This committee is composed of the following members drawn from various sectors of the economy with broad business knowledge:

1. Stephen K. Mbuko (Chairman)
2. Jane Wanja Muthaura
3. Rose M. Nyamweya
4. Simon S. Nabosu
5. Prof. Daniel Kipkirong Tarus
6. Lucy W. Kabaya (The National Treasury Rep.)

Attendance of the audit and finance committee members

During the year ended 30th June 2017, no attendance was registered because the Committee was formed towards the closure of the financial year and had not been able to transact any business.

ii. Budget Implementation Committee Activities

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

1. Ambrose Ogango (Chairman)
2. Joshua Kimulu (Vice Chairman)
3. Margaret Ngangu (Secretary)
4. Samson Wangusi
5. Joyce Ogundo
6. Michael Onyancha
7. Stephen Kirui
8. Mary Kariuki
9. Eric Ronge
10. Jared Nyaundi
11. Oliver Konje
12. Willis Olwalo
13. Edward Olem

**MINISTRY INDUSTRY, TRADE AND COOPERATIVES
STATE DEPARTMENT FOR TRADE
Reports and Financial Statements
For the year ended June 30, 2017**

I. KEY ENTITY INFORMATION AND MANAGEMENT (CONTINUED)

(d) Fiduciary Oversight Arrangements (continued)

ii. Budget Committee Activities

This is the committee charged with the responsibility of implementation of the state department's budget and its prudent management. The duties of the committee include:

- To review and consider the cash flow plans
- To review the utilization of the cash limits and consider any changes as may be required;
- To review the utilization of the donor funds voted for the State Department.
- To advise the accounting officer on the challenges related to the budget implementation
- To review and recommend the reallocation of payments
- To review and approve the submission of the payment returns, payroll IPPDs, pending bills and A-I-A returns for the State Department and recommend actions to be taken
- To participate in sector working groups
- To review budgets, supplementary estimates and performance of budget against actual for the State Department in consultation with the Heads of Department.

Attendance of the budget committee members

The following shows the number of budget committee meetings held during the year and the attendance of individual members.

Committee attendance for the year ended 30 th June 2017								
Member	Budget committee meetings							Total Attendance
	18/11/16	15/12/16	15/2/2017	5/5/2017	30/5/17	7/6/17	21/06/17	
Ambrose Ogango	✓	✓	✓	✓	✓	✓	✓	7
Joshua Kimulu	✓	✓	✓	X	X	✓	✓	5
Margaret Ngangu	✓	✓	✓	✓	✓	✓	✓	7
Samson Wangusi	✓	X	✓	X	✓	✓	✓	5
Joyce Ogundo	X	X	✓	X	✓	X	X	2
Michael Onyancha	✓	X	X	X	X	X	X	1
Stephen Kirui	✓	✓	✓	✓	X	✓	X	5
Jared Nyaundi	X	✓	✓	✓	✓	✓	✓	6
Mary Kariuki	✓	X	✓	✓	X	✓	✓	5
Oliver Konje	✓	✓	X	✓	✓	✓	✓	6
Eric Ronge	✓	✓	X	X	X	X	X	2
Willis Olwalo	X	✓	✓	✓	✓	✓	✓	6
Edward Olem	X	X	X	✓	X	✓	✓	3

✓ - Attended

X - Absent with apology

MINISTRY INDUSTRY, TRADE AND COOPERATIVES
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iii. Human Resources Management Advisory Committee Activities

This committee is composed of the following members drawn from various sectors of the economy with broad business knowledge:

1. Dr. Chris Kiptoo (Chairman)
2. Samson P. Wangusi (Alt. Chair)
3. M.W. Kariuki, Ms (Secretary)
4. Joyce Ogundo (Member)
5. Michael Onyancha (Member)
6. Stephen Kirui (Member)
7. Eric Ronge (Member)
8. Margaret M. Ngangu (Member)
9. Ambrose Ogango (Member)
10. Jared Nyaundi (Member)
11. Dennis Silas Mbichi Mboroki (Member)

This is the committee charged with the responsibilities of taking care of human resources needs.

Their duties include:

- Review of promotions of officers in Job Group A-P
- Review of confirmations in appointment
- Review of disciplinary matters
- Review of re-designation of officers from one cadre to another and
- Confirmation of surcharge of officers found to have misused government resources.

Attendance of the human resource management advisory committee members

The following shows the number of human resource management advisory committee meetings held during the year and the attendance of individual members.

**MINISTRY INDUSTRY, TRADE AND COOPERATIVES
STATE DEPARTMENT FOR TRADE
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For the year ended June 30, 2017**

I. KEY ENTITY INFORMATION AND MANAGEMENT (CONTINUED)

(d) Fiduciary Oversight Arrangements (continued)

iii. Human Resources Management Advisory Committee Activities(continued)

Committee attendance for the year ended 30 th June 2017	Human Resource Management Advisory committee meetings				Total Attendance
	12/07/2016	9/11/2016	16/02/2017	4/05/2016	
Dr. Chris Kiptoo Chairman	x	x	✓	✓	2
Joyce Ogundo [Mrs]	x	x	✓	x	1
Samson P. Wangusi Alt. Chair	x	x	✓	x	1
MW. Kariuki [Ms]	✓	✓	✓	✓	4
Michael Onyancha	✓	✓	✓	✓	4
Stephen Kirui	✓	✓	✓	✓	4
Eric Ronge	x	✓	x	✓	2
Margaret M. Ngangu	x	✓	✓	✓	3
Ambrose Ogango	x	x	✓	x	1
Jared Nyaundi	✓	x	x	✓	2
Dennis Silas Mbichi Mboroki	✓	x	x	x	1
Amb. L. Ngaithe	✓				1

✓ - Attended

X - Absent with apology

MINISTRY INDUSTRY, TRADE AND COOPERATIVES
STATE DEPARTMENT FOR TRADE
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II. KEY ENTITY INFORMATION AND MANAGEMENT (CONTINUED)

(d) Fiduciary Oversight Arrangements (continued)

iv. Training Committee activities

This committee is composed of the following members drawn from various sectors of the economy with broad business knowledge:

1. Dr. Chris Kiptoo (Chairman)
2. Samson P. Wangusi (Alt. Chair)
3. M.W. Kariuki, Ms (Secretary)
4. Joyce Ogundo (Member)
5. Michael Onyancha (Member)
6. Stephen Kirui (Member)
7. Eric Ronge (Member)
8. Margaret M. Ngangu (Member)
9. Ambrose Ogango (Member)
10. Jared Nyaundi (Member)
11. Dennis Silas Mbichi Mboroki (Member)

This is the committee charged with the responsibilities of human resource development needs. Their duties include:

- Overall coordination of the training functions in the State Department.
- Review and implementation of the State Department training plan;
- Review of induction of newly appointed officers and activities around long term training.

