
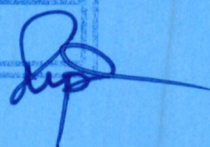


REPUBLIC OF KENYA



Enhancing Accountability

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE	15 OCT 2020
DAY	THURSDAY
TABLED BY:	LEADER OF THE MAJORITY
CLERK-AT-THE-TABLE	R-K. TIAMPATI 

PARLIAMENT
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REPORT

OF

THE AUDITOR-GENERAL

ON

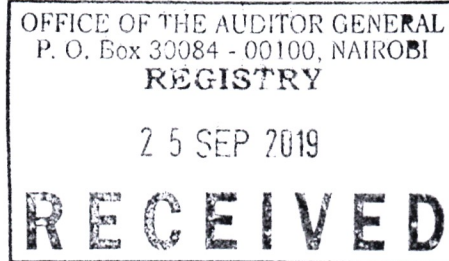
OFFICE OF THE CONTROLLER OF BUDGET

FOR THE YEAR ENDED
30 JUNE, 2019

OFFICE OF THE CONTROLLER OF BUDGET



Tel: 020 2211068, 0738466721, 0709910000
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Nairobi Kenya

OFFICE OF THE CONTROLLER OF BUDGET

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2019

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

OFFICE OF THE CONTROLLER OF BUDGET
Reports and Financial Statements
For the year ended June 30, 2019

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1. KEY INFORMATION AND MANAGEMENT

(a) Background information

The Office of the Controller of Budget (OCOB) was established under Article 228(1) of the Constitution of Kenya (COK) 2010, and became operational upon the appointment of the Controller of Budget on 27th August, 2011.

The rationale for the creation of the Office of the Controller of Budget as an independent office under the Constitution of Kenya, 2010 was to address the demand by the public for separation of financial management functions, that is; controlling and reporting on budget implementation from the auditing function. The OCOB seeks among other issues, to promote fiscal discipline and equitable allocation of available resources and improve transparency and accountability in the budget implementation process, particularly with the inception of the devolved system of government, which requires stringent budgetary control.

The Office of the Controller of Budget envisages promoting prudent financial management in the Public sector. Prudent financial management will ensure that the country fast tracks the implementation of the programs and flagship projects envisaged in Kenya's vision 2030.

The Office is headed by Controller of Budget who is responsible for the policy and strategic direction.

1.1 Mandate

The mandate of OCOB is to oversee the implementation of the budgets of the national and county governments by authorizing withdrawals from Public Funds as provided under Articles 204, 206 and 207 of COK, 2010. The roles and functions of the Office as stipulated in the Constitution are as follows: -

1.4.2.1 Oversight Role

This role involves overseeing the implementation of the budgets of both the national and county governments. The Controller of Budget performs in-year monitoring of the use of public funds and reports to Parliament on how the funds have been utilized.

1.4.2.2 Controlling Role

The controlling function involves authorizing withdrawals from public funds. Before authorizing any withdrawal from Public funds, the Controller of Budget must be satisfied that the said withdrawal is authorized by law, as per Article 228 (5) of the Constitution.

Public funds include:-

i. Consolidated Fund

All funds raised or received by or on behalf of the National Government is paid into the Consolidated Fund. Article 206 (4) mandates Controller of Budget to authorize withdrawals from Consolidated Fund.

ii. County Revenue Fund

This is the fund into which all money raised or received by or on behalf of the county government including money raised from property rates, entertainment taxes, levies, fees, charges, etc. is paid (Article 207 (1)). Article 207 (3) of the Constitution of Kenya states that the Controller of Budget has the sole mandate and/or power to approve any withdrawal from a Revenue Fund.

iii. Equalization Fund

Article 204(1) establishes the Equalization Fund. This Fund is used by the National Government to provide basic services including water, roads, health facilities and electricity to the marginalized areas so as to bring the quality of services in those areas to the same level as generally enjoyed by the rest of the nation.

1.4.2.3 Reporting Role

This role entails the preparation of quarterly, annual and special reports to the Legislature and Executive on budget implementation matters of the national and county governments according to (Article 228 (6)). Type of Reports include but not limited to:

- Report every four months to each house of Parliament on the implementation of the budgets of the National and County governments in accordance with Article 228 (6) of the Constitution.

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- Report after the end of every year (annual report) to the President and to Parliament (Article 254 (1));
- Report, at any time (special reports), as may be required by the President, Parliament (Article 254 (2)) or a member of the public through a petition;
- Arbitration/Mediation Reports to Parliament on matters relating to Budget Implementation Article 225 (7a) Article 252 (1a&1b).
- Performance reports for the activities of Office of Controller of Budget

To ensure transparency, all the reports must be published and publicized as per Article 254 (3) which states that “Every report required from a commission or holder of an independent office under this Article shall be published and publicized”.

1.4.2.4 Advisory Role

This function involves giving advice to Parliament on financial matters where a Cabinet Secretary in charge of finance has stopped the transfer of funds to a State organ or public entity. The suspension of funds cannot be lifted or sustained before the Controller of Budget present a report to Parliament.

The Office of the Controller of Budget is expected to investigate the matter leading to suspension of transfer of funds to a state organ or Public Entity after which prepare and present a report on the matter to Parliament which will be used to approve or renew the decision to stop transfer of funds to a State organ or public entity as provided for under Article 225 (7) of the Constitution.

The Controller of Budget also gives advice to government entities on improving budget implementation. This therefore promotes accountability in the use of public financial resources.

1.4.2.5 Investigation Role

Under Article 252 (1) (a) of the Constitution, the Office of the Controller of Budget has powers to conduct investigations on its own initiative or following a complaint made by a member of the public on budget implementation matters.

1.4.2.6 Arbitration/Meditation Role

The Controller of Budget under Article 252(1) (b) of the Constitution has powers for conciliation, mediation and negotiation. The Mediation role may involve resolution of conflicts between the national government and the county government, or between county governments

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Reports and Financial Statements
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with respect to budget implementation. This role involves conducting alternative dispute resolution mechanisms to resolve disputes relating to budget implementation.

1.4.2.7 Public Sensitization Role

The sensitization role involves the OCOB disseminating information to the public on budget implementation at both levels of government in accordance with Section 39(8) of the Public Finance Management Act, 2012. This role is buttressed by Article 35 of the Constitution which provides that the public has the right to access any information held by the State.

Further the Constitution sets out public participation as one of the principles guiding public financial management (Article 201(a)). The public can only be actively and effectively involved in the budget process through the dissemination of information.

1.2 Strategic Direction

1.2.1 Vision

A country where public funds are utilized prudently

1.2.2 Mission

To oversee implementation of Government budgets through timely authorization of withdrawals from Public Funds and reporting on utilization.

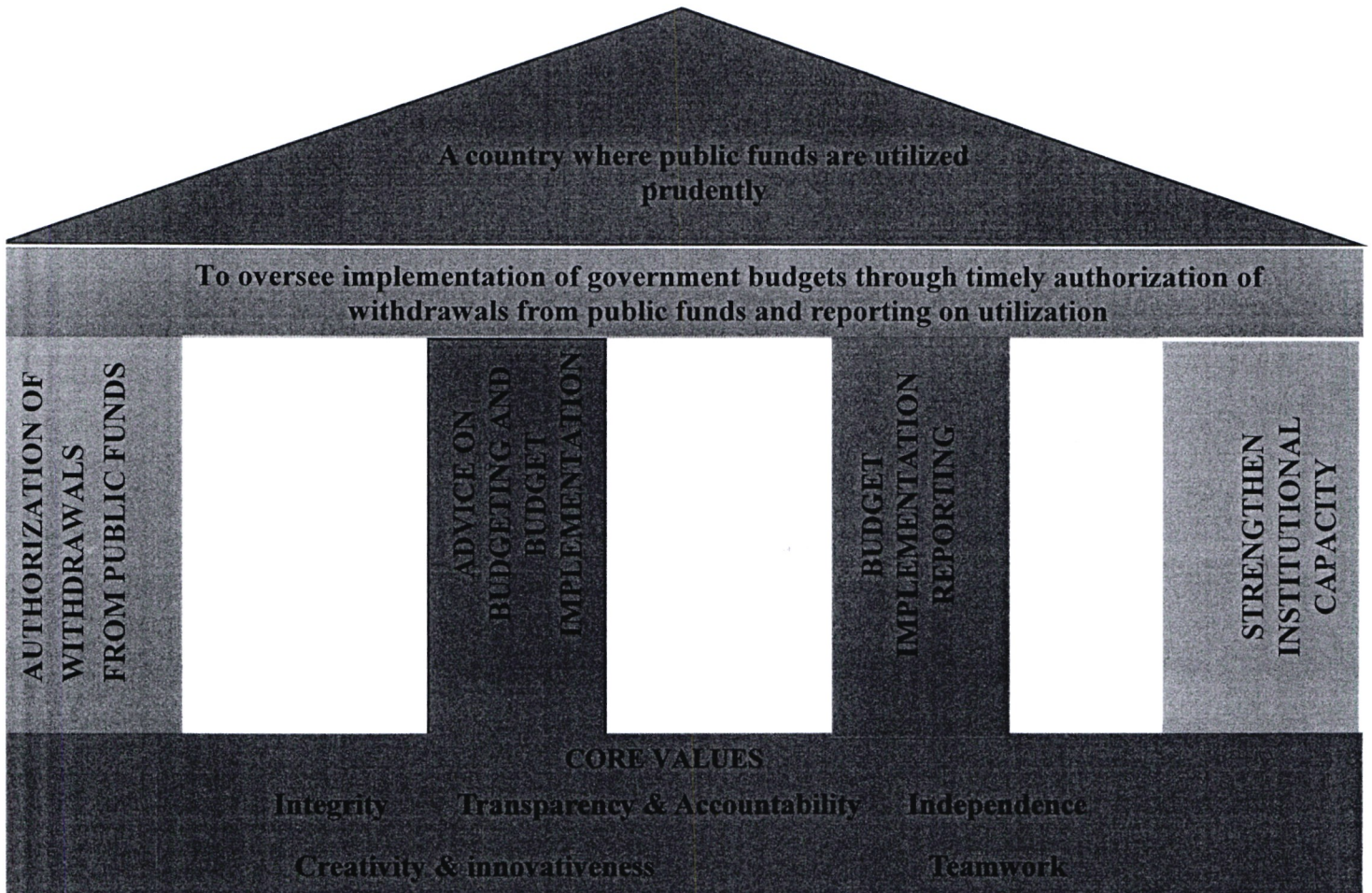
1.2.3 Core Values

Integrity	<ul style="list-style-type: none">• We shall uphold honesty, fairness and professional ethics in all our undertakings.
Transparency and accountability	<ul style="list-style-type: none">• We are committed to promoting transparency in our work and shall be accountable for our decisions or actions.
Professionalism	<ul style="list-style-type: none">• We shall adhere to best practices, professional standards and ethics to continuously improve service delivery.
Independence	<ul style="list-style-type: none">• We execute our constitutional mandate firmly and without fear or favour.
Creativity and Innovativeness	<ul style="list-style-type: none">• We are a learning organization that is committed to continuous improvement of our processes in order to deliver value to our customers.
Teamwork	<ul style="list-style-type: none">• The staff work as one team and will collaborate with stakeholders in the realization of our mandate.

1.2.4 Strategic Themes

Strategic themes are the key performance areas in which an organization must excel to achieve its mission and vision, and deliver value to customers. The strategic themes of the Office that govern its excellence are:

1. Authorization of Withdrawals from Public Funds
2. Advice on Budgeting and Budget Implementation
3. Budget Implementation Reporting
4. Institutional Capacity



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For the year ended June 30, 2019

1.2.5 Strategic Themes and Objectives

Strategic Theme	Objective
Authorization of withdrawals from Public Funds	To ensure timely approvals of withdrawals from public funds
Advice on Budgeting and Budget Implementation	To ensure provision of quality advice on budgeting and budget implementation
Budget Implementation Reporting	To produce credible and timely budget implementation reports
	To enhance public access to government budget implementation reports
Institutional Capacity	To enhance operational efficiency
	To attract and retain productive and motivated human resource
	To strengthen the legal and regulatory framework
	To enhance organizational image and visibility
	To enhance good governance

(b) Key Management

The Office is headed by the Controller of Budget who is responsible for ensuring effective and efficient management of the day to day operations. The COB is assisted by the Deputy Controller of Budget (DCOB) who is also head of the Directorate of Budget Implementation. The Office has the following directorates;

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

OFFICE OF THE CONTROLLER OF BUDGET
Reports and Financial Statements
For the year ended June 30, 2019

Table 1: Composition of the Key Management

S/NO.	DESIGNATION	NAME
1	Controller of Budget	FCPA, Agnes Odhiambo, CBS
2	Deputy Controller of Budget	CPA Stephen Masha
3	Director Corporate Services	CPA Macklin Ogolla
4	Director Research and Planning	Mr. Joshua Musyimi
5	Director Legal Affairs	Ms. Selina Iseme (July 2018-March 2019)
6	Chief Internal Auditor	CPA Joseph Tulula
7	Chief Fiscal Analyst-National Government	CPA Patrick Kamore
8	Chief Fiscal Analyst-County Government	CPA,CPS Mark Kipkoech
9	Chief Manager Public Relations & Communication	Mr. Stephen Wangaji
10	Chief Manager Human Resource & Administration	Ms. Irene Arimi
11	Chief Manager Information Communication and Technology	Ms. Judith Muli
12	Chief Manager Finance & Accounts	CPA Pamela Okatch
13	Chief Manager Supply Chain Management	Dr. Anthony Lusuli
14	Manager Legal Affairs	Mr. George Tuti
15	Manager Human Resource & Administration	Mr. Shadrack Chando
16	Personal Assistant to COB	Ms. Mary Owii
17	Senior Internal Auditor	CPA Sally Rono
18	Senior Internal Auditor	CPA David Ayimba
19	Senior Internal Auditor	CPA Joseph Marigi

(c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2019 and who had direct fiduciary responsibility were:

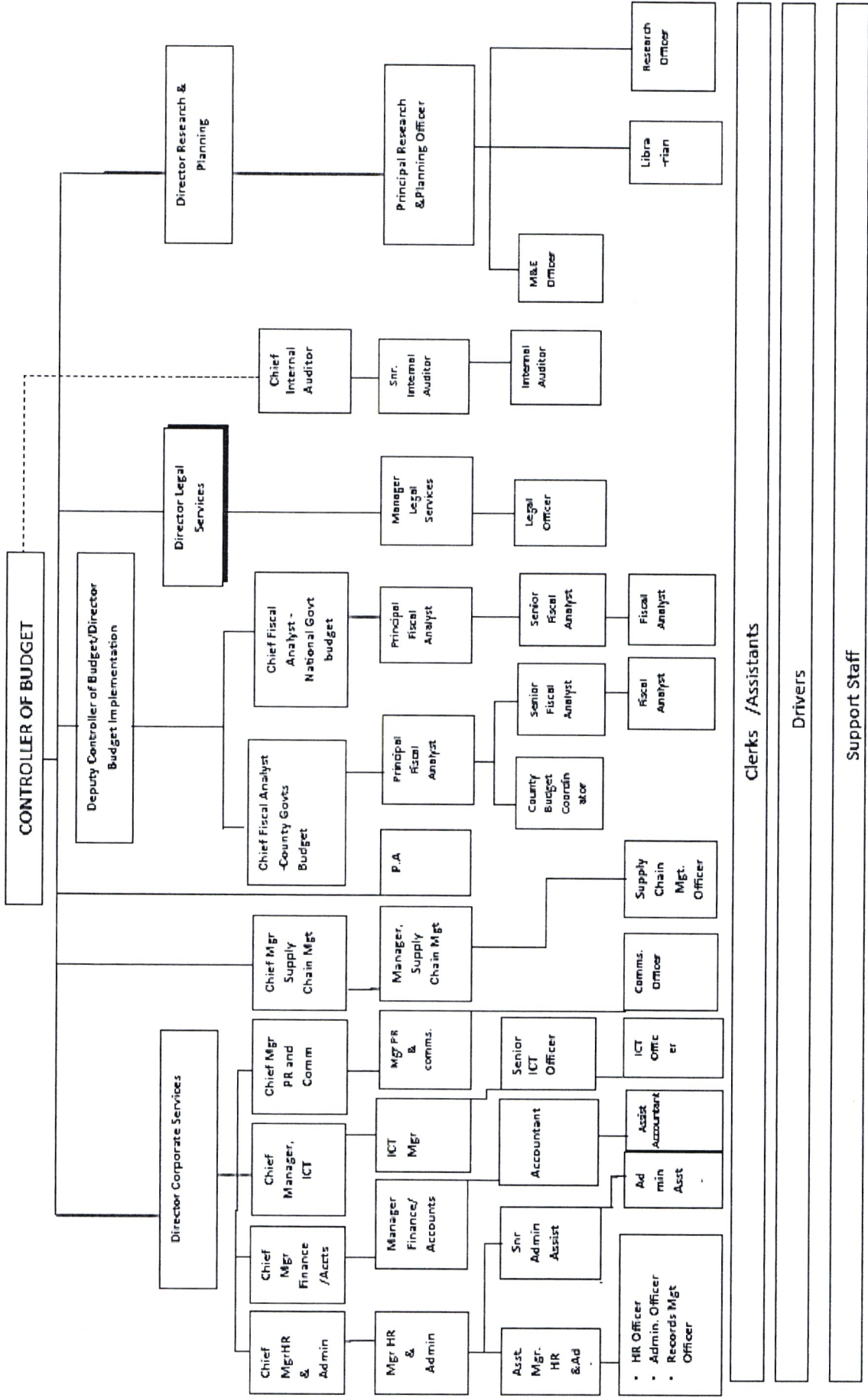
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Table 2: Composition of Fiduciary Management

S/NO.	DESIGNATION	NAME
1.	Controller of Budget	FCPA Agnes Odhiambo, CBS
2.	Deputy Controller of Budget	CPA Stephen Masha
3.	Director Corporate Services	CPA Macklin Ogolla
4.	Director Research and Planning	Mr. Joshua Musyimi
5.	Director Legal Affairs	Ms. Selina Iseme (July 2018-March 2019)
6.	Chief Manager Finance & Accounts	CPA Pamela Okatch
7.	Chief Manager Supply Chain Management	Dr. Anthony Lusuli

OFFICE OF THE CONTROLLER OF BUDGET
Reports and Financial Statements
For the year ended June 30, 2019

OCOB Organisation Structure



Clerks / Assistants

Drivers

Support Staff

1.3 Executive Management Team



FCPA Agnes Odhiambo,
CBS
Controller of Budget

FCPA Odhiambo is the first Controller of Budget in the Republic of Kenya. She holds a Master of Business Administration degree and a Bachelor of Commerce (Accounting Option) 1st Class honours degree both from the University of Nairobi and is a Fellow of the Institute of Certified Public Accountants of Kenya. She is also a member of the Association of Women Accountants of Kenya and a member of Women Corporate Directors. She is an accomplished finance professional with over 30 years' experience, having held various senior management positions in the private and public sectors. FCPA Odhiambo started her career at BAT Kenya Limited as an Assistant

Accountant and later joined the then Deloitte Haskins and Sells Management Consultancy Ltd., (presently Deloitte) as a Financial Consultant. She also worked at Unga Limited and Unga Feeds Limited, subsidiaries of Unga Group Limited, where she rose through the ranks to Finance Manager. FCPA Odhiambo also served at Metro Cash & Carry (Kenya) Limited and Metro Cash & Carry (Uganda) Limited as Finance Director.

FCPA Odhiambo joined the Public Sector in June 2005 upon her appointment at Kenya Post Office Savings Bank as Director/Finance and Administration where she successfully led the organization's financial reforms and later moved to the Constituencies Development Fund Board as the Chief Executive Officer where she spearheaded formulation and implementation of the Board's strategy. She has attended several courses both locally and internationally in leadership, strategic management and governance, risk management, and Finance, among others. FCPA Odhiambo has held several board positions both in the private and public sectors.

FCPA Odhiambo was recently awarded the Chief of Order of the Burning Spear (CBS) 1st class commendation by His Excellency Honourable Uhuru Kenyatta, C.G.H, the President and Commander-in-Chief of the Kenya Defence Forces of the Republic of Kenya, for her role in national development.



