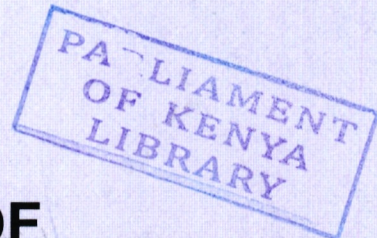


REPUBLIC OF KENYA



Paper laid
By the Hon. Speaker -
Leader of Majority on
Thurs 31/7/14
[Signature]

KENYA NATIONAL AUDIT OFFICE



**REPORT OF
THE
AUDITOR-GENERAL**

KENYA NATIONAL



ON

**THE FINANCIAL STATEMENTS
OF KENYA NATIONAL BUREAU OF
STATISTICS FOR THE YEAR
ENDED 30 JUNE, 2013**





**KENYA NATIONAL BUREAU
OF
STATISTICS**

**ANNUAL REPORT AND FINANCIAL
STATEMENTS 2013**

Acronyms

A-I-A	-	Appropriations in Aid
AGOA	-	African Growth and Opportunity Act
CCK	-	Communications Commission of Kenya
COMESA	-	Common Market for Eastern and Southern Africa
Dfid	-	Department for International Development
DG	-	Director General
EAC	-	East African Community
FAO	-	Food and Agriculture Organization
FDR	-	Fixed Deposit Receipts
FMR	-	Financial Monitoring Reports
GOK	-	Government of Kenya
ICT	-	Information Communication Technology
IDA	-	International Development Agency
IFRS	-	International Financial Reporting Standards
ILO	-	International Labour Organisation
KCB	-	Kenya Commercial Bank
KNBS	-	Kenya National Bureau of Statistics
KENINFO	-	Kenya Information
MICS	-	Multiple Indicator Cluster Survey
MoSPND&V2030	-	Ministry of State for Planning, National Development and Vision 2030
NSS	-	National Statistical System
NSSF	-	National Social Security Fund
PS	-	Permanent Secretary
SCB	-	Statistical Capacity Building
STD	-	Standard Chartered Bank
UNFPA	-	United Nations Population Fund
UNICEF	-	United Nations Children's Fund
USAID	-	United States Agency for International Development
WTO	-	World Trade Organisation

Table of Contents

Institutional Information.....	1
Board of Directors.....	4
Senior Management Team	10
Chairman’s Report	11
Director General’s Report.....	13
Corporate Governance Report.....	21
Statement of Directors’ Responsibilities	24
Statement of Comprehensive Income	25
Statement of Financial Position	26
Statement of Changes in Reserves	27
Statement of Cash Flows	28
Notes to the Financial Statements	29
County Offices.....	40

Institutional Information

Registered Office : Herufi House,
Lt. Tumbo Avenue, off Harambee Avenue.
P.O Box 30266 – 00100,
NAIROBI

Auditors : Auditor-General
Kenya National Audit Office,
Anniversary Towers,
P.O Box 30084 – 00100,
NAIROBI

Bankers : Standard Chartered Bank Kenya Limited,
Kenyatta Avenue Branch,
P.O Box 98683 – 00100,
NAIROBI.

Kenya Commercial Bank Limited,
Moi Avenue Branch,
P.O. Box 30081 – 00100,
NAIROBI.

Co-operative Bank of Kenya,
Kimathi Street Branch,
P.O. Box 7512 – 00100,
NAIROBI.

Vision

A centre of excellence in Statistics Production and Management.

Mission

To effectively manage and coordinate the entire National Statistical System (NSS) to enhance statistical production and utilization.

Strategic Focus

To achieve its desired overall objective, KNBS has identified six key strategic areas to focus on, over the next five years. These identified strategic areas are geared towards propelling the Bureau in its quest to be a centre of excellence in production and management of quality statistics.

Theme 1: Aligning Statistical Information with user Requirements

Theme 2: Enhancing the quality of Statistical data and information

Theme 3: Coordination and supervision of the National Statistical System

Theme 4: Build Human Resource Capacity

Theme 5: Development and Modernizing of Physical and ICT Infrastructure

Theme 6: Enhance the effectiveness and efficiency of the Bureau

Overview

KNBS is a Semi-Autonomous Government Agency established by an Act of Parliament – the Statistics Act, 2006.

KNBS Mandates

The Bureau is the principal agency of the Government for collecting, analysing and disseminating statistical data in Kenya and is the custodian of official statistical information. Specifically the Bureau is mandated with:

- (a) planning, authorizing, co-ordinating and supervising all official statistical programmes undertaken within the National Statistical System;
- (b) establishing standards and promoting the use of best practices and methods in the production and dissemination of statistical information across the National Statistical System;
- (c) collecting, compiling, analyzing, abstracting and disseminating statistical information on the matters specified in the First Schedule;
- (d) conducting the Population and Housing Census every ten years, and such other censuses and surveys as the Board may determine; and
- (e) maintaining a comprehensive and reliable national socio-economic database.

Core Values

KNBS aims at providing quality statistical and sex disaggregated data which is key to achieving excellence in performance levels based on the fundamental principles of official statistics. We endeavour to create an organisation that will promote;

Professionalism: Strictly abide by the professional considerations on the methods, standards and procedures for statistical production.

Integrity: To be accountable and transparent in service delivery.

Confidentiality: The privacy of data providers/suppliers and the confidentiality of the information must be guaranteed as prescribed in the Statistics Act.

Quality Assurance: To maintain the quality of Statistics to meet the needs of stakeholders.

Customer Focus: Ensure customer Satisfaction

Timeliness: Ensure prompt production and dissemination of statistical information.

Teamwork: To maintain effective team spirit

Board of Directors



**Mr. Edwin S. Osundwa, EBS
Chairman**



**Prof. Jane W. Kabubo-Mariara
Member**



**Dr. Edward Sambili, CBS
PS – MOPNDV2030**



**Mr. Francis Anyona
Alt. to The PS - Finance**



**Mr. Joseph Kinyua, EBS:
PS Finance - Member**



**Dr. Boniface K'Oyugi, MBS
Member**



**Mr. Stephen Wainaina, MBS
-Alt. to PS –MOPNDV2030**



**Dr. Richard K. Muigai
Member**



**Ms. Margaret K. Chemengich
Member**



**Mr. Boniface Makau
Member**



Mr. Edwin S. Osundwa, EBS – Chairman

Mr. Osundwa is a graduate of Economics from Makerere University and a holder of Master of Economics degree from York University, Canada. He has held Various Senior positions in the Government and served in several Boards and Committees. He served as Permanent Secretary in the office of the Vice President and Ministry of Planning and National Development, Ministry of Co-operative Development, Industrial Development and Local Government respectively. He was awarded the order of the Elder of Burning Spear (EBS) in 1998. Upon retirement he has served as a member of the State Corporations Advisory Committee (SCAC) and a Director of Mumias Sugar Company LTD. He was appointed Chairman of the Kenya National Bureau of Statistics Board of Directors in January 2011



Dr. Boniface K'Oyugi, MBS – Director General, National Council for Population and Development (NCPD)

Prior to joining NCPD in 2007, Dr. K'Oyugi was a Senior Lecturer at the Population Studies and Research Institute (PSRI) of the University of Nairobi where he taught and researched on population for 21 years. Dr. K'Oyugi has made outstanding contributions to the development and management of population and reproductive health policies and programmes since 1982. He is a Board member of the Kenya National Bureau of Statistics and Secretary to the Executive Committee of Partners in Population and Development, an international alliance under the South-South Initiative



Dr. Richard K. Muigai

Dr. Muigai has not only worked at Kenyatta National Hospital, Kenya Medical Research Institute, Ciba Geigy but also served in various senior administrative positions in the private sector. He is a graduate of Nairobi University Medical School, Harvard School of Public Health and Nagasaki Institute of Tropical Medicine.