Committee attendance for the year ended 30 th June 2017	Human Resource Management Advisory committee meetings				Total Attendance
	12/07/2016	9/11/2016	16/02/2017	4/05/2016	
Dr. Chris Kiptoo Chairman	x	x	✓	✓	2
Joyce Ogundo [Mrs]	x	x	✓	x	1
Samson P. Wangusi Alt. Chair	x	x	✓	x	1
MW. Kariuki [Ms]	✓	✓	✓	✓	4
Michael Onyancha	✓	✓	✓	✓	4
Stephen Kirui	✓	✓	✓	✓	4
Eric Ronge	x	✓	x	✓	2
Margaret M. Ngangu	x	✓	✓	✓	3
Ambrose Ogango	x	x	✓	x	1
Jared Nyaundi	✓	x	x	✓	2
Dennis Silas Mbichi Mboroki	✓	x	x	x	1
Amb. L. Ngaithe	✓				1

✓ - Attended

X - Absent with apology

MINISTRY INDUSTRY, TRADE AND COOPERATIVES
STATE DEPARTMENT FOR TRADE
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For the year ended June 30, 2017

I. KEY ENTITY INFORMATION AND MANAGEMENT (CONTINUED)

(e) State Department of Trade Headquarters

P.O. Box 30430-00100
Teleposta Building
Kenyatta Avenue
Nairobi, KENYA

(f) Entity Contacts

Telephone: (254) 020 – 315001/2-4
E-mail: ps@trade.go.ke
Website: www.trade.go.ke

(g) Entity Bankers

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

(h) Independent Auditors

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

(i) Principal Legal Adviser

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

MINISTRY INDUSTRY, TRADE AND COOPERATIVES
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II. COMMENTARY BY THE CABINET SECRETARY



Adan Mohamed
Cabinet Secretary, Ministry of
Industry , Trade and Cooperatives

The State Department for Trade in the Ministry of Industry, Trade and Cooperatives is mandated with Trade policy; Buy Kenya Policy; Promotion of wholesale and Retail Markets; Export Promotion; Fair Trade Practices; Coordination of Regional Trade Matters- COMESA. AGOA, IOR-ARC & IGAD; Trade Negotiations and Advisory Services; Enforcement of International Trade Laws and regulations and agreements.

BUDGET ALLOCATION

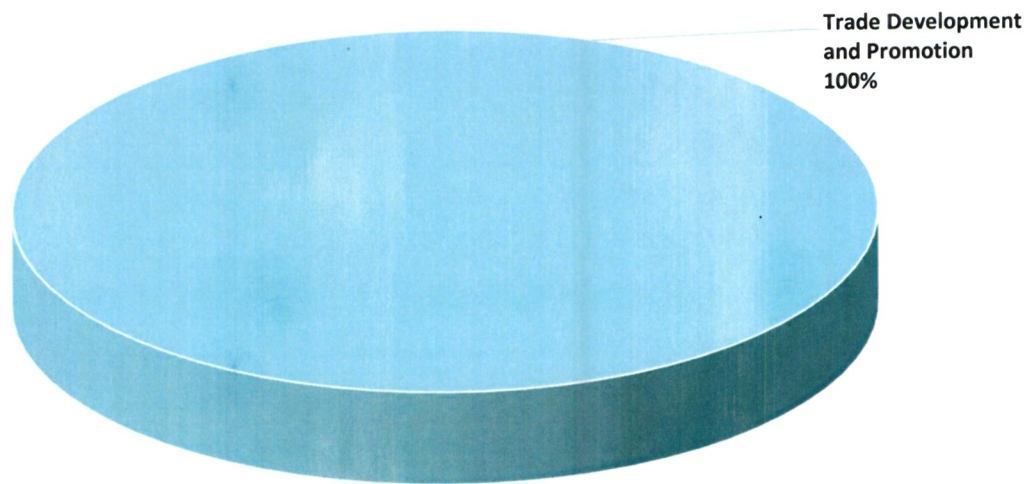
In the financial year 2016/17 the State Department for Trade had a gross budget of **KShs. 3,621,839,747** which was made up of **KShs. 3,499,339,747** and **KShs. 122,500,000** for recurrent and development vote respectively.

The State Department was to expend the gross budget of **KShs. 3,621,839,747** under the Trade and Development and Promotion programme. The objective of this programme is to promote trade, investments and broaden export base.

**MINISTRY INDUSTRY, TRADE AND COOPERATIVES
STATE DEPARTMENT FOR TRADE
Reports and Financial Statements
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II COMMENTARY BY THE CABINET SECRETARY (CONTINUED)**

This programme was allocated **KShs 3,621,839,747** representing 100% of the budget.

BUDGET ALLOCATION BY PROGRAMMES



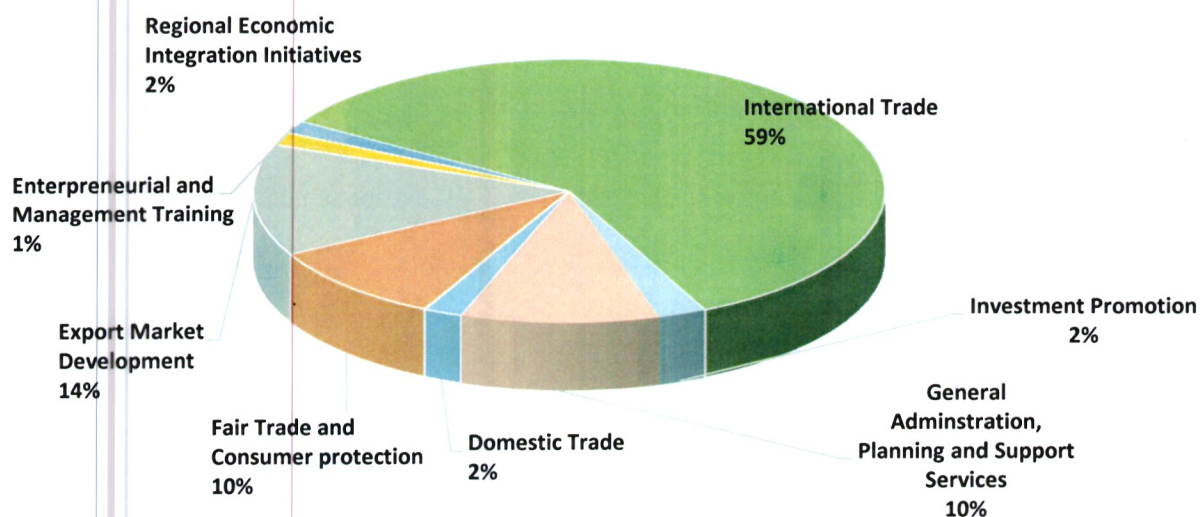
**MINISTRY INDUSTRY, TRADE AND COOPERATIVES
STATE DEPARTMENT FOR TRADE
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For the year ended June 30, 2017**

II. COMMENTARY BY THE CABINET SECRETARY (CONTINUED)

The budget as per sub-programmes was:

- a. Domestic Trade Development
- b. Fair Trade and Consumer Protection
- c. Export Market Development
- d. Regional Economic Integration Initiatives
- e. Entrepreneurial and Management Training
- f. International Trade
- g. Investment Promotion
- h. General Administration, Planning and Support Services

BUDGET BY SUB PROGRAMMES



It is noted that 59% of the State Department's budget was on International Trade Sub Programme, 14% on Export Market Development, 10% under Fair Trade and Consumer protection, 10% on General Administration and General Planning, 1% on Entrepreneurial Management Training, 2% on Domestic trade and 2% on Regional Economic Integration Initiatives ,

MINISTRY INDUSTRY, TRADE AND COOPERATIVES

STATE DEPARTMENT FOR TRADE

Reports and Financial Statements

For the year ended June 30, 2017

II. COMMENTARY BY THE CABINET SECRETARY (CONTINUED)

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 Year to 30th June 2017

Financial Performance	Printed Estimates	Actual	Variance	%
	KShs	KShs	KShs	Utilisation Variance
Total Receipts	3,621,839,747	3,450,294,705	(171,545,042)	(5%)
Total Payments	3,621,839,747	3,445,034,343	(176,805,404)	(5%)
Surplus for the Year	-	5,260,362	(5,260,362)	

Actual receipts by the MDAs stood at 5% below budget while actual payments were 5% below budget. This is attributable to underutilisation of budget allocation for Use of Goods and Services and Acquisition of Assets due to inadequate exchequer.