CPA Stephen Masha
Deputy Controller of
Budget and Director of
Budget Implementation

CPA Masha holds a Master of Science in Finance from Leicester University, a bachelor's degree in Education from Kenyatta University and is a Certified Public Accountant and a member of the Institute of Certified Public Accountants of Kenya (ICPAK). He recently served as the Convener of ICPAK's Public Finance Sub-committee, and a member of the Devolution and Branches Work stream and the Public Policy and Governance Committee.

CPA Masha has over 24 years of progressive experience in the finance and accounting sector, having worked previously as the Regional Chief Fiscal Analyst at USAID, Audit Manager at Action Aid, Kenya, an Internal Auditor at Family Health Organisation of Kenya and an Auditor at PricewaterhouseCoopers, among other reputable institutions. He has worked in the public sector at senior management level and is highly experienced in policy formulation, financial analysis and management, budget formulation and implementation, auditing, procurement processes and fiscal decentralisation.

He was the Director, County Fiscal Affairs at the Commission on Revenue Allocation (CRA) prior to joining Office of the Controller of Budget and has also served as Board Member of the Industrial Development Bank (Capital) Limited and Balozzi SACCO Limited.

CPA Masha has attended several professional workshops both locally and internationally in leadership, financial analysis, program management, supervision, procurement, and training of trainers. He has also performed several short-term assignments in a number of countries, including Tanzania, Uganda, Burundi, Rwanda, Eritrea, Ethiopia, Zambia and the United States of America.



CPA Macklin Ogolla
Director of Corporate Services

CPA Ogolla holds a Master of Business Administration (MBA) in Finance from Moi University and a Bachelor of Science in Actuarial Mathematics from the University of Nairobi. He also holds a Post-graduate Diploma in Finance from Maastricht. He is a member of Institute of Certified Public Accountants of Kenya (ICPAK) and Institute of Certified Investment and Financial Analysts (ICIFA). He is also a Board Member of the Public Sector Accounting Standard Board (PSASB).

He has extensive knowledge in Fiscal Decentralisation, Debt Sustainability Analysis, Budget Coding and Classification from the World Bank and International Public Sector standards from the Public Administration

Institute, London and ICT training at Oracle University.

He is an experienced Finance Manager with a track record of success in developing operational financial management information systems, processes and procedures, managing daily ministry budgeting, financial management and accounting functions. He has worked in various projects such as World Bank funded El-Nino and Emergency Drought Recovery Projects and was the implementation team leader of the IFMIS at the National Treasury at its inception.

CPA Ogolla has over 28 years' work experience gained from his previous positions as Assistant Director of Budget, and Assistant Accountant General at the National Treasury. He also served as Chief Finance Officer in the Ministry of Industrialization as well as a Board Member of the Kenya Industrial Estates Limited.



Mr. Joshua Musyimi
Director, Research and Planning

Mr. Musyimi holds a Master of Arts degree (Economics Policy Management) from University of Ghana, Legon and a Bachelor of Science degree in Statistics and Computer Science from Kenyatta University. He has had extensive training in Data Analysis, Census and Survey Processing. With over 24 years of experience, Mr. Musyimi has previously worked at the Kenya National Bureau of Statistics (formerly Central Bureau of

Statistics) where he rose through the ranks to become the Manager Research and Planning. He also worked in the Ministry of State for Planning and National Development and Vision 2030 as Principal Economist/Statistician. Mr. Musyimi had a stint at the Policy and Strategy Unit, State House and was attached to the National Economic and Social Council (NESC) as part of the team that developed the Kenya Vision 2030. With a background in Social Research and Statistics, Mr. Musyimi was directly involved in the preparation of the “Vision 2030” particularly the Social and Political Pillars.



Ms. Selina Iseme
Director Legal Services (July
2018-March 2019)

Miss Iseme holds a Master of Laws degree from the University of Leeds, United Kingdom and Bachelor of Laws degree from the University of Nairobi. She is also a certified mediator having been accredited by the Centre for Effective Dispute Resolution, the United Kingdom in the year 2015. She has over 22 years of experience gained both in the public and private sectors. Prior to joining OCOB she worked for the Public Service Commission where she joined as Principal Litigation Counsel and rose through the ranks to the position of Deputy Director Legal Services.

While serving at the Public Service Commission, she participated in national assignments including joint secretary to the Taskforce that developed the Policy and Bill on the values and principles of public service contained in Article 232 of the Constitution. Prior to that, she had served as an associate advocate with the firm of Iseme, Kamau and Maema Advocates and as a Legal Officer with Lion of Kenya Insurance.



CPA Joseph Tulula
Chief Internal Auditor

CPA Tulula holds a Master of Arts in Economics and a Bachelor of Commerce (Accounting) degrees both from the University of Nairobi. He is a member of Institute of Certified Public Accountants of Kenya and Institute of Internal Auditors of Kenya.

CPA Tulula has over 25 years of experience in Auditing, Finance, and Management. He is a seasoned auditor and finance expert, specifically in Risk Management, reviewing the internal control systems and implementing computerized financial systems. He is a trained Lead Auditor for ISO quality management system.

He previously worked for Kenya Institute of Curriculum Development as Chief Internal Auditor where he developed policies and procedures of internal audit and changed the auditing system from pre-audits to risk – based audit. He also worked at Kenya Bureau of Standards as Manager, Finance and Accounts spearheading change in the accounting system from manual to computerized system. Mr. Tulula also worked at Defence Forces Canteen Organization as an Internal Auditor and Office of the Auditor General as an Auditor.

CPA Tulula has also attended various management and auditing seminars and workshops including Strategic Leadership Development Programme (SLDP) at the Kenya School of Government, and Performance Management and Transformative Leadership.



CPA Patrick Kamore
Chief Fiscal Analyst National
Government

CPA Kamore holds a Master of Business Administration (Finance) and Bachelor of Education (Economics), both from the University of Nairobi and is a Certified Public Accountant. He is a member of Institute of Certified Public Accountants of Kenya (ICPAK).

Mr. Kamore has extensive training in Finance and Banking, Institutional Operations and Strategic Leadership Management. He has also attended several professional courses including Information communication and technology, Senior Management Course at the Kenya School of Government, financial data analysis and report writing.

Mr. Kamore has over 17 years' experience in finance, institution operations and change management. Before joining Office of the Controller of Budget, He was a Branch Manager at Family Bank Ltd where He had joined as a management trainee.



CPA, CS Mark Kipkoech
Chief Fiscal Analyst County
Governments

CPA, CS Kipkoech holds Master of Economics from the University of Nairobi and Bachelor of Arts degree in Economics from Kenyatta University. He is a member of the Institute of Certified Public Accountants of Kenya (ICPAK) and the Institute of Certified Public Secretaries of Kenya (ICPSK).

He is experienced in the finance industry having previously worked in the finance and accounting sections at Amana Capital Ltd, Lukenya Getaway Ltd, and at Trustmark Insurance Brokers Ltd.

He has had extensive training in investment banking, management and administration of retirement pension schemes, accounting for public and private entities, public finance, public procurement, data analysis and report writing, management and administration. Before joining OCOB, he was the Finance and Compliance Manager at Amana Capital Ltd and was appointed Pension Administrator of the Amana Personal Pension Scheme and the Amana Umbrella Pension Scheme in line with the requirements of the Retirement Benefits Authority.



Mrs. Irene Arimi
Chief Manager HR and
Administration

Ms. Arimi holds a Master of Business Administration (MBA) in HR from Kenya Methodist University (KeMU). She also holds a Bachelors' degree in HR Management and Higher National Diploma in HR both from the University of South Africa (UNISA) as well as a Certificate in Executive Human Resource Management from the Institute of Human Resource Management.

Ms. Arimi has over 16 years' experience in Human Resource. Previously she worked at the Kenya Methodist University as Administrative Officer – HR, at the William

J. Clinton Foundation HIV/AIDS Initiative (CHAI) in Papua New Guinea as HR Coordinator and at Marketing, Travel and Credit Consultancy (MTC), Botswana as Products and Services Manager. She has also worked with Deloitte, South Africa/Botswana as HR Management Assistant. She is a member of the Institute of Human Resources Management (IHRM).



Ms. Judith Muli
Chief Manager Information Communication
and Technology

Ms. Muli holds a Master of Science in Information Systems from the University of Nairobi, a Master in Business Administration (Strategic Management option) from Moi University and a Bachelor of Science in Mathematics with bias in computing from the University of Nairobi. She is currently pursuing a PhD program in Information Technology at the Jomo Kenyatta University of Agriculture and Technology.

Judith has extensive professional training and over fifteen years work experience in information systems management and training, ICT project management and research. She previously worked as a lecturer at Jomo

Kenyatta University of Agriculture and Technology [JKUAT]. Some of the National projects Judith has been engaged include being the research team leader in the development of e-government strategic plan 2008-2012 Kenya, Country field Manager in ResearchICTAfrica.net 2007–SME E-access and e-usage for WSIS–Tunis and the research project coordinator for Communication Commission of Kenya Research - Internet Market Study for Kenya 2006.

Judith has attended various leadership, management and ICT seminars and workshops including Senior Management Course (SMC) at the Kenya School of Government, TOM PETERS (Re- imagine Leadership/Re-imagine Excellence) by KPMG, Microsoft Partner University program and United Nations second World Data Forum, amongst others.

She is a member of Information Systems Audit and Control Association (ISACA), Computer Society of Kenya [CSK], Internet Society (ISOC), Kenya Chapter, a lister with Kenya ICT Action Network [KICTANet] and a Toastmaster.



FPRSK Stephen Wangaji
Chief Manager, Public Relations &
Communications

Mr. Wangaji holds a Master of Business Administration (Marketing) degree from Egerton University, a Post-graduate Diploma in Mass Communication and a Bachelor of Arts, Economics and Geography both from the University of Nairobi. He is a Fellow of the Public Relations Society of Kenya.

He is a skilled Public Relations practitioner with over fifteen years' experience in Journalism and Public Relations in the Public, Private and Civil Society sectors in Kenya, and serves in The Centre for Corporate Governance Alumni Network as a Board Member.

Mr. Wangaji is the immediate former President of the East Africa Public Relations Association (EAPRA), immediate former Vice Chairman of the Public Relations Society of Kenya (PRSK) and 2012 recipient of the PRSK Golden Honors Award for significant contribution to the PR industry in the region. He previously worked as Public Relations and Marketing Manager at the National Hospital Insurance Fund and at Egerton University, Public Relations Manager at the Pyrethrum Board of Kenya and Corporate and Regulatory Affairs Assistant at the BAT Kenya Limited.



Dr. Anthony Lusuli
Chief Manager, Supply Chain Management

Dr. Lusuli holds a PhD in Supply Chain Management, Masters' Degree in Procurement and Logistics both from Jomo Kenyatta University of Agriculture and Technology and a Bachelor's Degree in Business Administration (Entrepreneurship) from the Kenya Methodist University. He is also a member of Kenya Institute of Supplies Management and Chartered Institute of Purchase and Supplies.

Dr. Lusuli has over 31 years of experience in Supply Chain management both in public and private sector. Previously, he worked as a Supply Chain Management Officer at Kenya National Bureau of Statistics (KNBS),

World Bank Project on Flood Mitigation as well the National Treasury. He has participated in drafting several legislations especially the Public Procurement and Asset Disposal Act, 2015 and draft Public Procurement and Asset Disposal Regulations of 2016.

He was part of the pioneer team that sensitized public servants on the implementation of the Public Procurement and Asset Disposal Act, 2015 in the Public Sector. He is also part of the team that pioneered the implementation of IFMIS in the public sector.



CPA Pamela Okatch
Chief Manager Finance and
Account

CPA Pamela holds a Master of Business Administration [Finance Option] and a Bachelor of Commerce degree [Finance Option] from the University of Nairobi and Catholic University of Eastern Africa respectively. She is a member of the Institute of Public Accountants of Kenya (ICPAK) and Association of Women Accountants of Kenya (AWAK).

Pamela has over 15 years of experience in the accounting and finance field. She is well versed in accounting systems and practice and has attended various professional trainings, conferences and workshops both locally and

oversees in financial management.

Previously, she worked for the Kenya Institute of Special Education (KISE) as Head of Finance and Administration and Jaribu Credit Traders Limited as a Senior Accountant. She has served in the Public Finance Management Committee of AWAK and is currently pursuing the Certified Public Secretaries (CPS) qualification.

1.4 Fiduciary Oversight Arrangements (Governance Structure)

The OCOB established the following administrative structure in order to entrench good governance practices:

1.4.1 Executive Committee

The purpose of the Executive Committee (EXCOM) is to oversee the Office of the Controller of Budget's (OCOB) overall performance and delivery. It focuses on strategic leadership, management and direction, ensuring the most effective prioritization of resources. Further, the Committee spearheads development and implementation of policies and OCOB Strategic Plan.

The Executive Committee is composed of the Controller of Budget; Deputy Controller of Budget, Directors and any such members as may be co-opted into the Committee on need basis.

The Executive Management Committee is responsible for:

- ❖ Developing and monitoring implementation of OCOB Strategic Plan
- ❖ Approving and monitoring the implementation of OCOB Policies and Procedures.
- ❖ Approving OCOB's Organization Structure.
- ❖ Overseeing Risk Management in the organization.
- ❖ Providing direction on Succession Planning.
- ❖ Promoting stakeholder engagements as provided for in the OCOB Strategic Plan.

The committee achievements include:

- ❖ Approved internal policies and procedure manuals including; Human Resources and Administration Policies and Procedures Manual, Internship Policy, ICT Policy, Complaints Handling Policy, Alternative Dispute Resolution Policy, Investigation Policy and Transport Policy.
- ❖ Carried out Job Evaluation review to establish the workload and optimum level of its human resources requirement.
- ❖ Developed Strategic Plan 2018-2022 that will guide the Office in the next five years.
- ❖ Developed guideline for the Staff Mortgage Scheme.

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Table 3: Composition of Executive Committee

S/NO.	DESIGNATION	NAME
1	Controller of Budget	FCPA Agnes Odhiambo, CBS
2	Deputy Controller of Budget	CPA Stephen Masha
3	Director Corporate Services	CPA Macklin Ogolla
4	Director Research and Planning	Mr. Joshua Musyimi
5	Director Legal Services	Ms. Selina Iseme (July 2018-March 2019)

1.4.2 Management Committee

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

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

In execution of their functions, the Executive Committee and the Management Committee have the power to appoint sub-committees to assist in discharging the mandate of the Office.

In discharging their duties, Members of the Committees are guided by:

- ❖ The organisations policies and procedures
- ❖ The organisation strategic plan and other legislations.

1.4.3 Audit Committee

Section 73(5) of the Public Finance Management Act, 2012 provides that every national government public entity shall establish an Audit Committee whose composition and functions shall be as prescribed by the regulations. The PFM Act 2012, Regulations for National Government, Section 174(10) provides that the Public Sector Accounting Standards Board shall prescribe guidelines for appointment of audit committees and shall be approved and gazetted by the Cabinet Secretary National Treasury. The OCOB established an Audit Committee whose main functions are as stated in PFM Act, 2012 regulations, section 175.

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

The Audit Committee has direct access to the External Auditors, and OCOB Internal auditors.

Table 4: Composition of the Audit Committee

S/NO.	NAME	ROLE
1.	Mr. Joshua Musyimi	Chairperson
2.	Ms. Selina Iseme	Member (July 2018-March 2019)
3.	Ms. Judith Muli	Member
4.	CPA Patrick Kamore	Member
5.	CPA Joseph Tulula	Secretary

The key achievement during the year includes review of the Internal and External Audit reports on various functions of the Office. In addition the Committee reviewed the OCOB Risk Register to establish the adequacy of risks identification, measurement and mitigation strategies.

1.4.4 Budget Implementation Committee

This is set up to ensure the resources are utilised as per the OCOB budgetary allocation and work plan. The main responsibility of the budget implementation committee is to assist the COB to discharge her responsibility in the following areas:

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- ❖ Review the actual departmental expenditures to determine the absorption rate for the budgeted activities and identify the reasons behind non utilization of funds.
- ❖ Advise the Accounting Officer on any problems related to budget implementation.
- ❖ Review and recommend re-allocations.
- ❖ Review the utilization of donor funds.
- ❖ Review the commitments including pending bills and recommend solutions.

Some of the achievements include;

- i. Prepared OCOB Programme Based Budget, Subsector Report and Performance Review Reports;
- ii. Prepared Annual budget Estimate and Participated in the Sector working group;
- iii. Advised and recommended budget re-allocations;
- iv. Monitored and reported on departmental budgets and expenditures

Table 5: Composition of Budget Implementation Committee

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

1.4.5 Human Resource Management Advisory Committee (HRMAC)

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

- ❖ Discuss and make recommendations to Controller of Budget on general staff welfare and motivation issues among others.
- ❖ Consider and recommend officers' training requests to the Controller of Budget for approval purposes.
- ❖ Investigate and make recommendations to the Controller of Budget on disciplinary matters;
- ❖ Discuss and make recommendations on existing HR regulations and policies to the Controller of Budget;

Some of the achievements include: Reviewed Human Resource Policy and Procedural manual

Table 6: Composition of Human Resource Management Advisory Committee

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

1.4.6 ICT Steering Committee

The ICT Steering Committee provides advice to the Controller of Budget with regard to strategic decisions in Information and Communication Technology (ICT) with particular attention to ensuring efficiency, effectiveness, agility in the adoption and use of ICTs, risk management, compliance and change management. The committee ensures that OCOB's ICT strategic objectives and their implementation remain aligned with the mandate and strategic objectives of the Office.

ICT steering Committee plays a key role within OCOB, in organizational strategic planning and management environment.

Achievement: The committee has continued to steer and to strengthen ICT deliverables in the following strategic and operational areas:

❖ **ICT Strategy**

- Development, operationalization and review of ICT policy,

❖ **ICT Project Management**

- Implementing best practices in the management of ICT projects in OCOB.

❖ **Infrastructure**

- Overseeing ICT equipment and resource development and improvements and Systems and application development

- ❖ Periodic and Continuous assessment of available and effectiveness of the current ICT systems

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- ❖ Development of ICT risk management framework
- ❖ Technical Support, Training and Skills development
- ❖ Stakeholder engagements for improved service delivery

Table 7: Composition of ICT Steering Committee

S/NO	NAME	ROLE
1.	CPA Macklin Ogolla	Chairperson
2.	Mr. Joshua Musyini	Member
3.	CPA Mark Kipkoech	Member
4.	CPA Patrick Kamore	Member
5.	CPA Pamela Okatch	Member
6.	Ms Judith Muli	Secretary

1.4.7 Integrity Committee

The purpose of the Committee is to institutionalize the anti-corruption initiatives in the operations of the Office of the Controller of Budget. The mandates of the committee include;

- ❖ Coordination, formulation and implementation of Codes of Conduct and Ethics, Anti-Corruption Policy, Integrity Testing Programme, Whistle Blowers Protection Systems, Corruption reporting channels, Customer service charters for all Departments, Financial, Procurement, and Human Resource Manuals, Corruption Risk Assessment and mitigation plan and Performance contracting targets.
- ❖ Holding periodic meetings to deliberate on anti-corruption and other integrity issues
- ❖ Setting priorities in the prevention of corruption in functional areas
- ❖ Planning and coordinating corruption prevention strategies
- ❖ Integrating integrity in the institutional programs and activities
- ❖ Receiving and reviewing corruption reports and recommending action
- ❖ Planning staff training on integrity issues
- ❖ Spearheading anti-corruption public campaigns within the Office
- ❖ Monitoring the impact of corruption prevention initiatives
- ❖ Preparing and submitting regular progress reports to Ethics and Anti-Corruption Commission and other appropriate agencies
- ❖ Strengthening internal control systems

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Table 8: Composition of Integrity Committee:

S/NO	NAME	ROLE
1.	FCPA Agnes Odhiambo, CBS	Chairperson
2.	CPA Stephen Masha	Member
3.	CPA Macklin Ogolla	Member
4.	Mr. Joshua Musyimi	Member
5.	Ms. Selina Iseme	Member (July 2018-March 2019)
6.	Ms. Irene Arimi	Member
7.	Ms. Judith Muli	Member
8.	Mr. Stephen Wangaji	Member
9.	CPA Mark Kipkoech	Member
10.	CPA Patrick Kamore	Member
11.	Dr. Anthony Lusuli	Member
12.	CPA Pamela Okatch	Member
13.	CPA Joseph Tulula	Secretary

The purpose of the Committee is to ensure that anti-corruption initiatives are mainstreamed in the operations of the Office. The Committee reviews reports presented by the Integrity Assurance Officer on the reported cases of corruption.