Ms. Margaret Chemengich is a retired career civil servant with a wealth of experience in both public service work and private sector. She majored in public policy development and implementation at national and regional levels including integration into the global agenda. She rose through the ranks culminating in the prestigious position of Permanent Secretary in a number of ministries including Finance, Trade, Tourism and Industry. Some of her outstanding achievements in the civil service include her instrumental role in the formulation of the Kenyan International and Regional Trade Policy;; including the conclusion of negotiations with EAC, COMESA, AGOA, and WTO; institutionalizing the participation of the private sector and civil society in policy making processes among others. Since retirement in 2003, she has continued to participate in development policy making through national and regional consultancy work and remains engaged in government policy and programme task forces and member of a number of boards. She is presently participating with government negotiating teams towards the conclusion of the European Economic Partnership Agreement.



Mr. Boniface F. Makau

Mr. Makau has been a career civil servant for most of his working life. He started his working life as a Research Officer in the Ministry of Agriculture and later joined the National Council for Science and Technology where he worked for thirteen years as an Assistant Science Secretary and subsequently as a Science Secretary. He went on to join the Scheme of Service for Economists as a Principal Planning Officer in the then Ministry of Planning and National Development. He was subsequently transferred to the Cabinet Office where he rose to the position of Chief Economist and ultimately to Permanent Secretary in charge of the portfolio which today constitutes Special Programmes. In retirement, Mr. Makau has been consulting widely on economic issues for Government, UN bodies and IGAD. Mr. Makau holds a BSc from Makerere University in Uganda and BPhil and MA in Economics from the University of Nairobi, Kenya



Prof. Jane Kabubo-Mariara holds a B.A, M.A. and PhD in Economics from the University of Nairobi. She is currently the Director of the School of Economics, University of Nairobi. She is also a member of a number of regional and international professional societies. Her key research areas include: poverty and income distribution issues, with emphasis on multiple dimensions of child poverty; the impact (and adaptations) of climate change on agriculture; environmental and natural resource economics. She has for many years actively participated in research with the African Economic Research Consortium (AERC), the poverty and Economic Policy (PEP) Research network and the Center for Environmental Economics and Policy in Africa (CEEPA) among other institutions. She has also won many research grants from local, regional and international organizations. Currently she is a member of the editorial board of SACHA academic journals and Environment and Development Economics, as well as an associate editor of the African Journal of Agricultural and Resource Economics (AFJARE). She is also a resource person with the African Economic

Research Consortium (AERC). She has consulted for the World Bank, the International Development Research Centre (IDRC) and the African Economic Research Consortium, among other institutions. She has been a visiting fellow at the International Monetary Fund (Washington DC), The World Bank (Washington DC), the International Centre for Theoretical Physics (Italy), Cornell University, (U.S.A) and Laval University (Canada). She has 20 years of University teaching experience with a concentration on Econometrics, Mathematics for Economists, Economic Statistics, Economic Theory, and Research Methods. Kabubo-Mariara has competently used a wide range of statistical and econometric softwares including STATA, SPSS, DAD, LIMDEP, GAMS and Excel among others.



Mr. Francis Anyona

Francis Anyona holds a Masters Degree in Economic Policy and Management, University of Nairobi. B.A. Econ. (Hons) 2nd Class Upper Division. Currently works as Chief Economist where his major responsibility is the Head of Expenditure Management and Budget Policy Unit. He has been trained in Driving Performance in the Public Sector, Fiscal Decentralization and Cost Control, Financial Change and Risk Management in the Public Sector Corporate Governance Performance Budgeting and Financing of Devolved Government Strategic leadership and Change Management Enterprise Designing and Implementing Social Transfers Risk Management Public Expenditure and Financial Accountability Micro-economics of Competitiveness Program on Budgeting and Financial Management in the Public Sector among others.

He has 20years public service experience where he has held various positions. He is a Member of Board of Governors, Riosiri Secondary School, Chairperson MW'Oigara Self Help Group Member South Mugirango Development Group



Mr. Stephen Wainaina, MBS

Mr. Wainaina is currently the Economic Planning Secretary (EPS) in the Ministry of Devolution and Planning, a position he has held since 2006. He is a graduate of the University of Nairobi (1978/79 - 1980/81) Bachelor of Arts Degree and the Centre for Development Economics Williams College, Massachusetts, USA (1984 – 85)where he pursued and obtained a MA in Developments studies

Mr. Wainaina was employed by the Ministry of Planning and National Development; Central Bureau of Statistics Department in 1981. He worked in the Government Service as an Economist/Statistician rising to current Position of Principal Technical Head of the Ministry of Planning.

In 2008 Awarded - The Third Class: Moran of Order of the Burning Spear (MBS) by H.E. the President of the Republic of Kenya. He has a wealth of experience in corporate management having served in Several Boards of State Corporations (over 15 years) and travelled widely in the World (Over 31 Countries) in the Course of his work.

Senior Management Team

The KNBS structure comprises six directorates as shown below. Each Directorate is headed by a Director.



Mr. Zachary Mwangi
Ag. Director General



Mr. James Gatungu
Dir., Production Statistics



Mr. Macdonald George O. Obudho
Dir., Population & Social Statistics



Mrs. Margaret Nyakang'o
Dir., Finance and Administration



Mr. Collins Omondi
Ag. Dir., Macro Economic Statistics



Mr. Cleophas Kiio
Dir., ICT



Mr. Saitoti Torome
Dir., Strategy & Development



Mr. David Mboni
STATCAP Project Manager

Chairman's Report



Mr. Edwin S. Osundwa, EBS – Chairman

I am delighted to present the financial statements of the Kenya National Bureau of Statistics for the twelve months period ended 30th June 2013. We, as the KNBS board are indeed proud of the Bureau for its commitment to continually improve service delivery.

The production and dissemination of reliable statistics have become essential for public administration and public policy. Statistics is not an aim in itself, but a very important tool to improve our understanding of an increasingly complex, interdependent and fast-evolving world. Statistics helps us define, observe and better understand our economies and our societies. For instance, targeting welfare policies requires identifying the most vulnerable members of society.

Statistical information is needed to find out who is simultaneously poor in income, consumption and wealth, where they live and how they are affected by policy. Statistics provide understandable and timely information about health, education and / or security. In other words, Statistics reveals the quality of our lives, of our progress. They have become one of the most important tools for effective policymaking.

The Bureau, with the continued support of the Government, the development partners and all other stakeholders, will continue to carry out its mandate successfully which will go a long way in achieving the targets set out for the realization of Kenya Vision 2030.

I wish to recognize the role that staff has played and their commitment in ensuring conformity to the required performance criteria and the international standard. The commitment of the top management has been crucial in providing the necessary leadership. As the Board, we are aware that in order to sustain and continuously improve, we must also continue to motivate our staff. It is in this context that we must be determined to take continued improvement.

I once again express my sincere gratitude and appreciation to the Board of Directors, Management, staff, the Government, particularly the Ministry of Devolution and Planning and the National Treasury, and our development and business partners for their continued support

I look forward to your continued support.



Mr. Edwin S. Osundwa, EBS

Director General's Report



Mr. Zachary Mwangi – Ag. Director General

The Kenya National Bureau of Statistics is the principal agency of the Government for collection, compilation, analysis and dissemination of official statistics for planning, policy making, monitoring and evaluation.

This report highlights the Bureau's achievements from its six Directorates during the period under review, enumerating the challenges faced during the same period as well as looking at the activities planned for the next financial year, 2013/2014.