Budget Utilisation

The State Department spent **KShs. 3,445,034,343** against an approved budget of **KShs. 3,621,839,747** representing absorption of **95%**. Utilisation of the budget was carried out through various activities (economic classifications) as shown in the chart below:

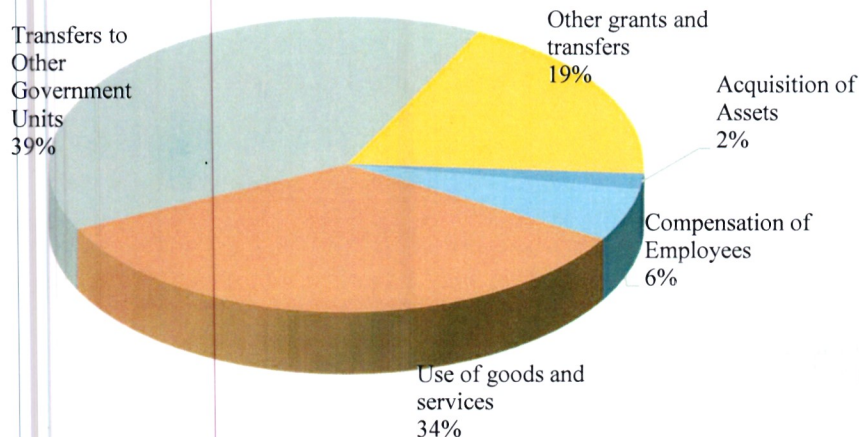
	Approved Budget Allocation	Actual Payments	Variance
	KShs	KShs	KShs
Compensation of Employees	196,494,739	195,024,599	1,470,140
Use of goods and services	1,270,429,636	1,187,753,239	82,676,397
Transfers to Other Government Units	1,378,562,137	1,358,061,718	20,500,419
Other grants and transfers	685,253,637	646,898,653	38,354,984
Acquisition of Assets	91,099,598	57,296,134	33,803,464
Total Payments	3,621,839,747	3,445,034,343	176,805,404

**MINISTRY INDUSTRY, TRADE AND COOPERATIVES
STATE DEPARTMENT FOR TRADE
Reports and Financial Statements
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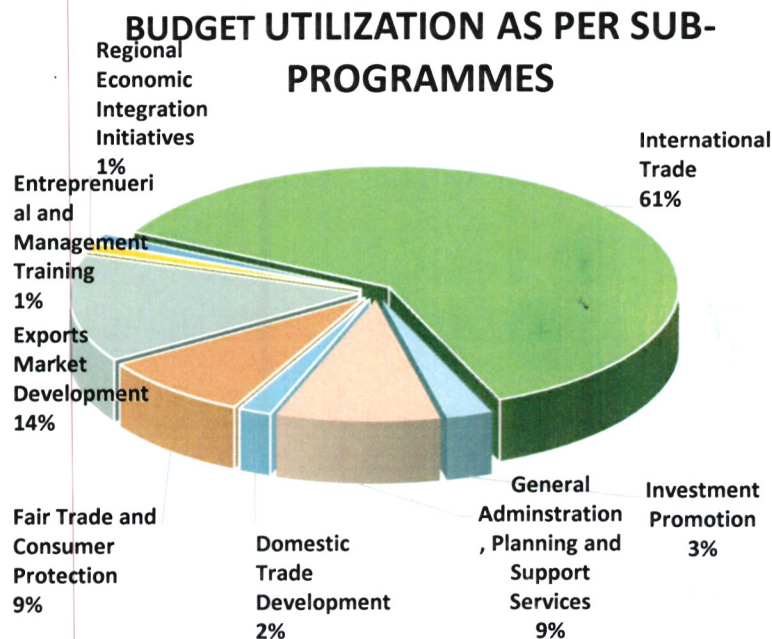
II. COMMENTARY BY THE CABINET SECRETARY (CONTINUED)

Key Performance Highlights (Continued)

Budget Utilisation as Per Economic Items



It is noted that 39% of the State Department's budget was used in Transfers to Other Government entities i.e. State Corporations, Semi-Autonomous Government Agencies (SAGAs) 34% of the budget was utilised on Use of Goods and Services, 6% on employee compensation, 19% on other grants and transfers while 2% was utilised on Acquisition of assets.



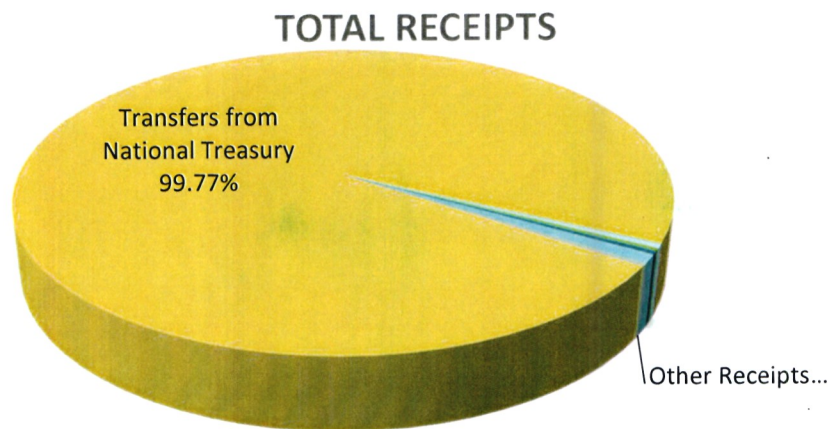
It is noted that 61% of the State Department's expenditure was on International Trade Sub Programme, 14% on Export Market Development, 9% under Fair Trade and Consumer protection,

II. COMMENTARY BY THE CABINET SECRETARY (CONTINUED)

9% on General Administration and General Planning and, 1% on Entrepreneurial Management Training, 2% on Domestic trade and 1% on Regional Economic Integration Initiatives ,

Receipts

The major source of funding for the State Department for Trade is exchequer releases that account for 99% of total receipt. During the year the Department received Ksh **3,442,460,000** and other receipts amounting to Ksh. **7,834,705** against a budget of Ksh. **3,621,839,747**



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II. COMMENTARY BY THE CABINET SECRETARY (CONTINUED)

Financial Assets Summary

The Departments Financial Assets as at 30th June 2017 was as shown here below;

Item Description	Amount
	KShs
Bank Balances	3,979,465
Cash Balances	149,420
Accounts Receivables - Outstanding Imprest & Salary Advances	1,131,477
Total Financial Assets	5,260,362

Financial liability

Funds held for third parties as at 30th June, 2017 was as shown here below;

Item Description	Amount
	KShs
Unutilised Funds for Regional Integration implementation Program (RIIP) & Rent Tribunal Deposits	29,441,942
TOTAL	29,441,942

Cash Flows and Cash Position

The cash and bank balances held by the State Department for Trade as at 30th June 2017 was **KShs. 33,570,827** The breakdown of the cash and bank balances is as summarized in the table below.