1.4.8 Procurement Adhoc Committees

The Public Procurement and Assets Disposals Act (PPADA), 2015 establishes several adhoc Committees i.e. Tender Evaluation, Disposals, Opening and Inspection and Acceptance and Negotiations. The Procurement Department recommends appointment of the committee membership as required in the Act. Some of the achievements of the committees are outlined as below:

Opening Committee: The main purpose of the committee is to open Tenders and Request for Proposals as outlined in sections 78(1) and 120 of the PPADA, 2015. Among the tenders and Request for Proposals opened during the period under review includes; Job Evaluation, Design Logo Competition, Medical Cover, Staff Mortgage, Registration of Supplier, Framework Contract Printing of Budget Implementation Review Reports, Recruitment of Staff and Team Building

Outcomes:Opening reports generated

Evaluation Committee: Section 80 and 121 of PPADA, 2015 establishes Tender and Request for Proposals Evaluation Committees. Among the tenders and Request for Proposals evaluated during the period under review includes; Job Evaluation ,Design Logo Competition, Medical Cover, Staff Mortgage, Registration of Supplier, Framework Contract

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Printing of Budget Implementation Review Reports,. Recruitment of Staff and Team Building

Outcomes: Evaluation reports containing recommendations generated to assist the Head of Procurement prepare a Professional Opinion for decision making by the Accounting Officer.

Inspection and Acceptances Committee

Inspection and Acceptances Committee are established under section 48 of the PPADA 2015 to receive goods, works and Services. In the year under review several goods, works and services were received and inspected by the committee.

Outcomes: Various goods and Services received and inspection and acceptance reports generated to be used in updating of stores records.

Disposal Committee:

Section 163 of the PPADA 2015 establishes the Disposal committee for purposes of identifying assets for disposal and making recommendations to Accounting Officer on methods of disposal through Annual Disposal Plan. The committee held several meetings and forwarded its recommendations to Accounting Officer for implementation

Outcomes: The Committee developed a disposal plan which was used to identify assets for disposal, set reserve prices for disposable assets and recommend appropriate methods of disposal.

1.5 Parliamentary Committee Activities

Article 228 (6) of the Constitution requires the Controller of Budget to submit to each house of Parliament a report on budget implementation of the national and county governments every four months. In line with this requirement, OCOB has continually engaged Parliamentary Committees to increase awareness on budget implementation and debate on issues under consideration by Parliament. This has benefited the overall budget implementation process by informing the review of proposed laws, facilitating more informed policy-making and ensuring greater government accountability. The OCOB engagement with Parliament ranged from making written submissions, giving evidence and presentations during committee hearings, consultation on budget implementation, and provision of expert advice on findings and recommendations for action by Government and Parliament. Specifically, key engagements were with the following committees:

- ❖ Senate Committee on Finance, Commerce and Budget
- ❖ Senate Sessional Committee on County Public Accounts and Investment Committee
- ❖ Standing Public Accounts Committee of the Senate

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

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

1.6 Development Partner Oversight Activities

The Office of the Controller of Budget collaborates with development partners in delivery of its mandate. In the period under review the Office partnered with; Ford Foundation, United States Agency for International Development (USAID), Department for International Development (DFID) and United Kingdom Agency for International Development (UKaid), German Society for International Cooperation (Deutsche Gesellschaft für Internationale Zusammenarbeit GiZ), World Bank, Danish International Development Agency(DANIDA), UN Women, International Development Law Organization (IDLO), among others. The partnership focused on building capacities at both levels of government in public finance management.

1.7 Public Sensitization Forums

The Office has developed strategies and plans to engage with critical stakeholders by developing a communication policy that defines the criteria for engagement particularly with the citizens. Through proactive media relations, the Office has managed to regularly publicize key issues contained in the quarterly Budget Implementation Review reports through both print and electronic media and through other publicity materials. This was to ensure that the public is informed on their roles in;

- ❖ Public financial management at national and county level;
- ❖ Monitoring and evaluation during budget making process and implementation;
- ❖ Social accountability audit and interaction between the public and the OCOB in order to address emerging issues on budget implementation-



The Controller of Budget with a section of Persons Living with Disabilities during the public forum

1.8 Legal Activities

In the financial year 2018/19 the Controller of Budget was a party to a number of litigations. The cases include:

Nairobi Petition No. 134 of 2019 Stanley Kiarie Wanjiku & 9 Others –vs- the Controller of Budget & Anor

- ❖ This case arose from the enactment of the Kiambu Supplementary Appropriations Act, 2019. The Petitioners alleged that the Supplementary Appropriations Act was not enacted in accordance with the provisions of the Kiambu County Assembly Standing Orders. The matter was litigated and finalized.

Nairobi Petition No. 168 of 2019 Richard Mungai Kagiri & 4 Others Vs COB & Another

- ❖ This case also arose from the enactment of the Kiambu Supplementary Appropriations Act, 2019. The Petitioners alleged that the Supplementary Appropriations Act was not enacted in accordance with the provisions of the Kiambu County Assembly Standing Orders. The matter is ongoing.

Machakos Petition No. 17 OF 2017 County Assembly of Machakos Vs Governor Machakos County & 4 Others

- ❖ This case rose from differences between the County Assembly and the Executive of Machakos County where the Assembly claimed that the Executive intended to cripple

their functions by denying them funds to undertake their activities. The case was prosecuted and judgment issued.

Homabay Petition no. 8 of 2018 Evance Otieno Oloo & Anor –vs- COB & 15 others.

- ❖ This case concern HomaBay County. The Petitioners alleged that there was inadequate public participation and therefore the Homabay County Budget for the Financial Year 2018/19 was unconstitutional.

Bomet Petition No. 2 OF 2017 County Assembly Service Board –vs- Governor Bomet County & 3 Others

- ❖ In this matter, the County Assembly Service Board claimed that there was collusion between the Executive and the Office of Controller of Budget to deny the Petitioners development funds to construct the County Assembly premises. OCOB demonstrated to the Court the mandate of the Office and rebutted the claim that the Office is in anyway involved in making a decision on which projects should be funded at the County. This matter is ongoing.

Nairobi Civil Appeal No. 300 of 2018. Hon. Peter Imwatok –vs- The Nairobi City County & 7 Others.

- ❖ This matter is an appeal against the judgment of the Court in *Nairobi Petition No. 8 of 2018. Hon. Peter Imwatok –vs- The Nairobi City County & 7 Others.*
- ❖ In *Nairobi Petition No. 8 of 2018*, the Petitioner claimed that there were irregularities the withdrawal of funds from the Nairobi County Revenue Fund which monies were utilized in the payment of the service provider for medical insurance for staff of the Nairobi County Government. This matter was litigated and the Petition was dismissed. The appeal is ongoing.

Kisii High Court J.R Misc App. No. 7 of 2015 Republic –vs- Kisii County Government Ex parte Peter Kunda Nyamosi & 2 Others .

- ❖ This matter arose from a Notice to Show Cause why the Controller of Budget should not be committed to civil jail.
- ❖ The case was in connection to Kisii County Government. The County Government had failed to pay a judgement debt of Kshs. 489,062/= together with costs and interests and claimed that the OCOB had declined to authorize withdrawal of the funds.

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2 FOREWORD BY THE AG. CONTROLLER OF BUDGET



The Office of the Controller of Budget is an independent Office established under Article 228 of the Constitution of Kenya, 2010 to oversee the implementation of the budgets of the National and County Governments by authorizing withdrawals of funds from Public Funds under Articles 204,206 and 207.

Below is an overview of the financial performance for the year ended 30th June 2019 as reported in the detailed financial statements together with the commentary and comparative analysis against budget, economic activities for the current and prior year for the key items in the financial statements

2.1 KEY PERFORMANCE HIGHLIGHTS

2.1.1 Budget Allocation and Expenditure

In the beginning of the financial year 2018/19, the Office was allocated budget estimate of **Kshs. 618,470,000**. This was revised downwards to **Kshs. 593,735,914** during supplementary estimates budget due to austerity measures. The Office incurred recurrent expenditure amounting to **Kshs. 549,163,234** representing absorption rate of **92%**. Utilization of the budget was carried out through main programme of *control and management of public finances* in four sub-programmes, various activities (economic classifications) as shown in Table 6 and Table 7 respectively

Table 9: Budget Allocation and Expenditure by Sub-Programme

Sub-Programme	Budget allocation	Actual	Variance	Absorption Rate
	Kshs.	Kshs.	Kshs.	(%)
Authorization of withdrawal from public funds (County Services)	190,635,867	172,895,587	17,740,280	91
Budget Review and Analysis	41,559,218	37,008,824	4,550,394	89
Administrative Support Services	343,557,641	327,868,618	15,689,023	95
Research and Planning	17,983,188	11,390,205	6,592,983	63
TOTAL	593,735,914	549,163,234	44,572,680	92

❖ Sub-Programme 1: Authorization of withdrawal from public funds (County Services)

The objective of this sub-programme is to ensure timely approval of withdrawals from the Consolidated Fund, County Revenue Fund and Equalization fund. This sub-programme was allocated **Kshs. 190,635,867** representing **32%** of the overall budget. A total of **Kshs. 172,895,587** was spent recording an absorption rate of **91%**.

❖ Sub-Programme 2: Budget Review and Analysis

The objective of this sub-programme is to oversee and regularly monitor the utilization of public funds released to spending units. This sub-programme was allocated **Kshs.41,559,218** representing **7%** of the overall budget. A total of **Kshs.37,008,824** was spent recording an absorption rate of **89%**.

❖ **Sub-Programme 3: Administrative Support Services**

The objective of this sub-programme is to enhance openness, accountability and public participation in prudent financial management. This sub-programme was allocated **Kshs. 343,557,641** representing **58%** of the overall budget. A total of **Kshs. 327,868,618** was spent recording an absorption rate of **95%**.

❖ **Sub-Programme 4: Research and Planning**

The objective of this sub-programme is to carry out research and provide evidence-based advice on planning and budgeting process. This sub programme was allocated **Kshs. 17,983,188** representing **3%** of the overall budget. A total of **Kshs. 11,390,205** was spent recording an absorption rate of **63%**. **Figure 1** Shows budget absorption by Sub-Programme;

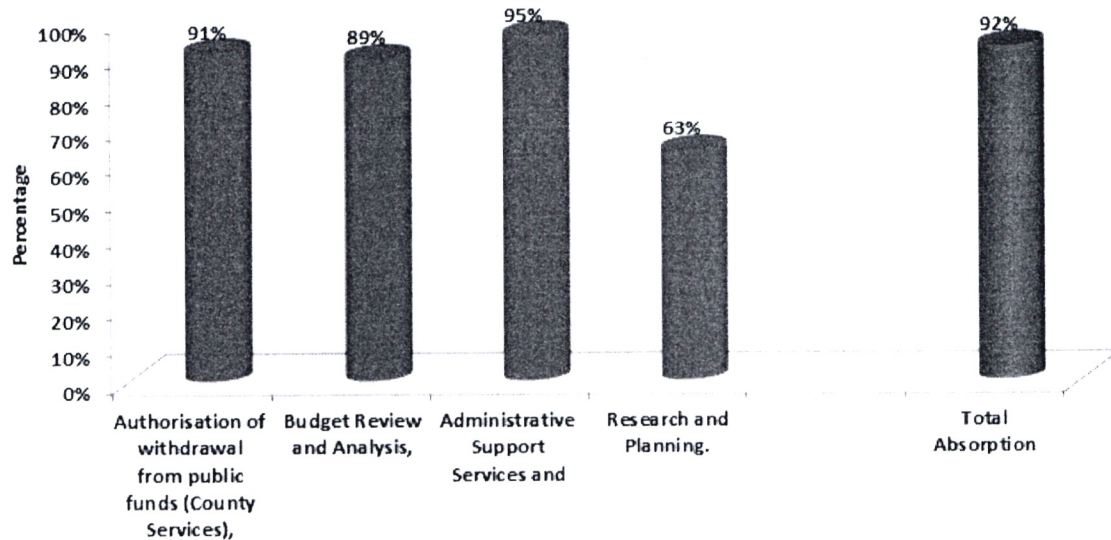


Figure 1: Budget Absorption by Sub-programme

2.1.2 Budget Allocation and Expenditure by Economic Classification

Budget Absorption by Economic Classification in the FY 2018/19 as shown in **Table 7**

Table 10: Budget Allocation and Expenditure by economic classification

Economic Classification	Budget allocation	Actual	Variance	Absorption Rate
	Kshs	Kshs	Kshs	%
Compensation of employees	327,315,225	297,281,360	30,033,865	91
Use of goods and services	175,681,318	163,806,927	11,874,391	93
Social security benefits	34,074,371	33,561,152	513,219	98
Acquisition of non - financial assets	56,665,000	54,513,795	2,151,205	96
TOTAL	593,735,914	549,163,234	44,572,680	92

❖ **Compensation to Employees**

Compensation to employees included; basic salaries for permanent employees, basic wages for temporary employees, personal allowances paid as part of salary, employee contribution to compulsory national social security schemes and employer contribution to pension schemes. The budget allocated was Kshs. **327,315,225** representing **55%** of the overall budget. This recorded the highest expenditure of **Kshs.297, 281,360** representing an absorption rate of **91%**

❖ **Use of goods and services**

This category include: domestic and foreign travel, printing and advertising, rentals and rates for non-residential, training, hospitality, legal fees, and maintenance expenses for motor vehicles and other assets among other expenses. The budget allocated was Kshs. **175,681,318** representing **30%** of the overall budget. This recorded expenditure of **Kshs. 163,806,927** representing an absorption rate of **93%**

❖ **Social Security Benefits**

This category include; Gratuity for civil servants and government pension and retirement benefits. The budget allocated was Kshs. **34,074,371** representing **6%** of the overall budget. This recorded expenditure of **Kshs.33, 561,152** representing an absorption rate **96%**

❖ **Acquisition of Assets**

This category includes; purchase of office furniture and equipment, purchase of specialised plant, equipment and machinery, Mortgage loan to public servants. The allocated budget was Kshs.**56,665,000** representing **9%** of the overall budget. The total expenditure was **Kshs.54, 513,795** representing an absorption rate **96%**. Figure 2 Shows Budget Absorption by economic classification

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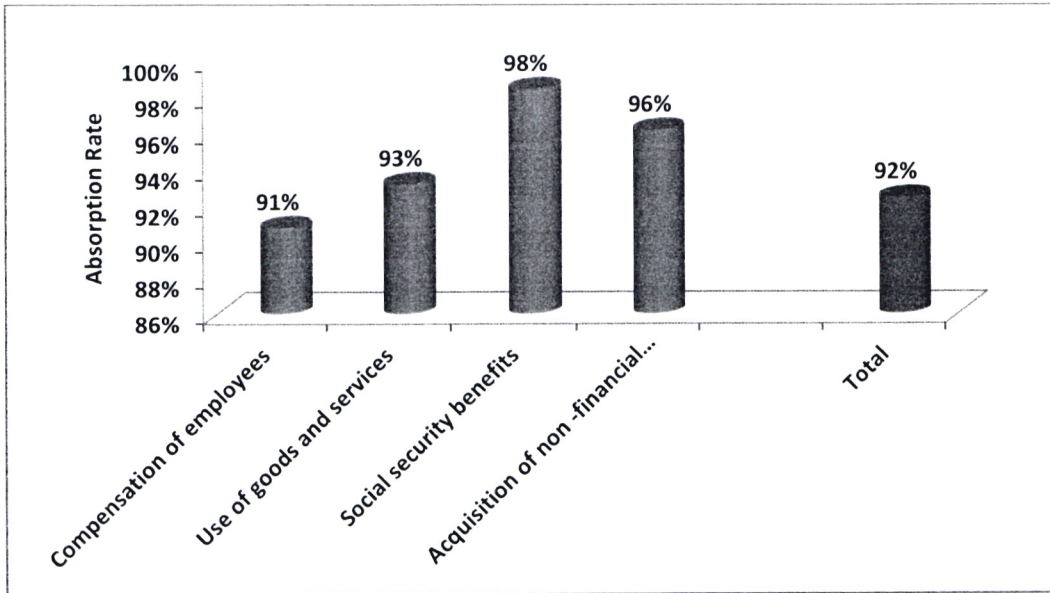


Figure 2: Budget Absorption by economic classification

Table 11: Receipts and Payments

Financial Performance	Approved Estimates	Actual	Variance	% Variance
	Kshs	Kshs	Kshs	
Total Receipts	593,735,914	551,332,300	42,403,614	7
Total Payments	593,735,914	549,163,234	44,572,680	8
Surplus for the year	-	2,169,066	-2,169,066	

Actual receipts stood at 7% below the budget while actual payments 8% below the budget. This is attributed to under receipt of exchequer and under-utilization of budget allocation for the programme. Figure 3 shows receipts and payments in the FY 2018/19.



Figure 3: Receipts and Payments

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2.1.3 Performance for Two consecutive years

2.1.3.1 Receipts

The Office receipts mainly comprise of exchequer releases from the National Treasury. The total receipts for FY 2018/19 was **Kshs.551, 332, 300** representing 19% increase compared to **Kshs.463,466,087** recorded in the FY 2017/18. Table 4 shows comparison of actual receipts in the FY 2017/18 and FY 2018/19.

Table 12: Comparison of Receipts for between FY 2018/19 and FY2017/18

Receipts	2018-2019	2017-2018	Change	% change
Exchequer	551,332,300	463,466,087	87,866,213	19%
Total Receipts	551,332,300	463,466,087	87,866,213	19%

2.1.3.2 Payments

The payments mainly comprise of employee compensation, use of goods and services, social security benefits and acquisition of assets. The total payments for FY 2018/19 stood at **Kshs. 549,163,234** representing a 19% increase compared to **Kshs. 462,125,280** recorded in the FY 2017/18. Table 5 shows comparison in FY 2017/18 and FY 2018/19.

Table 13: Payments for Two Consecutive Years

Payments	2018-2019	2017-2018	Change	% change
Compensation of employees	297,281,360	260,667,954	36,613,406	14%
Use of goods and services	163,806,927	164,501,360	-694,432	0%
Social security benefits	33,561,152	31,594,697	1,966,455	6%
Acquisition of non -financial assets	54,513,795	5,361,269	49,152,526	917%
Total Payments	549,163,234	462,125,280	87,037,954	19%

Figure 4 shows comparison in FY 2017/18 and FY 2018/19.

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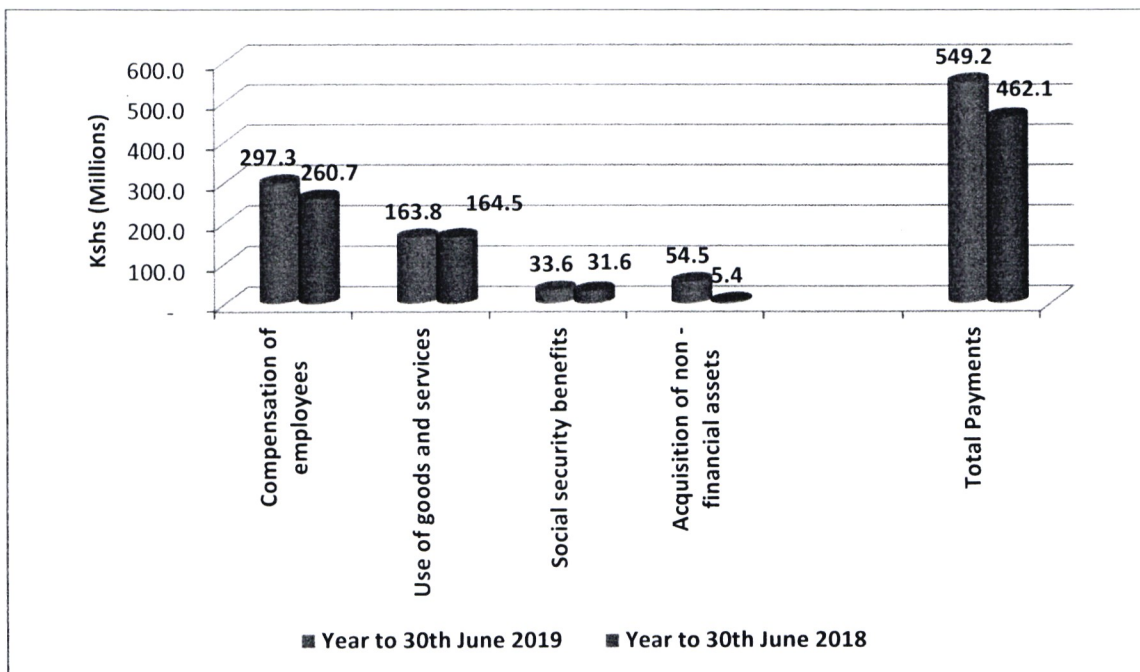


Figure 4: Payments for Two Consecutive Years

The increase of **14%** in compensation of employees is attributed to the annual increase of staff basic salaries, salaries for new staff, and interns who were recruited during the financial year; and employer contributions to staff pension scheme at 20% upon the conversion of staff from contract terms to permanent and pensionable terms. The decrease in use of goods and services is due to scaling down in planned activities during the FY 2018/19 as a result of budgetary cuts. An increase of **6%** on social security benefits was due to gratuity payment of staff whose contracts ended within the financial year under review. A significant increase of **917%** on the acquisition of non- financial assets is attributed to the payment of staff mortgage scheme during the financial year in line with the Big 4 Agenda. Table 6 shows comparison between total receipts and total payments for the last two consecutive years.

