

REPUBLIC OF KENYA



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REPORT
OF
THE AUDITOR-GENERAL
ON
THE FINANCIAL STATEMENTS OF
TRANSITION AUTHORITY

FOR THE YEAR ENDED
30 JUNE 2014



OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON TRANSITION AUTHORITY FOR THE YEAR ENDED 30 JUNE 2014

REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of the Transition Authority set out on pages 1 to 12, which comprise the statement of financial assets and liabilities as at 30 June 2014, the statement of receipts and payments, 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 8 of the Public Audit Act, 2003. 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 7 of the Public Audit Act, 2003.

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 9 of the Public Audit Act, 2003. The audit was conducted in accordance with International Standards on Auditing (ISA). 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 are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority'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 audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Authority as at 30 June 2014, its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with Public Finance Management Act, 2012.



Edward R. O. Ouko, CBS
AUDITOR-GENERAL

Nairobi

24 February 2015



TRANSITION AUTHORITY

REPORTS AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2014**

**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

Background information

The Transition Authority was established through an Act of Parliament, the Transition to Devolved Government Act (TDGA), 2012. With a mandate of facilitating and coordinating the devolution process from the National to the county Governments. Transition Authority members are responsible for the general policy and strategic direction of the Authority.

Key Management

The Transition Authority's day-to-day management is under the following key organs:

- Chairman
- Members
- Chief Executive Officer/ Secretary
- Directors
- Heads of Departments

Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2014 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Accounting Officer	Stephen K. Makori
2.	Chief Accountant	Edith Kanini Nzioki

Fiduciary Oversight Arrangements

1. FINANCE AND ADMINISTRATION COMMITTEE

Deals with day to today operations on internal financial and administrative issues while ensuring that programmes and activities are implemented as planned and that they are within the budget

2. AUDIT COMMITTEE

This is an internal oversight committee responsible for systems and expenditure review and advises management on necessary internal controls aimed at securing and safeguarding the assets of the organization

OVERVIEW

The Transition Authority (TA) is a statutory body with the mandate of facilitating and coordinating the transition to the devolved system of government as provided for under section 15 of the Sixth Schedule of the Constitution of Kenya 2010. The Authority is established under the Transition to Devolved Government Act (TDGA), 2012, and is expected to execute its mandate within three years following the first General Election held on March 4, 2013.

The transition to a devolved system of government was set in motion following the swearing in of a team to spearhead devolution on July 3, 2012. The team comprises of the chairman and eight other full-time members who were appointed by the President, in consultation with the Prime Minister, and following approval by the National Assembly as provided for in the First Schedule to the Transition to Devolved Government Act, 2012. Listed here below are the Transition Authority full-time members

a. Full-time members

1. Mr. Kinuthia Wamwangi EBS - Chairman
2. Mrs. Angeline Awino Hongo MBS- Vice Chairperson
3. Ms. Safia Abdi
4. Mrs. Mary Mwongeli Ndeto, HSC
5. Mrs. Jacqueline Akhalemesi Mogeni
6. Mr. Erastus B. I. Nyaga Rweria MBS
7. Mr. Simeon Pkatey Pkiyach
8. Mr. Bakari Garise Omara
9. Dr. Dabar Abdi Maalim

b. Members

1. The Principal Secretary, Office of the President and Secretary to Cabinet.
2. The Principal Secretary in the State department responsible for matters relating to devolution.
3. The Principal Secretary in the State department responsible for finance.
4. The Principal Secretary in the State department responsible for planning.
5. 6. The Attorney-General who shall be an ex-officio member with no right to vote.
7. The secretary appointed under Section 9 of the Transition to Devolved Government Act, 2012, who shall be an ex-officio member with no right to vote.

The members of the Authority listed in (b) above, apart from the secretary, may designate an officer from their respective State department to represent them.

Since the Authority's inception in July 2012, the Authority has accomplished various tasks in fulfilment of its mandate. The tasks continue being implemented in consultation and partnerships with the National Assembly, the Senate, County Governments, Government Ministries, Departments and Agencies (MDAs), the Constitutional and Independent offices, including Commission on Implementation of the Constitution (CIC), Commission on Revenue Allocation (CRA), Office of Auditor General, Office of Controller of Budget; development partners and Non- State Actors among others.