Cash and Bank Balances	Amount
	KShs
Bank Balances	33,421,407
Cash Balances	149,420
Total	33,570,827

Cash Flow Activities

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

Cash Flow Activities	Year to 30th June 2017
	KShs
Net Cash Flows generated from Operating activities	90,866,961
Net Cash Flows used in Investing activities	(57,296,134)
Cash and Cash Equivalents at 30 June, 2018	33,570,827

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II. COMMENTARY BY THE CABINET SECRETARY (CONTINUED)
Key Achievements of the State Department in the FY 2016/17

The State department accomplished the following during FY 2016/17:

- Developed National Trade Policy which was approved by the Cabinet in December 2016 and launched in July 2017
- Developed Trade Remedies Bill which was assented by the President
- Developed a Legal Metrology Bill which was approved by Parliament.
- Initiated the establishment of a National Commodity Exchange (COMEX)
- Developed a credit guarantee scheme Policy and Bill and forwarded to the Cabinet for approval.
- Coordinated and developed Trade Sector Plan of Medium Term Plan III
- Developed Buy Kenya Build Kenya Strategy
- Developed E-Trade portal
- Developed Guidelines for Kenya's Trade and Investment Missions
- Developed Institutional Framework for the National Export Development and Promotion Strategy
- Developed a Trade Development Bill

- Seized suspected counterfeit goods worth Kshs. 1.558 billion out of which counterfeit goods worth Kshs. 900 million worth were destroyed.
- Signed Bilateral Trade Agreements (BTAs) with Sri-Lanka, Nigeria, Qatar, Ghana, Egypt and Jordan as well as Economic and Technical Cooperation with China and Israel. Joint Trade Committees between Kenya and Israel, Jordan, Egypt and India were constituted leading to Market access for coffee and tea in Jordan with an initial volume of tea worth US\$ 50 million; expanded Market for tea in Egypt; Secured market for pulses in India; and Negotiated exports of pineapples to Israel.
- Negotiated for the Economic Partnership Agreement (EPA) which was ratified by the Parliament in December 2016 and notified the EU.
- Hosted the 14th Session of the United Nations Conference on Trade and Development (UNCTAD 14) in December 2016.
- Trained 620 Micro Small and Medium Entrepreneurship
- 19 NTBs eliminated through Kenya's negotiations with other EAC partner states

Emerging Issues

- a) Creation of Trade as a new State Department which resulted in separation from the Ministry of Tourism;
- b) Unforeseen emergencies including heightened security interventions which necessitate diversion of resources to address such matters thus jeopardizing implementation of planned priorities;

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II. COMMENTARY BY THE CABINET SECRETARY (CONTINUED)

Challenges

The following challenges weighed heavily on the Ministry's effort to effectively deliver on its mandate;

- i. **Budgetary constraints:** Inadequate funding coupled with budget cuts which resulted in delays in competition of planned projects and programmes. The pending projects will be included in the next year's budget to ensure their completion.
- ii. **Human Resource capacity gaps:** Under staffing of professional/technical levels hampered effective service delivery. The human resource department has now recruited more technical staff. However, there exists staff shortage in some support services departments whose scheme of the staff are not administered by the State Department.
- iii. **Inadequate Office Space:** There is acute challenge of office accommodation and equipment, where the State Department lack adequate office space to accommodate its officers. The department is in the process of getting more additional office space.
- iv. **Delay in enactment of Legislations:** Delays in enacting legislations adversely affect the operations and implementation of priority programmes.
- v. **Unfavorable Business Environment:** Un-conducive licensing and regulations by several agencies including County Governments has led to high cost of doing business and un-competiveness.
- vi. **Influx of sub-standard, counterfeits and contra-band goods:** The influx of substandard, counterfeit and contra-band products into the local market has reduced the market share for locally manufactured goods.
- vii. **Existence of Non-Tariff Barriers:** Continued imposition of NTBs by Partner States leads to loss of business and jobs.

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II. COMMENTARY BY THE CABINET SECRETARY (CONTINUED)

Project Implementation:

- Supported training of the Community Development Fund committee members and cascading of performance contracts to the constituencies, supported preparation of the CDF Board strategic plan.
- Built Youth Technical Institute Complex
- Built Community Schools in all Constituency

**Adan Mohamed, EGS
CABINET SECRETARY**

MINISTRY INDUSTRY, TRADE AND COOPERATIVES
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III. STATEMENT OF MANAGEMENT RESPONSIBILITIES

Section 81 (1) of the Public Finance Management Act, 2013 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 State Department for Trade is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity 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 Department; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the State Department for Trade accepts responsibility for the entity's 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 entity's financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2017, and of the entity's financial position as at that date. The Accounting Officer charge of the State Department for Trade further confirms the completeness of the accounting records maintained for the entity, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

The Accounting Officer in charge of the State Department for Trade 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 entity's 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 entity's financial statements were approved and signed by the Accounting Officer on 14th March, 2018.



PRINCIPAL SECRETARY
Dr. Chris Kiptoo, CBS



CHIEF ACCOUNTANT
Margaret V.M. Ngangu
ICPAK Member No: 10408

**MINISTRY INDUSTRY, TRADE AND COOPERATIVES
STATE DEPARTMENT FOR TRADE
Reports and Financial Statements
For the year ended June 30, 2017**

**IV. REPORT OF THE AUDITOR-GENERAL ON THE STATE DEPARTMENT FOR TRADE
FOR THE YEAR ENDED 30 JUNE 2017**

Opinion

We have audited the accompanying financial statements of the State Department for Trade (herein thereafter referred to "entity") set out on pages 1 to 41, which comprise (i) a statement of receipts and payments; (ii) a statement of financial assets and liabilities; (iii) a statement of comparative budget and actual amounts; (iv) a statement of pending bills as at June 30, 2017; and (v) a summary of significant accounting policies and other explanatory information. We are satisfied that all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit were obtained.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the entity as at June 30, 2017, and its receipts and payments, as well as cash flows for the year then ended in accordance with International Public Sector Accounting Standards.

Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the entity 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.

Management's Responsibility for the Financial Statements

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

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

In preparing the financial statements, the entity's management is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the entity's management either intend to liquidate the entity's or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the entity's financial reporting process.

The entity's 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.

REPUBLIC OF KENYA

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P.O. Box 30084-00100
NAIROBI

OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON STATE DEPARTMENT FOR TRADE (VOTE 1174) FOR THE YEAR ENDED 30 JUNE 2017

REPORT ON THE FINANCIAL STATEMENTS

Adverse Opinion

I have audited the accompanying financial statements of State Department for Trade (Vote 1174) set out on pages 1 to 25, 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 summary statement of appropriation; recurrent and development combined together with 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, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, the financial statements do not present fairly, the financial position of State Department for Trade 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 the Public Finance Management Act, 2012 of the Laws of Kenya.

In addition, as required by Article 229(6) of the Constitution, based on the procedures performed, I confirm that, public money has not been applied lawfully and in an effective way.

Basis for Adverse Opinion

1. Un-supported Figures

The statement of receipts and payments reflects figures of Kshs.7,834,705 and Kshs.57,296,134 under other receipts and acquisition of assets respectively, which were not supported with requisite schedules. Further, under the statement of assets and liabilities the accounts payables figure of Kshs.29,441,942 was also not supported with necessary schedules and documents.

Under the circumstances, it has not been possible to ascertain the validity, accuracy and completeness of the financial statements.

Report of the Auditor-General on the Financial Statement of State Department of Trade (Vote 1174) for the year ended 30 June 2017

2. Use of Goods and Services

During the year under review, a total of Kshs.1,187,753,239 was spent on use of goods and services against the approved budget provision of Kshs.1,270,429,636 resulting in under-expenditure of Kshs.82,676,397. However, details of the approved budget provision of Kshs.1,270,429,636 were not provided for audit review. Further, examination of payment vouchers revealed that a total of Kshs.16,285,374 was charged against wrong account codes. The inconsistency in charging the expenditures to wrong account class undermines the accuracy of the financial statements and renders budgeting meaningless. In addition, an amount of Kshs.11,491,302 in respect of fuel, oil and lubricants is at variance with the ledger figure of Kshs.11,476,302 resulting to an unexplained difference of Kshs.15,000.

3. Unsupported Expenditure- Foreign Missions

Included in the total expenditure of Kshs.3,445,034,343 are Authority to Incur Expenditure (AIEs) issued to commercial attaches in foreign missions amounting to Kshs.89,244,859 that were charged under various account items instead of being reported as accounts receivables until they are accounted for by the missions. Although, management has explained that the amount has been captured as an expenditure in the financial statements because lack of capturing would have understated the department's expenditure for the year, accuracy and completeness of the AIEs issued of Kshs.89,244,859 could not be confirmed in the absence of necessary supporting documentation.