The Macroeconomic Statistics

The Directorate generates, collects, analyses and disseminates official macroeconomic statistics within the four internationally comparable and interrelated macroeconomic systems of national income accounts, balance of payments, monetary and financial statistics, and public finance. In addition, the directorate is responsible for tourism and migration and transport, storage & communication statistics. In order to achieve this objective, the directorate liaises with other directorates in the Bureau, ministries and agencies as well as regional and international bodies such as EAC, COMESA, IMF, ECA and the United Nations.

The directorate implemented a number of activities during the financial year 2012/13, part of its mandate to provide macroeconomic statistical information required for policy formulation, planning, monitoring and evaluation. These activities were implemented through the support of the government and development partners.

Among the major activities undertaken include:

The preparation of the 2013 annual economic survey report; the report provided highlights of the performance of the economy in 2012 and also key socio-economic statistics for the period 2008-2012; The report is used widely by the government, researchers, academicians, development partners, non-governmental organisations and the media among other users; For planning, analysis, budgeting, monitoring and evaluation purposes. The report was prepared by April 2013 and provided key inputs to the budget making process.

Provision of quarterly national accounts (QNA) reports: The Directorate produced four Quarterly National Accounts reports which provide a snapshot of economic developments that took place in the four quarters of 2012/2013 financial year. Further, these reports were produced on time, to facilitate the work of data users within and outside of the National statistical system.

The Annual Statistical Abstract Report; this report gives a comprehensive compendium of statistics with a ten year data series for both macroeconomic and socio-indicators. The 2012 abstract was prepared and released during the period under review. The report is mainly by researchers and academicians.

Survey Exercises

The directorate conducted the 2nd cycle of Informal Cross Border Trade surveys (ICBT) in October 2012. The main objective of the ICBT surveys is to collect information on the magnitude and direction of unrecorded trade to provide complete external trade statistics necessary for compilation of balance of trade and national accounts statistics.

Foreign Investment Survey 2013 (FIS 2013) was conducted between March and April 2013. FIS 2013 collected information, with geographic detail, on the stocks and flows of inward and outward foreign investment, separately for equity and debt investment for use in the compilation of Balance of Payments (BOP), International Investment Position and related external debt statistics;

The directorate also finalized the development of the preliminary Supply-Use Tables, which was disseminated with the Economic Survey 2013.

Stakeholder meetings

The directorate held quarterly stakeholder meetings during the 2012/13 fiscal year with the statistical producers and users of: international trade and trade facilitation; and infrastructure statistics. These forums were aimed at improving the quality of trade, transport and ICT statistics and reduce the time lag in their production and improve stake holder participation.

Production Statistics Directorate

The Production Statistics Directorate is responsible for coordination, collection, analysis, generation and disseminating statistics within four broad areas namely labour and prices, industrial, agriculture and environment and nutrition statistics. Under labour statistics, the directorate covers labour enumeration, consumer prices, master file and labour dynamics. The industrial statistics covers manufacturing statistics, business expectations enquiry, building and construction, energy statistics and producer price indices. Agriculture mainly involves crop and livestock production, inputs, cooperatives and sector training statistics. Environment and nutrition target statistics on environment, natural resources such as mining, forestry and fisheries, food monitoring and nutrition. In order to achieve this objective, the Directorate liaises with other Directorates in the Bureau, Government Ministries and Agencies, Research

Institutions as well as regional and international bodies such as EAC, COMESA, IMF, ILO, UNICEF and FAO among others.

During the financial year 2012/13 the Production Directorate working within the Bureau's mandate of providing official statistics necessary for policy formulation and planning, monitoring and evaluation of development initiatives carried out a number of activities. These activities were implemented through support by government and development partners.

Besides the many collaboration activities the Production Directorate undertook the following specific activities:-

1. Consumer Price Indices (CPI): The Consumer Price Index (CPI) is a key macroeconomic indicator used to monitor price movements and how they affect policy decisions. Twelve CPI reports were released on a monthly basis during the financial year 2012/13 based on the geometric mean approach;
2. Harmonized Consumer Price Index (HCPI): Data was collected, compiled and submitted to COMESA on a monthly basis. Over the same period there was full participation in the technical working group meetings in preparation for a Harmonized Consumer Price Index for the East African Community;
3. International Comparison Program (ICP): Prices data for compilation of Purchasing Power Parities (PPP) was validated and presented to African Development Bank (AfDB) meetings in Pretoria, South Africa and in Abidjan, Ivory Coast over the period 2012/2013;
4. Monthly Leading Economic Indicators (LEI): Twelve LEI reports were prepared and released on a monthly basis through the Bureau's website;
5. Committee on Agriculture, Nutrition and Environment Statistics (ANES): The Directorate continued to coordinate activities of the quarterly committee on Agriculture, Nutrition and Environment Statistics (ANES) that aims at providing quality and harmonized statistics on agriculture, livestock, nutrition and environment. During the period, 2012/13 four ANES committee were held;
6. Producer Price Index: The new PPI series were published for all the four quarters from June 2012 to June 2013. PPI data was disseminated through the KNBS website in September 2012, December 2012, March 2013 and in June 2013;
7. Census of Industrial Production (CIP): The Directorate finalized the CIP report in February 2013 and a special chapter on the findings incorporated in the Economic Survey Report of 2013;
8. Micro Small and Medium Enterprises (MSME) survey: A pilot Phase of the MSME survey was conducted in liaison with African Center for Economic Growth (ACEG), KREP and Institute of Development Studies, University of Nairobi (IDS-UON);
9. Collaboration with other institutions: The Directorate liaised with the Ministry of Labour to draft a report on the Manpower survey. It also partnered with the Ministry of Housing to undertake field data collection for the National Housing Survey; and

10. Technical support: The Directorate participated in preparatory activities on agriculture census in collaboration the agricultural sector ministries with technical assistance provided by FAO.

Strategy and Development

During the 2012/2013 Financial Year, the Kenya National Bureau of Statistics (KNBS) undertook a number of activities during the review period. These included:

1. ISO Certification: The Bureau became ISO 9001:2008 Certified on 9th of April 2013;
2. KNBS Strategic Planning: The 2008-2012 KNBS Strategic Plan came to an end in FY 2012/2013 and the process of developing the next strategic plan for the period 2013-2017 commenced during the review period. The next plan is expected to cover the entire National Statistical System and will be ready by March 2014; and
3. Poverty Research: Using Small Area Estimation Methodology, the Bureau generated county poverty profiles using the 2009 Kenya Population and Housing Census (KPHC) data and the 2005/2006 Kenya Integrate Household Budget Survey (KIHBS) dataset. This Second KIHBS is expected to be conducted in 2013/2014 and 2014/15 financial years.

Population and Social Statistics Directorate

The Directorate is charged with the responsibility of ensuring the full implementation of decennial population and housing censuses and household based sample surveys (demographic, health, social, governance, peace and security) and collection, compilation, analysis and dissemination of demographic, health, social, governance, and peace and security statistics. In addition, the directorate is responsible for cartography and GIS and field services. The design, development and maintenance of household statistical sampling frames also falls under this directorate.