Section 14 (b) of the Transition to Devolved Government Act, 2012 provides that in the performance of its functions or the exercise of the powers conferred by this Act, the Authority shall be accountable to the people of Kenya and ensure their participation in the transition process. This has been achieved through consultative engagements with members of the public and stakeholders at large through print and mass media, workshops and forums.

(a) Headquarters

EXTELCOMS House
2ND, 5TH & 8TH Floor.
HAILESELASIE Avenue
Nairobi, KENYA

Contacts

TRANSITION AUTHORITY
P.O. Box 10736-00100
NAIROBI.
Telephone: (+254-0710287080)
Landline: 020-2224291/3/4
E-mail: info@transauthority.go.ke
Website: www.transauthority.go.ke

(b) Bankers

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

(c) Independent Auditors

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

(d) Principal Legal Adviser

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

II. FORWARD BY THE CHIEF EXECUTIVE OFFICER

It gives me great pleasure to present the 2013/2014 Transition Authority (TA) Financial Report. The Authority was established following a landmark report by The Taskforce on Devolution. Upon the establishment of the Transition Authority, the members were charged with the responsibility of “facilitating the realization of a devolved system of government through effective coordination of the transition process”.

The period under review (July 2013-June 2014) has been both challenging and productive for the Authority. This Annual Report summarizes the efforts made and results achieved by the Authority in carrying out its mandate, which was done against a backdrop of numerous new developments, and in the context of a rapidly evolving transition to a devolved system in Kenya.

This Financial report provides not only a short historical overview of the financial year 2013/2014 but also sets out the key activities undertaken by the Authority in the process of transiting the nation to a devolved system of government. The progress reported here is therefore, a culmination of the efforts of many individuals and stakeholders who provided their knowledge, expertise and capacity to ensure that the Authority delivers on its mandate

During the 2013/2014 Financial Year, TA’s Approved recurrent budget amounted to Kshs. 659,750,000. Under the same period, total expenditure was Kshs 659,732,296 leaving a balance of Ksh 17,704. This expenditure represents an absorption rate of 99.9%

We at TA are committed to ensuring that the Authority continues to undertake its mandate. We therefore intend to be even more engaged and visible to the citizens of Kenya and other key stakeholders during the months to come.

KEY ACHIEVEMENTS

The 2013/2014 Financial Year was generally a successful one for the Transition Authority. Our success has been achieved by focusing intensively on embracing and managing devolution as it rapidly evolves in Kenya.

The Authority continued to collaborate closely with the Commission for the Implementation of the Constitution (CIC) and the Commission on Revenue Allocation (CRA), Office of the Auditor General, Ministry of Devolution and Planning, County Governments and other Government Ministries, Departments and Agencies (MDAs) to ensure a smooth transition to the devolved system.

On the whole, the transition to a devolved system of government has been well received and accepted by the general public in Kenya. Of note were the guidelines developed for the secondment of public officers to the County governments which were gazetted on 7th February 2014 and shared with the county governments. These guidelines provide a mechanism to be used in transferring the services of seconded officers to the county governments. They will also safeguard the terms and conditions of service of the seconded staff and ensure the human resource component is effectively managed during the transition period.

TA also in conjunction with other stakeholders formed the joint Capacity Assessment and Rationalization of Public Service (CARPS) programme in accordance with the provisions of Section 7(2)(i) of the Transition to Devolved Government Act 2012 which requires TA to carry out an audit of all existing human resource.

The Authority continued to engage other stakeholders in audit and verification of public assets and liabilities especially the office of the auditor general, CRA and the state department on Devolution. Ultimately, a zero draft report on management, transfer and audit of public assets and liabilities has been prepared and validation processes expected to be completed by 31st December 2014.

Other notable achievements over the period include the costing and transfer of delayed functions. The Authority therefore continued with consultations and provision of guidance with various stakeholders on

- Continued inventory and audit of assets and liabilities
- Preparation and dissemination of human resource audit report
- Provision of advisories on legal issues related to transition e.g Assets and Liabilities, Human Resource, Analysis and Costing of Functions, Planning and Budgeting
- Unbundled and transferred functions to counties as per schedule four of Constitution of Kenya 2010.
- Further unbundling and costing of functions
- Preparation and facilitation of the transition implementation plans (TIPS) by MDAs and County Governments
- Rationalization and deployment of staff framework
- Preparation of guidelines on classification of urban areas and cities
- Facilitation and coordination of capacity building programmes
- Facilitation and coordination of civic education
- Assessment and classification of urban areas and cities
- Facilitation on establishment of the County Public service Pension Scheme
- Participation in stakeholders meetings