4. Outstanding Temporary Imprests

The statement of assets and liabilities reflects an accounts receivable balance of Kshs.1,131,477 being outstanding imprests which ought to have been surrendered or accounted for on or before 30 June 2017. A review of the position as at 28 February 2018 showed that the entire amount had still not been accounted for or recovered and no reasons have been provided for failure to adhere to Section 93 of Public Finance Management Act, 2012 on issuance of imprests.

5. Acquisition of assets

Note 7 to the financial statements and the summary of the fixed assets register reflects a balance of Kshs.57,296,134 under acquisition of assets representing payments made to acquire property, plant and equipment during the year. However, the Department's list of assets availed for audit did not comprehensively reflect the location and condition of assets. It was also not clear whether assets that belonged to the former mother Ministry (presently Tourism) have been properly identified and only the relevant assets were included in the list. In the absence of a comprehensive fixed assets register, proper accountability of assets purchased, handed over and disposed off could not be confirmed.

6. Accounts Payables

During the year under review, the Department received a total of Kshs.30,352,834 in respect of Regional Integration Implementation Programme (RIIP) against a total budget of

Kshs.53,717,850 as per the 2016/2017 work plan. A scrutiny of documents availed for audit indicate that the Department spent only Kshs.3,247,604 in the 2016/2017 financial year thus resulting in unspent balance of Kshs.27,105,229. However, the reports and expenditure returns for the activities that had been implemented during the year were not availed for audit verification.

Consequently, the propriety of the amount of Kshs.3,247,604 spent on the programme could not be ascertained.

7. Pending Bills

Bills amounting to Kshs.42,326,875 relating to 2016/2017 were not settled during the year but were instead carried forward to 2017/2018 financial year. However, the validity, completeness and accuracy of the pending bills balance of Kshs.42,326,875 could not be ascertained because supporting payment vouchers for bills amounting to Kshs.18,950,298 were not availed for audit verification.

Further, failure to settle the bills in the year to which they relate adversely affects the following year's provision to which they have to be charged. Had the bills been paid and the expenditure charged to the account for 2016/2017, the statement of receipts and payments for the year would have reflected a deficit of Kshs.37,066,513 instead of the surplus of Kshs.5,260,362 now shown.

8. Budget and Budgetary Performance

During the financial year ended 30 June 2017, the State Department of Trade received a total of Kshs.3,450,294,705 against estimated receipts of Kshs.3,621,839,747 resulting in a shortfall of Kshs.171,545,042 or 5% as shown below.

Description	Budget Kshs	Actual Kshs	Short fall Kshs	Short fall %
Exchequer Releases	3,594,079,747	3,442,460,000	151,619,747	4%
Other Receipts	27,760,000	7,834,705	19,925,295	72%
Total	3,621,839,747	3,450,294,705	171,545,042	5%

Failure by National Government to release all the provisions budgeted for, may impact negatively on service delivery by the State Department. On the other hand, under other receipts where the budget was for Kshs.27,760,000, the Department collected Kshs.7,834,705 which occasioned a Kshs.19,925,295 shortfall or 72%. The under collection of revenue was attributed to lack of disposal of bonded items during the year because the State Department did not complete the process of bonding the items as per law.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the State Department for Trade 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 and internal control in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my adverse opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statement. Except for the matters described in the Basis for Adverse Opinion section of my report, I have determined that there are no Key Audit Matters to communicate in my report.

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 Department's ability to continue sustaining services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless the management either intend to have the State Department 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 State Department's financial reporting process.

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

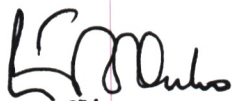
The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 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 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 State Department'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 State Department's ability to sustain services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the State Department to cease to continue 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 of the entities or business activities 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

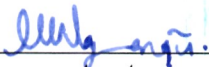
MINISTRY INDUSTRY, TRADE AND COOPERATIVES
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For the year ended June 30, 2017

V. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2016-2017	2015-2016
		KShs	KShs
RECEIPTS			
Transfers from National Treasury	1	3,442,460,000	-
Other Receipts	2	7,834,705	-
TOTAL RECEIPTS		3,450,294,705	
PAYMENTS			
Compensation of Employees	3	195,024,599	-
Use of Goods and Services	4	1,187,753,239	-
Transfers to Other Government Units	5	1,358,061,718	-
Other Grants and Transfers	6	646,898,653	-
Acquisition of Assets	7	57,296,134	-
TOTAL PAYMENTS		3,445,034,343	-
SURPLUS/DEFICIT		5,260,362	-

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The State Department for Trade financial statements were approved on 14th March, 2018 and signed by:


Principal Secretary
Dr. Chris Kiptoo, CBS


Chief Accountant
Margaret V.M. Ngunu
ICPAK Member No: 10408

MINISTRY INDUSTRY, TRADE AND COOPERATIVES
 STATE DEPARTMENT FOR TRADE
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 For the year ended June 30, 2017

VI. STATEMENT OF ASSETS AND LIABILITIES

	Note	2016-2017	2015-2016
		KShs	KShs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	8A	33,421,407	-
Cash Balances	8B	149,420	-
Total Cash And Cash Equivalents		33,570,827	-
Accounts Receivables - Outstanding Imprest and Clearance Accounts	9	1,131,477	-
TOTAL FINANCIAL ASSETS		34,702,304	-
LESS: FINANCIAL LIABILITIES			
Accounts Payables - Deposits	10	29,441,942	-
NET FINANCIAL ASSETS		5,260,362	-
REPRESENTED BY			
Fund balance b/fwd	11		
Surplus/Deficit for the year		5,260,362	-
NET FINANCIAL POSITION		5,260,362	-

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The State Department for Trade financial statements were approved on 14th March, 2018 and signed by:

Principal Secretary
 Dr. Chris Kiptoo, CBS

Chief Accountant
 Margaret V.M. Ngangu
 ICPAK Member No: 10408

MINISTRY INDUSTRY, TRADE AND COOPERATIVES
STATE DEPARTMENT FOR TRADE
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VII. STATEMENT OF CASH FLOWS

	Note	2016-2017	2015-2016
		KShs	KShs
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts for operating income			
Transfers from National Treasury	1	3,442,460,000	-
Proceeds from Sale of Assets	2	7,834,705	
		3,450,294,705	
Payments for operating expenses			
Compensation of Employees	3	195,024,599	-
Use of goods and services	4	1,187,753,239	-
Transfers to Other Government Units	5	1,358,061,718	-
Other grants and transfers	6	646,898,653	-
		3,387,738,209	-
Adjusted for:			
Changes in receivables	9	(1,131,477)	-
Changes in payables	10	29,441,942	
Net cash flow from operating activities		90,866,961	-
CASHFLOW FROM INVESTING ACTIVITIES			
Acquisition of Assets	7	(57,296,134)	-
Net cash flows from Investing Activities		(57,296,134)	-
NET INCREASE IN CASH AND CASH EQUIVALENT			
Cash and cash equivalent at END of the year		33,570,827	

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The State Department for Trade financial statements were approved on 14th March, 2018 and signed by:



Principal Secretary
Dr. Chris Kiptoo, CBS



Chief Accountant
Margaret V.M. Ngunu
ICPAK Member No: 10408

**MINISTRY INDUSTRY, TRADE AND COOPERATIVES
STATE DEPARTMENT FOR TRADE
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For the year ended June 30, 2017**

III. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilization Difference e=c-d	% of Utilization f=d/c %
RECEIPTS						
Exchequer releases	3,144,522,136	449,557,611	3,594,079,747	3,442,460,000	151,619,747	96%
Other Receipts	19,760,000	8,000,000	27,760,000	7,834,705	19,925,295	28%
	3,164,282,136	457,557,611	3,621,839,747	3,450,294,705	171,545,042	95%
PAYMENTS						
Compensation of Employees	221,758,096	(25,263,357)	196,494,739	195,024,599	1,470,140	99%
Use of goods and services	1,264,698,306	5,731,330	1,270,429,636	1,187,753,239	82,676,397	93%
Transfers to Other Government Units	775,562,137	603,000,000	1,378,562,137	1,358,061,718	20,500,419	99%
Other grants and transfers	754,253,637	(69,000,000)	685,253,637	646,898,653	38,354,984	94%
Acquisition of Assets	148,009,960	(56,910,362)	91,099,598	57,296,134	33,803,464	63%
Total Payments	3,164,282,136	457,557,611	3,621,839,747	3,445,034,343	176,805,404	95%
Surplus/ Deficit				5,260,362	(5,260,362)	

Reasons For Variance

- The under collection in respect of AIA of 28% was due to lack of disposal of bonded items during the year because we did not complete the process of bonding the items as per law.
- The changes between the original and final budget are as a result of addition in funding by Exchequer of KShs 457,557,611 and thus reallocation of the budget was necessary.
- The under expenditure on Acquisition of Assets was due to inadequate Exchequer.

The State Department for ~~Trade~~ financial statements were approved on 14th March, 2018 and signed by:


Principal Secretary

Dr. Chris Kiptoo, CBS



Chief Accountant
Margaret V.M. Ngangu
ICPAK Member No: 10408

FINANCIAL STATEMENTS
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IX. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT

Receipt/Expense Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilization Difference e=c-d	% of Utilization f=d/c %
RECEIPTS						
Proceeds from Domestic and Foreign Grants						
Exchequer releases	2,899,522,136	572,057,611	3,471,579,747	3,342,160,000	129,419,747	96%
Other Receipts	19,760,000	8,000,000	27,760,000	7,834,705	19,925,295	28%
	2,919,282,136	580,057,611	3,499,339,747	3,349,994,705	149,345,042	96%
PAYMENTS						
Compensation of Employees	221,758,096	(25,263,357)	196,494,739	195,024,599	1,470,140	99%
Use of goods and services	1,234,698,306	18,231,330	1,252,929,636	1,179,715,509	73,214,127	94%
Transfers to Other Government Units	675,562,137	653,000,000	1,328,562,137	1,308,061,718	20,500,419	98%
Other grants and transfers	754,253,637	(69,000,000)	685,253,637	646,898,653	38,354,984	94%
Acquisition of Assets	33,009,960	3,089,638	36,099,598	19,152,113	16,947,485	48%
Totals	2,919,282,136	580,057,611	3,499,339,747	3,348,852,592	150,487,155	96%
Surplus/Deficit				1,142,113	(1,142,113)	

Notes

- I. The under collection in respect of AIA was due to lack of disposal of bonded items during the year because we did not complete the process of bonding the items as per law.
- II. The changes between the original and final budget are as a result of addition in funding by Exchequer of KShs 580,057,611 and thus reallocation of the budget was necessary
- III. The under expenditure on Acquisition of Assets was due to inadequate Exchequer

The State Department for Trade financial statements were approved on 14th March, 2018 and signed by:



Principal Secretary
Dr. Chris Kiptoo, CBS



Chief Accountant
Margaret V.M. Ngangu
ICPAK Member No: 10408

**MINISTRY INDUSTRY, TRADE AND COOPERATIVES
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X SUMMARY STATEMENT OF APPROPRIATION: DEVELOPMENT


Receipt/Expense Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilization Difference e=c-d	% of Utilization f=d/c %
RECEIPTS						
Proceeds from Domestic and Foreign Grants						
Exchequer releases	245,000,000	(122,500,000)	122,500,000	100,300,000	22,200,000	82%
	245,000,000	(122,500,000)	122,500,000	100,300,000	22,200,000	82%
PAYMENTS						
Use of goods and services	30,000,000	(12,500,000)	17,500,000	8,037,730	9,462,270	46%
Transfers to Other Government Units	100,000,000	(50,000,000)	50,000,000	50,000,000	0	100%
Acquisition of Assets	115,000,000	(60,000,000)	55,000,000	38,144,021	16,855,979	69%
Totals	245,000,000	(122,500,000)	122,500,000	96,181,751	26,318,249	79%
Surplus/Deficit				4,118,249	(4,118,249)	

The changes between the original and final budget are as a result of reduction in funding by Exchequer of KShs 122,500,000 and thus reallocation of the budget was necessary

The State Department for Trade financial statements were approved on 14th March, 2018 and signed by:


 Principal Secretary

Dr. Chris Kiptoo, CBS


 Chief Accountant
 Margaret V.M. Ngangu
 ICPAK Member No: 10408

STATE DEPARTMENT FOR TRADE

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XI BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Programme/Sub-programme	Original Budget 2016/17		Adjustments		Final Budget 2016/17		Actual on comparable basis 2016/17		Budget utilization difference	
	KShs		KShs		KShs		KShs		KShs	
Domestic Trade	89,054,468		(17,868,775)		71,185,693		63,400,393		7,785,300	
Fair Trade and Consumer protection	414,666,481		(67,750,375)		346,916,106		294,624,213		52,291,893	
Export Market Development	384,860,000		112,000,000		496,860,000		492,000,000		4,860,000	
Regional Economic Integration Initiatives	73,978,095		(15,718,572)		58,259,523		43,204,175		15,055,348	
Entrepreneurial and Management Training	68,788,419		(14,490,914)		54,297,505		43,276,243		11,021,262	
International Trade	1,753,035,705		383,260,000		2,136,295,705		2,103,265,633		33,030,072	
Investment Promotion	94,798,196		(5,553,332)		89,244,864		88,991,715		253,149	
General Administration, Planning and Support Services	293,100,772		75,679,579		368,780,351		316,271,972		52,508,379	
TOTAL	3,172,282,136		449,557,611		3,621,839,747		3,445,034,344		176,805,403	

XII SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of compliance and basis of preparation

The financial statements have been prepared in accordance with Cash-basis IPSAS financial reporting under the cash basis of Accounting, as prescribed by the PSASB and set out in the accounting policy notes below.

This cash basis of accounting has been supplemented with accounting for; a) receivables that include imprests and salary advances and b) payables that include deposits and retentions. The receivables and payables are disclosed in the Statement of Assets and Liabilities. The Statement of Assets and Liabilities is not mandatory statement under the IPSAS Cash basis but is encouraged in order to disclose information on assets and liabilities.

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

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

2. Reporting entity

The financial statements are for State Department for Trade. The financial statements encompass the reporting entity as specified under section 81 of the PFM Act 2012.

3. Recognition of receipts and payments

a) Recognition of receipts

The Entity recognizes all receipts from the various sources when the event occurs and the related cash has actually been received by the entity.

Tax receipts

Tax Receipts is recognized in the books of accounts when cash is received. Cash is considered as received when notification of tax remittance is received.

Transfers from the Exchequer

Transfer from Exchequer is recognized in the books of accounts when cash is received. Cash is considered as received when payment instruction is issued to the bank and notified to the receiving entity.

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XII SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Other receipts

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

b) Recognition of payments

The State Department for Trade recognises all expenses when the event occurs and the related cash has actually been paid out by the entity.

Compensation of employees

Salaries and Wages, Allowances, Statutory Contribution for employees are recognized in the period when the compensation is paid.

Use of goods and services

Goods and services are recognized as payments in the period when the goods/services are consumed and paid for. Such expenses, if not paid during the period where goods/services are consumed, shall be disclosed as pending bills.