During the 2012/2013 Financial Year, the directorate carried out the following activities:

- Kenya Urban Reproductive Health Indicators Survey conducted in October, November and December, 2012 and a report was produced;
- Kenya Aids Indicator Survey data collection was successfully undertaken from September, 2012 to February, 2013 and a preliminary report availed by 30th June, 2013;
- 2013 Kenya Demographic and Health Survey preparatory activities including preparation of budget, mobilization of funds, preparation of survey tools and sample design were undertaken;

- Data collection for the Phase 1 of Part 1 of NASSEP V in the seven ASAL Counties was done. Implementation of this phase of NASSEP was done between the months of August and October 2012 and a total of 416 Clusters were developed. In addition, Phase 1 of Part 2 data collection was conducted in May/June 2013. This phase comprised of 952 clusters from 23 counties;
- During the review period, the GIS Laboratory was revamped and ArcGIS software was procured and also in house training on GIS to 10 officers was done;
- County Services: This activity was funded throughout the year. Funds were disbursed to all the districts as per the work plan. This fund was meant for the daily operations of KNBS field offices. The total estimated expenditure was Ksh 30,000,000;
- Directorate participated in a number of regional and international workshops including a regional workshop for development of metadata for development indicators, an expert group meeting on crime statistics, a specialized technical group of SHaSA on Governance, Peace and Security statistics and also an expert group meeting on accountability framework for conflict, violence and disaster for the post-2015 development agenda;
- The directorate further disseminated the 2010 Gender data sheet, trained 40 officers in production of gender statistics and finalised the African Gender Development Index (AGDI); and
- In addition, the directorate collaborated with out agencies to conduct the innovation survey, Research and Development Survey, Kenya Household Health Expenditure and Utilization Survey (KHHEU) and Measles Survey.

Risk Management

During the year 2012/2013 KNBS put in place mechanisms to ensure implementation of an Enterprise Wide Risk Management Framework. The Board approved KNBS Risk Management Policy Framework in the year 2009/2010. This policy recognizes that KNBS, like all other public institutions, by year 2030 must be "transparent, accountable, ethical and results-oriented".

Annually, risks from all Directorates/Sections are identified and captured in a risk register. From the directorates risk registers, corporate risks were isolated and captured in a KNBS Risk Matrix which was discussed at the management and forwarded to the Board for approval.

Both the approved corporate risks and directorates risk were monitored continuously and quarterly reports generated. The reports generated were consolidated and presented to both management and the Board through the Audit and Risk

Management Committee of the Board. As new challenges/ risks emerge, risk registers were updated as well as KNBS risk matrix.

To ensure that the culture of risk management is inculcated, risk management forms an integrated part of planning, controlling and reporting procedures in KNBS. The KNBS Strategic Plan 2008-2013 reflects strategic risks that face the organization and mitigation actions to ensure successful implementation. A procedure on risk assessment was developed and incorporated in the ISO procedures. This will enhance service delivery.

Due to the team work exhibited in all operations as well as the sensitizations carried out, KNBS is confident to remain on track, guided by annual corporate risk analysis and mitigation actions that reflect the strategic actions, to ensure delivery of quality statistics for National and County Government planning and development.

Administration Matters

The following are some of the activities undertaken with regard to staff safety and awareness during the period:

1. A fire audit was carried out in Nyayo and Bima Houses in June 2012 and consequently fire safety equipment were installed in Nyayo and Bima Houses. In addition, fire safety audit were carried out in our field offices;
2. A five day firefighting and evacuation procedure sensitization workshop was organized and carried out in Nyayo House. A total of eighty three (83) officers were sensitized; and
3. Extra fire exit routes were created on both the Southern and Northern wing of Herufi House the 1st floor to enable the routes flow up to the outer ground level.

Human Resource

The Human Resource Department was involved in various activities to enhance performance and promote the wellbeing of all the staff in the Bureau.

The key performance objectives were as follows:-

- To ensure remittances of statutory deductions to the relevant government bodies;
- To develop staff competencies;
- To address staffing gaps and improve staff welfare;
- To create awareness among the staff on prevention of HIV infections;
- To sensitize staff on the prevention of Drug and Substance Abuse;
- To Mainstream Gender; and
- To Mainstream Disability

During the review period, the KNBS achieved the performance objectives and in specifically:

- Ensured timely remittances of statutory deductions to relevant government bodies;
- Conducted a competence baseline survey and capacity building interventions undertaken;
- Recruited Thirty Seven (37) staff to fill vacant posts;
- Sensitized 511 field and headquarter staff on the need for voluntary counseling & HIV testing ;
- Implemented Workplace policy on Alcohol & Drug abuse;
- Complied with 30% gender representation policy in permanent and pensionable employment, attachees and research assistants; and
- Conducted sensitization workshops on Disability mainstreaming.

Way forward

The Bureau plans to implement a number of activities during the current financial year 2013/14 in order to improve on data quality, enlarge coverage of economic, social, environmental and demographic indicators and fill in some of the existing data gaps. The new financial year will see the Bureau review its Strategic Plan, formulate and launch it to guide us for the next five years. Among the other planned activities include:

1. Undertake phase III of the Informal Cross Border Trade Survey (ICBTS)
2. Build capacity in the Bureau on the compilation of Input- Output and the Social Accounting Matrix (SAM) tables
3. Solicit for Technical assistance in the development of Tourism Satellite Accounts (TSA)
4. Conduct pilot for the Second Kenya Integrated Household Budget Survey (KIHBS II)
5. Conduct the Kenya Demographic and Health Survey (KDHS)
6. Finalize the 2nd Foreign Investment Survey (FIS) report
7. Finalize the Census of Industrial Production report
8. Conduct the Micro, Small and Medium Enterprise (MSME) survey before end of financial year.
9. Automate QMS and conduct surveillance audits using automated system
10. Develop In-depth Analytical Reports from 2009 KPHC data on Livestock, Youth and adolescence, Elderly and vulnerable group, and Informal settlements
11. Comprehensive implementation of Job Evaluation report in line with Management/Board recommendations;
12. Implementation of recommendations made in the baseline surveys' reports;
13. Recruitment of staff to fill any identified vacancies and development of existing ones
14. Provision of adequate funds to undertake sensitization programmes
15. Provision of a staff medical cover
16. Management of staff pension scheme

Appreciation

I wish to extend my appreciation to the Board, Staff and other stakeholders for the support provided during the period that ensured that the Bureau implemented many of its planned activities. Special thanks also goes to our development partners in particular, UNFPA, USAID, SIDA, World Bank, UNICEF and AfDB for their financial and material support that facilitated the carrying out of key surveys to bridge some of the existing data gaps.

Last but not least, the Bureau appreciates the invaluable support and feedback provided by our data producers, suppliers and users that enabled the directorate to achieve its mandate.



Zachary Mwangi
Ag. Director General

Corporate Governance Report

Objective

Corporate governance defines the process and structure used to direct and manage business affairs of the company with the aim of enhancing prosperity and corporate accountability.

In fulfillment of the requirements of the Statistical Act 2007, the current KNBS Board of Directors was inaugurated on 16th February, 2011. It is therefore the principal organ responsible for giving leadership and direction towards the achievement of the Bureau's mandates.

The Board acknowledges that it is also responsible for ensuring the transparency, accountability and integrity of the financial systems and internal system in the organization and hereby confirms that sufficient safeguards have been put in place and are reviewed on a regular basis.

The Board's principal responsibilities include:

- Approving the Bureau's strategy and ensuring that an effective management team and the necessary financial and human resources are in place for the Bureau to meet its objectives.
- Approving the Bureau's Budget.
- Approving the Bureau's Annual Report and reviewing its periodic financial reports.
- Evaluation of the Board's performance over the preceding year.
- Reviewing the Bureau's risk management and internal controls systems and governance framework and approving bureau policies.