III. 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

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TRANSITION AUTHORITY
Reports and Financial Statements
For the year ended June 30, 2014

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 Transition Authority is responsible for the preparation and presentation of the Transition Authority's financial statements, which give a true and fair view of the state of affairs of the Transition Authority for and as at the end of the financial year (2013/2014) ended on June 30, 2014. 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 Transition Authority; (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 Transition Authority accepts responsibility for the Authority'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 Transition Authority's financial statements give a true and fair view of the state of Authority's transactions during the financial year ended June 30, 2014, and of the Authority's financial position as at that date. The Accounting Officer charge of the Transition Authority further confirms the completeness of the accounting records maintained for the Authority, which have been relied upon in the preparation of the Authority's financial statements as well as the adequacy of the systems of internal financial control.

The Accounting Officer in charge of the Transition Authority 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 Transition Authority'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.

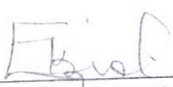
Approval of the financial statements

The entity's financial statements were approved and signed by the Accounting Officer on

24th Sept 2014.



CHIEF EXECUTIVE OFFICER/SECRETARY



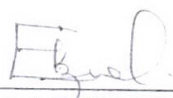
CHIEF ACCOUNTANT

V. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2013-2014 Kshs	2012-2013 Kshs
RECEIPTS			
Exchequer releases	1	659,750,000.00	758,000,000.00
Reimbursements and Refunds	2	2,148,330.00	-
Other Receipts	3	-	1,231,000.00
TOTAL RECEIPTS		661,898,330.00	759,231,000.00
PAYMENTS			
Compensation of Employees	4	385,061,493.00	236,847,341.5
Use of goods and services	5	271,995,332.00	333,429,700.45
Other grants and transfers	6	1,146,870.00	981,741.60
Social Security Benefits	7	1,528,600.00	-
Acquisition of Assets	8	-	161345756.00
Other Expenses	9	-	22,618,584.00
TOTAL PAYMENTS		659,732,295.45	755,223,123.55
SURPLUS/DEFICIT		2,166,034.55	4,007,876.45

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 29th Sept 2014 and signed by:


CHIEF EXECUTIVE OFFICER/SECRETARY


CHIEF ACCOUNTANT

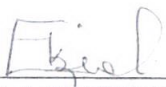
VI. STATEMENT OF ASSETS

	Note	2013-2014 Kshs	2012-2013 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	10A	451,374.30	1,337,036.00
Cash Balances	10B	-	527,962.00
Outstanding Imprests	10C	1,714,659.60	2,142,880.00
TOTAL FINANCIAL ASSETS		2,166,033.90	4,007,878.00
 REPRESENTED BY			
Surplus/Deficit for the year		2,166,034.55	4,007,876.00
NET FINANCIAL POSITION		2,166,034.55	4,007,876.00

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 24th Sept 2014 and signed by:



CHIEF EXECUTIVE OFFICER/SECRETARY



CHIEF ACCOUNTANT

VII. STATEMENT OF CASHFLOW

Receipts for operating income

Transfers from National Treasury	1	659,750,000.00	758,000,000.00
Reimbursements and Refunds	2	2,148,330.00	-
Other Revenues	3	-	1,231,000.00

Payments for operating expenses

Compensation of Employees	4	385,061,493.00	236847341.50
Use of goods and services	5	271,995,332.00	333429700.00
Other grants and transfers	6	1,146,870.00	981,742.00
Social Security Benefits	7	1,528,600.00	-
Other Expenses	9	-	22,618,584.00

Adjusted for:

Adjustments during the year		-	-
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Net cash flow from operating activities		2,166,035.00	165,353,632.00
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CASHFLOW FROM INVESTING ACTIVITIES

Acquisition of Assets	8	-	161,345,756.00
Net cash flows from Investing Activities		-	161,345,756.00

NET INCREASE IN CASH AND CASH EQUIVALENT		2,166,035.00	4,007,876.00
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Cash and cash equivalent at BEGINNING of the year	10	-	4,007,876.00
Cash and cash equivalent at END of the year	10	2,166,035.00	4,007,876.00