Table 14: Comparison between Total Receipts and Total Payments for the Last Two consecutive Years

Receipts & Payments	2018-2019	2017-2018	Change	% change
Total Receipts	551,332,300	463,466,087	87,866,213	19%
Total Payments	549,163,234	462,125,280	87,037,954	19%

Figure 5 shows comparison between total receipts and total payments for the last two consecutive years.

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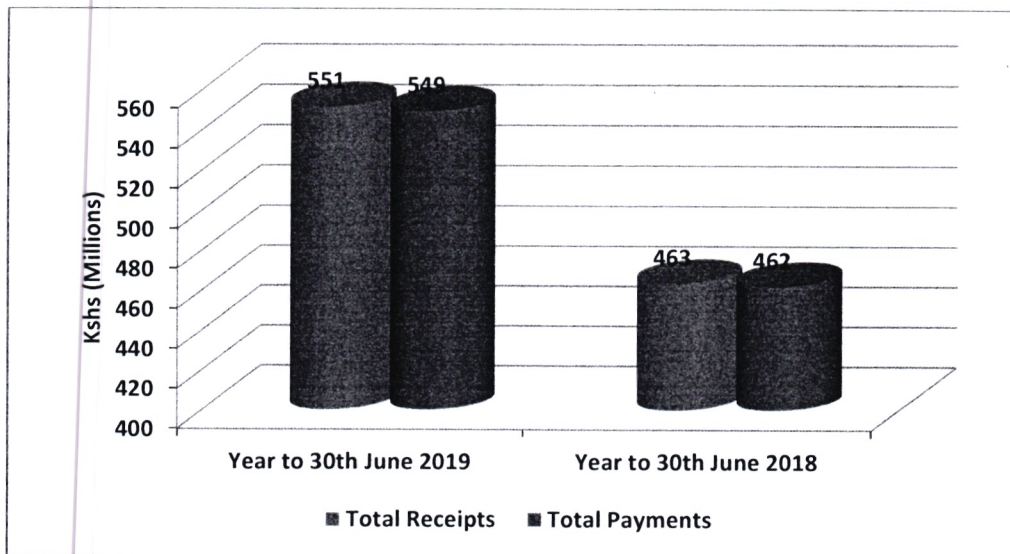


Figure 5: Comparison between Total Receipts and Total Payments for the Last Two consecutive Years

Total receipts and payments increased by **19%** as a result of increased activities carried out during the current financial year compared to FY 2017/18. The increase is mainly due to payment of employer contribution to staff pension scheme and introduction of the staff mortgage scheme. Table 7 shows financial assets and liabilities position for the last two consecutive financial years

Table 15: Financial Assets and Liabilities

Financial Assets	2018-2019	2017-2018	Change	% change
Bank Balances	7,597,705	2,851,205	4,746,499	166%
Cash Balances	666,815	177,239	489,576	276%
Total	8,264,520	3,028,444	5,236,075	173%

Bank balances comprises of recurrent account and deposit account. The increase of 166% is as a result of unpaid contractor's retention monies and activities planned for whose grant was sourced from Ford Foundation. The planned activities under the Ford Foundation grant will be undertaken in the FY 2019/20. Cash balances increased by 276% due to increased cash related transactions at the year-end.

Figure 6 shows financial assets and liabilities position for the last two consecutive financial years.

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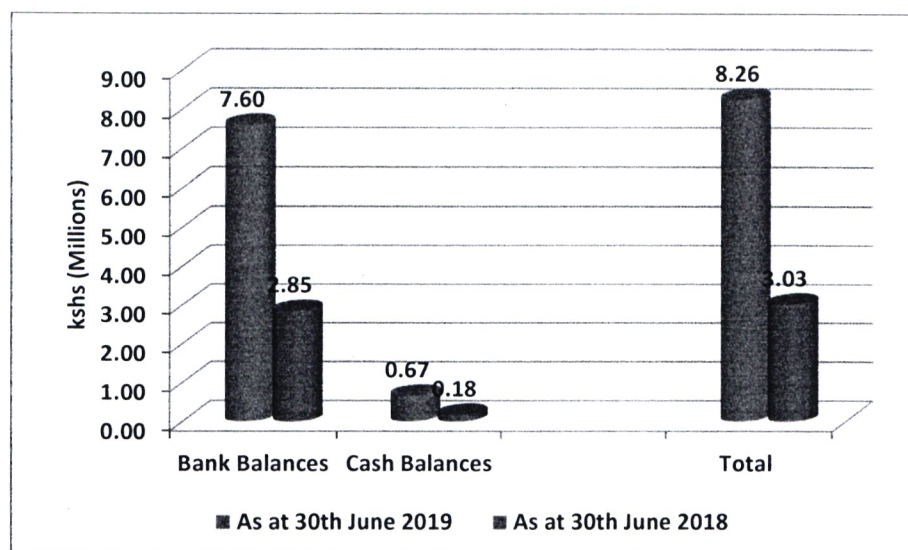


Figure 6: Financial Assets and Liabilities

Cash Flow Activities

Table 8 summarizes cash flows generated and used on various activities during the two consecutive financial years.

Table 16: Cash Flow Activities

Cash Flow Activities	2018-2019	2017-2018	Change	% change
Net Cash Flows generated from Operating activities	59,749,870	-11,512,268	-71,263,138	-619
Net Cash Flows used from Investing activities	-54,513,795	-5,361,269	49,152,526	917
Net Cash Flows generated from Financing activities	-	-	-	0
Net increase in Cash and Cash Equivalents	5,236,075	-16,873,537	-22,110,612	-131
Cash and Cash Equivalents at 1 July	3,028,444	19,901,981	16,873,537	85
Cash and Cash Equivalents at 30 June	8,264,520	3,028,444	-5,237,075	-173

- ❖ Net cash flows in operating activities increased from Kshs.11 million to Kshs.60 million mainly due to payment of employer contribution to staff pension scheme at 20%.

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- ❖ Net cash flows from investing activities increased from 5 million to 54 million as a result of introduction of the staff mortgage scheme.
- ❖ The Office does not have any financing activities.

Figure 7 shows a summary of cash flows generated from and used in various activities during the two consecutive financial years.

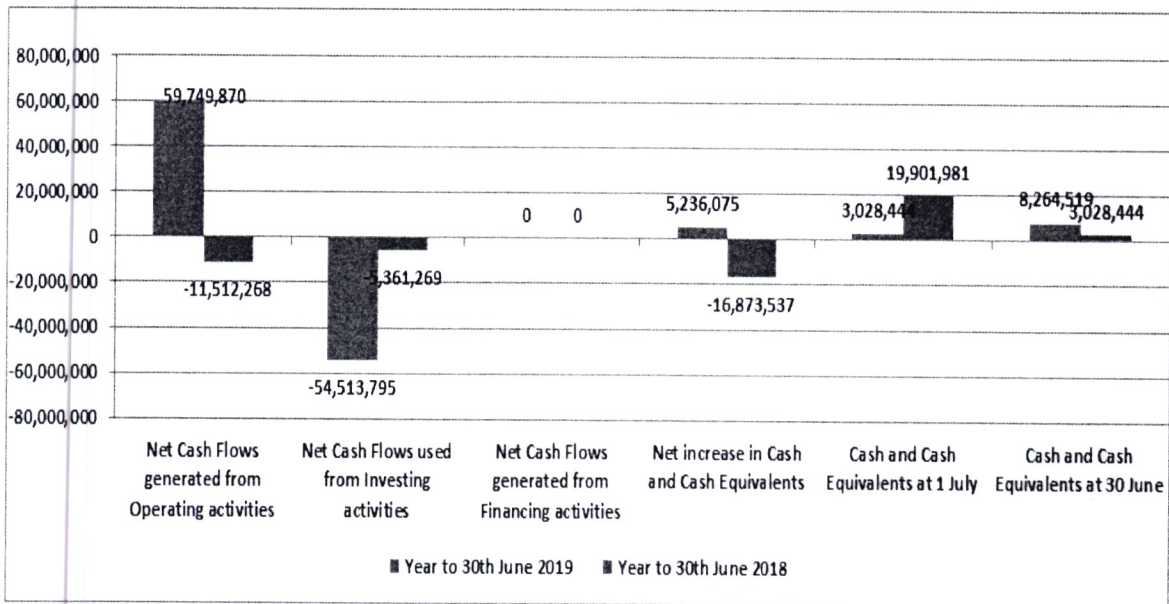


Figure 7: Cash Flow Activities

2.1.4 Key Achievements

To realise its strategic objectives, the Office relied on its strategic plan to guide activities, policy formulation and work plans and made the following progress and achievements towards its targeted objectives during FY 2018/19.

2.1.4.1 The following are key activities implemented by the Office under each strategic objective

Objective 1: To ensure timely approval of withdrawals from the Consolidated Fund, County Revenue Fund and Equalization Fund

1. Ensured timely approval of budget requisitions for National (within 2 hours) and County Governments (within 24 hours).

Objective 2: To oversee and regularly monitor the utilization of public funds released to spending units.

1. Published 8 budget implementation review reports: 4 for National Government and 4 for County Governments.
2. Undertaken 4 budget monitoring exercises in the counties.
3. Partnered with various stakeholders in a number of forums including the National Treasury to develop framework and regulations to assist in the public financial management, Gender Responsive Budgeting and budget implementation for both levels of Government.
4. Collaborated with stakeholders on public finance matters.

Objective 3: To enhance openness, accountability and public participation in prudent financial management

1. Publicized budget implementation review reports.
2. Collaborated with the public to monitor implementation of the budgets by various government agencies.
3. Developed an interactive website for sharing budget implementation review reports.
4. Carried out public sensitization forums in various counties.

Objective 4: To participate and provide advice on financial, planning and budgeting issues

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1. Held various meetings with committees of Parliament and County Assemblies to discuss issues highlighted in Budget Implementation Review Reports (BIRR) and provided advice on the way forward.
2. Provided advice to the Executive on budget implementation through quarterly reports.
3. Reviewed County legislations to ensure compliance with existing laws and provided advice accordingly.
4. Reviewed National and County Governments' budget estimates and provided advice as appropriate.
5. Participated in development of curricula for the county budget executives and staff to facilitate capacity building for County Governments.
6. Trained County executives and staff to facilitate budget preparation and implementation.
7. Provision of mediation services on budget matters to several counties.

Objective 5: To build capacity of the OCOB to deliver on its mandate

1. Reviewed OCOB organization structure
2. Recruited, trained and deployed staff.
3. Reviewed human resource and administration policies and procedure manual.
4. Reviewed ICT Policy and Guidelines and IT governance structures
5. Upgrade and Maintenance of ICT Infrastructure -Data Centre, servers, server operating system platforms, application platforms, wireless and access services.
6. Developed a library management system to increase the efficiency and effectiveness of the library.
7. Drafted COB regulations to operationalize the COB Act, 2016.
8. Winning the FiRe Award on the category of the Independent Offices and Constitutional Commissions.

Objective 6: To ensure the public has access to comprehensive, understandable, credible and timely information

1. Developed an interactive website and a mobile phone application (Budget Yetu) through which information on budget implementation is uploaded for dissemination to the public.
2. Sharing of budget implementation data with research, professional and academic institutions.
3. Disseminated BIRRs to the public through Huduma Centers and County information

dissemination centers.

2.1.4.2 The following are key activities implemented by the Office under each Sub-programme

2.1.4.2.1 Authorization of withdrawal from Public Funds

The sub-programme entails approval of exchequer requisitions from Public Funds (Consolidated Fund, County Revenue Fund and Equalization Fund) in compliance with relevant laws and regulations. The Office has reviewed internal exchequer requisition process to ensure expeditious release of funds to finance approved programmes by spending entities at both national and county governments.

❖ Exchequer Issues and Resource Absorption

The total exchequer issues for the FY 2018/19 to the MDAs and County Governments amounted to Kshs.2.5 trillion, and represented 19% growth compared to the exchequer issues of Kshs.2.1 trillion released in FY 2017/18. The exchequer issues comprised of Kshs.1.3 trillion to MDAs, Kshs.897 billion for Consolidated Fund Services (CFS) and Kshs.352 billion to the County Governments compared to Kshs.1.2 trillion, Kshs.583 billion and Kshs.328 billion issued to MDAs, CFS and County Governments respectively, in the FY 2017/18. The exchequer issues to net estimates increased from 70% in FY 2017/18 to 91% in FY 2018/19.

Analysis of exchequer issues shows that Kshs.390 billion was released towards development expenditure and Kshs.2.1 trillion towards recurrent expenditure. The exchequer issues released to fund development programmes translated to 15% of the revised net estimates while those towards recurrent activities translated to 85% of the revised net recurrent estimates. In the same period, the Controller of Budget approved withdrawal of Kshs.352 billion from the County Revenue Funds to fund the 47 county governments. The amount comprised of Kshs.84 billion for development programmes and Kshs.268 billion for recurrent expenditure.

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Table 17: Exchequer Issues Processed in the FY 2018/19 (Kshs. billion)

VOTE	FY 2018/19					
	Revised Gross Estimates	Revised Net Estimates	Cumulative Exch. Issues	Cumulative Expenditure	% of Exch. to Rev. Net Estimates	Absorption Rate (%)
Recurrent	2,059.6	1,921.2	1,852.5	1,961.3	96.4	95.3
<i>MDAs</i>	1,124.2	985.8	955.5	1,066.6	96.9	94.9
<i>CFS</i>	935.4	935.4	897.0	895.0	95.9	90.8
Development	682.5	346.3	306.5	538.8	88.5	78.9
County Governments	476.12	476.12	352.05	312.64	73.9	65.7
Total	3,218.22	2,743.62	2,508.05	2,812.74	91.4	87.4

❖ **Recurrent Exchequer Issues and Absorption**

The total exchequer issues released in FY 2018/19 to fund recurrent budget for the National Government was Kshs.956 billion translating to 97% of the revised recurrent net estimates. The total recurrent expenditure in the reporting period was Kshs. 1.0 trillion which translated to an absorption rate of 95% of the revised gross recurrent estimates, an increase absorption rate from 11% recorded in the FY 2017/18.

❖ **Development Exchequer Issues and Absorption**

The total exchequer issues released to fund the development programmes by MDAs was Kshs.307 billion translating to 89% of the revised net development estimates. The total expenditure by MDAs in the same period amounted to Kshs.539 billion representing an absorption rate of 79% of the revised gross development budget. This performance was an increase from an absorption rate of 27 % achieved in the FY 2017/18.

❖ **Exchequer Issues to County Governments**

The total amount released from the various County Revenue Funds (CRFs) for operations amounted to Kshs.352.05 billion and comprised of Kshs.268.37 billion (76.2%) for recurrent expenditure and Kshs.83.67 billion (23.8%) for development activities.

The aggregate budget estimates for the 47 County governments amounted to Kshs.476.12 billion and comprised of Kshs.285.3 billion (59.9%) allocation for recurrent expenditure and Kshs.190.86 billion (40.1%) for development expenditure. The aggregate development

expenditure allocation conforms to Section 107 (2(b)) of the PFM Act, 2012, which requires that at least 30 per cent of budget shall be allocated to development expenditure.

County Governments spent Kshs.312.64 billion which translated to absorption of 65.7%. A total of Kshs.241.53 billion was spent on recurrent expenditure and Kshs.71.12 billion on development activities. Development expenditure translated to an absorption rate of 37.2 % while recurrent expenditure was 84.7% of the annual budget for recurrent expenditure.

❖ Exchequer Releases for Consolidated Fund Services (CFS)

Consolidated Fund Services comprise of funds allocated towards: (i) Repayment of Public Debt (Domestic and Foreign debt, and government guaranteed loans to State Corporations), (ii) Pensions and gratuities, (iii) Salaries and allowances to Constitutional Office holders and miscellaneous services, and (iv) Subscriptions to International Organizations.

In the period under review, total exchequer issues to CFS were Kshs.897 billion, translating to 96% of the revised net estimates, an increase of 54% recorded in FY 2017/18. The exchequer issues for this category comprised of Kshs. 826 billion released to service public debt, Kshs.67 billion for pensions and gratuities, and Kshs.4 billion for salaries and allowances of constitutional office holders.

The overall CFS expenditure in the reporting period was Kshs.895 billion, representing 91% of the revised net estimates and an increase by 55% from Kshs.583 billion spent in the FY 2017/18.

2.1.4.2. Budget Implementation and Monitoring

The key outputs of this sub-programme include preparation and publications of budget implementation review reports, proper management of exchequer records, ensuring compliance with public financial management framework, sensitization of the public on the budget implementation and a framework for tracking and monitoring implementation of budgets.

❖ Quarterly Budget Implementation Review Reports

The report is prepared in line with Article 228(6) of the Constitution of Kenya, 2010 and Section 9 of the Controller of Budget Act, 2016, which requires the Controller of Budget to submit to Parliament quarterly budget implementation reports for the National and County Governments every four months. In the FY 2018/19, the Office prepared and distributed Four

(4) quarterly budget implementation reports on the National Government and Four (4) on the County Governments.

The reports highlighted key issues affecting budget implementation at both levels of government. At the national level key issues highlighted included delays by MDAs to submit quarterly financial reports to OCOB, At county level, delays in disbursement of equitable share of revenue by the National Treasury, high expenditure on personnel emoluments, under-performance of own source revenue by counties and lack of functional County Budget and Economic Forums are among the issues that affected budget implementation.

❖ **Sharing Information with the Public**

In the FY 2018/19, the Office publicized information to the public on budget implementation by both levels of governments through print and electronic media as stipulated under Section 39(8) of the PFM Act, 2012. The Office also disseminated budget implementation review reports through Huduma Centres, public universities and national libraries to ensure information on budget implementation is widely accessed by the general public.

These reports are also available on the OCOB website and have been uploaded on the Budget Yetu Mobile Application available on Google Play, Apple Store and Microsoft Store and can be downloaded at no cost.

❖ **Review of County Government Budgets for the FY 2018/19**

In the FY 2018/19 the Office reviewed approved budget estimates for the forty seven (47) counties to assess their compliance with the public financial management guidelines. During the review, areas of non-compliance with law and best practice were identified and shared with the affected County Governments for necessary action.

Some of the issues highlighted during the review included non-compliance with the Program Based Budgeting (PBB) guidelines, reasonableness of the revenue estimates and resource allocation between development and recurrent expenditure.

❖ **Review of Budget Policy Statement and County Fiscal Strategy Papers**

Section 25(5) and 117(5) of the Public Finance Management Act, 2012 requires the National Treasury and County Treasuries of each of the 47 county governments to take into account views of the Controller of Budget in preparing the Budget Policy Statement (BPS) and County Fiscal Strategy Papers (CFSP) respectively. The BPS and CFSP contain policies and priorities on revenues, expenditures and borrowing in the medium term.

The Office reviewed the BPS and all the 47 CFSPs for FY2018/19 to check for compliance with the law. During the review, some key issues were identified and corrective measures communicated to the National Treasury and respective counties.