Acquisition of fixed assets

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

A fixed asset register is maintained and a summary provided for purposes of disclosure. This summary is disclosed as an annexure to the State Department's financial statements.

4. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank. Bank account balances include amounts held at the Central Bank of Kenya.

Amounts maintained in deposit bank accounts are restricted for use in refunding third party deposits. There were no other restrictions on cash during the year

5. Accounts Receivable

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

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XIII NOTES TO THE FINANCIAL STATEMENTS

1 TRANSFERS FROM NATIONAL TREASURY

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

Description	2016-2017	2015-2016
	Kshs	Kshs
Total Exchequer Releases for quarter 1	1,184,100,000	-
Total Exchequer Releases for quarter 2	579,960,000	-
Total Exchequer Releases for quarter 3	275,800,000	-
Total Exchequer Releases for quarter 4	1,402,600,000	-
Total	3,442,460,000	-

During the year the State Department was to receive KShs **3,594,079,747**, however, it received **3,442,460,000** falling short by KShs **151,619,747**

2 OTHER RECEIPTS

Description	2016-2017	2015-2016
	Kshs	KShs
Other Receipts not classified Elsewhere	7,834,705	-
Total	7,834,705	-

Other receipts not classified elsewhere relates to trainee participation fee paid to the State Department

3 COMPENSATION OF EMPLOYEES

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

Description	2016-2017	2015-2016
	Kshs	Kshs
Basic salaries of permanent employees	121,464,268	-
Personal allowances paid as part of salary	73,560,331	-
Total	195,024,599	-

NB: There was no change in number of employees during the year.

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XIII NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4 USE OF GOODS AND SERVICES

These comprise the total value of goods and services consumed.

Description	2016-2017	2015-2016
	Kshs	Kshs
Utilities, supplies and services	28,419,181	-
Communication, supplies and services	16,941,669	-
Domestic travel and subsistence	151,715,238	-
Foreign travel and subsistence	137,165,949	-
Printing, advertising and information supplies & services	112,333,434	-
Rentals of produced assets	281,814,332	-
Training expenses	10,870,620	-
Hospitality supplies and services	274,960,970	-
Insurance costs	3,945,336	-
Specialized materials and services	7,192,404	-
Office and general supplies and services	82,200,405	-
Other operating expenses	11,491,302	-
Routine maintenance -vehicles and other transport equipment	50,563,575	-
Routine maintenance – other assets	9,939,609	-
Fuel oil and lubricants	6,149,896	-
Exchange Rate Losses	2,049,318	-
		-
		-
Total	1,187,753,239	-

5 TRANSFERS TO OTHER GOVERNMENT ENTITIES.

These represent transfers that are received from self-reporting entities.

Description	2016-2017	2015-2016
	Kshs	Kshs
Transfers to National Government entities	1,358,061,718	-
See attached list		
TOTAL	1,358,061,718	

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XIII NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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

Description	Recurrent KShs	Development KShs	2016-2017 KShs
Transfers to SAGAs			-
Export Promotion Council	452,000,000	40,000,000	492,000,000
Brand Kenya Board	603,000,000	10,000,000	613,000,000
Anti- Counterfeit	225,402,000	-	225,402,000
Kenya Consumer Protection Advisory Committee(KECOPAC)	27,659,718	-	27,659,718
TOTAL	1,308,061,718	50,000,000	1,358,061,718

NB: We have confirmed these amounts with the recipient entities and attached these confirmations as an Appendix to this financial statements

6 OTHER GRANTS AND TRANSFERS

Description	2016-2017 Kshs	2015-2016 Kshs
Membership dues and subscriptions to international organizations	646,898,653	-
Total	646,898,653	

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XIII NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7 ACQUISITION OF ASSETS

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

Non-Financial Assets	2016-2017	2015-2016
	KShs	KShs
Purchase of Vehicles and Other Transport Equipment	7,104,618	-
Purchase of Household Furniture and Institutional Equipment	953,760	-
Purchase of Office Furniture and General Equipment	2,474,090	-
Purchase of Specialized Plant, Equipment and Machinery	7,415,471	-
Research, Studies, Project Preparation, Design & Supervision	39,348,195	-
Total	57,296,134	-

8A: Bank Accounts

Name of Bank, Account No. & currency	Amount in bank account currency	Indicate whether recurrent, Development, deposit e.t.c	2016-2017	2015-2016
	Kshs		Kshs	Kshs
<i>Central Bank of Kenya, Recurrent - 1000303085, KShs</i>	Ksh	Recurrent	456,600	-
<i>Central Bank of Kenya, Development - 1000303093, KShs</i>	Ksh	Development	3,522,865	-
<i>Central Bank of Kenya, Deposit 1000303107, KShs</i>	Ksh	Deposit	29,441,942	-
<i>Central Bank of Kenya, 1000303115, KShs</i>	Ksh	CBK	-	-
Total			33,421,407	-

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XIII NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8B: CASH IN HAND

	2016-2017	2015-2016
	Kshs	Kshs
Cash in Hand – Held in domestic currency	149,420	
Total	149,420	

9. ACCOUNTS RECEIVABLE - OUTSTANDING IMPRESTS

Description	2016-2017	2015-2016
	Kshs	Kshs
Government Imprests	1,131,477	-
Total	1,131,477	

Below is the detailed listing of the outstanding imprests;

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XIII NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9. ACCOUNTS RECEIVABLE - OUTSTANDING IMPRESTS (CONTINUED)

<i>Name of Officer or Institution</i>	<i>Date Imprest Taken</i>	<i>Amount Taken</i>	<i>Amount Surrendered</i>	<i>Balance</i>
		<i>Kshs</i>	<i>Kshs</i>	<i>Kshs</i>
Adan Shabura		18,900	NIL	18,900
Justus Wafula		18,900	NIL	18,900
Abel Kipruto		78,177	NIL	78,177
Charles Ngundo		45,200	NIL	45,200
Elias Mburu		30,000	NIL	30,000
Wangepi Mwangi		96,800	NIL	96,800
Anyona Naomi		40,000	NIL	40,000
Musembi James		147,600	NIL	147,600
Ochieng Raphael		91,000	NIL	91,000
Ochieng Raphael		184,100	NIL	184,100
Joseph Masieyi		41,000	NIL	41,000
Paul Mirie		39,600	NIL	39,600
Simon Tila		33,600	NIL	33,600
Fancis Munyua		15,000	NIL	15,000
Patrick Kirori		47,000	NIL	47,000
Sylvia Kaburu		56,000	NIL	56,000
Pauline Muyoka		15,000	NIL	15,000
Pauline Muyoka		7,500	NIL	7,500
Catherine Mirugi		56,000	NIL	56,000
Peterson Kamau		70,000	NIL	70,000
Total		1,131,477		1,131,477

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 XIII NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10. ACCOUNTS PAYABLE

Description	2016-2017	2015-2016
	Kshs	Kshs
Deposits	29,441,942	
Total	29,441,942	

These are RIIP funds to be used for COMESA activities and Deposits due to Rent Tribunal.

11. RELATED PARTY DISCLOSURES

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

The following comprise of related parties to the State Department Trade

- Key management personnel that include the, Accounting Officers, Director Generals and various committee members within the State Department.
- State Corporations and Semi-Autonomous Government Agencies.