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 29th Sep 2014 and signed by:



CHIEF EXECUTIVE OFFICER/SECRETARY



CHIEF ACCOUNTANT

I. 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 Utilisation Difference e=c-d	% of Utilisation f=d/c %
RECEIPTS						
Transfer from National Treasury	659,750,000.00	-	659,750,000.00	659,750,000.00		100%
PAYMENTS						
Compensation of Employees	385,063,800.00	-	385,063,800.00	385,061,493.10	2,306.90	100%
Use of goods and services	254,892,200.00	-	254,892,200.00	254,892,200.00	12,370.35	100%
Transfers to Other Government Units	1,147,000.00	-	1,147,000.00	1,146,870.00	130.00	100%
Social Security Benefits	1,529,000.00	-	1,529,000.00	1,528,600.00	400.00	100%
Acquisition of Assets	17,118,000.00	-	17,118,000.00	17,115,502.00	2,497.30	100%
TOTALS	659,750,000.00		659,750,000.00	659,732,295.45	17,704.55	100%

The entity financial statements were approved on 29th Sept 2014 and signed by:



CHIEF EXECUTIVE OFFICER/SECRETARY



CHIEF ACCOUNTANT

X. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Transfer from National Treasury	659,750,000.00	-	659,750,000.00	659,750,000.00		100%
	659,750,000.00	-	659,750,000.00	659,750,000.00		100%
PAYMENTS						
Compensation of Employees	385,063,800.00	-	385,063,800.00	385,061,493.10	2,306.90	100%
Use of goods and services	254,892,200.00	-	254,892,200.00	254,892,200.00	12,370.35	100%
Transfers to Other Government Units	1,147,000.00	-	1,147,000.00	1,146,870.00	130.00	100%
Social Security Benefits	1,529,000.00	-	1,529,000.00	1,528,600.00	400.00	100%
Acquisition of Assets	17,118,000.00	-	17,118,000.00	17,115,502.00	2,497.30	100%
TOTALS	659,750,000.00		659,750,000.00	659,732,295.45	17,704.55	100%

The entity financial statements were approved on 29th sept 2014 and signed by:


CHIEF EXECUTIVE OFFICER/SECRETARY


CHIEF ACCOUNTANT

X. 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 Transition Authority and all values are rounded to the nearest thousand (Kshs'000). The accounting policies adopted have been consistently applied to all the years presented.

The financial statements have been prepared on the cash basis following the Government's standard chart of accounts. The cash basis of accounting recognises transactions and events only when cash is received or paid by the Transition Authority.

2. Recognition of revenue and expenses

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

3. In-kind contributions

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

4. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of

changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

5. Pending bills

Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years. As pending bills do not involve the payment of cash in the reporting period, they recorded as 'memorandum' or 'off-balance' items to provide a sense of the overall net cash position of the Transition Authority at the end of the year. When the pending bills are finally settled, such payments are included in the statement of receipts and payments in the year in which the payments are made.

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

7. Comparative figures

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

8. 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, 2014.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

1 EXCHQUER RELEASES

	2013 - 2014	2012 - 2013
	Kshs	Kshs
Total Exchequer Releases for quarter 1	138,937,500	162,500,000
Total Exchequer Releases for quarter 2	138,937,500	162,500,000
Total Exchequer Releases for quarter 3	138,937,500	162,500,000
Total Exchequer Releases for quarter 4	242,937,500	270,500,000
Total	659,750,000	758,000,000

2 REIMBURSEMENTS AND REFUNDS

	2013 - 2014	2012 - 2013
	Kshs	Kshs
Reimbursement from Individuals and Private Organisations	<u>2,148,330</u>	-
Total	<u>2,148,330</u>	-

3 OTHER RECEIPTS

	2013 - 2014	2012 - 2013
	Kshs	Kshs
Receipts from Administrative Fees and Charges - Collected as AIA	-	1,231,000
Total	-	<u>1,231,000</u>

4 COMPENSATION OF EMPLOYEES

	2013 - 2014	2012 - 2013
	Kshs	Kshs
Basic salaries of permanent employees	223,590,234	111,695,721
Personal allowances paid as part of salary	161,471,259	125,151,621
Total	<u>385,061,493</u>	<u>236,847,342</u>