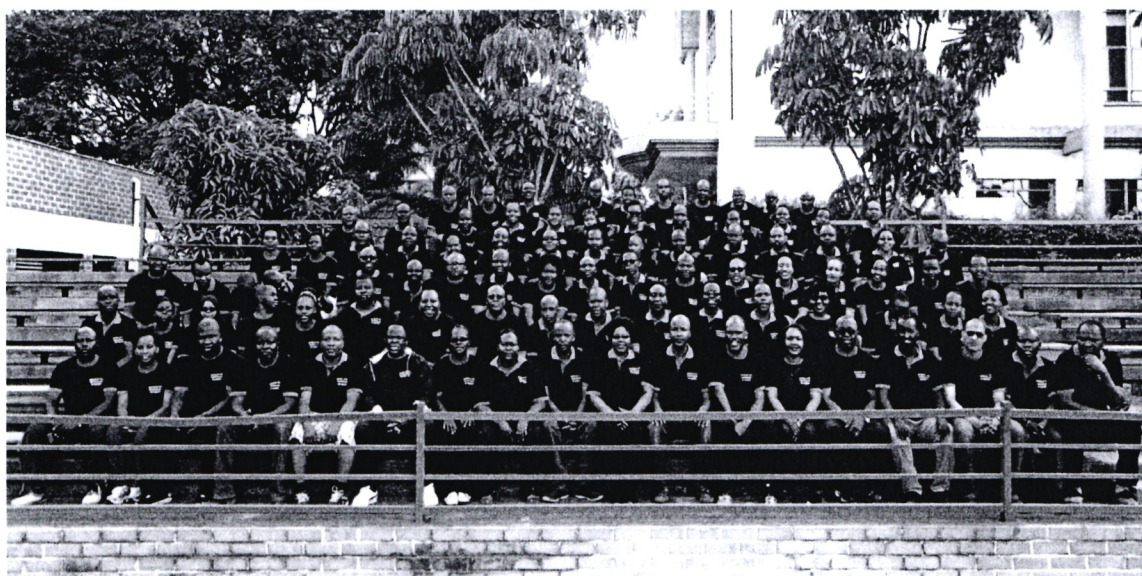
2.1.4.3 Administration and Support Services

The Administration and Support Services Sub – Programme seeks to ensure effective service delivery through enhancing capacity of the OCOB to deliver on its mandate. Some of the activities and achievements under the Sub – Programme are discussed below;

❖ Human Resource Development and Capacity Building for OCOB Staff

The Office carried out Job Evaluation review to establish the workload and optimum level of its human resource requirement, in view of the additional mandate created by new legislation and operationalization of the county governments. The Office has appointed and replaced County Budget Coordinators, Fiscal Analyst and additional Administrative Assistants.

- Training promotes job satisfaction and nurtures employees to develop more rounded skill sets to help the OCOB achieve its mandate. During the FY 2018/19, staff were trained on public finance management, Electronic Document Management workshop, Annual Internal Audit Conference, ICPAK, Annual HR Conference, 26th Annual Economic Symposium by ICPAK, 21st Annual National HRM Conference, Law Society of Kenya (LSK) Conference, Workshop on Inventory Management, Enterprise Risk Management, East African Congress of Accountants, Leadership Management Skills for Supervisors, 5th Annual Human Resource Congress, IPSAS by ICPAK and Staff Team building



The Office of Controller of Budget staff team building at The Kenya School of Monetary Studies June, 2019

❖ **Policies and Procedures Manuals**

The office reviewed its existing policies and procedures manuals and developed new ones to build its capacity to effectively deliver on its mandate. These include:

- Exchequer withdrawal procedure manual
- Human Resources and Administration Policies and Procedures Manual;
- Internship Policy;
- ICT Policy;
- Complaints Handling Policy;
- Alternative Dispute Resolution Policy;
- Investigation Policy;
- Transport Policy;
- Access to Information Policy;
- Communication Policy;
- Service Charters for the OCOB'and
- Monitoring and evaluation framework

However, the Office is in the process of finalizing the following documents;

- Regulations to COB Act, 2016
- Scheme of Service
- Succession Policy
- Rewards and sanction policy for staff
- Talent management policy for staff retention
- Budget implementation procedure manual

❖ **Staff Welfare Kitty**

The OCOB established a staff welfare scheme to cater for welfare matters. The aim of establishing the scheme is to empathize with members and show solidarity during hard times of sickness and bereavement. Members contribute Kshs.500 per month towards financing the kitty.

❖ **Staff Mortgage Scheme**

The OCOB has since established a Mortgage Scheme for its staff. The scheme is aimed at providing opportunity for staff to purchase either houses or land for construction of their residences.

❖ **Records Management Services**

The OCOB acquired an integrated records management system to automate mail management functions at the Registry Unit. The new system automated the tracking and dispatching of mail correspondence within the OCOB and promotes efficiency in the exchequer approval process and the overall discharge of the OCOB's mandate.

❖ **Reservation of Procurement Budget for Disadvantaged Groups**

Section 155 of the Public Procurement and Asset Disposal Act, 2015 makes it mandatory for public entities to comply with the provisions of Part XII of the Act on Preference and Reservations in Procurement. Sections 53 (6), and 157 (5) and (10) of the Act requires accounting officers of public entities to reserve a prescribed percentage of its procurement budget, which shall not be less than 30 per cent, to the disadvantaged group.

In this regard, the Office awarded contracts worth **Kshs.65 million** to the disadvantaged Group (Women, Youth and PWDs) against the procurement budget of **Kshs.176 million**. The total contracts awarded to the target group translated to **37%** of the total procurement budget of the OCOB for 2018/19.

❖ **Internship Programme**

The Constitution of Kenya, 2010 requires the State to take measures to ensure that the youth gain access to relevant education, training and employment. In this regard, the Public Service Commission (PSC) developed an internship policy in 2015 that establishes mechanisms for ensuring that the youth, especially those with relevant qualifications, are offered the opportunity to gain practical work experience in public institutions to improve their competitiveness in the job market.

In pursuance of this policy, the OCOB recruited 20 graduate interns, comprising of 11 male and 9 female and deployed them to various departments. The recruitment process was conducted competitively to ensure equity, inclusivity, fairness and professionalism. The process was also guided by the capacity of the OCOB to accommodate interns in terms of resources such as office space, facilitation and mentorship capabilities.

2.1.4.4 Research and Planning

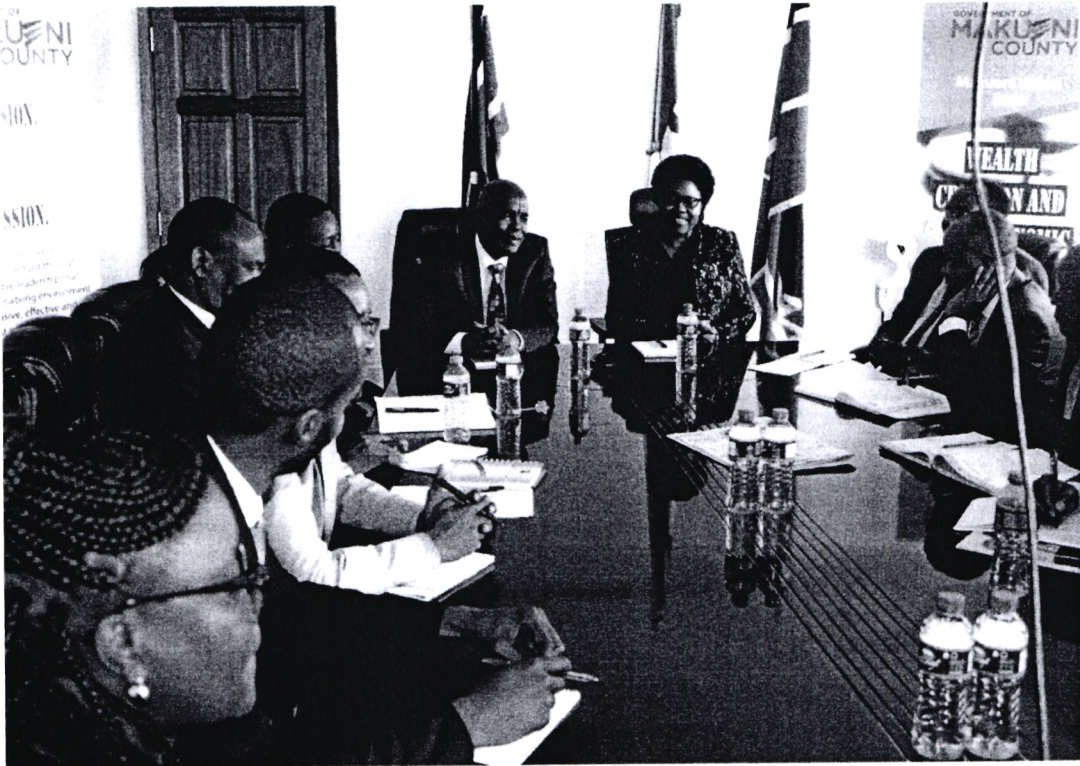
County Visits

The Office has continuously carried out county visits and monitoring of development projects by the county governments. The objective is to discuss with the County officials some of the mechanisms put in place to enhance budget execution, among others.



A meeting between COB and the County Executive officials in Kiambu County

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COB Meeting with H.E. Prof. Kivutha Kibwana in Makueni County



A meeting with West Pokot Governor
Projects Site Visit in the FY 2018/19

The OCOB team visited some of the projects implemented by the County Government and the findings were as follows.

Thika Residential Units by the County government of Kiambu.

The project is located in Thika Town and consists of high rise buildings with residential units. The objective was to provide affordable housing for residents of Thika. The project which was started by the former municipal authorities of Kiambu had stalled for ten years before the County government came in to revive the project. As at the time of the County visit, the project was still ongoing.



The COB's team and Kiambu County team during project site visits



COB and County Officials at Makueni Mother and Child Hospital with capacity to accommodate 120 adults and 80 neonates



Newly constructed CDF offices at Makueni County

2.1.4.3 The Strategic Plan 2018-2022

During the FY 2018/19, the Office was able to develop strategic plan 2018-2022. The Plan is anchored on the Constitution of Kenya, 2010, Public Finance Management Act, 2012 and the Controller of Budget Act, 2016. The Plan has taken cognizance of the Country's development agenda as spelt out in the Kenya Vision 2030 and the Medium Term Plan III and the Big four Agenda: Universal Healthcare, Food Security, Affordable Housing and Manufacturing. Further, the Strategic Plan is aligned to the Africa Agenda 2063 and the Sustainable Development Goals.

This Strategic Plan is anchored on four (4) strategic themes - Authorization of Withdrawals from Public Funds, Advice on Budgeting and Budget Implementation, Budget Implementation Reporting and the Institutional Capacity. The Plan will improve OCOB's impact and effectiveness in promoting prudent financial management in the public sector and contribute to the achievement of Kenya's development plan, including the Big Four agenda.

The Plan has been developed through a consultative process involving the Management, Staff, Public and Private Stakeholders, Civil Society Organizations and several Development Partners. It thus incorporates invaluable input from all the stakeholders.

2.1.4.4 Financial Reporting (FiRe) Awards and Other Awards



Figure 8: Fire Awards

The Financial Reporting (FiRe) Award is an initiative of the Institute of Certified Public Accountants of Kenya (ICPAK), the Capital Markets Authority (Kenya) and the Nairobi Securities Exchange (NSE). The initiative is aimed at promoting excellence in financial reporting, fostering sound corporate governance practices, and enhancing both corporate social responsibility and environmental reporting. The Public Sector Accounting Standards Board issued a directive that all public sector entities shall submit their annual reports and financial statements for the FiRe Award so as to benefit from feedback provided as a way of monitoring compliance as provided under section 194 (4) of the PFMA. The OCOB was nominated in two categories namely the MDAs and International Public Sector Accounting Standards (IPSAS) Cash Category.

The Office of the Controller of Budget emerged overall winner during the 2018 Financial Reporting (FiRe) Awards under the Independent Offices and Constitutional Commissions category and on the IPSAS Cash Category on the 2016/17 financial statements.



OCOBS Team receiving the FiRe Award, 2018

2.1.4.5 Public Service Commission Award

Article 234 (29) (c) of the Constitution mandates PSC to promote the national values and principles of governance of Article 10 of the Constitution, and the public service values and principles of Article 232. Further, Article 234 (2) (h) requires the Commission to undertake evaluation and report to the President and Parliament on the extent to which the values and principles are complied with. In this regard, the PSC prepared the Evaluation Report for 2016/17 on public service compliance with the values and principles in Articles 10 and 232 of the Constitution.

The OCOB was part of the government institutions that were evaluated on values and principles by the PSC. The evaluation focused on the performance of the sectors in 10 thematic areas: Ensuring High Standards of Professional Ethics; Devolution and Sharing of Power; Good Governance, Transparency and Accountability; Diversity management; Efficiency, Effectiveness, Economic use of Resources and Sustainable Development; Accountability for Administrative Acts; Improvement in Service Delivery; Performance Management and Public Participation in Policy Making.

The OCOB emerged third overall after scoring outstanding scores in six key thematic areas namely: Efficiency; Effectiveness; Economic use of resources and Sustainable Development; Equitable Allocation of Opportunities and Resources; Good Governance, Transparency and Accountability; and Accountability in Administrative Acts.

2.1.4.6 Corporate Social Responsibility

CSR is an important component that enables an organization to participate in promoting the environmental, ethical and socio-economic concerns of the communities. As part of this initiative, OCOB organized a voluntary CSR activity dubbed “**Touch an Angel This Easter**”, which involved a visit to the Nest Children’s Home, Limuru. Staff from the OCOB visited all the three branches of the Children’s Home, located in Kiambu County. The OCOB staff gave their personal donations in form of cash, foodstuff and clothing to the Children’s Home.



OCOB staff distributing foodstuff to the children

2.1.4.7 Staff Welfare

Dental Camp

During the period under review, the Office in collaboration with Vimak Dental Centre Limited, an established Dental Service Centre organized a free Dental Health Education Talk for OCOB staff. The aim of the talk was to empower OCOB officers through knowledge on common dental problems, their treatment and prevention as well as provide free medical consultation. Vimak Dental Centre brought a team of dentists and nurses who provided free consultation during the event.



OCOB staff during presentations by Vimak Dental Centre staff in 2018

First Aid Kits

The Office acquired functional First Aid kits. The aim was to give first aid to staff who get minor injuries or accidents before the case is handed over to professional medics. A first aid kit can help reduce the risk of infection or the severity of the injury. As part of the Kenya Red Cross initiative to ensure safety within the work environment it is mandatory for organizations to train at least five staff to handle the kits.

2.1.5 Challenges and Recommendations

The following are challenges that affected the Office while executing its mandate. It also provides appropriate recommendations aimed at addressing the challenges in order to enhance smooth budget execution in future.

2.1.5.1 Implementation of Public Sensitization Activities

The OCOB is required to disseminate information to the Public on budget implementation at both levels of government in accordance with Section 39(8) of PFM Act, 2012. Despite this Constitutional requirement, there is no clear framework on how it should be institutionalized and implemented.

Recommendation: In order to effectively sensitize the Public as one of the mandates of the OCOB, there is need for Parliament to expedite the passing of the Public Participation Bill into law to guide the process.

2.1.5.2 Data and Knowledge Management System

The OCOB has put in place automated registry system to facilitate storage, archiving and retrieval of office documents. However, the Office needs a Central Data Management and Retrieval System (CDMRS) for data, knowledge and information management to cater for both headquarters and County Budget Coordinators offices.

Recommendation: The office should expedite automation of its operations

2.1.5.3 Inconsistent Reporting Timelines

Article 228 (6) of the Constitution of Kenya, 2010 requires the Controller of Budget to submit to each House of Parliament a report on the implementation of the budgets of the national and county governments every four months. Although the Constitution provides that the Controller of Budget submits the reports every four months, Section 9 (1) of the Controller of Budget Act, 2016 limits the period within which the Controller should submit the reports to thirty days after the end of the quarter.

The OCOB relies on financial and non – financial reports prepared by the national and county governments to prepare the Budget Implementation Review reports. The timelines between submission OCOB reports to Parliament and when National Government and County Governments submit quarterly financial and non – financial reports to OCOB are too close.

Recommendation: There is need to review the legal framework on budget implementation reporting to ensure there is uniformity in the statutory reporting timelines for both national and county governments entities to accord OCOB adequate time to prepare and submit budget implementation reports to Parliament on time.

2.1.5.4 Weak Legal Framework

The Controller of Budget Act, 2016 is inconsistent with the Constitution of Kenya, 2010 which prohibit on reporting on recent macroeconomic developments including economic development and outlook, revenue, grants and loans forecasts and receipt.

Recommendation: The OCOB in collaboration with other stakeholders should hasten enactment of the review of the Controller of Budget Act, 2016 in line with the provisions in the Constitution.

2.1.5.5 Failure to Report on Programmes and Projects Achievements by MDAs and counties

The Controller of Budget is required to report on the achievements of programmes and projects by MDAs as stipulated in Section 9 (2) of the Controller of Budget Act, 2016. The OCOB developed and shared a format to capture this information. Despite this, some MDAs and County Governments failed to present information on programme and project achievements.

Recommendation: All Accounting Officers should ensure that, the reports submitted to the Controller of Budget contain sufficient information on achievements of programmes and projects as set out in the Programme Based Budgetary framework. This will promote transparency and accountability in use of public funds.

2.1.5.6 Inadequate Office Space and Dysfunctional Elevators at Bima House

The OCOB is currently occupying two floors at Bima House, Treasury Annex. The current office space is not adequate to accommodate the staff establishment as well as storage space for library and registry offices. Access to the office by the staff, government officials and the general public is severely affected by dysfunctional elevators that operate intermittently.

Recommendation: There is need for additional office space to facilitate storage of files and accommodate staff adequately. There is need for urgent replacement of the elevators.

2.1.6 Emerging Issues

During the period under review, the Office has identified a number of emerging issues which may impact on its operations. The emerging issues include:

- Automation of exchequer requisition process
- Improve information sharing by leveraging on communication technology
- Reviewing and strengthening the legal framework especially the COB Act, 2016 to facilitate effective discharge of OCOB mandate
- Develop frameworks for engagements with Parliament and County Assemblies
- Lack of reward management system and policy
- Delay in submission of expenditure returns and incomplete financial statements by MDAs and County Governments. This is due to lack of legislation for sanctioning late submission of financial reports by MDAs and counties

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- Lack of clear understanding on the mandate of the Controller of Budget by some stakeholders



CPA Stephen Masha
Ag. CONTROLLER OF BUDGET

24-9-2019

Date

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

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

The Controller of Budget is responsible for the preparation and presentation of the financial statements, which give a true and fair view of the state of affairs of the Office for and as at the end of the financial year (period) ended on June 30, 2019. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the office; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Controller of Budget accepts responsibility for the financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the financial statements give a true and fair view of the state of transactions during the financial year ended June 30, 2019, and of the financial position as at that date. Controller of Budget further confirms the completeness of the accounting records maintained for the Office which have been relied upon in the preparation of the financial statements as well as the adequacy of the systems of internal financial control.

The Controller of Budget confirms that the Office has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further, Controller of Budget confirms that the financial statements have been prepared in a format that complies with

OFFICE OF THE CONTROLLER OF BUDGET
Reports and Financial Statements
For the year ended June 30, 2019

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

Approval of the financial statements

The Office of the Controller of Budget financial statements were approved and signed by Ag. Controller of Budget on 23rd September, 2019.



CPA Stephen Masha
Ag. CONTROLLER OF BUDGET

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
E-mail: info@oagkenya.go.ke
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Enhancing Accountability

HEADQUARTERS
Anniversary Towers
Monrovia Street
P.O. Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON OFFICE OF THE CONTROLLER OF BUDGET FOR THE YEAR ENDED 30 JUNE, 2019

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Office of the Controller of Budget set out on pages 67 to 89, which comprise the statement of assets and liabilities as at 30 June, 2019, and the statement of receipts and payments, statement of cash flows and summary statement of appropriation-recurrent for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Office of the Controller of Budget as at 30 June, 2019, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Non-Disclosure of Ford Foundation Grant

Examination of records maintained by the Office of the Controller of Budget revealed that the Office received a grant of Kshs.10,085,000 from Ford Foundation being financial support for capacity building. As reflected in the deposit cash book, out of the received grant of Kshs.10,085,000, an amount of Kshs.5,712,290 had been spent as at 30 June, 2019. However, the grant received and the expenditure of Kshs.5,712,290 were not reported in the statement of receipts and payments for the year.