Description	2016-2017	2015-2016
	Kshs	KShs
Key Management compensation	-	-
Transfers to other State Corporations and Semi-Autonomous Government Agencies	1,358,061,718	-
TOTAL		

12. OTHER IMPORTANT DISCLOSURES

12.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

Description	2016 – 2017	2015 – 2016
	Kshs	Kshs
Supply of goods	42,326,875	
Total	42,326,875	

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ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

	Supplier of Goods or Services	Outstanding Amount	Comments
1	Torell Africa Agencies	675,000.00	
2	Reanna Enterprises	725,000.00	
3	MFI Document Solutions	566,590.00	
4	Comrade General	720,120.00	
5	NAIVASHA KONGONI LODGE	214,500.00	
6	RAMJI HARIBHAI DENVANI	200,380.00	
7	LAKE NAIVASHA RESORT	268,000.00	
8	Sea Monk	5,518.00	
9	Safaricom Ltd	699,500.00	
10	Safaricom Ltd	213,000.00	
11	Telkom Kenya Ltd	60,036.30	
12	M/S Johnalic Enterprises	43,700.00	
13	Sululer Innovation	135,450.00	
14	Tom Autocare	153,990.00	
15	Decision Analyst	89,900.00	
16	Spero Africa	45,000.00	
17	Topline Solution	73,120.00	
18	Mocam Security	92,800.00	
19	Wangaya General Entp	165,590.00	
			Not paid due to inadequate Exchequer

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20	Scarbox Services	320,160.00
21	Cedilla Enterprises	50,700.00
22	Mocam Security Serv.	359,600.00
23	Benderik Enterprises	113,060.00
24	Juanita Merchants	391,500.00
25	Bridge up Enterprises	379,410.00
26	Bewada Enterprises	1,090,650.00
27	One Drop Business Soln	141,690.00
28	Topwise General Suppliers	105,000.00
29	MFI Document Solutions	566,590.00
30	Neone Ltd	820,400.00
31	Safaricom Ltd	210,000.00
32	NAIROBI NET	149,306.96
33	NAIROBI NET	124,955.00
34	NAIROBI NET	74,997.48
35	M/S SATIMA ENTERPRISES	58,825.00
36	M/S SERINDA AGENCIES LIMITED	63,000.00
37	TAHOMA SUPPLIERS	643,750.00
38	ELTONS DESIGNS LIMITED	391,000.00
39	TELCOM KENYA LTD	57,378.60
40	M/S SPANWORLD ENTERPRISES	33,750.00
41	PAKANJE ENTERPRISES	305,900.00
42	LOLA LIMITED	957,068.00

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43	SILVER CLOUD LAB	100,350.00
44	SPASH GENERAL MERCHANTS	344,500.00
45	KIMJO GENERAL SUPPLIES	162,900.00
46	CHANSON AGENCIES	350,000.00
47	M/S ELICOM ENTERPRISES	1,305,000.00
48	AFRICAN TOUCH SAFARIS LTD	713,180.00
49	TOPLINE SOLUTION AGENCIES	30,450.00
50	ONLINE TECHNOLOGIES	381,000.00
51	Topline Solution	43,000.00
52	Nestka General Supplies	116,000.00
53	Rolling Waters	197,590.00
54	Lizmart Agencies	720,000.00
55	Mocam Security	92,800.00
56	Credible Printers & St	116,800.00
57	Online Technologies	2,531,750.00
58	Ronishaen Enterprises Ltd	159,050.00
59	Bez Valley Agencies	200,000.00
60	JAC Ventures Agencies	198,600.00
61	Francis Mungai Enterprises	93,182.00
62	VILLA ROSA KEMPINSKI	187,405.10
63	AGR. SOCIETY OF KENYA	665,000.00
64	TELKOM KENYA	108,000.00
65	TELKOM KENYA	86,561.90
66	SAFARICOM LIMITED	137,000.00

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67	SAFARICOM LIMITED	18,066.30
68	SAFARICOM LIMITED	497,500.40
69	NATIONAL OIL CORPORATION OF KENYA	531,600.00
70	DOUBLE LINK ENTERPRISES	203,600.00
71	METROPOLITAN AGENCIES	379,490.00
72	SERENA HOTEL	42,000.00
73	FAST END LOGISTICS LIMITED	1,254,000.00
74	THE FAMOUS ENTERPRISES LIMITED	74,000.00
75	HOTEL INTERCONTINENTAL NAIROBI	133,499.10
76	M/S DECKMART GEN SUPPLIES	89,300.00
77	M/S OCTAWNS LIMITED	450,000.00
78	THE EAST AFRICAN BUSINESS TIMES MAG.	500,000.00
79	WIS SYSTEM TECHNOLOGIES	28,000.00
80	BEWADA ENTERPRISES	397,300.00
81	GLOMAG INVESTMENT	68,500.00
82	KUSTE TRADERS	165,000.00
83	M/S SERINDA AGENCIES LIMITED	82,500.00
84	KUSTE TRADERS	401,000.00
85	MAGKEM ENTERPRISES	270,000.00
86	SUEKA GENERALSUPPLIERS	199,040.00
87	Jan Rose Enterprise	84,000.00
88	Ventag Enterprise	374,450.00
89	ELTONS DESIGNS LIMITED	145,900.00

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90	EliteBroad Gen Supplies	80,000.00
91	Grande Gen Supplies	179,350.00
92	M/S Telkom Kenya Ltd	138,500.00
93	Kuste Traders	538,050.00
94	Tashkom Solutions	65,000.00
95	Lenix Gen Services	186,300.00
96	M/S Eirmarks Enterprises	154,500.00
97	International Organ.Legal	1,563,279.20
98	Jaab Investment	296,500.00
99	Air Fares Travels Agency	39,000.00
100	JEPCO services	277,258.00
102	Mara Ways Tours & travel	57,000.00
103	Mara Ways Tours & travel	11,400.00
104	Mutech Solutions	80,000.00
105	Naivasha Kongoni Lodge	152,500.00
106	Hotel Intercontinental	390,000.00
107	Aimat Company Ltd	377,904.00
108	JEPCO services	53,850.00
109	Bewada enterprises	578,650.00
110	XRX Technologies Ltd	249,142.95
111	Francis N Mungai Enterpr	63,877.50
112	Letimboka Enterprises	450,000.00
113	Knight Ventures Ltd	240,000.00
114	Macom Security Services	55,680.00

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115	Safaricom Limited	89,000.00
116	Trice Ma Enterprises	210,000.00
117	NATIONAL OIL CORPORATION OF KENYA	794,827.35
118	Mocam Security	129,920.00
119	Safaricom	402,000.00
120	African Touch Safaris	621,300.00
121	Mocam Security Ltd	16,240.00
122	Blue Arrow Trading	351,780.00
123	Angelico General Supp	372,310.00
124	Mocam Security	71,920.00
125	Wikanel Venture	636,932.00
126	Steflo Enterprises	258,850.00
127	Wamera Auto Mech	482,300.00
128	Aimat Company Ltd	94,476.00
129	M/S Centre for Advanced	82,000.00
130	Deja Solutions	21,800.00
131	Goshen Solutions	301,430.00
132	JEPCO services	53,850.00
133	Online Technologies	489,500.00
134	NATIONAL OIL CORPORATION OF KENYA	181,875.00
135	Kenya School of Government	114,223.00
136	BEWADA ENTERPRISES	149,900.00

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137	BEWADA ENTERPRISES	548,850.00
138	BEWADA ENTERPRISES	245,600.00
139	Ndareb Agencies	428,500.00
140	Sensuous Logistics	720,000.00
142	Topwise General Suppliers	195,000.00
	TOTAL	42,326,875.00

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ANNEX 2 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (KShs) 2015/2016	Additions during the year (KShs)	Disposals during the year (KShs)	Historical Cost c/f (KShs) 2016/2017
Vehicles and other transport Equipment		7,104,618		
Household Furniture and Institutional Equipment		953,760		
Office Furniture & General Equipment		2,474,090		
Specialized Plant, Equipment and Machinery		7,415,471		
Intangible Assets		39,348,195		
Total		57,296,134		