5 USE OF GOODS AND SERVICES

	2013 - 2014 Kshs	2012 - 2013 Kshs
Utilities, supplies and services	-	95,000
Communication, supplies and services	13,541,857	5,143,805
Domestic travel and subsistence	28,466,234	51,842,121
Foreign travel and subsistence	9,434,842	10,351,768
Printing, advertising and information supplies & services	39,262,407	128,594,197
Rentals of produced assets	38,870,625	30,723,396
Training expenses	9,759,610	20,725,949
Hospitality supplies and services	18,124,563	35,425,809
Insurance costs	28,333,049	15,446,169
Specialised materials and services	16,649,300	134,126
Office and general supplies and services	11,197,535	11,423,871
Hire of Transport	375,000	-
Routine maintenance – vehicles and other transport equipment	2,578,552	357,000
Overhaul of Vehicles	466,203	17,455,461
Routine Maintenance – other assets	27,623,212	17,455,461
Legal Services	8,284,896	
Contracted Professional Services	9,570,506	
Fuel Oil and Lubricants	9,456,941	5,711,030
Total	271,995,332	333,429,700

6 OTHER GRANTS AND OTHER PAYMENTS

	2013 - 2014 Kshs	2012 - 2013 Kshs
Membership fees and dues, Subscriptions to Intl.Orgs	1,146,870	981,742
Total	1,146,870	981,742

7 SOCIAL SECURITY BENEFITS

	2013 - 2014 Kshs	2012 - 2013 Kshs
Government pension and retirement benefits	1,528,600	-
Total	1,528,600	-

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8 ACQUISITION OF ASSETS

	2013 - 2014 Kshs	2012 - 2013 Kshs
Purchase of Vehicles and Other Transport Equipment	-	123,024,55
Overhaul of Vehicles and Other Transport Equipment	-	353,579
Purchase of Office Furniture and General Equipment	-	8,024,87
Purchase of Specialised Plant, Equipment and Machinery	-	29,942,75
Total	-	161,345,75

9 OTHER EXPENSES

	2013 - 2014 Kshs	2012 - 2013 Kshs
Other expenses	-	22,618,58
	-	22,618,58

10A: Bank Accounts

Name of Bank, Account No. & currency	Amount in bank account currency	Exc rate	2013 - 2014 Kshs	2012 - 2013 Kshs
Central Bank of Kenya. - 1000185023		-	451,374.30	1,337,036
Total			451,374.30	1,337,036

10B: CASH IN HAND

	2013 - 2014 Kshs	2012 - 2013 Kshs
Location 1	-	527,962
Total	-	527,962

10C: OUTSTANDING IMPRESTS

Name of Officer or Institution	Date Imprest Taken	Amount Taken	Amount Surrendered	Balance
		Kshs	Kshs	Kshs
Alice Kwamboka	-	71,000	-	71,000
Grace Nyakarango	-	94,500	-	94,500
Ibrahim Jirma Duba	-	37,000	-	37,000
Ibrahim Jirma Duba	-	27,000	-	27,000
Ibrahim Jirma Duba	-	40,500	-	40,500
John N. Mutega	-	38,000	-	38,000
John Njihia	-	46,000	-	46,000
Josephine Kusinyi	-	38,000	-	38,000
Stem Nyatuku	-	78,000	-	78,000
Bakari Omara	-	100,000	-	100,000
Bakari Omara	-	110,000	-	110,000
Bakari Omara	-	54,000	-	54,000
Maina Muriuki	-	1,434	-	1,434
Salary in Advance	-	979,226	-	979,226
Total				<u>1,714,660</u>

11: PENDING ACCOUNTS PAYABLE (See Annex 1)

	Kshs	Kshs
Supply of goods	5,946,294.86	-
	<u>5,946,294.86</u>	<u>-</u>

TRANSITION AUTHORITY
Reports and Financial Statements
For the year ended June 30, 2014

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2013	Outstanding Balance JUNE 2014	Comments
	a	b	c	d=a-c		
Supply of goods						
1. GESTALT GILD LIMITED	2,285,754.86				2,285,754.86	
2. BESTLINE SYSTEMS KENYA LIMITED	1,820,540.00				1,820,540.00	
3. BORASOFT LIMITED	1,840,000.00				1,840,000.00	
Sub-Total	5,946,294.86				5,946,294.86	
Grand Total	5,946,294.86				5,946,294.86	