In the circumstances, the accuracy and completeness of the financial statements could not be confirmed.

2. Misclassification of Mortgage Funds

The statement of receipts and payments reflects an expenditure of Kshs.54,513,795 relating to acquisition of assets. However, the amount includes a balance of

Kshs.50,000,000 received during the year to finance and operationalize the Office of the Controller of Budget mortgage scheme. The amount was expensed and classified as acquisition of assets and also wrongly included in the summary of fixed assets register under Annex 4 to the financial statements.

In the circumstances, the accuracy of the statement of receipts and payments and Annex 4 to the financial statements could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of Office of the Controller of Budget in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matter described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to

believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

Composition of the Audit Committee

The membership of the audit committee of the Office of the Controller of Budget comprised five heads of departments and was chaired by the director in charge of Research and Planning. The composition of the committee was, therefore, contrary to Section 74 of Public Finance Management Act, 2012, since all committee members are employees of the organization. The committee does not therefore have an independent member or a representative of the National Treasury as required. In view of the improper composition of the audit committee, it could not be confirmed that internal controls, risk management and governance were effective.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal control, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and those Charged with Governance

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 maintaining effective 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 and for its assessment of the effectiveness of internal control, risk management and overall governance.

In preparing the financial statements, Management is responsible for assessing the Office of the Controller of Budget's ability to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the Office of the Controller of Budget or to cease operations.

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

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

Those charged with governance are responsible for overseeing the Office of the Controller of Budget financial reporting process, reviewing the effectiveness of how the entity monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to overall governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of noncompliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become


inadequate because of changes in conditions, or that the degree of compliance with the Office of the Controller of Budget policies and procedures may deteriorate.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Office of the Controller of Budget to continue as a going concern or to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Office of the Controller of Budget to cease to continue as a going concern or to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Office to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with the Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that are identified during the audit.

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.


Nancy Gathungu
AUDITOR-GENERAL

Nairobi

24 September, 2020

OFFICE OF THE CONTROLLER OF BUDGET
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5. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2018-2019	2017-2018
		Kshs	Kshs
RECEIPTS			
Exchequer releases	13.1	551,332,300	463,466,087
TOTAL RECEIPTS		551,332,300	463,466,087
PAYMENTS			
Compensation of Employees	13.2	297,281,360	260,667,954
Use of goods and services	13.3	163,806,927	164,501,360
Social Security Benefits	13.4	33,561,152	31,594,697
Acquisition of Assets	13.5	54,513,795	5,361,269
TOTAL PAYMENTS		549,163,234	462,125,280
SURPLUS/DEFICIT		2,169,066	1,340,807

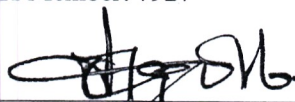
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 23rd September, 2019 and signed by:



CPA Stephen Masha
 Ag. CONTROLLER OF BUDGET
 ICPAK Member: 7927



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



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

OFFICE OF THE CONTROLLER OF BUDGET
 Reports and Financial Statements
 For the year ended June 30, 2019

6. STATEMENT OF ASSETS AND LIABILITIES

	Note	2018-2019	2017-2018
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	13.6A	7,597,705	2,851,205
Cash Balances	13.6B	666,815	177,239
Total Cash and cash equivalent		8,264,520	3,028,444
TOTAL FINANCIAL ASSETS		8,264,520	3,028,444
FINANCIAL LIABILITIES			
Accounts Payables – Deposits and retentions	13.7	6,095,454	1,967,560
NET FINANCIAL ASSETS		2,169,066	1,060,885
REPRESENTED BY			
Fund balance b/fwd	13.8	1,060,885	16,305,675
Prior year adjustment	13.11	-1,060,885	-16,585,597
Surplus/Deficit for the year		2,169,066	1,340,807
NET FINANCIAL POSSITION		2,169,066	1,060,885

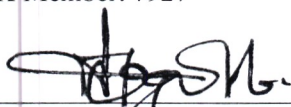
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OFFICE OF THE CONTROLLER OF BUDGET
 Reports and Financial Statements
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7. STATEMENT OF CASH FLOWS

	Note	2018-2019	2017-2018
		Kshs	Kshs
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts for operating income			
Exchequer releases	13.1	551,332,300	463,466,087
		551,332,300	463,466,087
Payments for operating expenses			
Compensation of Employees	13.2	297,281,360	260,667,954
Use of goods and Services	13.3	163,806,927	164,501,360
Social Security Benefits	13.4	33,561,152	31,594,697
		494,649,439	456,764,011
Adjusted for:			
Changes in receivables	13.9	-	137,677
Changes in payables	13.10	4,127,894	-
Adjustments during the Year	13.11	1,060,885	-
			16,585,597
Net cash flow from operating activities(A)		59,749,870	- 11,512,268
CASHFLOW FROM INVESTING ACTIVITIES			
Acquisition of Assets	13.5	54,513,795	5,361,269
Net cash flows from Investing Activities(B)		54,513,795	- 5,361,269

OFFICE OF THE CONTROLLER OF BUDGET
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CASHFLOW FROM BORROWING ACTIVITIES			
Proceeds from Domestic Borrowings		-	-
Proceeds from Foreign Borrowings		-	-
Repayment of principal on Domestic and Foreign borrowing		-	-
Net cash flow from financing activities(C)		-	-
NET INCREASE IN CASH AND CASH EQUIVALENT(A+B+C)		5,236,075	- 16,873,537
Cash and cash equivalent at BEGINNING of the Year		3,028,444	19,901,981
Cash and cash equivalent at END of the Year	13.6A+13.6B	8,264,520	3,028,444

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 23rd September, 2019 and signed by:



CPA Stephen Masha
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Chief Manager Finance and Accounts
 Name: CPA Pamela Okatch
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OFFICE OF THE CONTROLLER OF BUDGET
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8. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT

Revenue/Expense Item	Approved Budget	Adjustments	Final Budget	Actual on comparable basis	Budget Utilization Difference	% of Utilization Difference to Final Budget
	Kshs	Kshs	Kshs	Kshs	Kshs	
RECEIPTS	a	b	c=a+b	d	e=c-d	f=d/c
Exchequer releases	618,470,000	- 24,734,086	593,735,914	551,332,300	42,403,614	93
Total Receipts	618,470,000	- 24,734,086	93,735,914	551,332,300	42,403,614	93
PAYMENTS						
Compensation of Employees	340,315,225	- 13,000,000	327,315,225	297,281,360	30,033,865	91
Use of goods and services	191,215,404	- 15,534,086	175,681,318	163,806,927	11,874,391	93
Social Security Benefits	34,074,371	-	34,074,371	33,561,152	513,219	98
Acquisition of Assets	52,865,000	3,800,000.00	56,665,000	54,513,795	2,151,205	96
Grand Total	618,470,000	- 24,734,086	593,735,914	549,163,234	44,572,680	92

- The changes between the original budget and the final budget of **Kshs. 24,734,086** was due to austerity measures undertaken by The National Treasury which affected all Ministries, Departments and Agencies during the period under review.

OFFICE OF THE CONTROLLER OF BUDGET
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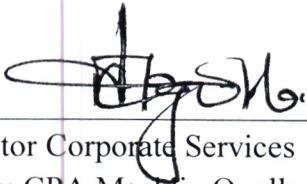
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 23rd September, 2019 and signed by:



CPA Stephen Masha
Ag. CONTROLLER OF BUDGET
ICPAK Member: 7927



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



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

OFFICE OF THE CONTROLLER OF BUDGET
 Reports and Financial Statements
 For the year ended June 30, 2019

9. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT

Revenue/Expense Item	Approved Budget	Adjustments	Final Budget	Actual on comparable basis	Budget Utilisation Difference	% of Utilisation Difference to Final Budget
	Kshs	Kshs	Kshs	Kshs	Kshs	
RECEIPTS	a	b	c=a+b	d	e=c-d	f=d/c
Exchequer releases	618,470,000	- 24,734,086	593,735,914	551,332,300	42,403,614	93
Total Receipts	618,470,000	- 24,734,086	593,735,914	551,332,300	42,403,614	93
PAYMENTS						
Compensation of Employees	340,315,225	- 13,000,000	327,315,225	297,281,360	30,033,865	91
Use of goods and services	191,215,404	- 15,534,086	175,681,318	163,806,927	11,874,391	93
Social Security Benefits	34,074,371	-	34,074,371	33,561,152	513,219	98
Acquisition of Assets	52,865,000	3,800,000	56,665,000	54,513,795	2,151,205	96
Grand Total	618,470,000	- 24,734,086	593,735,914	549,163,234	44,572,680	92

OFFICE OF THE CONTROLLER OF BUDGET
Reports and Financial Statements
For the year ended June 30, 2019

10. SUMMARY STATEMENT OF APPROPRIATION: DEVELOPMENT

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

The Office of the Controller of Budget financial statements were approved on 23rd September, 2019 and signed by:



CPA Stephen Masha
Ag. CONTROLLER OF BUDGET
ICPAK Member: 7927



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



Director Corporate Services
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OFFICE OF THE CONTROLLER OF BUDGET
Reports and Financial Statements
For the year ended June 30, 2019

11. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Head	Programme/S ub- Programme	Original Budget	Adjustmen ts	Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilizati on
		Kshs	Kshs	Kshs	Kshs	Kshs	
	Control and Management of Public finances	618,470,000	24,734,086	593,735,914	549,163,234	44,572,680	92
212100 0100	Sub- Programme 1: Administration Support Services	352,964,613	-9,406,972	343,557,641	327,868,618	15,689,022	95
212100 0200	Sub- Programme 2: Research and Planning	21,159,958	-3,176,770	17,983,188	11,390,205	6,592,982	63
212100 0300	Sub- Programme3: Budget Review and Analysis	44,262,562	-2,703,344	41,559,218	37,008,824	4,550,395	89
212100 0400	Sub- Programme 4: County Services	200,082,867	-9,447,000	190,635,867	172,895,587	17,740,279	91
	GRAND TOTAL	618,470,000	24,734,086	593,735,914	549,163,234	44,572,680	92

12. SIGNIFICANT ACCOUNTING POLICIES

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

12.1 Going Concern Principle

The Office is an independent office established under Article 228 of the Constitution of Kenya, 2010 to oversee the implementation of budgets of both the National and County Governments by authorizing withdrawal from public funds. The financial statements are prepared on assumption that the Office is a going concern and will continue in operation and meet its statutory obligations for the foreseeable future.

12.1 Statement of Compliance and Basis of Preparation

The financial statements have been prepared in accordance with Cash-basis International Public Sector Accounting Standards (IPSAS) as prescribed by the Public Sector Accounting Standards Board (PSASB) and set out in the accounting policy note below. This cash basis of accounting has been supplemented with accounting for;

- a) Receivables that include imprests and salary advances
- b) Payables that include deposits and retentions.

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

12.2 Reporting Entity

The financial statements are for the Office of the Controller of Budget. The financial statements encompass the reporting entity as specified under section 81 of the PFM Act 2012 and does not include any development projects implemented as the Office does not have any projects.

12.3 Reporting Currency

The financial statements are presented in the Kenya Shillings (Kshs), which is the functional and reporting currency of the Government and all values are rounded to the nearest Kenya Shilling.

12.4 Recognition of Receipts

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

❖ Exchequer Receipts

The exchequer receipts are recognized in the books of accounts when cash is received. Cash is considered as received when notification of remittance is received.

❖ External Assistance

External assistance is received through grants from development partners such as Ford Foundation and DANIDA.

Grants shall be recognized in the books of accounts when cash is received. Cash is considered as received when a payment advice is received by the recipient entity or by the beneficiary.

In case of grant in kind, such grants are recorded upon receipt of the grant item and upon determination of the value. The date of the transaction is the value date indicated on the payment advice. A similar recognition criteria is applied for loans received in the form of a direct payment.

During the year ended 30th June 2019, there were no instances of non-compliance with terms and conditions which have resulted in cancellation of external assistance loans.

12.5 Recognition of payments

The Entity recognises all payments when the event occurs and the related cash has actually been paid out by the Entity.

❖ Compensation of Employees

Salaries and wages, allowances, statutory contribution for employees are recognized in the period when the compensation is paid.

❖ **Use of Goods and Services**

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

❖ **Acquisition of Assets**

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

A fixed asset register is maintained and a summary provided for purposes of consolidation. This summary is disclosed as an annexure to the financial statements.

12.6 In-kind contributions

In-kind contributions are donations that are made to the Office in the form of actual goods and/or services rather than in money or cash terms. These donations may include vehicles, equipment or personnel services. Where the financial value received for in-kind contributions can be reliably determined, the Office includes such value in the statement of receipts and payments both as receipts and as payments in equal and opposite amounts; otherwise, the contribution is not recorded. During the period under review, the Office did not have any in-kind contributions.

12.7 Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya at the end of the financial year.

❖ **Restriction on Cash**

Restricted cash represents amounts that are limited/ restricted from being used to settle a liability for at least twelve months after the reporting period. This cash is limited for direct use as required by stipulation. Amounts maintained in deposit bank accounts are restricted for use in refunding third party deposits and other refund by insurance companies for assets insured. As at 30th June 2019, this amounted to **Kshs 6,095,454** and **Kshs 1,967,560** in prior period as indicated on note 12. There were no other restrictions on cash during the year.

12.8 Accounts Receivable

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

12.9 Accounts Payable

For the purposes of these financial statements, deposits and retentions held on behalf of third parties have been recognized on an accrual basis (as accounts payables). This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. This is an enhancement to the cash accounting policy adopted by National Government Ministries and Agencies. Other liabilities are disclosed in the financial statements.

12.10 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 Entity at the end of the year. When the pending bills are finally settled, such payments are included in the Statement of Receipts and Payments in the

year in which the payments are made. During the period under review, the Office did not have any pending bill.

12.11 Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest and deposits, which are accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on June 2018 for the period 1st July 2018 to 30th June 2019 as required by Law and there were two supplementary adjustments to the original budget during the year.

A comparison of the actual performance against the comparable budget for the financial year under review has been included in the financial statements. The Office does not have any development projects.

12.12 Comparative Figures

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

12.13 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 30th June 2019.

12.14 Related Party Transactions

Related party relationships are a normal feature of commerce. Specific information with regards to related party transactions is included in the disclosure notes.

13. NOTES TO THE FINANCIAL STATEMENTS

13.1 EXCHEQUER RELEASES

Item Description	Item Code	2018-2019	2017-2018
		Kshs	Kshs
Total Exchequer Releases for Quarter 1	9910201	97,548,100	80,658,372
Total Exchequer Releases for Quarter 2	9910201	101,465,600	100,457,815
Total Exchequer Releases for Quarter 3	9910201	123,000,000	109,400,000
Total Exchequer Releases for quarter 4	9910201	229,318,600	172,949,900
TOTAL		551,332,300	463,466,087

During the year under review the budgeted exchequer amounted to **Kshs. 618,470,000**. This was later revised downwards to **Kshs.593,735,914** during Supplementary Budget Estimate. However, the Office received **Kshs. 551,332,300** resulting into a shortfall of **Kshs 42,403,614**

13.2 COMPENSATION OF EMPLOYEES

Item Description	Item Code	2018-2019	2017-2018
		Kshs	Kshs
Basic Salaries - Permanent Employees	2110100	185,901,807	181,997,044
Basic Wages - Temporary Employees	2110200	2,460,193	1,246,181
Personal Allowances paid as part of Salary	2110300	77,373,477	77,191,329
Employer Contributions to Compulsory National Social Security Schemes, Staff Pension Scheme	2120100	31,545,884	233,400
TOTAL		297,281,360	260,667,954

OFFICE OF THE CONTROLLER OF BUDGET
Reports and Financial Statements
For the year ended June 30, 2019

There was an increase in compensation of employees as result annual salary increment and increase of staff and interns who were recruited during the financial year. Also an increase on employer contribution to staff pension scheme upon the conversion of staff from contract basis to permanent and pensionable terms

13.3 USE OF GOODS AND SERVICES

Item Description	Item Code	2018-2019	2017-2018
		Kshs	Kshs
Utilities, Supplies and Services	2110100	12,300	14,210
Communication, Supplies and Services	2110200	9,727,058	9,648,664
Domestic Travel and Subsistence, and Other Transportation Costs	2210300	12,475,079	13,477,430
Foreign Travel and Subsistence, and other transportation costs	2210400	3,519,355	1,979,851
Printing , Advertising and Information Supplies and Services	2210500	54,581,230	64,159,629
Rentals of Produced Assets	2210600	2,101,239	2,030,814
Training Expenses	2210700	10,445,359	8,492,091
Hospitality Supplies and Servi	2210800	10,338,421	10,696,291
Insurance Costs	2210900	34,001,301	35,714,970
Specialised Materials and Supp	2211000	876,150	1,129,056
Office and General Supplies and Services	2211100	7,179,996	5,293,527
Fuel Oil and Lubricants	2211200	3,192,000	609,110
Other Operating Expenses	2211300	7,596,334	4,621,081
Routine Maintenance - Vehicles	2220100	5,918,122	4,773,958
Routine Maintenance - Other Assets	2220200	1,842,983	1,860,678
TOTAL		163,806,927	164,501,360

There was a decrease in use of goods and services as a result of budget reduction due to austerity measures during the financial year 2018/19.

13.4 SOCIAL SECURITY BENEFITS

Item Description	Item Code	2018-2019	2017-2018
		Kshs	Kshs
Government Pension and Retirement Benefits	2710100	33,561,152	31,594,697
TOTAL		33,561,152	31,594,697

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

13.5 ACQUISITION OF ASSETS

Item Description	Item Code	2018-2019	2017-2018
		Kshs	Kshs
Purchase of Office Furniture and General Equipment	3111000	732,195	3,362,644
Purchase of Specialised Plant, Equipment and Machinery	3111100	3,781,600	1,998,625
Domestic Lending and On-lending	4110000	50,000,000	-
TOTAL		54,513,795	5,361,269

Included in the acquisition of financial asset is seed money of Kshs. 50 million to cater for implementation of the Big 4 Agenda projects and enablers as contained in Medium Term Plan II 2018-2022(Affordable Housing) for staff mortgage scheme paid to Housing Finance Corporation

OFFICE OF THE CONTROLLER OF BUDGET
Reports and Financial Statements
For the year ended June 30, 2019

13.6 A: BANK ACCOUNTS

Name of Bank, Account Number & Currency	Amount in Bank account currency	Account Type	Item Code	2018-2019	2017-2018
	Kshs			Kshs	Kshs
Central Bank of Kenya Bank, A/C 1000181338,Kshs	1,502,251	Recurrent	6530000	1,502,251	883,646
Central Bank of Kenya Bank ,A/C 1000182369,Kshs	6,095,454	Deposit	6550000	6,095,454	1,967,560
TOTAL	7,597,705			7,597,705	2,851,205

13.6 B: CASH IN HAND

Item Description	Item Code	2018-2019	2017-2018
		Kshs	Kshs
Cash in Hand-Held in domestic currency Headquarters, Bima House Building,12 th floor cash office	6580000	666,815	177,239
TOTAL		666,815	177,239

Cash in hand should also be analysed as follows:

Item Description	Item Code	2018-2019	2017-2018
		Kshs.	Kshs
Location: Headquarters, Bima House Building,12 th floor cash office	6580000	666,815	177,239
TOTAL		666,815	177,239

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

OFFICE OF THE CONTROLLER OF BUDGET
Reports and Financial Statements
For the year ended June 30, 2019

13.7. ACCOUNTS PAYABLE

Item Description	Item Code	Bank Account Type	2018-2019	2017-2018
			Kshs	Kshs
Retention	7320000	Deposit	698,256	970,787
Other Liabilities(deposit)	7310000	Deposit	5,397,198	996,773
TOTAL			6,095,454	1,967,560

This includes amounts of retention fees for 3rd parties and funding from Ford Foundation through a grant on capacity building for increased capacity of the Office to oversight the use of public resources.

13.8 FUND BALANCE BROUGHT FORWARD

Item Description	Item Code	2018-2019	2017-2018
		Kshs	Kshs
Opening Balance Bank	9990100	2,851,205	19,559,844
Opening Balance Cash	9990200	177,239	342,137
Opening Balance Receivables - Imprest and Clearance Accounts	9990300	-	137,677
Opening Balance - Deposits	9990100	- 1,967,560	- 3,733,984
TOTAL		1,060,885	16,305,675

There is a reduction in the balance brought forward being a refund of unspent balance to the Exchequer account as per the Public Finance Management (PFM) Act,2012 ,section 45(2). The reduction in the opening balance under deposit account was due to a refund of retention monies.