Board Committees and their functions

a) Finance & Administration Committee

Functions

- Review the Bureaus' annual budget before submission and after approval by the Treasury;
- Review quarterly Financial Monitoring Reports (FMR);
- Review periodic operational budgets and financial statements;
- Monitor the continuing efficacy of accounting and internal control;
- Compliance with the Government financial management regulations;
- Monitoring the performance of key finance and accounts staff against approved performance contracts;
- Review the annual procurement plans including the external funded projects;

- Monitoring and appraise the performance of senior management, review of all human resource policies, determining the remuneration of senior management and other staff.
- The above responsibilities shall not prevent the committee from carrying out any other tasks that are reasonably within its mandate.
- All review and recommendations by this committee will be submitted to the Board for final approval.

b) Audit & Risk Management Committee

Functions

- Monitor the implementation of the risk management policy framework;
- Monitoring and ensuring timely implementation of recommendations of various fiduciary oversight responsibilities, including internal and external auditors, Government project monitoring agencies and external funded projects (IDA and DfID) periodic review and supervision missions;
Overseeing continuing efficacy of accounting and internal control standards, policies and practices
- Ensuring compliance with legal covenants of Development Partners funding agreement on projects by them and
- Monitoring performance of key internal audit staff against approved performance contracts.
- The above responsibilities shall not prevent the committee from carrying out any other tasks that are reasonably within its mandate.
- All review and recommendations by this committee will be submitted to the Board for adoption.

c) Technical Committee

Functions

- To review and approve the Bureau's annual workplan to ensure that it is in line with the Strategic Plan
- To review requests from Agencies other than the Bureau who intend to undertake a census or survey at national sub-regional and local level;
- Reviewing policies on the standardization of methodology and standards for data collection, reporting and dissemination;
- Review the Quarterly report on the activities of the Bureau,
- Review collaboration activities and partnerships with other agents.
- The above responsibilities shall not prevent the committee from carrying out any other tasks that are reasonably within its mandate.
- All review and recommendations by this committee will be submitted to the Board for adoption.

Members of Board Committees

Finance & Administration Committee

- | | | |
|---------------------------|---|--------------------------------|
| 1. Mr. Boniface Makau | - | Chairman |
| 2. Ms Margaret Chemengich | - | Member |
| 3. Mr. Francis Anyona | - | Alt to PS, Ministry of Finance |
| 4. Mr. Stephen Wainaina | - | Alt to PS, MoSPND & V2030 |

Audit & Risk Management Committee

- | | | |
|--------------------------------|---|--------------------------------|
| 1. Ms. Margaret Chemengich | - | Chairperson |
| 2. Dr. Jane W. Kabubo- Mariara | - | Member |
| 3. Dr. Richard K. Muigai | - | Member |
| 4. Dr. Boniface K'Oyugi | - | Member |
| 5. Mr. Francis Anyona | - | Alt to PS, Ministry of Finance |

Technical Committee

- | | | |
|-------------------------------|---|---------------------------|
| 1. Dr. Jane W. Kabubo-Mariara | - | Chairperson |
| 2. Mr. Boniface Makau | - | Member |
| 3. Dr. Richard K. Muigai | - | Member |
| 4. Dr. Boniface K'Oyugi | - | Member |
| 5. Mr. Stephen Wainaina | - | Alt to PS, MoSPND & V2030 |

Number of meetings held in financial year 2012/2013	
Finance & Administration Committee	5
Audit & Risk Management Committee	4
Technical Committee	4
Special Board meetings	3
Regular Board meetings	4

Statement of Directors' Responsibilities

Final Accounts as at 30th June, 2013

The Board of the Kenya National Bureau of Statistics (KNBS) is responsible for preparing financial statements for each accounting period, which give a true and fair view of the state of affairs of the Bureau as at the end of the period and of its operating results for that period.

The Board is also required to ensure that the Bureau keeps proper accounting records that disclose with reasonable accuracy at any time the financial position of the Bureau. The Board is also responsible for safeguarding the assets of the Bureau and maintenance of adequate system of internal financial control.

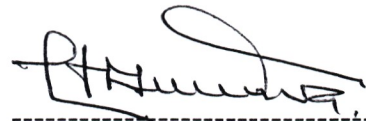
The Bureau's Board accepts responsibility for the financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards and the requirements of the Statistics Act, 2006. The Board is of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Bureau and of its sources and use of funds.

Nothing has come to the attention of the Bureau's Board to indicate that the Bureau will not remain a going concern for at least the next twelve months from the date of this statement.



Zachary Mwangi
Ag. Director General

Date. 31.10.2013.....



Edwin S. Osundwa, EBS
Chairman

Date. 31.10.2013.....

REPUBLIC OF KENYA



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P.O. Box 30084-00100
NAIROBI

KENYA NATIONAL AUDIT OFFICE

REPORT OF THE AUDITOR-GENERAL ON KENYA NATIONAL BUREAU OF STATISTICS FOR THE YEAR ENDED 30 JUNE 2013

REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of Kenya National Bureau of Statistics set out on pages 25 to 41, which comprise the statement of financial position as at 30 June 2013, the statement of comprehensive income, statement of changes in reserves 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 14 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 Financial Reporting Standards and for such internal control as management determines is necessary to enable 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 its financial statements to the Auditor-General in accordance with the provisions of Section 13 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 the provisions of Section 15 of the Public Audit Act, 2003. The audit was conducted in accordance with International Standards on Auditing. 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 judgment, 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 Bureau's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

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

Basis for Qualified Opinion

1. Property, Plant and Equipment

The property, Plant and Equipment balance of Kshs.187, 400,799.00 as at 30 June 2013 includes a parcel of land measuring 0.16ha with a building valued at Kshs.8,494,071.00, situated in Embu Town. As previously reported, the Bureau does not appear to hold any ownership documents for the property.

2. Receivables

The receivables balance of Kshs.99, 312,867.00 as at 30 June 2013 includes imprest amounting to Kshs.12,973,415.00 relating to staff debtors in form of outstanding imprests, salary advances and medical claims which have remained outstanding for a considerably long period of time. In addition, Kshs.5,552,959.00 relating to 2009 census exercise imprests have remained outstanding from prior years. A review of the position revealed that the total imprests of Kshs. 12,973,415.50 have since reduced to Kshs. 4,226,198.05 following surrenders and recoveries. No explanation has been provided for failure to recover the outstanding imprests of Kshs.4,226,198.05 contrary to existing regulations on surrender of imprests.

In the circumstances, it has not been possible to confirm the accuracy of the receivables balance of Kshs.99,312,867.00 as at 30 June 2013.

Qualified Opinion

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion Paragraph, the financial statements present fairly, in all material respects, the financial position of the Bureau as at 30 June 2013, and its financial

performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards and comply with the Statistics Act, 2006 of the Laws of Kenya.



Edward R. O. Ouko, CBS
AUDITOR-GENERAL

Nairobi

11 March 2014

Statement of Comprehensive Income

For the Year Ended 30th June 2013


	Notes	2012 / 2013	2011 / 2012
		Ksh.	Ksh.
INCOME	2		
GOK Grants		995,804,000	1,185,900,000
Donor Funds		224,352,511	398,992,905
Other Donor Funds		7,798,500	25,471,493
Interest Income		120,794,348	106,955,089
Other Income (A-I-A)		5,985,994	11,548,665
		1,354,735,353	1,728,868,152
Loss on Disposal		(14,406,695)	
EXPENSES			
Project Expenses	3	470,022,310	465,412,434
Staff costs	4	534,968,887	467,152,091
Other Operating Expenses	5	198,749,626	169,122,602
Depreciation	6	74,081,561	73,877,935
Amortisation	7	35,982,686	35,888,363
		1,313,805,070	1,211,453,425
Net Surplus		26,523,588	517,414,727

The notes set out on pages 29 to 39 form an integral part of the Financial Statements