OFFICE OF THE CONTROLLER OF BUDGET
 Reports and Financial Statements
 For the year ended June 30, 2019

13.9 CHANGES IN RECEIVABLES

Item Description	Item Code	2018-2019	2017-2018
		Kshs	Kshs
Payables at the beginning of the Year	7320000	-	137,677
Payables at the end of the Year	7320000	-	-
TOTAL		-	137,677

13.10 CHANGES IN PAYABLES

Item Description	Item Code	2018-2019	2017-2018
		Kshs	Kshs
Payables at the beginning of the Year	7320000	1,967,560	3,733,984
Payables at the end of the Year	7320000	6,095,454	1,967,560
TOTAL		4,127,894	1,766,424

13.11 PRIOR YEAR ADJUSTMENTS

Item Description	2018-2019	2017-2018
	Kshs	Kshs
Adjustments on bank account balances- Remittances to Exchequer-Recurrent Bank Balance-The National Treasury (FY 2017/18 Balances)	883,646	16,243,460
Adjustments on cash in hand-Remittances to Exchequer-Cash Balance-The National Treasury (FY 2017/18 Balances)	177,239	342,137
TOTAL	1,060,885	16,585,597

13.12 ANALYSIS OF THE DEPOSIT ACCOUNT

Description	2018-2019	2017-2018
	Kshs	Kshs
Retention –Pong Agencies	1,257	1,257
Retention –Specicom Technologies Ltd	497,000	497,000
Tender Bond-Real Insurance	200,000	200,000
The National Treasury - Commissions(payroll)	77,998	87,833
AIA-The National Treasury	-	52,500
Insurance Refund	310,940	310,940
Retention-Pekals Ltd	-	272,531
Tender Bond-Losagi Insurance	145,500	145,500
KCB Leadership Centre	-	385,000
Cooperative	-	15,000
Ford Foundation	4,372,710	-
EFT Collections	490,049	-
TOTAL	6,095,454	1,967,560

13.13 RELATED PARTY DISCLOSURES

The Office had no related parties as the compensation for the Accounting Office is made directly from the Consolidated Fund Services (CFS)

OFFICE OF THE CONTROLLER OF BUDGET
 Reports and Financial Statements
 For the year ended June 30, 2019

14. ANNEXES

ANNEX 1: Other Pending Payables

Item Description	Item Code	Balance b/f FY 2017/2018	Additions for the period	Paid during the year	Balance c/f FY 2018/2019
		Kshs	Kshs	Kshs	Kshs
Amounts due to National Government entities	7310100	140,333	102,826	165,161	77,998
Amounts due to Office	7310100	856,440	10,755,049	6,292,290	5,319,199
Amounts due to third parties	7320200	970,787	-	272,531	698,257
TOTAL		1,967,560	10,857,875	6,729,982	6,095,454

OFFICE OF THE CONTROLLER OF BUDGET
Reports and Financial Statements
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ANNEX 2: Progress on Follow Up of Auditor Recommendations

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

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Office of the Controller of Budget financial statements was approved on 23rd September, 2019 and signed by:



CPA Stephen Masha
 Ag. CONTROLLER OF BUDGET
 ICPAK Member: 7927



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



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

OFFICE OF THE CONTROLLER OF BUDGET
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ANNEX 3 - Analysis of other Pending Payables

Name	Brief Transaction Description	Original Amount	Amount Paid To-Date	Outstanding Balance 2018	Outstanding Balance 2019	Comments
		a	b	c	d=a-b	
Amounts due to National Govt Entities						
1. The National Treasury	Payroll commission	218,332	140,333	140,333	77,998	
Sub-Total	-	218,332	140,333	140,333	77,998	
Amounts due to County Govt Entities						
2. NONE	-	-	-	-	-	
Sub-Total	-	-	-	-	-	
Amounts due to Third Parties						
3. Retention -Specicom Technologies Ltd	Retention	497,000	-	497,000	497,000	
4. Retention - Pong Agencies	Retention	1,257	-	1,257	1,257	
5. Tender Bond-Real Insurance	Retention	200,000	-	200,000	200,000	
6. Retention-Pekals	Retention	272,530	272,530	272,530	-	
Sub-Total	-	970,787	272,530	970,787	698,257	
Others (specify)						
7. Losagi Insurance Broker	Insurance Compensation	145,500	-	145,500	145,500	
8. Insurance	Insurance Compensation	800,989	-	800,989	800,989	
9. Ford Foundation	Grant	10,085,000	5,712,290	-	4,372,710	
Sub-Total		11,031,489	5,712,290	946,489	5,319,199	
Grand Total		12,220,608	6,125,153	2,057,609	6,095,454	

OFFICE OF THE CONTROLLER OF BUDGET
Reports and Financial Statements
For the year ended June 30, 2019

ANNEX 4 – Summary of Fixed Asset Register

Asset class	Item Code	Historical Cost b/f	Additions during the Year	Disposals during the Year	Historical Cost c/f
		Kshs	Kshs	Kshs	Kshs
Refurbishment of buildings	3110300	2,328,000	-	-	2,328,000
Vehicles and Other Transport Equipment	3110700	26,799,000	-	-	26,799,000
Office Furniture and General Equipment	3111000	72,648,483	732,195	-	73,380,678
Specialised Plant, Equipment and Machinery	3111100	19,133,435	3,781,600	-	22,915,035
Domestic Lending and On-Lending(Mortgage)	4110000	-	50,000,000	-	50,000,000
TOTAL		120,908,918	54,513,795	-	175,422,713

The balance as at the end of the year is the cumulative cost of all assets bought by the Office. Additions during the year amounting to **Kshs. 54,513,795** are assets acquired during the year (see note 13.5). However, the amount of figures in the table above;

- ❖ Does not include the cost of vehicles worth **Kshs 45,484,472** which were earlier bought through the National Treasury funding before the Office was voted.
- ❖ Include payment for staff loan mortgage scheme amounting to **Kshs.50,000,000**
- ❖ There were no assets disposed during the year.

OFFICE OF THE CONTROLLER OF BUDGET
Reports and Financial Statements
For the year ended June 30, 2019

ANNEX 5 – List of Projects implemented by the Office

Ref	Project Name	Principal activity of the project	Accounting Officer	Project consolidated in these financial statements(yes/no)
1	The Office did not have any project during the year under review			

ANNEX 6 – List of SCSs, SAGAs and Public funds under the Office

Ref	SC, SAGA or Public Fund's name	Principal activity of entity	Accounting Officer	Amount transferred during the year	Inter- entity reconciliations done?(yes/no)
1	The Office does not have any SAGAS				

ANNEX 7- Reports Generated from IFMIS

The following financial Reports Generated from IFMIS is attached as appendices to these financial statements.

- ❖ GOK IFMIS Comparison Trial Balance
- ❖ FO30 (Bank reconciliations) for all bank accounts
- ❖ GOK IFMIS Receipts and Payments Statement
- ❖ GOK IFMIS Statement of Financial Position
- ❖ GOK IFMIS Statement of Cash Flows
- ❖ GOK IFMIS Notes to the Financial Statements
- ❖ GOK IFMIS Statement of Budget Execution
- ❖ GOK IFMIS Statement of Deposits
- ❖ GOK IFMIS Budget Execution by Programme and Economic Classification
- ❖ GOK IFMIS Budget Execution by Heads and Programmes
- ❖ GOK IFMIS Budget Execution by Programmes and Sub-programmes



Trial Balance
 Entity: 2121- Controller of Budget
 Current Period: JUL-18 To JUN-19
 Compare With: JUL-17 To ADJ2-18

Account No and Description	Current Period		Previous period	
	Debit Kshs	Credit Kshs	Debit Kshs	Credit Kshs
1420600 Receipts from Sale of Incidental Goods	0.00	0.00	0.00	0.00
1420000 Sales of Goods and Services	0.00	0.00	0.00	0.00
2110100 Basic Salaries - Permanent Employees	185,901,806.70	0.00	181,997,044.15	0.00
2110200 Basic Wages - Temporary Employees	2,460,193.05	0.00	1,246,180.60	0.00
2110300 Personal Allowances paid as part of Salary	77,373,477.15	0.00	77,191,329.30	0.00
2110000 Wages and Salary Contributions	265,735,476.90	0.00	260,434,554.05	0.00
2120100 Employer Contributions to Compulsory National Social Security Schemes	31,545,883.50	0.00	233,400.00	0.00
2120000 Social Contributions	31,545,883.50	0.00	233,400.00	0.00
2210100 Utilities, Supplies and Services	12,300.00	0.00	14,210.00	0.00
2210200 Communication, Supplies and Services	9,727,058.25	0.00	9,648,664.35	0.00
2210300 Domestic Travel and Subsistence, and Other Transportation Costs	12,475,079.00	0.00	13,477,430.00	0.00
2210400 Foreign Travel and Subsistence, and other transportation costs	3,519,355.00	0.00	1,979,850.75	0.00
2210500 Printing, Advertising and Information Supplies and Services	54,581,230.00	0.00	64,159,629.00	0.00
2210600 Rentals of Produced Assets	2,101,239.00	0.00	2,030,814.00	0.00
2210700 Training Expenses	10,445,359.00	0.00	8,492,091.00	0.00
2210800 Hospitality Supplies and Services	10,338,421.00	0.00	10,696,291.00	0.00
2210900 Insurance Costs	34,001,301.00	0.00	35,714,970.15	0.00
2211000 Specialised Materials and Supplies	876,150.00	0.00	1,129,056.00	0.00
2211100 Office and General Supplies and Services	7,179,996.00	0.00	5,293,526.50	0.00
2211200 Fuel Oil and Lubricants	3,192,000.00	0.00	609,110.00	0.00
2211300 Other Operating Expenses	7,596,333.85	0.00	4,621,081.20	0.00
2210000 Goods and Services	156,045,822.10	0.00	157,866,723.95	0.00
2220100 Routine Maintenance - Vehicles	5,918,122.00	0.00	4,773,958.00	0.00
2220200 Routine Maintenance - Other Assets	1,842,983.00	0.00	1,860,677.60	0.00
2220000 Routine Maintenance	7,761,105.00	0.00	6,634,635.60	0.00
2710100 Government Pension and Retirement Benefits	33,561,151.80	0.00	31,594,697.30	0.00
2710000 Social Security Benefits	33,561,151.80	0.00	31,594,697.30	0.00
3110300 Refurbishment of Buildings	0.00	0.00	0.00	0.00
3111000 Purchase of Office Furniture and General Equipment	732,195.00	0.00	3,362,644.00	0.00
3111100 Purchase of Specialised Plant, Equipment and Machinery	3,781,600.00	0.00	1,998,625.00	0.00
3110000 Acquisition of Fixed Capital Assets	4,513,795.00	0.00	5,361,269.00	0.00
4110400 Domestic Loans to Individuals and Households	50,000,000.00	0.00	0.00	0.00
4110000 Domestic Lending and On-lending	50,000,000.00	0.00	0.00	0.00
6520100 Treasury Bank Accounts	0.00	0.00	0.00	0.00
6520000 Treasury Bank Accounts (Exchequer and CRF Accounts)	0.00	0.00	0.00	0.00
6530100 Recurrent Bank Accounts	1,502,250.70	0.00	883,645.50	0.00
6530000 Recurrent Bank Accounts	1,502,250.70	0.00	883,645.50	0.00
6550100 Deposit Bank Accounts	6,095,454.15	0.00	1,967,559.95	0.00
6550000 Deposit Bank Account	6,095,454.15	0.00	1,967,559.95	0.00
6580100 Cash In Hand	666,815.00	0.00	177,239.00	0.00
6580000 Cash In Hand	666,815.00	0.00	177,239.00	0.00
6710100 Debtors & Advances - Employees	0.00	0.00	0.00	0.00
6710000 Domestic Debtors &	0.00	0.00	0.00	0.00

Account No and Description	Current Period		Previous period	
	Debit	Credit	Debit	Credit
Advances				
6740100 Other Debtors & Pre-payments	0.00	0.00	0.00	0.00
6740000 Other Debtors & Pre-payments	0.00	0.00	0.00	0.00
6760100 Imprests	0.00	0.00	0.00	0.00
6760000 Government Imprests	0.00	0.00	0.00	0.00
6790100 Other Current System A/cs	0.00	0.00	0.00	0.00
6790000 Other Current Assets (System A/cs)	0.00	0.00	0.00	0.00
7310100 General Deposits Items	0.00	5,397,197.65	0.00	996,772.95
7310000 Deposits	0.00	5,397,197.65	0.00	996,772.95
7320000 Other Liabilities	0.00	0.00	0.00	0.00
7320100 Salary Deductions	0.00	0.00	0.00	0.00
7320200 Other General Liabilities	0.00	698,256.50	0.00	970,787.00
7320000 Other Liabilities	0.00	698,256.50	0.00	970,787.00
7380100	0.00	0.00	0.00	0.00
7380000 Withholding Taxes	0.00	0.00	0.00	0.00
7390100 System Required Liabilities	0.00	0.00	0.00	0.00
7399900	0.00	0.00	0.00	0.00
7390000 System Required Liabilities A/cs	0.00	0.00	0.00	0.00
9910100 General Provisions	0.00	0.00	0.00	0.00
9910200 Exchequer Provisions	64,177,299.10	1,966,335,647.00	63,116,414.60	1,415,003,347.00
9910000 Provisions	64,177,299.10	1,966,335,647.00	63,116,414.60	1,415,003,347.00
9990100 Opening Balance Bank	0.00	64,872,141.05	0.00	64,872,141.05
9990200 Opening Balance Cash	0.00	392,236.00	0.00	392,236.00
9990300 Opening Balance Receivables - Imprest and Clearance Accounts	0.00	657,769.00	0.00	657,769.00
9990400 Opening Balance - Deposits	2,493,091.70	0.00	2,493,091.70	0.00
9999900	1,810,217,842.25	395,962,740.00	1,348,092,562.35	395,962,740.00
9990000 Opening Balance Reserves	1,812,710,933.95	461,884,886.05	1,350,585,654.05	461,884,886.05
Total	554,671,840.20	554,671,840.20	2,370,138,688.10	2,370,138,688.10

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

Prepared By: _____

Date: _____

Reviewed By: _____

Date: _____

Approved By: _____

Date: _____

REPUBLIC OF KENYA
BANK RECONCILIATION

From Date : 01-JUL-18 To : 30-JUN-19

REC-CONTROLLER OF BUDGET

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

Balance as per bank certificate	1,502,250.70
Less --	
1. Payment in Cash Book not yet recorded in Bank Statement (Unpresented Cheques)	
2. Receipts in Bank Statement not yet recorded in Cash Book	
Add --	
3. Payment in Bank Statement not yet recorded in Cash Book	
4. Receipts in Cash Book not yet Recorded in Bank Statement	
Bank Balance as per Cash Book	1,502,250.70

Reconciled by: Signature: Date:

Reviewed by : Signature: Date:

Approved by: Signature: Date:

REPUBLIC OF KENYA
BANK RECONCILIATION

From Date : 01-JUL-18 To : 30-JUN-19

REC-CONTROLLER OF BUDGET

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

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

REPUBLIC OF KENYA
BANK RECONCILIATION

From Date : 01-JUL-18 To : 30-JUN-19

DEP-CONTROLLER OF BUDGET

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

Balance as per bank certificate	6,095,454.15
Less --	
1. Payment in Cash Book not yet recorded in Bank Statement (Unpresented Cheques)	
2. Receipts in Bank Statement not yet recorded in Cash Book	
Add --	
3. Payment in Bank Statement not yet recorded in Cash Book	
4. Receipts in Cash Book not yet Recorded in Bank Statement	
Bank Balance as per Cash Book	6,095,454.15

Reconciled by: Signature: Date:

Reviewed by : Signature: Date:

Approved by: Signature: Date:

REPUBLIC OF KENYA
BANK RECONCILIATION

From Date : 01-JUL-18 To : 30-JUN-19

DEP-CONTROLLER OF BUDGET

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

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



STATEMENT OF RECEIPTS AND PAYMENTS

Entity: 2121-Controller of Budget

Current Period: JUL-18 To JUN-19

Compare With: JUL-17 To JUN-18

	Note	Current Period	Previous Period
RECEIPTS			
Tax Receipts	1	0.00	0.00
Social Security Contribution	2	0.00	0.00
Proceeds from Domestic and Foreign Grants	3	0.00	0.00
Exchequer releases	4	551,332,300.00	463,466,087.00
Transfers from Other Government Entities	5	0.00	0.00
Proceeds from Domestic Borrowings	6	0.00	0.00
Proceeds from Foreign Borrowings	7	0.00	0.00
Proceeds from Sales of Assets	8	0.00	0.00
Reimbursements and Refunds	9	0.00	0.00
Returns of Equity Holdings	10	0.00	0.00
Other Receipts	11	0.00	0.00
TOTAL RECEIPTS		551,332,300.00	463,466,087.00
PAYMENTS			
Compensation of Employees	12	297,281,360.40	260,667,954.05
Use of goods and Services	13	163,806,927.10	164,501,359.55
Subsidies	14	0.00	0.00
Transfers to Other Government Units	15	0.00	0.00
Other Grants and Transfers	16	0.00	0.00
Social Security Benefits	17	33,561,151.80	31,594,697.30
Acquisition of Assets	18	54,513,795.00	5,361,269.00
Finance Costs, including Loan Interest	19	0.00	0.00
Repayment of Principal on Domestic and Foreign Borrowing	20	0.00	0.00
Other payments	21	0.00	0.00
TOTAL PAYMENTS		549,163,234.30	462,125,279.90
SURPLUS/DEFICIT		2,169,065.70	1,340,807.10

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

Prepared By: _____

Date: _____

Reviewed By: _____

Date: _____

Approved By: _____

Date: _____



Statement of Financial Position

Entity: 2121-Controller of Budget

Current Period: JUL-18 To JUN-19

Compare With: JUL-17 To JUN-18

	Note	Current Period	Previous Period
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	22A	7,597,704.85	2,851,205.45
Cash Balances	22B	666,815.00	177,239.00
Total Cash And Cash Equivalents		8,264,519.85	3,028,444.45
Accounts Receivables - Outstanding Imprest and Clearence Accounts	23	0.00	0.00
TOTAL FINANCIAL ASSETS		8,264,519.85	3,028,444.45
Financial Liabilities			
Accounts Payables - Deposits	24	6,095,454.15	1,967,559.95
NET FINANCIAL ASSETS		2,169,065.70	1,060,884.50
REPRESENTED BY			
Fund Balance b/fwd	25	1,060,884.50	16,305,674.65
Prior Year Adjustment	26	(1,060,884.50)	(16,585,597.25)
Surplus/Deficit for the Year		2,169,065.70	1,340,807.10
NET FINANCIAL POSITION		2,169,065.70	1,060,884.50

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

Prepared By: _____

Date: _____

Reviewed By: _____

Date: _____

Approved By: _____

Date: _____



STATEMENT OF CASH FLOW

Entity: 2121-Controller of Budget
 Current Period: JUL-18 To JUN-19
 Compare With: JUL-17 To JUN-18

	Note	Current Period Kshs	Previous Period Kshs
Receipts and operating income			
Tax Receipts	1	0.00	0.00
Social Security Contribution	2	0.00	0.00
Proceeds from Domestic and Foreign Grants	3	0.00	0.00
Exchequer releases	4	551,332,300.00	463,466,087.00
Transfers from Other Government Entities	5	0.00	0.00
Reimbursements and Refunds	9	0.00	0.00
Returns of Equity Holdings	10	0.00	0.00
Other Receipts	11	0.00	0.00
Payments for Operating Expenses			
Compensation of Employees	12	297,281,360.40	260,667,954.05
Use of goods and Services	13	163,806,927.10	164,501,359.55
Subsidies	14	0.00	0.00
Transfers to Other Government Units	15	0.00	0.00
Other Grants and Transfers	16	0.00	0.00
Social Security Benefits	17	33,561,151.80	31,594,697.30
Finance Costs, including Loan Interest	19	0.00	0.00
Other payments	21	0.00	0.00
Adjusted for :			
Adjustments during the year		4,127,894.20	(1,628,746.80)
Prior year adjustments		(1,060,884.50)	(16,585,597.25)
Net Cash From Operating Activities	A	59,749,870.40	(11,512,267.95)
Cash Flow From Investing Activities			
Proceeds from Sales of Assets	8	0.00	0.00
Acquisition of Assets	18	54,513,795.00	5,361,269.00
Net Cash Flow From Investing Activities	B	(54,513,795.00)	(5,361,269.00)
Cash Flow From Borrowing Activities			
Proceeds from Domestic Borrowings	6	0.00	0.00
Proceeds from Foreign Borrowings	7	0.00	0.00
Repayment of Principal on Domestic and Foreign Borrowing	20	0.00	0.00
Net Cash Flow From Financing Activities	C	0.00	0.00
NET INCREASE IN CASH AND CASH EQUIVALENT	A+B+C	5,236,075.40	(16,873,536.95)
Cash and Cash Equivalent at BEGINNING of The Year		3,028,444.45	19,901,981.40
Cash and Cash Equivalent at END of The Year	22A+22B	8,264,519.85	3,028,444.45

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

Prepared By: _____

Date: _____

Reviewed By: _____

Date: _____

Approved By: _____

Date: _____

**NOTES TO THE FINANCIAL STATEMENTS**

Entity: 2121-Controller of Budget

Current Period: JUL-18 To JUN-19

Compare With: JUL-17 To JUN-18

1 Tax Receipts

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

2 Social Security Contribution

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

3 Proceeds from Domestic and Foreign Grants

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

4 Exchequer releases

Item Description	Item Code	Current Period	Previous Period
		Kshs	Kshs
Exchequer Releases/ Provisioning Account	9910201	551,332,300.00	463,466,087.00
TOTAL		551,332,300.00	463,466,087.00

5 Transfers from Other Government Entities

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

6 Proceeds from Domestic Borrowings

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

7 Proceeds from Foreign Borrowings

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

8 Proceeds from Sales of Assets

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

9 Reimbursements and Refunds

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

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

10 Returns of Equity Holdings

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

11 Other Receipts

Item Description	Item Code	Current Period	Previous Period
		Kshs	Kshs
Interest Received	1410100	0.00	0.00
Profits and Dividends	1410200	0.00	0.00
Withdrawals from Income of Quasi-corporations	1410300	0.00	0.00
Rents on land, houses and buildings	1410400	0.00	0.00
Other Property Income collected as AIA	1410500	0.00	0.00
	1415000	0.00	0.00
Sales of Market Establishment	1420100	0.00	0.00
Administrative Fees and Charges	1420200	0.00	0.00
Administrative Fees and Charges collected as AIA	1420300	0.00	0.00
Incidental Sales by Non-Market Establishments	1420400	0.00	0.00
Incidental Sales by Non-Market Establishments Collected as AIA	1420500	0.00	0.00
Receipts from Sale of Incidental Goods	1420600	0.00	0.00
Fines, Penalties, Forfeitures and other Charges	1430100	0.00	0.00
Current Grants from International NGOs paid through Exchequer	1440100	0.00	0.00
Capital Grants from International NGOs paid through Exchequer	1440200	0.00	0.00
Current Grants from International NGOs collected as AIA	1440300	0.00	0.00
Capital Grants from International NGOs collected as AIA	1440400	0.00	0.00
Other Voluntary Transfers for Current purposes	1440500	0.00	0.00
Other Voluntary Transfers for Capital purposes	1440600	0.00	0.00
Paid to Exchequer	1450100	0.00	0.00
Receipts Not Classified Elsewhere	1450200	0.00	0.00
	1510200	0.00	0.00
	1510300	0.00	0.00
	1520100	0.00	0.00
Business Permits	1520200	0.00	0.00
Cesses	1520300	0.00	0.00
Poll Rates	1520400	0.00	0.00
Plot Rents	1520500	0.00	0.00
Other Local Levies	1520600	0.00	0.00
Administrative Services Fees	1530100	0.00	0.00
Various Fees	1530200	0.00	0.00
Council'S Natural Resources Exploitation	1530300	0.00	0.00
Sales Of Council Assets	1530400	0.00	0.00
Lease / Rental Of Council'S Infrastructure Assets	1530500	0.00	0.00
Other Miscellaneous Revenues	1530600	0.00	0.00
Other Miscellaneous Revenues	1540100	0.00	0.00
Insurance Claims Recovery	1540200	0.00	0.00
Medium Term Loans (1-3 Yr Repayment)	1540300	0.00	0.00
Long Term Loans (Over 3 Yr Rpayment)	1540400	0.00	0.00
Transfers From Reserve Funds	1540500	0.00	0.00
Donations	1540600	0.00	0.00
Fund Raising Events	1540700	0.00	0.00
Other Revenues From Financial Assets Loan	1540800	0.00	0.00
	1541000	0.00	0.00
Market/Trade Centre Fee	1550100	0.00	0.00
Vehicle Parking Fees	1550200	0.00	0.00
Housing	1560100	0.00	0.00
Social Premises Use Charges	1560200	0.00	0.00
School Fees	1570100	0.00	0.00
Other Education-Related Fees	1570200	0.00	0.00
Other Education Revenues	1570300	0.00	0.00
Public Health Services	1580100	0.00	0.00

Item Description	Item Code	Current Period	Previous Period
Public Health Facilities Operations	1580200	0.00	0.00
Environment & Conservancy Administration	1580300	0.00	0.00
Slaughter Houses Administration	1580400	0.00	0.00
Water Supply Administration	1580500	0.00	0.00
Sewerage Administration	1580600	0.00	0.00
Other Health & Sanitation Revenues	1580700	0.00	0.00
Technical Services Fees	1590100	0.00	0.00
External Services Fees	1590200	0.00	0.00
	1930100	0.00	0.00
System Required Revenue A/cs	1990100	0.00	0.00
TOTAL		0.00	0.00

12 Compensation of Employees

Item Description	Item Code	Current Period	Previous Period
		Kshs	Kshs
Basic Salaries - Permanent Employees	2110100	185,901,806.70	181,997,044.15
Basic Wages - Temporary Employees	2110200	2,460,193.05	1,246,180.60
Personal Allowances paid as part of Salary	2110300	77,373,477.15	77,191,329.30
Personal Allowances paid as Reimbursements	2110400	0.00	0.00
Personal Allowances provided in Kind	2110500	0.00	0.00
Employer Contributions to Compulsory National Social Security Schemes	2120100	31,545,883.50	233,400.00
Employer Contributions to Compulsory Health Insurance Schemes	2120200	0.00	0.00
USE OF GOODS AND SERVICES	2120300	0.00	0.00
TOTAL		297,281,360.40	260,667,954.05

13 Use of goods and Services

Item Description	Item Code	Current Period	Previous Period
		Kshs	Kshs
Utilities, Supplies and Services	2210100	12,300.00	14,210.00
Communication, Supplies and Services	2210200	9,727,058.25	9,648,664.35
Domestic Travel and Subsistence, and Other Transportation Costs	2210300	12,475,079.00	13,477,430.00
Foreign Travel and Subsistence, and other transportation costs	2210400	3,519,355.00	1,979,850.75
Printing, Advertising and Information Supplies and Services	2210500	54,581,230.00	64,159,629.00
Rentals of Produced Assets	2210600	2,101,239.00	2,030,814.00
Training Expenses	2210700	10,445,359.00	8,492,091.00
Hospitality Supplies and Services	2210800	10,338,421.00	10,696,291.00
Insurance Costs	2210900	34,001,301.00	35,714,970.15
Specialised Materials and Supplies	2211000	876,150.00	1,129,056.00
Office and General Supplies and Services	2211100	7,179,996.00	5,293,526.50
Fuel Oil and Lubricants	2211200	3,192,000.00	609,110.00
Other Operating Expenses	2211300	7,596,333.85	4,621,081.20
Routine Maintenance - Vehicles	2220100	5,918,122.00	4,773,958.00
Routine Maintenance - Other Assets	2220200	1,842,983.00	1,860,677.60
Exchange Rate Losses	2230100	0.00	0.00
TOTAL		163,806,927.10	164,501,359.55

14 Subsidies

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

15 Transfers to Other Government Units

Item Description	Item Code	Current Period	Previous Period
		Kshs	Kshs
Current Grants to Government Agencies and other Levels of Government	2630100	0.00	0.00
Capital Grants to Government Agencies and other Levels of Government	2630200	0.00	0.00
Other Current Transfers, Grants and Subsidies	2640400	0.00	0.00
Other Capital Grants and Transfers	2640500	0.00	0.00
TOTAL		0.00	0.00

16 Other Grants and Transfers

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

17 Social Security Benefits

Item Description	Item Code	Current Period	Previous Period
		Kshs	Kshs
Government Pension and Retirement Benefits	2710100	33,561,151.80	31,594,697.30
Social Security Benefits	2710200	0.00	0.00
Employer Social Benefits	2710300	0.00	0.00
Refund of Pension to UK Government	2720100	0.00	0.00
Refund of Contributions to WCPS and other Ex-Gratia	2720200	0.00	0.00
TOTAL		33,561,151.80	31,594,697.30

18 Acquisition of Assets

Item Description	Item Code	Current Period	Previous Period
		Kshs	Kshs
Purchase of Buildings	3110100	0.00	0.00
Construction of Building	3110200	0.00	0.00
Refurbishment of Buildings	3110300	0.00	0.00
Construction of Roads	3110400	0.00	0.00
Construction and Civil Works	3110500	0.00	0.00
Overhaul and Refurbishment of Construction and Civil Works	3110600	0.00	0.00
Purchase of Vehicles and Other Transport Equipment	3110700	0.00	0.00
Overhaul of Vehicles and Other Transport Equipment	3110800	0.00	0.00
Purchase of Household Furniture and Institutional Equipment	3110900	0.00	0.00
Purchase of Office Furniture and General Equipment	3111000	732,195.00	3,362,644.00
Purchase of Specialised Plant, Equipment and Machinery	3111100	3,781,600.00	1,998,625.00
Rehabilitation and Renovation of Plant, Machinery and Equipment	3111200	0.00	0.00
Purchase of Certified Seeds, Breeding Stock and Live Animals	3111300	0.00	0.00
Research, Feasibility Studies, Project Preparation and Design, Project Supervision	3111400	0.00	0.00
Rehabilitation of Civil Works	3111500	0.00	0.00
Purchase of Specialised Plant	3112200	0.00	0.00
Acquisition of Strategic Stocks	3120100	0.00	0.00
Acquisition of Other Inventori	3120200	0.00	0.00
Acquisition of Land	3130100	0.00	0.00
Acquisition of Other Intangible Assets	3130200	0.00	0.00
Domestic Lending and On-lending	4110000	50,000,000.00	0.00
Domestic Equity Participation	4120000	0.00	0.00
Other Domestic Accounts Receivable	4130000	0.00	0.00
Foreign Lending and On- Lending	4140000	0.00	0.00
Foreign Equity Participation	4150000	0.00	0.00
Other Foreign Accounts Receivable	4160000	0.00	0.00
TOTAL		54,513,795.00	5,361,269.00

19 Finance Costs, including Loan Interest

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

20 Repayment of Principal on Domestic and Foreign Borrowing

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

21 Other payments

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

22A Bank Balances

Item Description	Item Code	Current Period	Previous Period
		Kshs	Kshs
Special Accounts	6510000	0.00	0.00
Treasury Bank Accounts (Exchequer and CRF Accounts)	6520000	0.00	0.00
Recurrent Bank Accounts	6530000	1,502,250.70	883,645.50
Development Bank Accounts	6540000	0.00	0.00
Deposit Bank Account	6550000	6,095,454.15	1,967,559.95
Project Specific Bank Accounts	6570000	0.00	0.00
Foreign Currency and Foreign D	6590101	0.00	0.00
TOTAL		7,597,704.85	2,851,205.45

22B Cash Balances

Item Description	Item Code	Current Period	Previous Period
		Kshs	Kshs
Cash in Hand	6580000	666,815.00	177,239.00
Foreign Currency and Foreign D	6590201	0.00	0.00
TOTAL		666,815.00	177,239.00

23 Accounts Receivables - Outstanding Imprest and Clearance Accounts

Item Description	Item Code	Current Period	Previous Period
		Kshs	Kshs
Domestic Debtors & Advances	6710000	0.00	0.00
Debtors & Advances - Govt Owne	6720000	0.00	0.00
Foreign Debtors & Advances	6730000	0.00	0.00
Other Debtors & Pre-payments	6740000	0.00	0.00
Government Imprests	6760000	0.00	0.00
Agency Accounts	6770000	0.00	0.00
Suspense & Clearance Account	6780000	0.00	0.00
Other Current Assets (System r	6790000	0.00	0.00

Item Description	Item Code	Current Period	Previous Period
		0.00	0.00
TOTAL			

24. ACCOUNTS PAYABLE

Item Description	Item code	Current Period	Previous Period
		Kshs	Kshs
Other Liabilities	7320000	698,256.50	970,787.00
Deposits	7310000	5,397,197.65	996,772.95
Withholding Taxes	7380000	0.00	0.00
System Required Liabilities A/cs	7390000	0.00	0.00
TOTAL		6,095,454.15	1,967,559.95

25. FUND BALANCES BROUGHT FORWARD

Item Description	Item Code	Current Period	Previous Period
		Kshs	Kshs
Opening Balance Bank	22A	2,851,205.45	19,559,844.40
Opening Balance Cash	22B	177,239.00	342,137.00
Opening Balance Receivables - Imprest and Clearance	23	0.00	(279,922.60)
Accounts	24	(1,967,559.95)	(3,316,384.15)
Opening Balance - Deposits		1,060,884.50	16,305,674.65
TOTAL			

26. PRIOR YEAR ADJUSTMENTS

Item Description	Item Code	Current Period	Previous Period
		Kshs	Kshs
County Transfers	9910300	0.00	0.00
Exchequer Provisions	9910200	1,060,884.50	16,585,597.25
TOTAL		1,060,884.50	16,585,597.30



Statement of Budget Execution - Recurrent Expenditure
 Entity: 2121-Controller of Budget
 Current Period: JUL-18 To JUN-19

	Note	Printed Estimate	Reallocation / Transfer	Supplementary Estimates	Final Approved Estimate (Net)	Actual	Budget Utilization Differences	% of Utilization
		a	b	c	d=a+b+c	e	f=d-e	g=e/d%
RECEIPTS								
Tax Receipts	1	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
Social Security Contribution	2	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
Proceeds from Domestic and Foreign Grants	3	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
Exchequer releases	4	0.00	0.00	0.00	0.00	551,332,300.00	(551,332,300.00)	0.00%
Transfers from Other Government Entities	5	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
Proceeds from Domestic Borrowings	6	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
Proceeds from Foreign Borrowings	7	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
Proceeds from Sales of Assets	8	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
Reimbursements and Refunds	9	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
Returns of Equity Holdings	10	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
Other Receipts	11	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
Total		0.00	0.00	0.00	0.00	551,332,300.00	(551,332,300.00)	0.00%
PAYMENTS								
Compensation of Employees	12	170,157,612.50	0.00	157,157,612.50	327,315,225.00	297,281,360.40	30,033,864.60	90.82%
Use of goods and Services	13	95,607,702.00	0.00	81,573,616.00	177,181,318.00	163,806,927.10	13,374,390.90	92.45%
Subsidies	14	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
Transfers to Other Government Units	15	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
Other Grants and Transfers	16	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
Social Security Benefits	17	17,037,185.50	0.00	17,037,185.50	34,074,371.00	33,561,151.80	513,219.20	98.49%
Acquisition of Assets	18	26,432,500.00	0.00	28,732,500.00	55,165,000.00	54,513,795.00	651,205.00	98.82%
Finance Costs, including Loan Interest	19	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
Repayment of Principal on Domestic and Foreign Borrowing	20	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
Other payments	21	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
Total		309,235,000.00	0.00	284,500,914.00	593,735,914.00	549,163,234.30	44,572,679.70	92.49%



Statement of Budget Execution - Recurrent Expenditure

Entity: 2121-Controller of Budget
Current Period: JUL-18 To JUN-19

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

Prepared By: _____

Date: _____

Reviewed By: _____

Date: _____

Approved By: _____

Date: _____



SUMMARY STATEMENT OF DEPOSITS

Entity: 2121-Controller of Budget
Current Period: JUL-18 To JUN-19
Compare With: JUL-17 To JUN-18

Economic Item	6550101 - Ministry HQ Deposit Bank A/C	
	Current Period	Previous Period
Opening Balance	1,967,559.95	3,316,384.15
Transfers of retentions during the year	10,857,875.25	970,644.55
Payments made out of deposit account during the year	6,729,981.05	2,319,468.75
Closing Balance	6,095,454.15	1,967,559.95

Principal Secretary Controller	Principal Accounts
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The Statement has been prepared, reviewed and approved by the following:

Prepared By: _____

Date: _____

Reviewed By: _____

Date: _____

Approved By: _____

Date: _____



Budget Execution by Programme and Economic Classification

Entity: 2121-Controller of Budget

Period: JUL-18 To JUN-19

Program	Item	Description	Approved Budget	Actual Payments	Variance
0000000000		Default - Non Programmatic	0.00	0.00	0.00
	2990000	System Required Expense A/cs	0.00	0.00	0.00
0730000000		Control and Management of Public finances	593,735,914.00	549,163,234.30	44,572,679.70
	2110000	Wages and Salary Contributions	293,673,600.00	265,735,476.90	27,938,123.10
	2120000	Social Contributions	33,641,625.00	31,545,883.50	2,095,741.50
	2210000	Goods and Services	168,892,099.00	156,045,822.10	12,846,276.90
	2220000	Routine Maintenance	8,289,219.00	7,761,105.00	528,114.00
	2710000	Social Security Benefits	34,074,371.00	33,561,151.80	513,219.20
	3110000	Acquisition of Fixed Capital Assets	5,165,000.00	4,513,795.00	651,205.00
	4110000	Domestic Lending and On-lending	50,000,000.00	50,000,000.00	0.00
		Grand Total	593,735,914.00	549,163,234.30	44,572,679.70

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

Prepared By: _____

Date: _____

Reviewed By: _____

Date: _____

Approved By: _____

Date: _____



Budget Execution by Heads and Programmes

Entity: 2121-Controller of Budget

Period: JUL-18 To JUN-19

Head	Program	Description	Approved Budget	Actual Payments	Variance
0000000000		Default Value (Non-Departmental)	0.00	0.00	0.00
	0000000000	Default - Non Programmatic	0.00	0.00	0.00
2121000100		Administration Support Services	343,557,641.00	327,868,618.40	15,689,022.60
	0730000000	Control and Management of Public finances	343,557,641.00	327,868,618.40	15,689,022.60
2121000200		Research and Planning	17,983,188.00	11,390,204.55	6,592,983.45
	0730000000	Control and Management of Public finances	17,983,188.00	11,390,204.55	6,592,983.45
2121000300		Budget Review and Analysis	41,559,218.00	37,008,824.00	4,550,394.00
	0730000000	Control and Management of Public finances	41,559,218.00	37,008,824.00	4,550,394.00
2121000400		County Services	190,635,867.00	172,895,587.35	17,740,279.65
	0730000000	Control and Management of Public finances	190,635,867.00	172,895,587.35	17,740,279.65
		Grand Total	593,735,914.00	549,163,234.30	44,572,679.70

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

Prepared By: _____

Date: _____

Reviewed By: _____

Date: _____

Approved By: _____

Date: _____



Budget Execution By Programmes and Sub-Programmes

Entity: 2121-Controller of Budget

Period: JUL-18 To JUN-19

Program	Sub Program	Description	Approved Budget	Actual Payments	Variance
000000000		Default - Non Programmatic	0.00	0.00	0.00
	000000000	Default - Non Programmatic	0.00	0.00	0.00
073000000		Control and Management of Public finances	593,735,914.00	549,163,234.30	44,572,679.70
	0730010000	Authorization of withdrawal from public Funds	190,635,867.00	172,895,587.35	17,740,279.65
	0730020000	Budget implementation and Monitoring	41,559,218.00	37,008,824.00	4,550,394.00
	0730030000	General Administration Planning and Support Services	343,557,641.00	327,868,618.40	15,689,022.60
	0730040000	Research & Development.	17,983,188.00	11,390,204.55	6,592,983.45
		Grand Total	593,735,914.00	549,163,234.30	44,572,679.70

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

Prepared By: _____

Date: _____

Reviewed By: _____

Date: _____

Approved By: _____

Date: _____