**Statement of Financial Position
As at 30th June 2013**

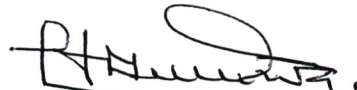
	Notes	2012 / 2013	2011/2012
		Ksh.	Ksh.
ASSETS			
NON CURRENT ASSETS			
PROPERTY, PLANT & EQUIPMENT	6	187,400,799	190,748,946
INTANGIBLE ASSETS	7	11,900,823	40,474,874
		199,301,622	231,223,820
CURRENT ASSETS			
RECEIVABLES	8	99,312,867	270,783,663
SHORT TERM DEPOSITS	9	1,400,000,000	900,000,000
CASH & CASH EQUIVALENTS	10	117,646,684	246,156,804
		1,616,959,551	1,416,940,467
CURRENT LIABILITIES			
PAYABLES	11	122,390,189	61,731,697
UNUTILISED GRANTS	12	1,505,732	28,205,293
		123,895,921	89,936,990
NET CURRENT ASSETS		1,493,063,630	1,327,003,477
NET ASSETS		1,692,365,252	1,558,227,297
FINANCED BY			
Revenue Reserve		1,350,891,200	1,297,070,102
Revaluation Reserve	13	(56,827,694)	(56,827,694)
Capital Reserve	14	398,301,746	317,984,889
		1,692,365,252	1,558,227,297

The Financial Statements set out on pages 25 to 39 were signed on behalf of the Board of Directors by:



Zachary C. Mwangi
Ag. Director General

Date 31.10.2013



Edwin S. Osundwa, EBS
Chairman

Date 31.10.2013

**Statement of Changes in Reserves
For the Year Ended 30th June 2013**

	REVENUE RESERVE	REVALUATION RESERVE	CAPITAL RESERVE	TOTAL
	Kshs	Kshs	Kshs	Kshs
At 01.07.2011	837,978,683	(56,827,694)	338,514,861	1,119,665,850
Surplus for the Year	517,414,727	-	-	517,414,727
Restatement of Debtors	(58,323,308)	-	-	(58,323,308)
Capital Reserves			(20,529,972)	(20,529,972)
At 30.06.2012	1,297,070,102	(56,827,694)	317,984,889	1,558,227,297

At 01.07.2012	1,297,070,102	(56,827,694)	317,984,889	1,558,227,297
Surplus for the Year	26,523,588	-	-	26,523,588
Restatement of Debtors	27,297,510	-	-	27,297,510
Capital Reserves	-	-	80,316,857	80,316,857
At 30.06.2013	1,350,891,200	(56,827,694)	398,301,746	1,692,365,252

The Statement of Changes in Equity is to be read in conjunction with the Notes to, and forming part of the Financial Statements set out on Pages 29 to 39.

**Statement of Cash Flows
For the Year Ended 30th June 2013**

	Notes	2012 / 2013 KSh	2011 / 2012 KSh
CASH FLOWS FROM OPERATING ACTIVITIES			
Net Surplus		26,523,588	517,414,727
Non cash Movements			
Depreciation and Amortisation		110,064,247	109,766,298
Changes in working capital:			
(Increase)/Decrease in Receivables	8	171,470,796	(134,533,037)
Increase/(Decrease) in Payables	11	60,658,492	(53,048,117)
Restatement of Debtors		27,297,510	(58,323,309)
Net Cashflows from Operating Activities		396,014,633	381,276,562
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Fixed Assets	6 /7	(92,600,844)	(2,747,199)
Adjustments in Property, Plant and Equipment	6	14,458,795	24,274,138
Net cash flows from investing activities		(78,142,049)	21,526,939
CASH FLOWS FROM FINANCING ACTIVITIES			
Unutilised Grants	12	(26,699,561)	(53,719,800)
Capital Reserve	14	80,316,857	(20,529,972)
Net Cash from Financing Activities		53,617,296	(74,249,772)
Investment in Short Term Deposits	9	(500,000,000)	(400,000,000)
Net Change in Cash & Cash Equivalents		(128,510,120)	(71,446,271)
At start of year		246,156,804	317,603,075
At end of year	10	117,646,684	246,156,804

The Cash Flow Statement is to be read in conjunction with the notes to, and forming part of the Financial Statements set out on Pages 29 to 39.

Notes to the Financial Statements For the Year Ended 30th June 2013

1. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are as stated below:

a. BASIS OF ACCOUNTING

The financial statements are prepared in compliance with International Financial Reporting Standards (IFRS). The financial statements are presented in Kenya Shillings (KShs.), rounded to the nearest Shilling and prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRS requires the use of estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on the Management's best knowledge of current events and actions, actual results ultimately may differ from those estimates.

b. PROPERTY, PLANT AND EQUIPMENT

Under the Bureau's depreciation policy all items of Property, Plant and Equipment are recorded at cost less accumulated depreciation. Subsequent costs are also included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Bureau and the cost of the item can be measured reliably.

Depreciation is calculated to write off the cost or valuation of each asset to its residual value where applicable, over the expected useful life of the asset in equal installments using the straight line method. No depreciation is made in the year of purchase but a full year's depreciation is charged in the year of disposal. No depreciation is provided on freehold land.

Repairs and maintenance costs are charged to the income and expenditure statement during the period in which they are incurred.

The assets are categorized and depreciated on a Straight line basis as follows:

Item	Rate
• Computer System	33.3%
• Furniture & Fittings, Equipment & Library Books	12.5%
• Motor Vehicles	20.0%
• Buildings	2.5%
• Plant and machinery	12.5%

All Assets surrendered to the Bureau by the Government through the Ministry of State for Planning, National Development and Vision 2030 were valued during the year 2009/2010 by M/s Metrocosmo Ltd, a registered firm of valuers and their new values incorporated in the statements during the same period.

c. INTANGIBLE ASSETS

Intangible assets consist of various computer software purchased for use in the Bureau. The Bureau recognizes Intangible Assets acquired separately at cost less accumulated amortization.

Amortization is charged on a straight-line basis over their useful lives as estimated by management from time to time. The values indicated in these statements have been amended to include values of the Intangible assets transferred from the Government after their revaluation. The rate of amortization has been set at 33.3% pa.

d. EMPLOYEE BENEFITS

i. Pension Scheme

The KNBS Retirement Benefits Scheme became operational from November 2011. The members, who stood at 524 at the end of the period, contribute 10% of their basic pay, while the employer contributes 20%, to the scheme.

The Bureau has been setting aside an amount equivalent to 31% of the Basic pay, in a Gratuity Account to cover directors recruited who are engaged on 5-year contracts.

The Bureau also contributes to the National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The Bureau's obligation under the scheme is limited to specific monthly contributions legislated from time to time and are currently fixed at Sh.200 per employee, per month.

The Bureau's contributions to the retirements benefit scheme and to the NSSF in respect of current service have been charged to the income and expenditure account in the year.

ii. Staff Gratuity

Management Staff employed on contract basis are eligible to a gratuity upon expiry of their respective contracts. The Bureau therefore operates a separate Gratuity Fund for all eligible employees, where amounts equivalent to 31% of the employee's monthly basic salary are remitted.

Movements in this Fund is clearly tabulated and accounted for in the statements.

iii. Staff Annual Leave Accrual

Employee entitlements to annual leave are recognized when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by the employee up to the balance sheet date.

e. CASH AND CASH EQUIVALENTS

For the purposes of the Cash Flow Statement, cash and cash equivalents comprise cash in hand and bank balances.

f. INVENTORIES

All consumable stocks held for use in operations are expensed on purchase.

g. COMPARATIVES

Where necessary comparative figures have been adjusted to conform to changes in presentation in the current year.

2. INCOME

This is made up of the following:

	2012 / 2013 Ksh.	2011 / 2012 Ksh.
GOK Grants		
Recurrent	859,004,000	1,033,900,000
Development	136,800,000	152,000,000
	995,804,000	1,185,900,000
Donor Funds		
UNICEF	1,781,595	335,256
UNFPA	28,885,045	21,903,193
Statcap Project	189,938,006	368,189,145
Statistical Cap. Building	3,747,865	8,181,607
Food Agri. Organisation	-	383,704
	224,352,511	398,992,905
Other Donor Funds		
ICT Survey - CCK	-	7,735,658
IFAD - Household Survey	-	11,346,892
Kenya Investment Authority	3,506,500	-
ILO - Child Labour Survey	-	2,580,149
FAO	-	255,954
PPOA - Price Surveys	4,292,000	3,552,840
	7,798,500	25,471,493
Other Income (A-I-A)		
Library Users	155,696	147,823
Publications	750,916	2,894,767
AIA from Surveys	542,125	166,800
Sale of Maps	3,378,274	3,498,634
Tenders	960,000	675,050
Boarded Vehicles	-	4,001,013
Commissions	198,983	164,578
	5,985,994	11,548,665
Interest on Deposits	120,794,348	106,955,089
GRAND TOTAL	1,354,735,353	1,728,868,152

The actual amounts of donor funds have been adjusted by the unutilized grants as at the year end.

3. PROJECT EXPENSES

These are the expenses incurred under the various funding schemes, and made up of:

	2012 / 2013 Ksh	2011 / 2012 Ksh
STATCAP Expenses	189,938,006	368,189,145
UNFPA Expenses	28,885,045	21,903,193
SCB Expenses	3,747,865	8,181,607
FAO Expenses	-	383,704
GOK Development Exp.	245,669,799	66,419,529
UNICEF Expenses	1,781,595	335,256
TOTAL	470,022,310	465,412,434

4. STAFF COSTS

These include payments to members of staff and comprise of basic pay, house allowances and other benefits. The staff complement of the Bureau as at 30.06.2013 was 524 as compared to 499 as at 30.06.2012. The staff leave provision is the equivalent of the unutilized leave days as at the end of the year.

	2012 / 2013 Ksh.	2011 / 2012 Ksh.
Salaries and Allowances	513,104,284	450,467,910
Staff Leave Accruals	21,864,603	16,684,181
TOTAL	534,968,887	467,152,091

5. OTHER OPERATING EXPENSES

The other operating expenses comprised of the following items

ITEM	2012 / 2013 Ksh	2011 / 2012 Ksh
Directors Expenses	7,080,899	4,306,614
Auditors Fees	1,500,000	1,500,000
SUB - TOTAL	8,580,899	5,806,614
1 Utilities Supplies and Services	1,960,882	2,888,806
2 Telephone Expenses	4,757,339	5,686,312
3 Courier and Postal Services	555,717	157,168
4 Travelling Costs	6,518,199	8,679,664
5 Advertising, Publishing and Printing Expenses	5,314,754	3,588,536
6 Library Expenses	1,015,750	598,942
7 Training Expenses (Including Capacity Building)	20,379,392	7,239,725
8 Insurance	72,398,585	56,869,346
9 External Travel and Accommodation	5,321,885	7,587,575
10 Purchase of Stationery	8,472,656	8,040,832
11 Purchase of Uniforms and Clothing	331,125	1,470,030
12 Contracted Professional Services	11,718,438	2,921,223
13 Maintenance Expenses - Motor Vehicles & Fuel	7,900,565	10,235,637
14 Maintenance of Plant, Machinery and Equipment	18,577,431	7,460,153
15 Maintenance of Office Furniture & Fittings	11,000	54,910
16 Maintenance of Buildings and Stations	10,533,052	12,192,549
17 Rents and Rates	2,692,576	2,102,028
18 Bank Charges	283,758	222,670
19 Specialised KNBS / Prefeasibility Studies	2,124,659	18,061,546
20 Official Entertainment	9,300,964	7,258,336
SUB-TOTAL	190,168,727	163,315,988
GRAND TOTAL	198,749,626	169,122,602

6. NON-CURRENT ASSETS MOVEMENT SCHEDULE

FIXED ASSETS	LAND & BUILDINGS	FURNITURE & FITTINGS	PLANT & EQUIPMENT	MOTOR VEHICLES	COMPUTERS	TOTAL AMOUNT
COST/Valuation						
AT 1st JULY 2012	8,494,071	47,677,344	32,264,007	89,276,800	138,689,284	316,401,506
Additions		4,849,000	5,502,695	43,462,549	27,905,000	81,719,244
Adjustments		(5,279,000)	(405,500)		(42,945,544)	(48,630,044)
AT 30th JUNE 2013	8,494,071	47,247,344	37,361,202	132,739,349	123,648,740	349,490,706
DEPRECIATION						
At 1st July 2012	100,000	10,138,356	6,709,673	36,872,840	71,831,691	125,652,560
Charge for the Year	50,000	5,959,668	4,033,001	17,855,360	46,183,532	74,081,561
Adjustments	-	(1,979,625)	(152,063)	-	(35,512,526)	(37,644,214)
AT 30th JUNE 2013	150,000	14,118,399	10,590,611	54,728,200	82,502,697	162,089,907
NET BOOK VALUE						
At 30th June 2013	8,344,071	33,128,945	26,770,591	78,011,149	41,146,043	187,400,799
COST/Valuation						
AT 1st JULY 2011	8,494,071	45,484,744	80,217,380	88,346,800	112,353,284	334,896,279
Valuations		1,963,900	(50,432,872)	1,300,000	26,639,000	(20,529,972)
Additions		228,700	2,479,499	-	39,000	2,747,199
Adjustments				(370,000)	(342,000)	(712,000)
AT 30th JUNE 2012	8,494,071	47,677,344	32,264,007	89,276,800	138,689,284	316,401,506
DEPRECIATION						
At 1st July 2011	50,000	3,961,788	9,290,718	18,763,480	16,676,474	48,742,460
Charge for the Year	50,000	5,931,081	3,723,064	17,889,360	46,284,430	73,877,935
Disposal /Adjustments		245,487	(6,304,109)	220,000	8,870,787	3,032,165
AT 30th JUNE 2012	100,000	10,138,356	6,709,673	36,872,840	71,831,691	125,652,560
NET BOOK VALUE						
At 30th June 2012	8,394,071	37,538,988	25,554,334	52,403,960	66,857,593	190,748,946

Included in Land and Buildings is the value of a Building valued at Sh2 million.

7. INTANGIBLE ASSETS

These include the values of Networks and Softwares.

	INTANGIBLE ASSETS
	Kshs.
COST/Valuation	
At 1st July 2012	107,772,862
Additions /	10,881,600
Adjustments	(10,398,100)
AT 30th JUNE 2013	108,256,362
AMORTISATION	
At 1st July 2012	67,297,988
Charge for Year	35,982,686
Adjustments	(6,925,135)
AT 30th JUNE 2013	96,355,539
Net Book Value 30.06.2013	11,900,823
COST/Valuation	
At 1st July 2011	107,772,862
Additions / Adjustments	
AT 30th JUNE 2012	107,772,862
AMORTISATION	
At 1st July 2011	31,409,625
Charge for Year	35,888,363
AT 30th JUNE 2012	67,297,988

8. RECEIVABLES

These are made up of:

	2012 / 2013	2011 / 2012
	Ksh	Ksh
Staff Debtors	12,973,415	8,538,888
Census Imprests	5,552,959	6,354,284
Prepayments -Insurance	9,924,188	3,230,750
Prepayments -Rent/Library	125,000	64,960
Prepayments -Maintenance	1,191,800	162,000
Interest Income	14,758,903	20,150,340
Deposits	275,201	275,201
Work-in-progress	29,382,342	-
Staff Gratuity- Fixed Deposits	24,821,000	17,000,000
Sundry Debtors	308,059	215,007,240
TOTAL	99,312,867	270,783,663

9. SHORT TERM DEPOSIT

These are amount held in KCB in short term deposits for three months, as follows:

2011 / 2012 DATE OF INVESTMENT	AMOUNT Ksh
09.05.2012	500,000,000
10.05.2012	300,000,000
14.06.2012	50,000,000
09.03.2012 - On Call	50,000,000
TOTAL	900,000,000
2012 / 2013 DATE OF INVESTMENT	AMOUNT Ksh
10.04.2013	100,000,000
16.04.2013	300,000,000
08.05.2013	200,000,000
13.05.2013	700,000,000
19.06.2013	100,000,000
TOTAL	1,400,000,000

10. CASH AND CASH EQUIVALENTS

(a) For purposes of the cash flow statement, cash and cash equivalents represent cash in hand and bank balances.

Account Title	Account Number	2012 / 2013 Kshs.	2011 / 2012 Kshs.
KNBS ACCOUNTS			
Recurrent - KCB	017229532360	69,644,125	142,201,621
KCB GOK Dvpt	1116027593	45,477,837	73,141,994
PROJECT ACCOUNTS			
MICS - COOP Bank	0112008158600	173,992	178,641
KENINFO - Coop Bank	01120081528601	1,608	3,778
UNFPA - Coop Bank	01120081857000	330	3,281,532
UNFPA special account	Ministry of Finance	-	18,837,569
STATCAP - IDA - STD	0102097194900	-	1,045,910
STATCAP -DFID- STD	1010209794901	-	201,208
SCB - Coop	01120081528603	1,329,802	4,656,655
KNBS Gratuity-See (b) below	01120081528602	1,018,990	2,607,896
	TOTAL	117,646,684	246,156,804

(b) The movement of the gratuity account is as follows:

	ACCOUNT AT COOP Bank Kshs.
At 01.07.2011	347,766
Fixed Deposits 01.07.2011	31,166,346
Remittances in the Year	9,566,121
Interest Earned	1,996,830
Retirements	(23,459,887)
Bank Charges	(9,280)
Total Gratuity Amount	19,607,896
Amount Held in Fixed Deposits	(17,000,000)
At 30.06.2012 in Bank	2,607,896
At 01.07.2012	2,607,896
Fixed Deposits 01.07.2011	17,000,000
Remittances in the Year	5,723,336
Retirements	(1,696,924)
Interest Earned	2,213,212
Bank Charges	(7,530)
Total Gratuity Amount	25,839,990
Amount Held in Fixed Deposits	(24,821,000)
At 30.06.2013 in Bank	1,018,990

The retirements are amounts paid out of the fund during the year.

11. PAYABLES

These comprise:

	2012 / 2013 Ksh.	2011 / 2012 Ksh.
Auditor's Fees	1,500,000	1,500,000
Bid Bonds/ Retention Monies	277,613	53,872
Staff Gratuity	25,839,989	19,607,896
Staff Creditors	1,330,213	139,510
Staff Leave Accrual	21,864,603	16,684,181
Sundry Creditors Accrued	71,577,771	23,746,238
TOTAL	122,390,189	61,731,697

The gratuity amount is calculated on a monthly basis at the rate of 31% of the basic salaries of the staff on contract. The amount is held in an interest earning account with Cooperative Bank. This is analyzed in Note 10, above.

Staff creditors relate to credit balances in the imprest accounts, arising from salary recoveries and subsequent surrenders by the imprest holders. It also

includes amounts of staff final dues, arising from death, awaiting payments to the next of kin.

The staff leave accrual is the equivalent of the unutilized leave days as at the end of the year.

Sundry creditors are amount due to creditors, but had not been paid by year end.

12. UNUTILISED GRANTS

These are grants received during the financial year for ongoing activities. However, some of the activities were not undertaken due to timing differences of the financial years of the donors and the Bureau.

	2012 / 2013 Ksh	2011 / 2012 Ksh
KENINFO	1,608	3,778
MICS	173,992	178,641
UNFPA	330	22,119,101
SCB PROJECT	1,329,802	4,656,655
STATCAP	-	1,247,118
TOTAL	1,505,732	28,205,293

13. REVALUATION RESERVE

This represents the change in the values of assets after a revaluation undertaken during the year 2009/2010, by M/s. Metrocosmo Limited, Registered Valuers. It is expected that a valuation will be undertaken in 2013/2014.

14. CAPITAL RESERVE

This represents the values of Assets previously owned by the former Central Bureau of Statistics (CBS) but transferred to the Bureau by the Ministry of State for Planning, National Development and Vision 2030, and assets bought through donor funded projects and donated to KNBS.

15. CONTINGENT LIABILITIES

The Bureau has contingent liabilities arising from the following legal cases:

I. **Court of Appeal Civil Appeal No. 64 of 2012 Minister Of State For Planning National Development & V2030 & 2 Others Vs Noor Mohammed & 4 Others**

This case involved the 2009 Population and Housing Census and the matter is still pending and we are yet to get a hearing date.

II. **HCCC No 79 OF 2010 BM Logistics VS KNBS (Godown case).**

This case involved the godown where the 2009 Population and Census materials were being stored. The matter is still pending in court. We filed

an application to stay the hearing of the case until the criminal case is concluded.

**III. Nakuru HCCC NO 115 OF 2008
Attorney General (KNBS) VS The Standard Newspapers Limited**

This case concerned an accident that occurred near Gilgil involving the Bureau's vehicle and another one owned by Standard Newspapers Limited. A hearing date had been taken for 11th November 2013.

**IV. MILIMANI CMCC NO. 1421 OF 2005
BEATRICE KOSKEY VS THE HONOURABLE ATTORNEY GENERAL**

Motor vehicle **GK A 839** was involved in an accident in the year 2004. It belonged to the then Central Bureau of Statistics. The driver died and another person died. Wife of the other person has sued, seeking compensation. The matter is pending in court, and a hearing date has not been taken.

The Management, having taken appropriate legal advice, does not anticipate that material liabilities will arise from the pending litigation against the Bureau.

16. FIRE LOSS

A fire occurred on the morning of 4th July 2013, and destroyed the server room and the neighbouring offices on the 1st Floor of Herufi House. An adjustment has been made in the accounts, and the fixed assets schedule, as presented in Note 6 and 7 above.

An insurance claim was lodged with M/s UAP Insurance, who were the underwriters.

County Offices

NO	COUNTY	COUNTY OFFICE	MOBILE NO.	Emails
1	KIAMBU	THIKA	0722-378473	kagemasusan@yahoo.com
2	KIRINYAGA	KERUGOYA	0723-768617	fkiairie43@yahoo.com
3	MURANGA	MURANGA	0725-204183	bmkasina@yahoo.com
4	NYANDARUA	NYAHURURU	0726424986	lugayweke@yahoo.com
5	NYERI	NYERI	0721417901	jemungai@yahoo.com
6	MOMBASA	MOMBASA	0722-892914	ruteren@yahoo.com
7	TAITA TAVETA	WUNDANYI		
8	LAMU	LAMU	0701549798	geemuriithi@gmail.com
9	KWALE	KWALE	0721-148099 0735-388216	mungahas@yahoo.com
10	KILIFI	KILIFI	0727-628194	lucymulwa@gmail.com
11	TANA RIVER	HOLA	0726-692899 0734-681969	jnduu@yahoo.com
12	EMBU	EMBU	0724126955 0733425217	robertnzuli@yahoo.com
13	MERU	MERU	0722288602 0734-503275	damakuba@yahoo.com
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23	MANDERA	MANDERA	0721604811	mwakazi.charles@yahoo.com
24	MIGORI	MIGORI	0725482233	renybunde@yahoo.com

NO	COUNTY	COUNTY OFFICE	MOBILE NO.	Emails
25	NYAMIRA	NYAMIRA	0725283403	richardabayo@yahoo.com
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30	NAKURU	NAKURU	0722-895389	wkonde@gmail.com
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